



**GREEN
CLIMATE
FUND**

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4 October 2018

Arrangements for the first formal replenishment of the Green Climate Fund

Summary

The Green Climate Fund (GCF) adopted an ad hoc resource mobilization process at its inception, with the Board deciding to transition subsequently to a formal replenishment process. This document presents for Board consideration a proposed process for the first formal replenishment of the GCF, including an indicative timeline, structure and format, matters relating to governance and participation, inputs and strategic direction-setting, and financial components, among others. It includes in annex I a draft decision of the Board; in annex II a proposed process for the first formal replenishment; in annex III an indicative timeline; in annex IV a comparison with replenishment processes of other funds; and in annex V a budget proposal for conducting arrangements for the first formal replenishment.

I. Background

1. When the GCF initial resource mobilization (IRM) process was launched, the Board by decision B.05/17, decided that the GCF would transition subsequently to a formal replenishment process, and that the policies, procedures and documents necessary to trigger the first formal replenishment meeting would be decided following completion of the IRM process. The Board endorsed by decision B.08/13 the Policies for Contributions, which state that “once the Fund’s cumulative funding approvals exceed 60 per cent of the total contributions, confirmed by fully executed contribution agreements/arrangements, received during the IRM, the Fund will initiate a formal replenishment process”.

2. As an operating entity of the Financial Mechanism of the United Nations Framework Convention on Climate Change (UNFCCC), the GCF is mandated to “promote the paradigm shift towards low-emission and climate-resilient development pathways”¹ by “channeling new, additional, adequate, and predictable financial resources to developing countries”². This mandate is further contextualized by the Paris Agreement and the commitment by developed countries to continue taking the lead in mobilizing climate finance from a wide variety of sources³ and “continue their existing collective mobilization goal [*USD 100 billion per year by 2020*] through 2025 in the context of meaningful mitigation actions and transparency on implementation”⁴. The Governing Instrument for the GCF states that the Fund will receive financial inputs from developed country parties to the UNFCCC and may also receive financial inputs from a variety of other sources, public and private, including alternative sources.

3. Through the IRM period, the Fund has succeeded in fully operationalizing its funding modalities, committing USD 3.5b to a portfolio of 74 projects and programmes, of which 33 projects (USD 1.5 billion) are now being implemented and at least 36 by B.21. The Fund is supporting over 100 countries through over USD 100m of approved readiness support, USD 50m in support for adaptation planning, and has built a diverse network of 59 Accredited Entities (of which 32 are national or regional direct access entities) and a range of Delivery Partners. The GCF Secretariat has built the capability to manage an annual programming volume of at least USD 3.5-5b, and the Fund continues to witness an accelerating growth in demand for finance, with a current pipeline of USD 17 billion. As the Board noted in decision B.20/07, as at mid-2018 the GCF had remaining commitment authority in the range of USD 3 billion for the remainder of the IRM. This level of utilization of resources, and the steadily growing demand for funding, brings urgency to a successful replenishment to ensure the adequacy and predictability of GCF resources.

4. At its twenty-first session, the UNFCCC Conference of Parties (COP) requested the Board to “agree on the arrangements for the first formal replenishment process of the GCF as soon as feasible”⁵. At its twenty-third session, the COP encouraged the Board to “launch the first replenishment process of the Green Climate Fund in accordance with previous decisions of the Conference of the Parties and the Board”⁶. At its nineteenth meeting, the Board by decision B.19/05 decided to “advance work under its 2018 work programme work to conclude the essential preparatory arrangements for the Fund’s first formal replenishment process, noting this is without prejudice to the timing of a decision to initiate replenishment in line with decision B.08/13”. By the same decision, the Board also requested the Co-Chairs, with the

¹ Paragraph 2 of the Governing Instrument for the GCF.

² Paragraph 3 of the Governing Instrument for the GCF.

³ Article 9, paragraph 3 of the Paris Agreement

⁴ Decision 1/CP.21, paragraph 53

⁵ Decision 7/CP.21, paragraph 10

⁶ Decision 9/CP.23, paragraph 17

support of the Secretariat, and in consultation with members of the Board, to oversee the preparation of necessary policies and procedures for the formal replenishment process.

