



**GREEN
CLIMATE
FUND**

Meeting of the Board
12 – 14 November 2019
Songdo, Incheon, Republic of Korea
Provisional agenda item 5

GCF/B.24/Inf.08/Add.02

6 November 2019

Report of the activities of the Secretariat – Addendum I

Development of sectoral guidelines and consultation process

Summary

The Board, in decision B.17/08, requested the Secretariat to undertake additional analysis, taking into consideration the potential investment priority areas presented in document GCF/B.09/06, to identify specific results areas where targeted GCF investment would have the most impact.

In the same decision, the Board also requested the Secretariat to undertake targeted outreach to promote partnerships between accredited entities and those potential non-accredited entities that have the technical expertise to align the portfolio composition with the initial results management framework contained in decision B.07/04.

As part of this mandate and in line with its 2019 Work Programme, the Secretariat has been working on the development of sector guidance across GCF's eight results areas. This document contains details on the development of the sectoral guidelines and consultation process.

I. Objective and approach to sectoral guidance

1. The Board, in decision B.17/08, requested the Secretariat to undertake additional analysis, taking into consideration the potential investment priority areas presented in document GCF/B.09/06, to identify specific results areas where targeted GCF investment would have the most impact.
2. In the same decision, the Board also requested the Secretariat to undertake targeted outreach to promote partnerships between accredited entities and those potential non-accredited entities that have the technical expertise to align the portfolio composition with the initial results management framework contained in decision B.07/04.
3. This work was also included in the Secretariat work programmes for 2018 and 2019 which asked the Secretariat to advance the development of sectoral guidance. As part of this mandate and in line with its 2019 Work Programme the Secretariat has been working on the development of sector guidance across GCF's eight results areas. This sector-specific guidance is aimed to guide and inform the development of funding proposals that are of high quality, meet the GCF's investment criteria and are ready to be submitted for Board consideration and approval. The guidance seeks to provide an overview and understanding of country needs and of the potential to deliver the greatest impact in support of country's priorities and will provide information on how targeted GCF investment aligned with country priorities could have the most impact for each sector, driving paradigm shift and demonstrating strong climate impact. Although a first version of the documents is intended to be made available in 2020, it is expected that these will continue to be improved and updated as comments are received, new knowledge is developed and experience gained. More comprehensive guidelines that will apply for all types of GCF projects and programmes will be developed as part of the full sector guides in 2020.

II. Proposed structure and table of contents of sectoral guidelines

4. It is expected that sector guidelines will include the global, regional and national context of the sector, portfolio and pipeline analysis, analysis of potential niche areas and GCF value addition in these niche areas, including market, impact and demand analysis; and more importantly, they will include guidelines on how to develop good project proposals in these sectors. The tentative structure/table of contents for each sector guidelines will include:

Headings	Content
Executive summary	Summary of key findings from analysis and consultations undertaken for the sector guidelines
Introduction and background in the sector	Brief overview of GCF financing in the sector, overall financing and GCF financing for the sector, and any gaps identified
Sector technologies and business models	This section covers the sector's technologies and business models across the various sub-sectors
Countries Analysis	Analysis of countries' ambition in the sector (NDCs and country programmes), the impact potential (sector specific), the level of prior access to finance in the sector, including GCF finance.
Market analysis	Market barriers for scaling up investments in the sector, sub-sector, and region, as well as gaps identified within current GCF portfolio.

Headings	Content
Assessment of financial mechanisms	Assessment of financial mechanisms for maximizing private sector investment in the sector: overview of GCF financial instruments in relation to the sector, high-impact opportunities and GCF value add within business models, opportunities for blended finance.
Origination framework	Guidance for developing quality project proposals in the sector that fully meet GCF's investment criteria

