

Green Climate Fund

Green Climate Fund
Communication and External
Representation

GCF/B.01-13/06

5 March 2013

Meeting of the Board

13-15 March 2013

Berlin, Germany

Agenda item 6

Recommended action by the Board

It is recommended that the Board:

- (a) Takes note of the information presented in document GCF/B.01-13/06 *Green Climate Fund Communication and External Representation*;
- (b) Provides guidance on the matters relating to the communication and external representation by the Board members, alternate members and the staff of the Interim Secretariat and the Interim Trustee; and
- (c) Adopts the decision presented in Annex I to this document.

Green Climate Fund External Communication and Representation

I. Introduction

2. The work and progress of the Green Climate Fund have been subject to increasingly high levels of interest from civil society, the private sector and the media. The Co-Chairs and the Interim Secretariat have received a number of requests for the information on its status and activities and for the participation and representation in external events, as well as on committees or boards of various institutions. In the absence of an agreed policy and guidelines on these matters, the Co-Chairs requested the Interim Secretariat to prepare a document for the Board's consideration to address the following:

- a) Fund's communications;
- b) Guidelines for participation of the Fund's representatives in external events; and
- c) Board representation at the fifth and future meetings of the Technology Executive Committee (TEC) and on the Advisory Board of the Climate Technology Centre and Network (CTCN).

2. The Board is invited to provide guidance on the proposed communication products and the participation of Fund's representatives in external events. The Board is also invited to consider and take appropriate action in response to the invitations to attend the TEC meeting and be represented on the Advisory Board of the CTCN.

II. Fund's communications

3. Clear communication of the work, achievements and outcomes of the Fund is critical for creating a good understanding of the Fund and its progress among key stakeholders, interested parties and the media. The Interim Secretariat and the Co-Chairs have received a number of requests for information relating to key matters, including the level and sources of funding, areas that would be supported by the Fund, instruments and mechanisms for support, private sector facility and relocation to Songdo, Republic of Korea, as the host city of the Fund.

4. During the second meeting of the Board in Songdo, Republic of Korea, on 18-20 October 2012, members of the Board highlighted the need for outreach information material, an outreach policy and an engagement strategy with the media. The Co-Chairs concluded that media engagement should be considered as part of the comprehensive communication strategy of the Fund. It should be noted that the preparation of the communication strategy is not part of the Fund's work plan adopted at its second meeting.

5. Given the increasingly high profile of the Fund and requests for information from the stakeholders, there is a need for the Co-Chairs, Board members, the Interim Secretariat and the Interim Trustee to have access to material that will ensure a consistent message on the achievements, progress and direction of the work of the Board. This material could also be used for other communication purposes, for example, the Fund's website (<GCFund.net>) and other publications.

6. In response to the request by the Co-Chairs, the Interim Secretariat identified the communication material listed below to improve Board's communication prior to the development of the communication strategy. The Interim Secretariat engaged a communication professional to draft two communication products (the frequently asked questions and the

factsheet, introduced below) to ensure that the products are written in a simple, concise and easily understood manner for a broad range of audiences.

7. The Board is invited to comment on the documents contained in Annex III and suggest additional questions and topics that may be of interest to the stakeholders.

8. It is proposed that the Interim Secretariat, under the guidance of the Board and its Co-Chairs, maintains these products up to date.

2.1 Frequently asked questions

9. The basic communication material for the Board members/alternate members and the staff of the Interim Secretariat and the Interim Trustee is a set of frequently asked questions and responses to these questions, which are presented in Annex III (a). They are categorized into broad areas of interest to external organizations.

10. The responses link the questions to the provisions of the Governing Instrument and Board decisions, wherever possible, and highlight the ongoing work programme in that area. The emphasis is on underlining the current evolutionary nature of the Fund.

11. The list of questions will be periodically reviewed to ensure relevance and to reflect the current status of Board's activities. The responses will also be updated in view of Board decisions, new activities and progress in ongoing activities. Updated versions of the frequently asked questions will be provided at each Board meeting and any changes between meetings will be circulated to the Board. The responses can be used by the Board, the Interim Secretariat and the Interim Trustee in their interactions with the stakeholders.