II. Possible action by the Board

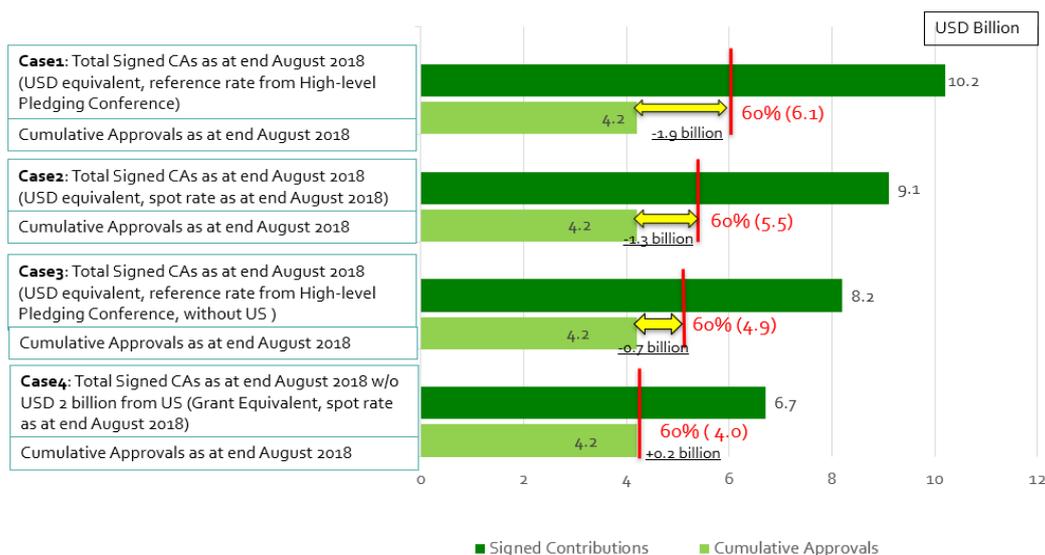
5. This document presents for the Board's consideration:
 - (a) Information pertaining to the **initiation of the formal replenishment process** in line with paragraph 1(d) of the Policies for Contributions⁷;
 - (b) A **proposed process** for the GCF's first formal replenishment, including an indicative timeline and matters relating to governance, participation, format and term;
 - (c) **Preparatory work** that may be commissioned for the replenishment process;
 - (d) A **proposed budget** for the conduct of the replenishment process.
6. Based on the information provided, the Board may wish to adopt the draft decision presented in **annex I** to this document.
7. In considering the arrangements for replenishment, the Board may note it is likely to take in the range of 12-24 months from initiation of the replenishment process for the GCF to complete replenishment meetings, conclude contribution agreements and reach effectiveness, and receive pledges in the GCF account. An indicative timeline is set out in **annex III**.

III. Initiation of the formal replenishment process

8. The Policies for Contributions paragraph 1(d) states that "once the Fund's cumulative funding approvals exceed 60 per cent of the total contributions, confirmed by fully executed contribution agreements/arrangements, received during the IRM, the Fund will initiate a formal replenishment process". The IRM participants envisaged that this was likely to happen by end-June 2017.
9. As reported in document GCF/B.21/Inf.05 on the status of the IRM, as at 31 August 2018, the Fund's cumulative funding approvals⁸ stood at USD 4.2 billion. Noting there are different possible approaches to determining the "total contributions" amount, the below diagram sets out conditions under which paragraph 1(d) of the Policies for Contributions might be satisfied:

⁷ To be read in conjunction with document GCF/B.21/Inf.05 on the status of the IRM which details the Fund's cumulative funding approvals and projected remaining commitment authority.

⁸ Funding approvals include Board decisions on funding proposals, the readiness program, the Project Preparation Facility, accredited entity management fees and the administrative budget (including for the independent units) minus the two lapsed projects (FP020 and FP030) totaling approximately USD 210 million.



10. For B.21, the Secretariat has submitted an additional USD 1.148 billion in funding proposals, which will attract an estimated USD 50 million in accredited entity fees. On the basis that the Board approves the full amount submitted for B.21 (plus estimated AE fees), and the proposed administrative budget for 2019, the Fund’s cumulative funding approvals at the end of B.21 would be in the range of USD 5.5 billion.