III. Process and timeline of development

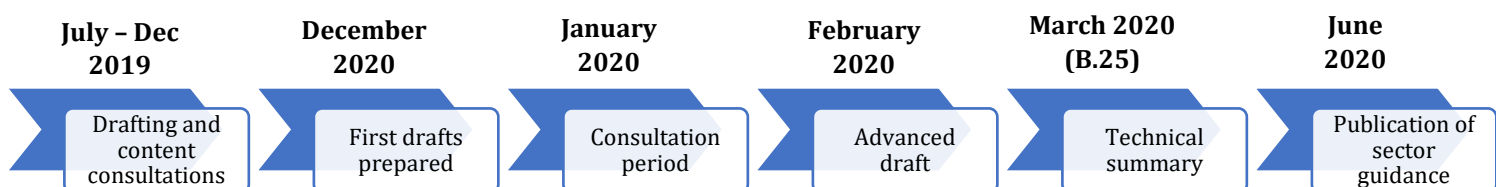
5. It is envisioned that the development process of these guidelines will be iterative through a consultation process with GCF stakeholders. In order to develop these sector guidelines, in 2019 the Secretariat has engaged expertise via its Communities of Practice (CoP). The Communities of Practice is a framework of engagement that enables the Secretariat to tap into the most knowledgeable global experts to help it with sectoral analysis. The Secretariat has utilized the CoP in preparation of these sector guidance in order to ensure a good technical base.

6. Once the analysis undertaken by the CoP is complete, first initial drafts of sector guidelines are expected to be completed by end of December, following which further consultations will take place during January 2020, in some cases with the support of CoP experts, where first drafts of sector guidelines will be shared for feedback/commenting period. These consultations will be done with broad range of stakeholders, in particular, GCF NDAs and AEs, including direct access entities.

7. The development processes for each sector are proceeding in parallel and are in various stages of maturity. Similarly, consultations are taking place in parallel, with sectors that are more advanced in their development going for consultations first. Certain sectors will continue with their consultations in 2019 to early 2020, and additional consultations should be conducted for those sector that only undertook their consultations as part of international events/conferences.

8. Initial parts of the guidance materials have been shown to be useful already for GCF stakeholders, and thus have been developed as early drafts already for pilot use. One specific example is the Simplified Approval Process (SAP) technical guidelines used to support AEs, NDAs or Focal Points in the preparation of SAP funding proposals. These provide guidance to project developers on the activities that could be eligible in the context of a SAP project/programme. The current published SAP technical guidelines are on transport, ecosystems and ecosystem services, forest and land use, REDD+, renewable energy, energy efficiency for industry and appliances. The guidelines are available in English, Spanish and French, and published in the GCF website.

9. The tentative timeline for development of sector guidelines is as follows:



10. Currently, the sector guidelines are being drafted and consulted with various GCF stakeholders. These consultations are held back to back to different sector events and technical and accredited entities; technical experts are also being asked to comment on these sectoral documents and help to evolve them based on best available global expertise.
11. The initial consultations have taken the form of workshops and technical sessions, usually two to three hours long, organized at the sides of, or in parallel to large technical meetings, in order to capitalize on as broad range of available technical expertise and industry representatives. Where available, government representatives, AEs and other stakeholders were also invited to these meetings. In parallel, specific consultations with governments, and AEs were also organized, including at the UNFCCC Global Adaptation week in April 2019 in Incheon, Korea, the UNFCCC SBSTA in June in Bonn, Germany and the during the GCF organized Global Programming Conference in Incheon, Korea in August 2019, the GCF Private sector conference in October 2019 and other AE specific events, such as the World Bank Annual Meeting in October 2019. Details of all sector consultations are outlined in Annex 1.
12. In addition to face-to-face consultations, online consultations have also been organized, including those on forests targeting NDAs and AEs with the view to gather input on priority forest and land-use needs in developing countries, and for the energy sector through an online comment platform targeting NDAs, AEs and other GCF stakeholders, whose purpose is to capture comments and feedback.
13. In addition to those already organized so far, further consultations are envisaged up to early 2020.

Annex I: Consultations carried to date

The full list of consultations undertaken so far is presented in the table below.