2.2. Summaries of key achievements and expected outcomes

12. The summaries of the key achievements of the Fund since its establishment and expected outcomes providing an indication of the anticipated achievements of the Board for year 2013 will accompany the frequently asked questions. They are presented in Annex III (b).

2.3 Factsheet

13. The factsheet is a stand-alone document that draws on the frequently asked questions and summaries mentioned above. It will serve as the material that can be provided to the stakeholders and general public as a summary of the objectives and goals of the Fund. It is presented in Annex III (c).

III. Guidelines for the participation of the Fund's representatives in external events

14. A number of requests have been received from external agencies for the participation of the Fund's representatives in external events related to the Fund. The requests are presented in Annex IV and relate to participation in, speaking opportunities at, and sponsorship of these events. In the absence of policies and procedures on such participation, the approach adopted by the Co-Chairs and the Interim Secretariat has been to broadly limit participation in external events.

15. Speaking at events provides an opportunity for Board members to brief various audiences about the current status of the Fund and to receive inputs. They also enable a public process to engage with the interested Parties and organizations who seek to prepare inputs for the Fund and to provide them with latest information on the evolution of the Fund.

16. To ensure that the Board can be adequately represented at future events, the Co-Chairs requested the Interim Secretariat to draft the guidance on the participation of Board members

and alternate members, as well as the staff of the Interim Secretariat and the Interim Trustee in external events. The draft guidelines are presented in Annex V.

17. The guidelines outline a process for the prioritization of events in which participation is sought or considered desirable, and for reporting on the event thereafter. The selection of the Fund's representatives will be guided by paragraph 8 of Annex V: Additional rules of procedure relating to Co-Chairs of document GCF/B.01-13/02. This additional rule of procedure states that:

"The Co-Chairs may represent the Board at external meetings and report back to the Board on those meetings. They may delegate that function individually or jointly."

18. In the case of requests for sponsorship, it is proposed that the Fund should discourage financial sponsorship at this time. However, if the Co-Chairs determine that the Fund's partnership of an event may be of strategic importance, subject to no requirements for associated financial support, they may seek Board's approval by circulation of the proposal on a no-objection basis.

IV. Board representation at the fifth and future meetings of the Technology Executive Committee and on the Advisory Board of the Climate Technology Centre and Network

19. The Co-Chairs were invited to participate in, or nominate a Board member to represent the Fund at, the fifth meeting of the TEC and on the Advisory Board of the CTCN. The Board may wish to consider the representation of the Fund on these bodies within the larger perspective of its relationships with various UNFCCC and other external bodies and may wish to provide guidance on addressing this relationship.

20. In this context, it is proposed that the Board requests the Interim Secretariat to prepare a document on the relationship of the Fund with UNFCCC and other external bodies, based on the guidance provided by the Board, for consideration at its June 2013 meeting.

21. It is proposed that, pending the adoption of the policy on the Board representation on UNFCCC and other external bodies, the Board considers interim arrangements for the representation of the Fund at meetings of the TEC and on the Advisory Board of the CTCN.

4.1. Representation at the fifth and future meetings of the Technology Executive Committee

22. At its eighteenth session, the Conference of the Parties (COP), by its decision 13/CP.18,¹ encouraged the TEC to continue to consult relevant institutional arrangements under the Convention, including the Board of the Green Climate Fund, to seek views on and coordinate the proposed modalities of the TEC on linkages with other relevant institutional arrangements under the Convention.

23. At its last meeting in September 2012, the TEC agreed to invite the Chair or a representative of those relevant bodies to participate in its next meeting, with a view to establishing synergies and coherence in identifying areas for possible collaboration.

24. On 31 January 2012, the Co-Chairs received an invitation from the TEC inviting the Co-Chairs or another representative of the Fund to participate in the fifth meeting of the TEC, to be held from 26 to 27 March 2013 in Bonn, Germany. Registration for the meeting closed on 15 February 2013.

¹ See document FCCC/CP/2012/8/Add.2.

25. Since the Board had not developed a policy on representation of the Fund in external events, and given the registration closing date, the Co-Chairs requested the Interim Secretariat on 12 February 2013 to decline the invitation.

26. It is proposed that, pending the adoption of the policy on Board representation on UNFCCC and other external bodies, the Board representation at the meetings of the TEC in response to *ad hoc* invitations, be guided by paragraph 8 of Annex V: Additional rules of procedure relating to the Co-Chairs of document GCF/B.01-13/02, which provides for the Co-Chairs to represent the Fund in external meetings or delegate that function individually or jointly.