11. In determining on the arrangements for replenishment, the Board may:
- (a) With consideration to the volume of funding approved at B.21, decide to initiate the formal replenishment process in line with paragraph 1(d) of the Policies for Contributions; or
 - (b) Consider that the urgency of replenishment merits a decision to begin certain arrangements, such as organizational meetings, initial consultations and commissioning of inputs, in anticipation of a decision to formally initiate replenishment under paragraph 1(d); or
 - (c) Consider that the urgency of commencing the formal replenishment process merits a Board decision to supersede paragraph 1(d) of the Policies for Contributions and initiate replenishment irrespective of the volume of funding approvals made at B.21.

IV. Process for the replenishment

4.1 Initial Resource Mobilization

12. For the IRM, pursuant to decision B.07/09, the Board requested the Secretariat to “make arrangements with all interested contributors, facilitating a collective engagement in the initial resource mobilization process”, and endorsed the arrangements for this collective engagement.⁹ These arrangements included:

⁹ Decision B.07/09 and referenced annex XVII to document GCF/B.07/11

- (a) A series of meetings, as well as virtual communication between meetings as necessary; two technical sessions and a high-level pledging conference were held over a period of six months, from June to November 2014;¹⁰
- (b) The Co-Chairs issuing an open invitation to all potential contributors to the Fund's initial resource mobilization process, including from the private sector and philanthropic organizations, within a week from adoption of decision B.07/09;
- (c) The meetings were open for participation by all potential contributors; to ensure transparency and consistency with Board decisions, the following non-contributing observer were invited: the Board's Co-Chairs, four representatives of the Board (two developed/two developing), two active observers of the Board (one civil society/one private sector), as well as the Executive Director and representative of the Interim Trustee;
- (d) The option for meetings to be organized in the form of technical sessions, open to contributors and observers, as well as executive sessions, open only to contributors and the Co-Chairs of the Board, Secretariat and Representatives of the Interim Trustee as relevant;
- (e) The rules of conduct of the IRM process being developed at the first meeting;
- (f) Request for the Secretariat to prepare a programming document summarizing the decisions taken by the Board that were necessary to guide decisions relevant to the initial resource mobilization process; and
- (g) Disclosure of information and documents being governed by the Fund's Interim Information Disclosure Practice (decision B.05/15, annex XX).

13. At its eighth meeting, the Board endorsed the Policies for Contributions for the GCF, which paved the way for contributors to make significant pledges to the GCF. Thereafter, a High-Level Pledging Conference was organized in Berlin, Germany, in November 2014 for those interested in contributing to the IRM process. Twenty-one countries pledged a total of up to USD 9.3 billion equivalent.

14. Following the Pledging Conference, twenty-one countries signed contribution agreements/arrangements for a total of approximately USD 5.47 billion equivalent, to reach effectiveness¹¹ (i.e. the ability to start allocating resources for projects and programmes) as of 21 May 2015. By the eleventh meeting of the Board in October 2015, almost one year after the Pledging Conference, the GCF had received approximately USD 852 million in cash and promissory notes.

¹⁰ The first IRM meeting was held from 30 June to 1 July in Oslo, Norway and attended by interested contributors representing 24 developed and developing countries, along with observers. Meeting participants elected Mr. Henrik Harboe as Chair of the meeting, adopted rules of conduct and considered the policies for contributions, programming document and draft legal templates for contributions. A second technical IRM meeting was held from 8 to 9 September in Bonn, Germany. It was attended by interested contributors from 22 governments and observers, and chaired by Mr. Lennart Båge, who became the facilitator of the IRM process. Further details can be found in document GCF/B.08/15.

¹¹ Policies for Contributions stipulate that GCF's commitment authority will become effective when 50 per cent of contributions, confirmed by fully executed contribution agreement/arrangements, pledged by the Fund's 2014 High-Level Pledging Conference in Berlin are reflected in fully executed contribution agreements received by the Secretariat.

4.2 Approaches in other funds

15. The GCF IRM process represented a relatively ad hoc procedure, with limited terms of engagement defined up front, no intention to set precedent for future cycles, and a voluntary approach to contributions. Other funds and institutions, particularly as they have evolved, have instituted more formal, periodic approaches to replenishment. This includes, for example, establishing regular replenishment cycles; defining terms for replenishment that apply beyond a single cycle, including arrangements for burden-sharing; and instituting dedicated governance and decision-making arrangements. A comparison with other Funds replenishment processes is set out in **annex IV**.