Mitigation result areas		Consultations held
Energy generation and access		<p>On-site consultations</p> <p>1. Global Programming Conference Participants: NDAs, AEs Location: Incheon, Korea Date: 19 to 23 August 2019</p> <p>2. GCF Private Sector Conference Participants: NDAs, AEs and other stakeholders Location: Incheon, Korea Date: 7-9 October 2019</p> <p>3. Organized during the International Renewable Energy Conference hosted by Korea (KIREC) Participants: Experts, AEs Location: COEX, Seoul Date: 22 October 2019</p> <p>Online consultations</p> <p>4. Webinar and an online platform Participants: Experts, AEs, other stakeholders Date: 14 October 2019</p>
Buildings, cities industries and appliances	Cities	<p>On-site Consultations</p> <p>1. Organized in parallel to the International Conference on Climate Action ICCA2019 Participants: Experts, AEs, NDAs, other government representatives Location: Heidelberg, Germany Date: 22-23 May 2019</p> <p>2. Global Programming Conference Participants: NDAs, AEs Location: Incheon, Korea Date: 19 to 23 August 2019</p> <p>3. Seoul Mayors Forum on Climate Change Participants: NDAs, AEs, experts, government representatives Location: Seoul, Korea Date: 24 to 25 October 2019</p> <p>Additional consultations with experts and other stakeholders planned up to early 2020</p>
	Energy efficiency	<p>On-site consultations</p> <p>1. Global Programming Conference Participants: NDAs, AEs Location: Incheon, Korea Date: 19 to 23 August 2019</p> <p>2. GCF Private Sector Conference</p>

	<p>Participants: NDAs, AEs and other stakeholders Location: Incheon, Korea Date: 7-9 October 2019</p> <p>3. Bilateral meetings with DC-based AEs organized in parallel to the World Bank Annual Meeting Location: Washington DC, United States of America Participants: AEs Date: 15 to 18 October</p> <p>Additional consultations with experts and other stakeholders planned up to early 2020</p>
<p>Low emissions transport</p>	<p><i>On-site consultations</i></p> <p>1. Global Programming Conference Participants: NDAs, AEs Location: Incheon, Korea Date: 19 to 23 August 2019</p> <p>2. GCF Private Sector Conference Participants: NDAs, AEs and other stakeholders Location: Incheon, Korea Date: 7-9 October 2019</p> <p>3. Bilateral meetings with DC-based AEs organized in parallel to the World Bank Annual Meeting Location: Washington DC, United States of America Participants: AEs Date: 15 to 18 October</p> <p>Additional consultations with experts and other stakeholders planned up to early 2020</p>
<p>Forestry and land use</p>	<p><i>On-site consultations</i></p> <p>1. Organized during the Global Landscape Forum weekend during UNFCCC SBSTA Participants: Governments, AEs, other stakeholders Location: Bonn, Germany Date: 22-23 June 2019</p> <p>2. Bilateral meetings with DC-based AEs, CSOs and other DC-based stakeholders Participants: AEs, CSOs, other stakeholders Location: Washington DC, United States of America Date: 25 July 2019</p> <p>3. Regional Africa REDD+ workshop Participants: NDAs, AEs Location: Abidjan, Cote d'Ivoire Date: August 13-15, 2019</p> <p>4. Global Programming Conference Participants: NDAs, AEs Location: Incheon, Korea Date: 19 to 23 August 2019</p> <p>5. GCF Private Sector Conference Participants: NDAs, AEs and other stakeholders</p>

	<p>Location: Incheon, Korea Date: 7-9 October 2019</p> <p>Online consultations:</p> <p>6. Two webinars on GCF support to REDD+ and the REDD+ SAP. Participants: NDAs, AEs, other stakeholders June 19-20, 2019, and July 2019</p> <p>7. Two online REDD+ surveys on 1) for NDAs and REDD+ focal points to identify country progress in meeting the Warsaw Framework requirements for results-based payments which formed the basis for the GCF working paper on Accelerating REDD+ implementation and 2) a REDD+ survey for Accredited Entities to identify the lessons learned Participants: NDAs and FPs, AEs Dates: January – March 2019</p>
Adaptation result areas	Consultations held
<p>Most vulnerable people and communities</p>	<p>Early Warning and Climate Services</p> <p>On-site Consultations</p> <p>1. UNFCCC Global Adaptation week Participants: Governments, and AEs Location: Incheon, Korea Date: 9 April 2019</p> <p>2. Organized back to back with the WMO Early Warning conference and the 6th Global Platform on DRR Participants: Experts, AEs, governments, other stakeholders Location: Geneva, Switzerland Date: 16 May 2019</p> <p>3. Organized back to back with the 7th Tokyo International Conference on African Development Participants: Experts, governments, AEs Location: Yokohama, Japan Date: 29 August 2019</p> <p>4. Global Programming Conference Participants: NDAs, AEs Location: Incheon, Korea Date: 19 to 23 August 2019</p> <p>Additional consultations with experts and other stakeholders planned up to early 2020</p>
<p>Health, well-being, food and water security</p>	<p>Health</p> <p>On-site consultations</p> <p>1. UNFCCC Global Adaptation week Participants: Governments, and AEs Location: Incheon, Korea Date: 9 April 2019</p> <p>2. Global Programming Conference Participants: NDAs, AEs Location: Incheon, Korea Date: 19 to 23 August 2019</p>