4.2. Representation on the Advisory Board of the Climate Technology Centre and Network

27. At its eighteenth session, the COP, by its decision 14/CP.18,² established the Advisory Body for the CTCN which includes, inter alia, one of the Co-Chairs of the Board or a member designated by the Co-Chairs, as an ex-officio member. As an ex-officio member, the Co-Chair or a member designated by the Co-Chairs does not have voting rights.

28. The COP selected the United Nations Environment Programme (UNEP), as leader of the consortium of partner organizations, to host the Climate Technology Centre (CTC). As the host, UNEP was requested by the COP to convene the first meeting of the Advisory Board in 2013.³ The first meeting is expected to focus on modalities for the operation of the Advisory Board including electing the Chair and Vice Chair.

29. On 31 January 2013, UNEP, as the host of the CTC, invited the Co-Chairs of the Board, or a member of the Board designated by the Co-Chairs, to attend the CTCN Advisory Board's first meeting, tentatively scheduled to be held in Bonn on 28 March 2013. This meeting was subsequently postponed as the nomination process for members of the Advisory Board has not yet been finalized.

30. In order to inform the Board's consideration of representation on the Advisory Board of the CTCN, the Co-Chairs requested the Interim Secretariat to seek further clarity from UNEP on the role, expectations and time commitments of the Board representative. No response has been received from UNEP before the issuance date of this document.

31. It is proposed that the selection of the Board representative on the Advisory Board of the CTCN be undertaken intersessionally, once further clarity on the role, expectations and time commitment is provided by UNEP.

² See document FCCC/CP/2012/8/Add.2.

³ Paragraph 6 of decision 14/CP.18.

Annex I: Draft decision of the Board

The Board, having reviewed document GCF/B.01-13/06 *Green Climate Fund Communication and External Representation*,

- (a) Agrees to the scope of further work on communication outlined in Annex II of document GCF/B.01-13/06;
- (b) Approves the guidance on representation at external events outlined in Annex V of document GCF/B.01-13/06;
- (c) Decides that financial sponsorship of events should initially be discouraged, and appropriate and relevant requests for partnership in external events, with no associated financial commitment, should be considered by the Board on a no-objection basis;
- (d) Decides that the approach to Fund's representation at future meetings of the Technology Executive Committee and on the Advisory Board of the Climate Technology Centre and Network is interim, pending the development of a broader Fund's strategy on engagement with UNFCCC and other external bodies;
- (e) Requests the Interim Secretariat to prepare a document on the relationship of the Fund with UNFCCC and other external bodies, based on the guidance provided by the Board, for consideration at the meeting of the Board in June 2013;
- (f) Decides that the selection of a Board representative in response to the ad hoc requests for Board's representation at future meetings of the Technology Executive Committee be guided by paragraph 8 of Annex V: Additional Rules of Procedure relating to the Co-Chairs of document GCF/B.01-13/02; and
- (g) Decides that the selection of a Board representative on the Advisory Board of the Climate Technology Centre and Network be undertaken intersessionally, once further clarity on the role, expectations and time commitment is provided by UNEP.

Annex II: Scope of further work on communication

The Interim Secretariat will finalize and maintain up to date the frequently asked questions, summaries of achievements and expected outcomes, and factsheet (outlined in Annex III of document GCF/B.01-13/06), for use by the Board as well as the staff of the Interim Secretariat and the Interim Trustee and for other communication activities. In doing so, the Interim Secretariat will operate under the guidance of the Co-Chairs and follow the guidance on communication provided by the Board at its March 2013 meeting.