4.3 Governance of the replenishment process

4.3.1 Role of the Board

16. In its decision B.19/05, the Board requested the Co-Chairs, with the support of the Secretariat, and in consultation with members of the Board, to oversee the preparation of necessary policies and procedures for the formal replenishment process. In concluding such decisions, the Board may need to consider a range of issues relating to the timing, structure, governance, and format of the replenishment process, discussed further below.

17. In consultations among Board members to date on the replenishment process, two broadly contrasting views have been expressed as to the overall role of the Board with respect to the governance of the replenishment process, namely:

- (a) The Board should be responsible for initiating the formal replenishment process and considering proposed outcomes at the conclusion of replenishment meetings, but the replenishment process should be managed independently of the Board; or
- (b) The Board should have a significant role in guiding the replenishment process, including deciding on questions of timing, structure, governance and inputs, and endorsing its outcomes.

18. The draft decision presented in annex I, in line with the broad approach taken for the IRM, proposes that the Board take decisions to define the broad structure of the replenishment process, including 'backstop dates' for the commencement and completion of replenishment. It also maintains the ability of participants in the replenishment meetings to determine on matters relating to the more detailed conduct of those meetings.

19. In addition, developments in the replenishment consultation meetings could be reported regularly to the Board, and the outcomes of the replenishment consultation meetings presented to the Board for its consideration and endorsement.

4.3.2 Role of the Secretariat

20. Under the Governing Instrument for the GCF, the Secretariat is mandated to "support the Board in arranging replenishment processes".¹² This role may include, inter alia:

- (a) Assisting with the preparation of inputs, including reporting on Fund performance, programming, strategy and communications;
- (b) Planning, logistics and support for the conduct of replenishment meetings;

¹² Paragraph 23(k) of the Governing Instrument for the GCF.

- (c) Support on financial matters, including in relation to financial position of the fund and contributions arrangements.
21. Following the practice of the IRM and other funds, the Board may request the Secretariat make the arrangements for collective engagement in the formal replenishment process, within the framework of relevant Board decisions, and subject to approved budget.

4.4 Procedures for the replenishment process

22. In deciding on the procedures for the formal replenishment process, the Board may consider the following matters relating to structure, timing and participation:
- (a) **Term of replenishment:** Since the IRM period was intended to secure resources for the GCF for the period 2015 to 2018, the first replenishment period could run from 2019 to 2022. Determining on a fixed term for replenishment could also help establish a regular periodic cycle for future replenishments and assist with financial planning;
- (b) **Structure/format:** Consistent with the IRM and practice of other funds, the replenishment process could comprise collective engagement through a series of consultation meetings and a high-level pledging conference. This staged approach provides an opportunity for contributors to review the progress, performance, programming and strategic direction of the GCF and discuss matters relating to contributions. Discussions typically begin with a review of GCF performance, policy and programmatic direction already approved by the Board. At the final meeting, a pledging session is held for contributors to agree and confirm their contributions to the first replenishment;
- (c) **Timing:** Consistent with the IRM, the Board could determine to set 'backstop' dates to commence and conclude the replenishment process – for example, a first organizational meeting to take place by January 2019, with a view to finalizing the replenishment process at latest by October 2019. It is noted that the United Nations Secretary General will convene a Climate Summit in late September 2019 and the Twenty-Fifth UNFCCC Conference of Parties is expected to be held 11-22 November 2019;
- (d) **Staging:** The Board may consider staging the replenishment process to invite developed country and other government contributors to participate in a first phase of replenishment consultations. A second stage inviting other potential contributors, including from the private sector and philanthropic organizations, could follow as enabled by relevant policy decisions. The Board workplan for 2019 proposed by the Co-Chairs includes a policy for contributions from philanthropic foundations and other alternative sources to be considered by the Board at B.22;
- (e) **Participants and observers:** Following the practice of the IRM, the replenishment meetings could be open for participation by potential contributors and observer participation by the Board's Co-Chairs, four representatives of the Board (two developed/two developing), two active observers of the Board (one civil society/ one private sector), as well as the Executive Director, and representative of the Interim Trustee as required. In line with the practice of other Funds, there may be consideration given to whether there should be a minimum contribution threshold for contributor participants in the replenishment, with other potential contributors not reaching this threshold invited to participate as observers. Also, a representative from the UNFCCC, and one representative of each of the climate finance delivery channels (GEF, Adaptation Fund and CIFs), could be invited to observe, along with any additional observers invited by participants in the consultation meetings and pledging conference; and

- (f) **Nominating an eminent person(s) as a champion:** To raise the profile of the GCF replenishment and maximise prospects for an ambitious resource mobilization, the Board may wish to consider inviting an eminent person or persons to champion the GCF replenishment globally. Also, these group of champions could be approached to form a group of global advisors for high-level advice and guidance to the first replenishment process. The Co-Chairs, with assistance from the Secretariat, could be requested to approach and make the necessary arrangement to secure a champion or champions.

