

# Green Climate Fund Global Programming Conference

19-23 August 2019 | Songdo, Republic of Korea

## Summary report of the high-level segment

This report provides a summary of the key messages from high-level representatives of Governments, Accredited Entities and intergovernmental organizations, among others, during the high-level segment of the first Global Programming Conference of the Green Climate Fund (GCF), held at the Songdo Convensia in Incheon, Republic of Korea, from 19 to 23 August 2019.

The Conference, which was attended by more than 500 participants from 125 countries and 62 Accredited Entity partners, was an opportunity for key stakeholders to share experiences and best practices in the field of climate action and for GCF to learn how better to align its support with the ambitions of developing countries as they strive to achieve the goals of the United Nations Framework Convention on Climate Change (UNFCCC).

### **An urgent need for collective and holistic action**

Ban Ki-moon, Former UN Secretary General, in a keynote address, issued an urgent call for collective action and underscored the importance of GCF's role in ensuring that action; collaboration with other entities was crucial and Governments should follow the example of Germany and Norway in scaling up their pledges. Mitigation must go hand-in-hand with adaptation, which should be mainstreamed into all policymaking and development planning to lessen the threats to communities, businesses and economies in the long term and protect against climate shocks in the short term. Developed countries must not overlook marginalized groups and vulnerable countries, particularly small island developing States (SIDS), which had contributed little to climate change but faced the greatest challenges as a result of its impacts. None of the solutions could be implemented by a single country, institution or sector on its own; all must work together to provide the necessary resources and support.

### **Long-term country plans: achieving net zero carbon emissions by 2050**

Jeffrey Sachs, Professor of Sustainable Development and Professor of Health Policy and Management at Columbia University, stressed that every country needed a long-term plan to achieve net zero emissions by phasing out fossil fuel use and transitioning from coal-based power generation to clean electricity by 2050. That would entail no new thermal plants being built; new building codes being introduced so that new buildings were carbon neutral; and no internal combustion engine vehicles being sold from 2030. The technologies exist and it would need appropriate national planning and policymaking for uptake. The role of GCF was crucial to enabling countries to achieve that ambition through a shift from a proliferation of individual plans to systematic regional participation across all sectors, including the main sectors still bound to fossil fuel use, such as aviation and ocean shipping.

### **Time is running out and attention must turn to solutions**

The representatives of SIDS and other vulnerable countries, frustrated at continued talk of the various climate issues, threats and challenges and citing warnings published in landmark reports by the Intergovernmental Panel on Climate Change (IPCC) and others, called for immediate action. Reiterating that the science and nature of the problems were already clear, they regarded the requirements to produce evidence and data to demonstrate the climate science underpinning each project as a waste of the little time left before the world reached a climate emergency tipping point. It was more important now to realize the solutions with some urgency.

### **Programming for ambitious climate action**

Countries have launched a range of ambitious plans and programmes at the national and regional levels in response to the urgent need for climate action in such fields as coral reef regeneration; biodiversity protection; forest conservation and management; climate-smart agriculture; and transition to renewable energies. Among those cited by ministers was a long-term partnership to convert a capital city into a climate-resilient – climate-smart – city that could serve as a model for the other countries in the region; an infrastructure resilience-building initiative that

would otherwise struggle to attract investment from risk-averse private businesses; and an initiative to preserve the enormous carbon storage potential of forest cover by providing economic incentives to make them more valuable alive than as market commodities.

The GCF Accredited Entities (AE), as partners for the development and delivery of climate action, are working to assist countries in tackling mitigation and adaptation issues through projects on, inter alia, biodiversity protection, agriculture and regional transport systems.

GCF was requested to establish a platform for AEs and national designated authorities (NDAs) in Africa to share their experiences in addressing common climate issues and challenges, and to consider collaboration on potential projects in which countries had expressed an interest, such as e-mobility and agriculture-based economies. The head of one AE encouraged countries to develop strong information systems for the robust climate change data needed to underpin their project proposals, pledging investment in the necessary human capacity-building to manage them. Another expressed a willingness to engage with fellow AEs to mobilize GCF support for less developed entities seeking to secure accreditation or to submit programming projects for funding; and a third welcomed the establishment of the new GCF knowledge management platform.

### **The role of GCF**

The conference heard that GCF serves as a platform for fostering close relations between developing and developed countries, for pooling resources and for capitalizing on efficiencies. It is a catalyst for the mobilization of alternative resources and the engagement of the private sector in climate-sensitive investment by helping to reduce levels of risk. In ensuring efficient resource allocation and strengthening the capacity of the evaluation framework to review the impact of individual projects, GCF will encourage contributor countries to increase their contributions and create a virtuous cycle of resource mobilization, allocation and evaluation.