Annex III (a): Frequently asked questions

Objectives, governance and administrative arrangements

1. What is the Green Climate Fund, and what will it do?

- The Green Climate Fund is a new multilateral fund that was created under the United Nations Framework Convention on Climate Change (UNFCCC) in 2010.
 - The Fund's Governing Instrument was approved at the UNFCCC Conference of the Parties in Durban, South Africa in 2011.
- The Fund's purpose is to make a significant and an ambitious contribution to the global efforts to combat climate change.
- The Fund will play a key role in channelling new financial resources to developing countries and is expected to become the main global fund for climate finance.
- The Fund will support the developing countries to help them limit or reduce their greenhouse gas emissions and to adapt to the impacts of climate change.
 - Its support will help to achieve the collective goal of limiting the warming to 2^o Celsius.
- The Fund will be innovative and will promote a paradigm shift to help developing countries transform their economies and put them on a low emission and climate-resilient path.
 - It will consider the needs of those developing countries that are particularly vulnerable to climate change impacts and will also help to meet sustainable development goals.
 - While doing so, it will promote environmental, social, economic, and development co-benefits and taking a gender-sensitive approach.
- The Fund will also aim to seek a balance between adaptation and mitigation.

2. How is the Fund governed?

- The Fund is governed and supervised by a 24-member Board.
- The Board is accountable to and functions under the guidance of the Conference of the Parties of the Climate Change Convention.
 - The Board is composed of an equal number of members from developed countries and developing countries. These are the two constituencies of the Board.
 - The members have necessary experience and skills, especially in the area of climate change and development finance, and are chosen with due consideration given to gender balance.
 - Each Board member has an alternate member.
 - The members of the Board and their alternates are selected by their respective constituency or regional group within a constituency.
 - Members and alternate members serve for a term of three years and are eligible to serve additional terms as determined by their constituency.
- The Board has full responsibility for funding decisions.

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- Two Co-Chairs of the Board are elected by the Board members from within their membership to serve for a period of one year, with one being a member from a developed country and the other from a developing country.
 - Currently, the Co-Chairs of the Board are Mr. Zaheer Fakir (South Africa) and Mr. Ewen McDonald (Australia).

3. Where will the Fund be located?

- The Board, at its second meeting, selected Songdo, Incheon City, Republic of Korea as the host city of the Green Climate Fund.
- This decision was endorsed by the Conference of the Parties to the UNFCCC at its eighteenth session held in Doha, Qatar, in November-December 2012.

4. When is the Fund expected to move to Songdo?

- The Fund will move to Songdo after the conclusion of the Headquarters Agreement with the Government of the Republic of Korea, and the establishment of its independent Secretariat.
 - Both these activities are currently in progress.
- The Headquarters Agreement is under discussion between the Republic of Korea and the Board, and will be ratified by the Korean Parliament after its approval by the Board.
 - The Headquarters Agreement includes provisions relating to the legal status of the Fund and regarding privileges and immunities of the Board and Secretariat staff.
- To establish the independent Secretariat:
 - The Board has initiated a process for the selection of an Executive Director, who will head the Secretariat.
 - The Board is also working on finalizing the administrative policies of the Board which will govern the activities of the Secretariat.
 - These include rules relating to human resources and procurement.

5. What are the current administrative arrangements of the Board?

- Currently, the Board of the Fund receives technical, logistic and administrative support from the Interim Secretariat.
 - The Interim Secretariat is located as an autonomous unit within the premises of the UNFCCC secretariat in Bonn, Germany.
 - The Interim Secretariat utilizes the administrative policies and support of the UNFCCC Secretariat in carrying out its activities.

6. Who is the Trustee of the Fund?

- The World Bank is the Interim Trustee of the Fund.
 - The World Bank's services as Interim Trustee are subject to a review three years after the operationalization of the Fund.
 - It established a Financial Intermediary Fund (Trust Fund) for the Green Climate Fund in April 2012 and has been receiving contributions from countries for the Fund's administrative operations.

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- The Trustee of the Fund manages its financial assets, maintains appropriate financial records, and prepares financial statements in accordance with internationally accepted fiduciary standards.
 - It is accountable to the Board for the performance of its responsibilities.
 - The Board will, in the future, select a permanent Trustee through a competitive process.

Funding of the Green Climate Fund

7. Who will contribute to the funding of the Green Climate Fund?

- The Fund will receive financial resources from developed countries.
- The Fund may also receive financial inputs from a variety of other sources, public and private.

8. When will the Fund start receiving contributions?

- The Fund has started receiving contributions from developed countries to support the administrative work of the Board and its Interim Secretariat.
- Current contributions and pledges almost completely meet the requirements of the administrative budget for the period from November 2012 to December 2013.