V. Preparatory work and inputs

23. In deciding on the arrangements for the formal replenishment, the Board may consider commissioning preparatory work or inputs to inform the replenishment process. These may include:

- (a) A forward-looking review of the Fund's performance, which is a regular input to replenishment processes to provide potential contributors and other stakeholders with an overview of the Fund's performance in delivering its mandate;
- (b) A comprehensive report on progress made by the GCF in implementing its initial Strategic Plan over the IRM period;
- (c) An analysis of the potential impact that the GCF could have during its first replenishment period, including potential mitigation and adaptation scenarios, to inform future programming directions;
- (d) A report identifying areas in the policies for contributions and associated agreements/arrangements that may be updated for the GCF's first replenishment period; and
- (e) Information on the financial position of the Fund.

24. In decision B.19/05 the Board also signalled its intention to review the GCF initial Strategic Plan in the context of the first replenishment process. The Board could decide to formally initiate this work at its twenty-first meeting, by inviting submissions from Board members and requesting the Secretariat to synthesize inputs for consideration by the Board.

VI. Potential contributors and other stakeholders

25. For a successful replenishment, participation and relationships with key stakeholders are essential. For the replenishment process, the GCF could be actively engaged with a range of stakeholders, including national designated authorities and accredited entities, traditional contributors, non-traditional contributors (through a staged approach to replenishment), and others. The potential roles of these stakeholders are described below:

- (a) **Public sector contributors (developed country parties to the UNFCCC, developing countries, other public-sector entities):** Based on the commitments made under the UNFCCC and as the only source of contributions for the IRM, the GCF can expect the main source of funding to come from the public sector. Beyond existing contributors, the GCF can actively reach out to other developed countries, developing countries that may be willing to contribute, sub-sovereign entities/local governments, and others from which the GCF is currently able to receive contributions;
- (b) **Non-traditional contributors (non-parties to the Convention, private entities and philanthropic foundations):** While there is not yet a proactive interaction with these stakeholders as possible contributors, they could be key players in mobilizing significant funds in climate finance. Since the level of contributions and agendas for other sources

will be different from that of the public sector, the Board may consider adopting a staged process to engage this set of stakeholders in replenishment, in conjunction with considering a policy for contributions from philanthropic foundations and other alternative sources currently scheduled for B.22;

- (c) **National designated authorities and accredited entities:** As key stakeholders of the GCF, national designated authorities and accredited entities will help the GCF form its strategic and programming directions, and understand potential impact;
- (d) **Other stakeholders (private sector actors and civil society organizations, etc.):** As mentioned in paragraph 71 of the Governing Instrument for the GCF, the “Board will develop mechanisms to promote the input and participation of stakeholders, including private sector actors, civil society organizations, vulnerable groups, women and indigenous peoples, in the design, development and implementation of the strategies and activities to be financed by the Fund”. The replenishment will in particular engage the accredited and active observers of the Fund; and
- (e) **Trustee:** Noting the important role of the Interim Trustee during the IRM process, the Trustee could share valuable knowledge and experience with other replenishment processes. The GCF would discuss and come to a mutual agreement with the Trustee in advance on the scope and nature of any additional support that may be requested during the replenishment process. Based on the outcome of the replenishment, the GCF and Trustee would discuss and agree on the contribution agreements/arrangements and/or amendments thereto that may be required. Based on the IRM experience, certainty about having the [Permanent] Trustee in place will be very important to enable contributors to secure necessary approvals to confirm pledges.

VII. Financial components

26. The ambition or total amount of resources for the first replenishment will be informed by analysis of demand evidenced in the GCF pipeline and country and entity work programming, opportunities for the GCF to deliver transformational impact for developing countries, relevant outcomes of UNFCCC and Paris Agreement, the Fund’s ability to manage programming and implementation of funded activities, and discussions in the course of the replenishment consultations.