For SIDS, GCF is a key component in a wider blend of finance from development partners in support of their climate action. They now benefit from simplified approval processes and other modalities that have improved their access to the Fund's resources and made it possible to take action at the grass-roots level.

### **Mobilizing financial systems and entities**

Transition to a low-emission economy called for significant investment in capacity-building, policy development and access to technology, and financial entities could act as "conveyor belts" between countries and the financial sector to address the countries' capacity, advocacy and technology issues. Country partnership strategies were key to driving investment at the country level and to tailoring the instruments and support of AE partners such as development banks to country-specific needs and challenges.

With foreign exchange rates and hedging costs outpricing GCF, and with financial intermediaries disconcerted by the risks, innovative tools should be developed to cover the risks and frontline losses so as to make investment and engagement by the financial sector more attractive.

Many at risk countries had sound finance systems in place and were using them to monitor and implement their action. The amounts of money spent on individual actions at community level by SIDS, for example, which relied on debt-for-nature swaps and blue bonds, were relatively small and manageable. Many, however, still needed climate finance support from GCF and other institutions to enhance their climate resilience.

### **Robust data for informed decision-making**

Informed, evidence-based, decision-making is essential to enabling countries to realize their ambitions and, hence, they had to have access to robust data that most were unable to obtain for themselves. The reports of IPCC and the World Meteorological Organization (WMO), among others, provide sound guidance and baselines that are also useful to partner organizations. Those organizations could also participate in the data-gathering process through mechanisms such as the WMO Global Framework for Climate Services.

### **On institutional transformation**

Institutional transformation is hindered by a lack of knowledge, vision and qualified personnel, while public institutions are inflexible, incoherent and unfit for purpose. The bar must be raised in terms of problem-solving. Sound economic planning is essential.

Cooperation needs to be improved between government ministers and decision-making institutions, and multi-sectoral coordination is key to developing common strategies and measures to enhance adaptation and mitigation to combat climate change, which also required the participation of youth. An emphasis also needs to be placed on institutional human capacity-building at the country level and within direct access entities.

### **Capacity-building for CSOs**

Country-driven approaches, to be effective, have to reflect the needs of civil society, the private sector and, in particular, vulnerable groups. Capacity building for civil society organizations (CSOs) is crucial to strengthening the resilience of local communities so as to enable NDAs to incorporate knowledge about vulnerable groups into the development of effective policies and projects. Clean, low-cost energy plants are needed to serve communities in isolated areas, and communities need training in how to manage them. Transition to clean energy rely on improved access for all to energy.

### **Stakeholder engagement**

Governments can engage key stakeholders, such as women, youth and CSOs, by means of well-developed stakeholder engagement strategies that encourage their involvement in environmental protection agencies, and through intersectoral cooperation and coordination between ministries, communities and local government. The progress made in engaging with stakeholders, as well as in coordination, knowledge generation and resilience-building, can serve as an indicator as to whether countries have attained a state of readiness. Some countries, working together at a regional level, have used their readiness to strengthen the capacity of their direct access entities.

### **Better aligning GCF support with country needs**

Many representatives requested GCF to facilitate speedy access to its support by further simplifying the accreditation and project evaluation and approval processes, while rendering them more flexible and transparent. Access to funding for vulnerable countries with limited capacity and low debt limits is crucial and called for innovative mechanisms, such as syndicated loans, which should be developed jointly with the development banks to make them more impactful. Flexible decision-making, from the Board level to that of the AEs, is key and regular meetings should be held for the Secretariat to discuss the necessary improvements with developing countries and AEs. Until its processes has been clarified, GCF can rely on partner organizations to act as interpreters for the large private companies that are interested in working with the Fund but unable to grasp their complexities. To maximize the impact of its support, GCF should seek strategic cooperation with other global climate finance institutions, while working directly with countries to develop and implement high-impact projects that are attuned to their specific needs.

GCF should assist in the development of bespoke climate solutions to address the specific needs of countries so that funding flows to where it is most in need. Enhancing coordination among donors will be useful achieve this. GCF also needs to provide more guidance and support for national adaptation and readiness plans, and assist countries not only in designing nationally determined contributions but also in the implementation process.

Lastly, GCF should develop longer-term plans and commitments, with an end date of 2050 rather than 2030, and strive to become an innovation hub.

### **For a successful first replenishment**

The first GCF replenishment was crucial to the success of major projects and programmes capable of contributing to a global paradigm shift by backing projects that will serve to further progress in key climate transition areas. Developed countries were urged to follow the example set by Germany and Norway in scaling up their support so as to prevent any delays, which would hamper efforts to drive the paradigm shift and accelerate progress towards adaptation and mitigation goals.

An ambitious first replenishment is the key to success in the continued realization of climate ambitions.