9. What is the administrative budget for the 2012-2013 period?

- The budget for the 14-month period from 1 November 2012 to 31 December 2013 is US\$ 7.5 million.

10. Which countries will be recipients of funding?

- All developing countries – who are Parties to the UNFCCC – are eligible to receive support from the Fund.
- The Fund will finance agreed full or incremental costs for climate-change adaptation and mitigation activities.
 - This support would enable enhanced action on adaptation, mitigation (including forestry projects), technology development and transfer, capacity-building, and the preparation of national plans to address climate change by developing countries.
- The Fund will support developing countries in pursuing both project-based and programmatic approaches.

11. What is the target for expected contributions?

- In 2009, at the Copenhagen Conference of the Parties to the UNFCCC, the developed countries committed to a goal of mobilizing jointly US\$ 100 billion per year by 2020 to address climate change in developing countries.
- This US\$ 100 billion goal per year by 2020 includes all climate-related financial flows, including private sector flows, bilateral and multilateral flows, as well as financial support channelled through the Fund.

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- No breakdown of the total flow is available, and there has not yet been a decision on the initial or future size of the Fund.

Operations of the Fund

12. How is the Fund moving towards its operationalization by the next meeting of the Conference of Parties to the Climate Change Convention to be held in Warsaw at the end of 2013?

- To date, a number of major decisions have already been taken on the Fund, including on:
 - Endorsement of the Governing Instrument for the Fund;
 - Selection of the Republic of Korea as the host country;
 - Establishment of the Interim Secretariat, with plans for a transition to a permanent independent Secretariat in the Republic of Korea;
 - Appointment of the World Bank as the Interim Trustee, and
 - Agreement on a detailed work plan of the Board for 2013.
- The work plan provides further clarity on, and transparency about, the timing of the Board's decisions on strategic and operational policies and procedures that are necessary to operationalize the Fund in a timely manner.

13. What are the milestones to be achieved before the Fund starts receiving contributions for project funding and initiates funding activities?

- The business model framework of the Fund needs to be in place before it can invite proposals for funding or contributions to the Fund.
- The Board is currently undertaking work on the business model framework of the Fund which will address, among other matters:
 - The structure of the business model, including the model for private sector participation;
 - The model for the delivery of Fund resources, including eligibility criteria and access modalities;
 - The portfolio of financial instruments which can leverage additional public and private sector financing;
 - The complementarity of the Fund with other strands of climate financing; and
 - The framework for measuring outcomes or results in order to monitor and evaluate the impact of financing.
- The preparation of the business model framework is a key element of the 2013 work plan of the Board.
- The expeditious implementation of the work plan will enable the Board to establish the fundamental institutional structure and basic operational policies of the Fund.
 - This will set the stage for an early and adequate resource mobilization for the Fund and for seeking proposals for funding from developing countries.

14. What kind of financial instruments will the Fund use to disburse monies?

- The Fund has a broad charter. At the very least, it will provide tailored financing in the form of grants and concessional lending.
 - It would also consider other instruments.
- To enable timely disbursement, the Fund will have a streamlined programming and approval process.
- The Board will also develop simplified processes for the approval of proposals for certain activities, in particular small-scale activities.
- The Board will also develop an appropriate risk management policy to ensure sound financial management practices and compliance with the Fund's fiduciary principles and environmental and social safeguards.

15. How will the funds available be allocated? What would be the breakup between adaptation and mitigation support?

- The Board will balance the allocation of resources between adaptation and mitigation activities under the Fund and ensure appropriate allocation of resources for other activities such as capacity building, technology development and transfer, and national plans.
- A results-based approach will be an important criterion for allocating resources.
- In allocating resources for adaptation, the Board will take into account the urgent and immediate needs of developing countries that are particularly vulnerable to the adverse effects of climate change, including the least developed countries, small island developing States and African States, using the minimum allocation floors for these countries, as appropriate.
- The Board will aim for appropriate geographical balance.

16. How will developing countries access the support from the Fund?

- Access to Fund resources will be through national, regional and international implementing entities accredited by the Board.
 - Recipient countries will determine the mode of access.
 - Recipient countries will be able to utilize direct access or international access under the Fund.
- The Fund will provide simplified and improved access to its funding, basing its activities on a country-driven approach. This is being assessed as part of the preparation of the business model framework.