		Additional consultations with experts and other stakeholders planned up to early 2020
	Agriculture and food security	<p><i>On-site consultations</i></p> <p>1. UNFCCC Global Adaptation week Participants: Governments, and AEs Location: Incheon, Korea Date: 9 April 2019</p> <p>2. Organized during the Global Landscape Forum weekend during UNFCCC SBSTA Participants: Governments, AEs, other stakeholders Location: Bonn, Germany Date: 23 June 2019</p> <p>3. Global Programming Conference Participants: NDAs, AEs Location: Incheon, Korea Date: 19 to 23 August 2019</p> <p>4. Organized in parallel to the GCF replenishment meeting Participants: Experts, AEs, CSOs and other stakeholders Location: Ottawa, Canada Date: 27-28 August 2019</p> <p>5. Organized in parallel to the Global Scientific Conference on Climate-Smart Agriculture Participants: Experts, AEs, governments, other stakeholders Location: Bali, Indonesia Date: 7 October 2019</p> <p>6. Organized in parallel to the Committee on Food Security Participants: Experts, AEs, governments, other stakeholders Location: Rome, Italy Date: 17-18 October 2019</p> <p>Additional consultations with experts and other stakeholders planned up to early 2020</p>
	Water	<p><i>On-site consultations</i></p> <p>1. UNFCCC Global Adaptation week Participants: Governments, and AEs Location: Incheon, Korea Date: 9 April 2019</p> <p>2. Global Programming Conference Participants: NDAs, AEs Location: Incheon, Korea Date: 19 to 23 August 2019</p> <p>3. Organized in parallel to the Stockholm World Water Week Location: Stockholm, Sweden Participants: Experts, AEs, and other stakeholders Date: 26 August 2019</p>

	<p>4. Organized in parallel to the 7th Tokyo International Conference on African Development Location: Yokohama, Japan Participants: Experts, AEs, governments and other stakeholders Date: 30 August 2019</p> <p>Additional consultations with experts and other stakeholders planned up to early 2020</p>
<p>Ecosystems and ecosystem services</p>	<p><i>On-site consultations</i></p> <p>1. UNFCCC Global Adaptation week Participants: Governments, and AEs Location: Incheon, Korea Date: 9 April 2019</p> <p>2. Global Programming Conference Participants: NDAs, AEs Location: Incheon, Korea Date: 19 to 23 August 2019</p> <p>3. Bilateral meetings with DC-based AEs organized in parallel to the World Bank Annual Meeting Participants: AEs Location: Washington DC, United States of America Date: 14 and 16 October</p> <p>Additional consultations with experts and other stakeholders planned up to early 2020</p>
<p>Infrastructure and built environment</p>	<p><i>Onsite Consultations:</i></p> <p>1. UNFCCC Global Adaptation week Participants: Governments, and AEs Location: Incheon, Korea Date: 9 April 2019</p> <p>2. Global Programming Conference Participants: NDAs, AEs Location: Incheon, Korea Date: 19 to 23 August 2019</p> <p>3. GCF Private Sector Conference Participants: NDAs, AEs and other stakeholders Location: Incheon, Korea Date: 7-9 October 2019</p> <p>4. Organized with Global Infrastructure Basel back to back with their Standard for Sustainable and Resilient Infrastructure (SuRE) Committee Meeting Participants: Experts Location: Basel, Switzerland Date: 28 October</p> <p>Additional consultations with experts and other stakeholders planned up to early 2020</p>