

Green Climate Fund

Confirmation of the Completion of the Essential Requirements and the Commencement of the Initial Resource Mobilization Process

GCF/B.07/09

2 May 2014

Meeting of the Board

18-21 May 2014

Songdo, Republic of Korea

Agenda item 12

Recommended action by the Board

It is recommended that the Board:

- (a) Take note of the information presented in document GCF/B.07/09 *Confirmation of the Completion of the Essential Requirements and the Commencement of the Initial Resource Mobilization Process*; and
- (b) Adopt the draft decision presented in Annex I to this document.

Confirmation of the Completion of the Essential Requirements and the Commencement of the Initial Resource Mobilization Process

I. Introduction and prior Board decisions

1. By its decision B.05/17 on resource mobilization, which was adopted at its meeting on 8-10 October 2013 in Paris, the Board:
 - (a) Decided to commence the resource mobilization process through an initial resource mobilization process as soon as possible;
 - (b) Requested the Secretariat to make arrangements with all interested contributors, facilitating a collective engagement in the initial resource mobilization process no later than three months after the essential requirements for the Fund to receive, manage, programme and disburse financial resources have been met as decided by the Board;
 - (c) Decided to consider and decide upon the policies, procedures and documents necessary to trigger the first formal replenishment meeting at the first Board meeting following the completion of the process outlined in paragraph 1 (b) above.

II. Commencement of the initial resource mobilization process

2. Pursuant to decision B.05/17, the Board will need to carry out the following actions at its May 2014 meeting for the commencement of the initial resource mobilization process:
 - (a) Confirm that the eight essential requirements, as outlined in Annex XXII to document GCF/B.05/23, have been met;
 - (b) Endorse those arrangements¹ proposed by the Secretariat for the collective engagement of all interested contributors in the initial resource mobilization process which relate to:
 - (i) The nature and timing of the engagement;
 - (ii) Participation; and
 - (iii) Documentation.
 - (c) Provide further guidance to the Secretariat on the proposed arrangements mentioned in paragraph 2 (b) above, including on the roles of the Secretariat and the Interim Trustee in the initial resource mobilization process.
3. Based on recommendations from the interested contributors collectively engaging in the initial resource mobilization process, the Board will consider and approve the policies for contributions emerging from the process.

¹ See Annex II for a complete list of the arrangements.

Annex I: Draft decision of the Board

The Board, having reviewed document GCF/B.07/09 *Confirmation of the Completion of the Essential Requirements and the Commencement of the Initial Resource Mobilization Process*:

- (a) Decides that the eight essential requirements for the commencement of the initial resource mobilization process, as listed in Annex XXII of the decision B.05/17, have been met;
- (b) Also decides to commence the initial resource mobilization process;
- (c) Reaffirms its request to the Secretariat to make arrangements with all interested contributors, facilitating a collective engagement in the initial resource mobilization process no later than three months after the essential requirements for the Fund to receive, manage, programme and disburse financial resources have been met;
- (d) Endorses the arrangements proposed by the Secretariat for a collective engagement in the initial resource mobilization process, as contained in Annex II to this document;
- (e) Decides that the Board will consider and approve the policies for contributions based on recommendations from the interested contributors collectively engaging in the initial resource mobilization process;
- (f) Requests the Interim Trustee to provide support, as part of its function to administer the Green Climate Fund Trust Fund (GCF Trust Fund), to the Secretariat on:
 - (i) The development of policies and procedures for contributions to the GCF Trust Fund; and
 - (ii) Other relevant financial management issues as agreed between the Secretariat and Interim Trustee;
- (g) Authorizes the Executive Director of the Fund to confirm with the Interim Trustee the scope of Interim Trustee support, as referred to in paragraph (f) above;
- (h) Requests the Secretariat and the Interim Trustee to prepare a template for legal arrangements between contributors and the Fund for consideration by the Board, which will be based on the policies for contributions as recommended by interested contributors collectively engaging in the initial resource mobilization process.

Annex II: Arrangements proposed by the Secretariat for the collective engagement in the initial resource mobilization process

The arrangements proposed by the Secretariat for the collective engagement of all interested contributors in the initial resource mobilization process are divided into three categories and presented in the following:

Nature and timing of the engagement

- (a) The collective engagement will take place in the form of one or more meetings as well as virtual communication between meetings;
- (b) The first meeting is envisaged to take place before the end of June 2014;
- (c) Another meeting may be planned, if necessary;
- (d) A high-level pledging meeting will be convened as soon as feasible;

Participation

- (e) The Secretariat will invite interested public contributors who have expressed intent to contribute at least USD 5 million to participate in the collective engagement process. Other potential contributors may be invited as observers;
- (f) In keeping with the best practices of other major multilateral resource mobilization processes, the Co-Chairs will invite, with assistance from the Secretariat, a prominent person to moderate the meetings in the initial resource mobilization process;
- (g) The rules of participation and conduct of the meetings may be decided by the interested contributors at their first meeting;

Documentation

- (h) The Secretariat will prepare a programming document that will summarize the decisions taken by the Board that are necessary to guide decisions relevant to the resource mobilization process;
 - (i) The Secretariat will prepare a progress report on the commencement of the initial resource mobilization process for consideration by the Board at its next meeting; and
 - (j) The disclosure of information and documents regarding the initial resource mobilization process will be governed by the Fund's Interim Information Disclosure Practice (decision B.05/15, Annex XX).
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