17. Will the Fund engage with private sector financial institutions? Will private sector companies from developing countries be able to directly access the Fund?

- The Fund will have a private sector facility to enable it to directly and indirectly finance private sector mitigation and adaptation activities.

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- The facility will promote the participation of private sector actors in developing countries, in particular local actors, and will support activities to enable private sector involvement in small island developing States and least developed countries.
 - The operation of the facility will be consistent with a country-driven approach.
 - The design and structure of the private sector facility is one of the components of the business model framework currently being prepared by the Board.
18. How will the Fund ensure that its investments result in climate change action? Will the Fund set benchmarks for expected returns?
- The programmes and projects funded by the Fund will be regularly monitored for impact, efficiency and effectiveness. In doing so, participatory monitoring by stakeholders will be encouraged.
 - To achieve this, a results measurement framework is being developed as part of the ongoing preparation of the business model framework.
 - This will include guidelines and appropriate performance indicators.
 - Performance will be reviewed periodically against these parameters.

Annex III (b): Summary of achievements and expected outcomes

Achievements

The Green Climate Fund is a new multilateral fund that was created under the United Nations Framework Convention on Climate Change (UNFCCC), which approved the Fund's Governing Instrument at its meeting in Durban, South Africa, in 2011.

The Board of the Fund was constituted in 2012, and has held meetings in Geneva, Switzerland (August 2012); Songdo, Republic of Korea (October 2012); and Berlin, Germany (March 2013). At its first meeting, the Board elected Mr. Zaheer Fakir (South Africa) and Mr. Ewen McDonald (Australia) as its first Co-Chairs.

At its second meeting, the Board, after an open, competitive and transparent process, decided, by consensus, to accept the offer of the Republic of Korea to host the Fund in Songdo, Incheon City.

The Interim Secretariat of the Fund has been established, hosted by the UNFCCC secretariat in Bonn, with plans for a transition to a permanent independent Secretariat in the Republic of Korea.

The World Bank was appointed as the Interim Trustee of the Fund, and has started receiving contributions to the Green Climate Fund in a new Trust Fund which it created for this purpose.

The Board, at its second meeting, agreed on its detailed work plan for 2013. The work plan provides clarity on, and transparency about, the timing of the Board's decisions on strategic and operational policies and procedures that are necessary to operationalize the Fund in a timely manner.

Expected outcomes in 2013

The preparation of the business model framework is an important component of the 2013 work plan. It addresses, among other matters:

- The structure of the business model, including the model for private sector participation;
- The model for the delivery of Fund resources, including eligibility criteria and access modalities;
- The portfolio of financial instruments which can leverage additional public and private sector financing;
- The complementarity of the Fund with other strands of climate financing; and
- The framework for measuring outcomes or results in order to monitor and evaluate the impact of financing.

The preparation of the business model framework is a key element of the 2013 work plan of the Fund. The expeditious implementation of the work plan will enable the Board to establish the fundamental institutional structure and basic operational policies of the Fund. This will set the stage for an early and adequate resource mobilization for the Fund and for financing climate change projects in developing countries.

The work plan also envisages the establishment of an independent Secretariat, with its own administrative rules. Simultaneously, the Board has also initiated a process for the selection of the Executive Director, and for the conclusion of the Headquarters Agreement with the Republic of Korea.

Annex III (c): Green Climate Fund factsheet

Background

The Green Climate Fund is a new multilateral fund that was created under the United Nations Framework Convention on Climate Change (UNFCCC), which approved the Fund's Governing Instrument at its meeting in Durban, South Africa in 2011.

The Fund's purpose is to make a significant and an ambitious contribution to the global efforts of limiting the warming to 2^o Celsius by providing support to developing countries to help them limit or reduce their greenhouse gas emissions and to adapt to the impacts of climate change.

The Fund will be innovative and will promote a paradigm shift to help developing countries transform their economies and put them on a low-emission and climate-resilient path.

It will consider the needs of those developing countries that are particularly vulnerable to climate change impacts and will also help meet sustainable development goals.

An effective and efficient Fund design will provide the Fund with the ability to become a significant channel of multilateral climate change finance.

Design

The Fund has a broad charter, which encourages it to be innovative. It can provide tailored financing to developing countries to address climate change, including both mitigation and adaptation actions within their sustainable development efforts. In allocating its resources, the Fund will seek a balance between adaptation and mitigation.