27. Financial components of the replenishment will be further elaborated in the course of replenishment and may include:

- (a) **New contributions:** All contributions pledged and signed by the contributors for the first replenishment period. The core of new contributions is expected to come from traditional contributors, which are national and subnational (province, cities and any other public entities) governments. A subsequent stage of replenishment could consider potential contributors from the private sector and alternative sources;
- (b) **Carry over:** Any unused resources from the IRM period;
- (c) **Investment income:** Any income earned during the first replenishment period on the liquidity balance of the GCF Trust Fund;
- (d) **Reflows:** Reflows from outgoing loans and other financial products, including interest and principal repayments, net of any repayments to loan contributors; and
- (e) **Fees:** Any fees earned from participation/engagement of the activities of the GCF.

VIII. Proposed draft budget for arrangements for replenishment

28. The proposed draft budget for arrangements for replenishment in 2019, based on the information provided in this Board paper, is approximately USD 1.4 million, but depending on the decisions made by the Board, the amount may be changed. The draft budget includes the following items (please refer to annex V for details):

- (a) Advocacy and outreach
 - (i) Replenishment champion(s) and global advisors
 - (ii) Regional outreach and conferences
- (b) Arrangements for replenishment process
 - (i) Facilitator
 - (ii) Consultation meeting travels and conferences
 - (iii) Pledging conference travels and conferences
- (c) Technical support
 - (i) Replenishment advisers
 - (ii) Consultancies for review of Policies for Contributions

29. In comparison, other similar organizations such as GEF, Global Fund and GAVI allocated budget for replenishment in the ranges between USD 0.7 million to USD 1.7 million. It should also be noted that these organizations are well established in the replenishment process with much more internal capacity to implement replenishment related work in-house. In this sense, the proposed draft budget of USD 1.4 million for GCF is comparable to other organizations.

Annex I: Draft decision of the Board

The Board, having reviewed document GCF/B.21/30/Rev.01 titled “Arrangements for the first formal replenishment of the Green Climate Fund” and document GCF/B.21/Inf.05 titled “Status of the initial resource mobilization process”, and taking account of guidance from the Conference of Parties:

- (a) *Takes note* that cumulative funding approvals have reached USD [X] billion, showing the significant scaling up of the GCF’s capabilities to support low-emissions climate-resilient development in developing countries and implementation of the UNFCCC and the Paris Agreement;
- (b) *Stresses* the importance and urgency of the GCF conducting a successful and ambitious first replenishment process to continue advancing its mandate, as an operating entity of the financial mechanism under Article 11 of the UNFCCC and under its Governing Instrument, to promote the paradigm shift towards low-emission and climate-resilient development and to channel new, additional, adequate and predictable financial resources to developing countries, and catalyse climate finance, both public and private, at international and national levels;

[Replenishment process¹]

- (c) *Decides* to commence the process for the Green Climate Fund’s first formal replenishment in accordance with the indicative timeline set out in annex III to document GCF/B.21/30/Rev.01;
- (d) *Further decides* that the period of the first replenishment will be from 2019 to 2022;
- (e) *Endorses* the process of collective engagement for the first replenishment process set out in annex II;
- (f) *Requests* the Secretariat to begin making arrangements to facilitate the process of collective engagement referred to in paragraph (e);
- (g) *Approves* a budget of USD 1.4 million for conduct of the formal replenishment process, as detailed in annex V to document GCF/B.21/30/Rev.01;
- (h) *Stresses* the urgency to reach pledges for replenishment at latest by October 2019, recognising that further pledges may be received during the replenishment period;
- (i) *Requests* the [Interim] Trustee to provide support to the Secretariat, as part of its function to administer the GCF Trust Fund, on issues related to:
 - (i) Updating the standard provisions and template contributions agreement; and
 - (ii) Other relevant financial management issues as agreed between the Executive Director of the Secretariat and the [Interim] Trustee;
- (j) *Authorizes* the Executive Director [ad interim] to confirm with the [Interim] Trustee the scope of [Interim] Trustee support, as referred to in paragraph (j);

[Preparatory work²]

- (k) *Requests* the Secretariat to prepare for the Board’s consideration at its twenty-second meeting;

¹ Subtitles are to assist with readability and will be deleted from a final decision.

² Subtitles are to assist with readability and will be deleted from a final decision.

