



**GREEN
CLIMATE
FUND**

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GCF/B.25/06

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Co-Chairs proposal: Guidance from the twenty-fifth session of the Conference of the Parties

Summary

This document presents the actions to be undertaken by the Board in 2020 in response to guidance received from the Parties during the twenty-fifth session of the Conference of the Parties.

I. Introduction

1. In accordance with the Governing Instrument for the GCF and as defined by the Arrangements between the Conference of the Parties (COP) and the GCF in line with UNFCCC decision 5/CP.19, the COP provides annual guidance to the Board, and the Board takes appropriate actions in response to this guidance and reports back to the COP on how it has addressed the guidance received, through its annual report to the COP.
2. This document provides information on how the Co-Chairs propose the Board address the guidance received from COP 25, including through the Board work plan for 2020 and proposed additional actions resulting from COP 25, as well as other decisions adopted by COP 25 with elements requiring action by the GCF.

II. Outcomes of COP25 with implications for GCF as an operating entity of the Financial Mechanism

3. Table 1 in annex II of this document contains a proposal from the Co-Chairs in relation to GCF guidance received from the twenty-fifth session of the Conference of the Parties (COP 25) to the United Nations Framework Convention on Climate Change (UNFCCC), and the second session of the Conference of the Parties serving as the Meeting of the Parties to the Paris Agreement (CMA) as contained in **UNFCCC decision -/CP.25¹** titled "*Report of the Green Climate Fund to the Conference of the Parties and guidance to the Green Climate Fund*".
4. The COP welcomed the progress of the GCF in 2020, including, inter alia, the number of project proposals approved, number of entities accredited by the Board, the adoption of procedures for adopting decisions in the event that all efforts at reaching consensus have been exhausted, the adoption of the workplan of the Board for 2020-2023, the policy on co-financing, the forward-looking performance review, and the revised strategy for the Readiness and Preparatory Support Programme.
5. Resulting from COP 25, there are three key areas forming new or advanced elements of guidance to the GCF, including on:
 - (a) Reference of Article 7, para 1 of the Paris Agreement, in which Parties established a **global goal on adaptation** for enhancing adaptive capacity, strengthening resilience and reducing vulnerability of climate change;
 - (b) The Board of the Green Climate Fund was also invited to continue providing financial resources for activities relevant to averting, minimizing and addressing loss and damage in developing country Parties to the extent consistent with the existing investment, results framework and funding windows and structures of the Green Climate Fund, and to facilitate efficient access in this regard, and in this context to take into account the strategic workstreams of the five year rolling workplan of the Executive Committee of the Warsaw International Mechanism for Loss and Damage; and
 - (c) Encouraging the Board of the Green Climate Fund to continue its efforts to ensure that the Green Climate Fund enjoys **privileges and immunities** while taking note of the engagement between of the COP President at COP 25 with the Secretary-General of the United Nations on the matter of granting privileges and immunities for the Green Climate Fund and its officials through a possible institutional linkage between the

¹ Decision numbers will be assigned in the forthcoming report of the session. Advanced unedited versions of the decisions containing the guidance from COP 25 and CMA2 can be found here:
<https://unfccc.int/resource/cop25/cma2_auv_7b_GCF.pdf>

United Nations and the Green Climate Fund, and requesting the President to report on this engagement at COP 26 in November 2020.

6. Beyond the GCF core guidance received by COP 25, table 1 in annex II contains additional decisions requiring action by GCF for consideration by the Board referring to matters including:

- (a) The Warsaw International Mechanism for Loss and Damage (UNFCCC decision - /CMA.2);
- (b) National adaptation plans (UNFCCC decision -/CP.25); and
- (c) Climate technology development and transfer through the Technology Mechanism (UNFCCC decision -/CP.25).