A unique feature of the Fund is its private sector facility which will enable it to directly and indirectly leverage and engage the private sector, in particular local actors, to address climate change in developing countries.

The Fund will provide support through grants and concessional loans, but could also introduce other instruments and facilities. These will be complemented by financial management practices which are in line with the fiduciary principles and standards of the Fund.

The programmes and projects funded by the Fund will be regularly monitored for impact, efficiency and effectiveness. To achieve this, a results measurement framework, including guidelines and appropriate performance indicators, would be used to review performance periodically against these parameters. In doing so, participatory monitoring by stakeholders will be encouraged.

Two key design features of the Fund, aimed at enhancing its geographical spread and facilitating access to it, are support for readiness and preparatory activities, and access opportunities through national, regional or international implementing agencies. These will enable developing countries to take the lead in developing programmes and projects for funding support and in implementing them.

Funding

The Fund will be funded by financial inputs from developed countries, and may also receive financial inputs from a variety of other public and private sources, including alternative sources.

All developing countries, who are Parties to the UNFCCC, are eligible to receive financing from the Fund.

Governance

The Fund is governed and supervised by a 24-member Board, which is accountable to and functions under the guidance of the Conference of the Parties of the Climate Change Convention. It is composed of an equal number of members from developed countries and developing countries, with each Board member having an alternate member.

The Board has full responsibility for funding decisions.

Two Co-Chairs of the Board are elected by the Board members from within their membership to serve for a period of one year, with one being a member from a developed country and the other from a developing country. Currently, the Co-Chairs of the Board are Mr. Zaheer Fakir (South Africa) and Mr. Ewen McDonald (Australia).

The Board is supported by the Secretariat and the Trustee. Until an independent Secretariat is established, the Interim Secretariat is located in, and hosted by, the secretariat of the UNFCCC. The Fund and its Secretariat will be located in Songdo, Incheon City, Republic of Korea.

The World Bank is the Interim Trustee of the Fund, subject to a review three years after the operationalization of the Fund.

Operationalization of the Fund

In order to expedite the early operationalization of the Fund, the Board adopted an ambitious work plan for 2013 which seeks to put into place the various necessary institutional measures, policies and processes necessary for its operation.

These include actions to establish the independent Secretariat, including the conclusion of the Headquarters Agreement with the Republic of Korea, adoption of administrative rules for the Fund and its Secretariat, and selection of its Executive Director.

The other key ongoing activity is the preparation of the business model framework of the Fund, which would define its operational modalities. The business model framework preparation includes finalization of:

- The structure of the business model, including the model for private-sector participation;
- The model for the delivery of Fund resources, including eligibility criteria and access modalities;
- The portfolio of financial instruments which can leverage additional public and private sector financing;
- The complementarity of the Fund with other strands of climate financing;
- The framework for measuring outcomes or results in order to monitor and evaluate the impact of financing;
- The modalities for the provision of readiness and preparatory support; and
- The resource mobilization approach.

The preparation of the business model framework is a key element of the 2013 work plan of the Fund. The expeditious implementation of the work plan will enable the Board to establish the fundamental institutional structure and basic operational policies of the Fund. This will set the stage for an early and adequate resource mobilization for the Fund, and for initiating the financing of climate change actions in developing countries.

Public participation

The Governing Instrument mandates the Board to make arrangements to allow for effective participation by accredited observers in its meetings. This includes inviting two civil society representatives, one each from developing and developed countries, and two private sector representatives, one each from developing and developed countries, to participate as active observers.

There has been active interest and participation of civil society in the Fund's activities and in the Board meetings.

For more information, please visit the Fund's website: <gcfund.net>, or contact isecretariat@gcfund.net.

