

Green Climate Fund



Resource Mobilization



GCF/B.05/18

24 September 2013

Meeting of the Board

8-10 October 2013

Paris, France

Agenda item 11

Recommended action by the Board

It is recommended that the Board:

Adopts the draft decision presented in Annex I to document GCF/B.05/18.

Resource Mobilization

I. Introduction

1. At its meeting in March 2013 in Berlin, Germany, the Board, through decision B.01-13/09, approved the scope of further work on resource mobilization for the Fund, set out in Annex II of document GCF/B.01-13/07, which states:

March to September 2013. *The Interim Secretariat will prepare a resource mobilization strategy document for consideration by the Board at its meeting in September 2013. In doing so, the Interim Secretariat will operate **under the guidance of the Co-Chairs** and take into consideration the guidance on the Fund's resource mobilization provided by the Board during its meeting in March 2013, as well as the guidance provided by the Board on the Fund's business model framework. The strategy document will lay out key elements and a timeline for organizing the initial resource mobilization for the Fund.*

Board meeting in September 2013: *The Board will consider the resource mobilization strategy and take decisions on the Fund's approach to resource mobilization and key factors determining how that approach will be implemented."*

2. This document should be read in conjunction with Document GCF/B.01-13/07. At its October 2013 meeting, the Board will also consider document GCF/B.05/04 *Business Model Framework: Financial Inputs*, which discusses the forms and sources of financial inputs.

3. The Governing Instrument states that:

Paragraph 29: *"The Fund will receive financial inputs from developed Parties to the Convention"* and;

Paragraph 30: *"The Fund may also receive financial inputs from a variety of sources, public and private, including alternative sources"*.

4. A draft decision is presented in Annex I to this document. Annex II sets out an indicative timeline for initial resource mobilization for the Fund.

Annex I: Draft decision of the Board

The Board:

- (a) *Decides that the Fund will start with an informal resource mobilization process, and subsequently transition to a formal process, in accordance with the indicative timeline set out in Annex II to document GCF/B.05/18;*
- (b) *Further decides that the informal resource mobilization process will begin with an initial activities pledging meeting to mobilize resources for initial priority areas, such as readiness and preparatory support, as agreed by the Board;*
- (c) *Further decides that the initial activities pledging meeting will be followed by an ad hoc pledging meeting, which will include all interested contributors to facilitate the initial pledges to the Fund;*
- (d) *Further decides that the ad hoc pledging meeting will be organized no later than three months following the confirmation by the Executive Director and the Co-Chairs that the following policies, procedures and documents have been adopted:*
 - (i) *The Fund's initial result areas, core performance indicators and results management framework;*
 - (ii) *The Fund's and Secretariat's structure and administrative policies that enable the Fund to receive, manage and disburse financial resources;*
 - (iii) *The Fund's own best-practice fiduciary principles and standards, and environmental and social safeguards;*
 - (iv) *The Fund's own policies and procedures for accrediting national, regional and international implementing entities and intermediaries;*
 - (v) *Best-practice procedures for the Fund's National Designated Authorities or focal points to conduct multi-stakeholder engagement in the context of developing funding proposals;*
 - (vi) *The Fund's risk management framework;*
 - (vii) *The terms of reference of the Fund's Independent Evaluation Unit, the Independent Integrity Unit and the independent redress mechanism;*
 - (viii) *Modalities for the Fund's Private Sector Facility;*
 - (ix) *Terms and criteria for the Fund's financial instruments; and*
 - (x) *Policies and procedures for the allocation of Fund resources, including results-based approaches.*
- (e) *Requests the Secretariat to arrange the ad hoc pledging meeting upon the confirmation from the Executive Director and the Co-Chairs of the adoption of the items in listed in (d) above;*
- (f) *Further decides that the policies, procedures and documents necessary to trigger the first formal replenishment meeting will be decided upon at the first Board meeting following the ad hoc pledging meeting.*

Annex II: Indicative timeline for the initial resource mobilization for the Fund

1. End of 2013: Report to the Conference of the Parties (COP), including on the readiness of the Fund to start resource mobilization;
 2. The Secretariat arranges the initial activities pledging meeting;
 3. The Executive Director and the Co-Chairs confirm the adoption of the policies, procedures and documents described in paragraph (d) of decision [symbol of decision on resource mobilization];
 4. The Secretariat organizes the ad hoc pledging meeting no later than three months following the completion of Step 3;
 5. At the first Board meeting following the ad hoc pledging meeting, the Board decides the conditions necessary to trigger the first formal replenishment meeting;
 6. Following the completion of Step 5, including the relevant policies, procedures and documents adopted, the Secretariat arranges the first formal replenishment meeting, informed by the ad hoc pledging meeting.
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