- (i) A comprehensive report on the implementation of the GCF's initial Strategic Plan over the IRM period (2015-2018);
 - (ii) A document setting out potential mitigation and adaptation scenarios for the GCF's first replenishment, in line with the goals of the UNFCCC and Paris Agreement, informed by country and entity work programmes, NDCs, the GCF pipeline, NAPs and other relevant and available resources; and
 - (iii) A document outlining areas in the policies for contributions, standard provisions, and template contributions agreement that may be updated for the GCF's first replenishment period, including the conditions necessary to trigger subsequent replenishments;
- (l) Reiterates the Board's intention to review the Strategic Plan of the GCF as part of the first replenishment process, with a view to revising the strategic vision, if and as needed, and to update the core operational priorities and underlying action plan; and
- (m) Invites members of the Board to send inputs on the update of the Strategic Plan to the Secretariat by 30 November 2018, in order for the Secretariat to produce a synthesis of issues for consideration by the Board at its twenty-second meeting.

Annex II: Process for the GCF's first formal replenishment

1. Nature and timing

- (a) Collective engagement will take place in the form of an organizational meeting, two or more replenishment consultation meetings and a high-level pledging conference (the "replenishment meetings"), as well as virtual communication between meetings as necessary;
- (b) Organizational arrangements for the replenishment meetings should commence as soon as possible with a view to the process being finalized through a high-level pledging conference no later than October 2019;

2. Participation

- (a) The Co-Chairs will issue an open invitation to all potential contributors³ to the Fund's first replenishment process within a week from the adoption of this decision;
- (b) The replenishment meetings will be open to potential contributors, the Board's Co-Chairs, four representatives of the Board (two developed/two developing), two active observers of the Board (one civil society/ one private sector), as well as the Executive Director;
- (c) A representative from the UNFCCC, and one representative of each of the climate finance delivery channels (GEF, Adaptation Fund and CIFs), will be invited to observe the consultation meetings. Additional observers may be invited by meeting participants in line with the meetings' rules of conduct.
- (d) The replenishment meetings may be organized in the form of technical sessions, open to potential contributors and observers, as well as executive sessions, which will be open only to potential contributors and the Co-Chairs of the Board, with support from the Secretariat. Representatives of the [Interim] Trustee will be invited to attend sessions of such meetings in order to provide relevant support to the Secretariat;
- (e) The rules of conduct of the replenishment meetings will be developed at the first meeting;
- (f) The Co-Chairs of the Board, with assistance from the Secretariat, may invite an eminent person or persons to champion an ambitious GCF replenishment globally;

3. Inputs and outcomes

- (a) The Secretariat, with the support of the [Interim] Trustee as relevant, will prepare any inputs required to inform the replenishment meetings, including inter alia:
 - (i) a document summarizing decisions taken by the Board that are necessary to guide decisions relevant to the first formal replenishment;
 - (ii) any documents requested by the Board to help inform the replenishment process, including those identified in decision B.21/XX;
 - (iii) information on the financial position of the Fund.

³ As currently covered by the Fund's Policies for Contributions. The Board may further consider the engagement in replenishment of the full variety of sources, including alternative sources, identified in paragraph 30 of the Governing Instrument, in conjunction with consideration of a Policy on Contributions from Alternative Sources.



- (b) Progress in the replenishment consultation meetings will be reported to the Board, and the Board will be requested to consider and endorse the outcomes of the process.
- (c) The disclosure of information and documents regarding the first replenishment process will be governed by the Fund's Information Disclosure Policy.

Annex III: Indicative timeline

The key stages, with indicative date ranges, for the GCF proposed first formal replenishment process are as follows:

- (a) **Twenty-first meeting of the Board – October 2018:** The Board may:
 - (i) Decide on and commence the process for the GCF’s replenishment, including determining on the format of replenishment, timetable, term and governance;
 - (ii) Request the Secretariat to begin making arrangements for the conduct of replenishment;
 - (iii) Commission any required preparatory work, including input papers, analysis and forward-looking review of the Fund’s performance;
 - (iv) Initiate an update of the GCF Strategic Plan;
 - (v) Consider policies that will be applicable for the first replenishment period;
 - (vi) In the context of funding approval decisions taken by the Board, determine if the conditions for formally initiating the first replenishment have been met;
- (b) **Initial organizational meeting – November 2018-January 2019:** An organizational meeting could be held to consider planning matters for the replenishment meetings.
- (c) **Twenty-second to twenty-third/fourth meetings of the Board and Consultation Meetings – Period of 6-12 months from decision to initiate replenishment:**
 - (i) The twenty-second meeting of the Board (Q1 2019) may consider any additional matters relating to the replenishment process and review relevant documents commissioned by the Board to inform the replenishment process;
 - (ii) An initial report identifying emerging areas of recommendations (March 2019), and then a final report reviewing the performance of the Green Climate Fund (June 2019) could be presented for consideration;
 - (iii) Two or more replenishment consultations could be held (Q1-Q3 2019) to consider matters relating to the Fund’s performance, potential impact, programming, financial position and contributions;
 - (iv) The twenty-third and/or twenty-fourth meeting of the Board (Q3 2019) would be informed of developments in replenishment consultations and consider any matters requiring Board endorsement or decision, as well as finalize the update to the GCF Strategic Plan;
- (d) **High-level pledging conference – Q3 2019:** A pledging conference could be held to announce contributions;
- (e) **Finalization of contributions – Period of 3-6 months from pledging:** A further 3–6 months would likely be required following pledging to conclude contribution arrangements between contributors and the GCF [Interim] Trustee, reach any effectiveness threshold, and begin receiving funds into the GCF account.

Annex IV: Replenishment in other funds

	Global Fund	ADF	GAVI	GEF
Period	Fifth replenishment	Fourteenth replenishment (ADF-14)	Second replenishment	Seventh replenishment (GEF-7)
Cycle	2017–2019 (3 years)	2017–2019 (3 years)	2016–2020 (5 years)	2018–2022 (4 years)
Pledged amount	USD 12.9 billion	USD 7.06 billion	USD 7.5 billion	USD 4.1 billion
Annual programming capacity	USD 4.3 billion	USD 2.35 billion	USD 1.5 billion	USD 1.025 billion
Process	The process began with a preparatory meeting in December 2015 and the final pledging conference was held in September 2016; published two reports on the need for financing, a funding model, results and impact; a series of meetings with each donor government and private foundation/individual took place	Three consultation meetings were held in March, July and November 2016; at the third meeting, the financing framework and pledging were finalized	The second replenishment was launched at a high-level meeting hosted by the European Commission in Brussels, Belgium, on 20 May 2014; the pledging conference was hosted by the German Government – under the patronage of Chancellor Angela Merkel – in Berlin, Germany, on 26 and 27 January 2015	Planning began in October 2016 and four replenishment meetings were held between March 2017 and April 2018; during the four meetings, GEF published a list of documents updating the financial report, the previous replenishment update, the programme update, the business plan, the sixth comprehensive evaluation of the GEF (called OPS6) etc.
Relevant document	Replenishment reports	<i>ADF-13 Report: Supporting Africa's Transformation</i>	<i>The 2016–2020 Investment Opportunity</i>	<ul style="list-style-type: none"> • GEF-7 Policy Recommendations • GEF-7 Programming Directions • Resource Allocation Scenarios and Global Environmental Benefits Targets • GEF-7 Replenishment Resolution • GEF-7 Summary of Negotiations

Link	< http://www.theglobalfund.org/en/replenishment/fourth/reports/ >	< https://www.afdb.org/fileadmin/uploads/afdb/Documents/Boards-Documents/ADF-13-Report_on_the_Thirteenth_General_Replenishment_of_the_Resources_of_the_ADF.pdf >	< www.gavi.org/Library/Publications/Replenishment/The-2016-2020-GAVI-Alliance-Investment-Opportunity/ >	< www.thegef.org/gef/sites/thegef.org/files/documents/GEF_R.6_26_Draft%20Summary%20of%20Negotiations_Final.pdf >
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Annex V: Proposed budget for the replenishment process

Budget item	Amount (USD)
Advocacy and outreach	
Replenishment champions/global advisors	225,000
Travel: regional outreach	221,500
Conferences: regional outreach	120,000
Arrangements for replenishment process	
Replenishment facilitator	75,000
Conferences: 2 consultation meetings	116,000
Travel: 2 replenishment consultation meetings	192,000
Conferences: pledging conference	48,000
Travel: pledging conference	90,000
Technical support	
Replenishment advisers	100,000
Consultancies: review of Policies for Contributions	180,000
	1,367,500