Annex IV: Requests for participation in external events

Invitee	Event	Date and venue	Role of the Fund
Henning Wuester, Jagjeet Sareen	German Watch and European Business Council for Sustainable Energy; Informal roundtable discussion - Private sector action for low-carbon and sustainable development	5 February 2013, Bonn, Germany	Participation
Henning Wuester, Jagjeet Sareen	E5, European Business Council for Sustainable Energy; Informal roundtable discussion - Private sector action for low-carbon and sustainable development	5 February 2013, Bonn, Germany	Participation
Green Climate Fund Board members	World Resources Institute and Climate Analytics Informal workshop	20-21 February 2013	Participation
Henning Wuester	First Berlin Climate Finance Workshop – A San Giorgio Group Event	25 February 2013, Berlin, Germany	Participation
Ajay Mathur	Asia-Pacific Regional Dialogue on Climate Finance and the Green Climate Fund (funded by the Government of Japan through the Clean Energy Financing Partnership Facility (CEFPF))	7-8 March 2013, Singapore	Presentation on the Fund
Interim Secretariat	Renewable Energy Forum, European Parliament	7-8 March 2013, Brussels, Belgium	Participation
Interim Secretariat	Invitation to 11 th Informal Meeting on Further Actions against Climate Change by Brazil and Japan	22 March 2013, Tokyo, Japan	Participation
Ewen McDonald	First meeting of the Advisory Board to the Climate Technology Centre Network	Tentative schedule: 28 March 2013, Bonn, Germany	Participation
Co-Chairs	Fifth meeting of the Technology Executive Committee; and Expert meeting on Technology Roadmaps	26-27 March 2013 and 25 March 2013, respectively, Bonn, Germany	Participation
Co-Chairs	Transparency International Secretariat	14 March 2013 Bonn, Germany	Participation
Henning Wuester	Korea Trade Investment Promotion Agency, Frankfurt		Sponsorship

Annex V: Draft guidelines on the participation of the Fund's representatives in external events

1. These guidelines address the matters regarding the participation in external events of members/alternate members of the Board (when carried out in their capacity as a Board representative) and by the staff of the Interim Secretariat and the Interim Trustee.

Managing requests and delegating participation of the Fund's representatives

2. The Interim Secretariat will periodically prepare and submit to the Co-Chairs the consolidated requests for participation of the Fund's representatives in external events related to the Fund. These consolidated requests will include invitations to the Co-Chairs and other Board members/alternate members received by the Interim Secretariat; invitations to the staff of the Interim Secretariat and the Interim Trustee; and relevant opportunities identified by the Interim Secretariat.

3. Board members/alternate members may propose participation of the Fund's representatives in events, and provide the Interim Secretariat with such proposals, including expected outcomes and benefits to the Fund, for inclusion in the consolidated requests.

4. Requests for participation will be prioritized on the basis of:

- (a) Type of event, in terms of its relevance to the Fund, and timeliness in relation to the current work plan of the Board;
- (b) The nature and status of the organizing entity;
- (c) The nature of the audience in relation to the work plan of the Board and operations of the Fund in terms of their capacity to provide inputs for these activities, or to participate in them, or to support and facilitate them;
- (d) Geographical distribution of events; and
- (e) Distance of travel and the frequency of events.

5. The selection of the Fund's representative(s) will be guided by paragraph 8 of Annex V: Additional rules of procedure relating to Co-Chairs of document GCF/B.01-13/02.

6. The Co-Chairs will periodically circulate to the Board, for information, the list of events in which the participation of the Fund's representatives will occur, along with the name of the selected representative.

Responsibilities of the Fund's representatives at external events

7. Board members/alternate members or the staff of the Interim Secretariat and the Interim Trustee will represent the Fund only with the prior approval of the Co-Chairs. Board members speaking of the work of the Fund at events where they are not representing the Board will clearly indicate that they are speaking in a personal or national capacity, and not as a representative of the Board.

8. The Fund's representatives at external events are encouraged to use the Governing Instrument for the Fund, Board decisions and relevant Board documents, and the material provided in Annex II of this document as the basis of their speech or presentation.

9. Key messages are to be cleared by the Co-Chairs in advance, and may be provided two weeks prior to the event.

10. The Fund's representative will provide a short written report on the event to the Interim Secretariat for circulation to the Board no later than two weeks after the event.

11. The report will include, inter alia:
 - (a) Details of the event, including the name of the organizing entity, date and venue of the event, and the reason for the organization of the event;
 - (b) Outline of the audience;
 - (c) Short summary (one to two paragraphs) of the discussions at the event;
 - (d) Presentation made by the Fund's representative (attach the speech/presentation), and a summary of the ensuing discussion; and
 - (e) Outcomes of the event and follow-up matters.
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