7. Resulting from the discussion under the Subsidiary Body for Implementation (SBI) on “*Matters relating to the Least Developed Countries*” (LDCs) (FCCC/SBI/2019/L.26), SBI noted the progress of the GCF in enhancing the process of accessing support for the formulation and implementation of NAPs, and expressed its appreciation to the Adaptation Committee (AC) and the Least Developed Countries Expert Group (LEG) for their engagement with the GCF in this regard. The COP also noted the challenges and complexities experienced by the LDCs in accessing funding from the GCF Readiness and Preparatory Support Programme for the formulation of NAPs, particularly in relation to the application and review of proposals for funding. Relating to this the Board of the GCF will consider decisions on the readiness programme and related matters at its 26th meeting; the Board may wish to include a report on this matter in the 9th report of the GCF to the COP. The report to COP will also provide a report the technical assistance available to prepare readiness proposals.

8. The COP also invited delivery partners of the GCF Readiness and Preparatory Support Programme for the formulation of NAPs to strengthen efforts to support the LDCs with the goal of expediting the submission of readiness proposals to the GCF. This is an important departure from previous discussions placing all responsibility on GCF now recognizing the important role of the delivery partners in accelerating processes in relation to the submission of readiness proposals to the GCF.

9. Based on the background information and recommendations provided in this document, it is suggested that the Board adopts the draft decision set out in annex I to this document.

Annex I: Draft decision by the Board

The Board, having considered document GCF/B.25/06 titled “Co-Chairs proposal: Guidance from the twenty-fifth session of the Conference of the Parties”:

- (a) *Takes note* of this report including the actions to be undertaken by the Board and Secretariat in 2020 in response to guidance received from the Parties during the twenty-fifth session of the Conference of the Parties, as contained in annex II; and
- (b) *Confirms* that, in accordance with paragraph 18(n) of the Governing Instrument, as well as decision B.13/11 (Relationship with United Nations Framework Convention on Climate Change thematic bodies), the engagement of the Board with UNFCCC constituted bodies is determined by the Board and in the context of the agreed Board workplan and priorities.

Annex II

Table 1: Summary of GCF core guidance received from the twenty-fifth session of the Conference of the Parties to the UNFCCC and the 2nd session of the Conference of the Parties serving as the Meeting of the Parties to the Paris Agreement and proposals on how it will be addressed by the Board and Secretariat

Relevant Guidance	2020 Work Plan and proposed actions by Board / Secretariat ¹
UNFCCC decision -/CP.25: Report of the Green Climate Fund to the Conference of the Parties and guidance to the Green Climate Fund	
<p>1. Welcomes the report of the Green Climate Fund to the Conference of the Parties at its twenty-fifth session and its addendum, including the list of actions taken by the Board of the Green Climate Fund (hereinafter referred to as the Board) in response to guidance received from the Conference of the Parties;</p>	<p>Action: No additional action required from the Board.</p>
<p>2. Also welcomes the progress of the Green Climate Fund in 2019 on the following, including in relation to guidance provided by the Conference of the Parties:</p> <p>(a) The increase in the number of project proposals approved, which brings the total amount approved by the Board to USD 5.6 billion to support the implementation of 124 adaptation and mitigation projects and programmes in 105 developing countries;</p> <p>(b) The increase in the number of entities accredited by the Board, which brings the total number of accredited entities to 95, of which 56 are direct access entities;</p> <p>(c) The adoption of procedures for adopting decisions in the event that all efforts at reaching consensus have been exhausted, as specified in the Governing Instrument for the Green Climate Fund;</p> <p>(d) The adoption of a revised strategy for the Readiness and Preparatory Support Programme;</p> <p>(e) The adoption of the policy on the restructuring and cancellation of projects and programmes;</p>	<p>Action: No additional action required from the Board.</p>

<p><i>(f) The adoption of the updated Gender Policy and Action Plan 2020–2023, in particular the support modality for national designated authorities and focal points to implement the policy and action plan, as well as support for direct access entities from the project preparation facility;²</i></p> <p><i>(g) The adoption of the workplan of the Board for 2020–2023, which establishes a regular policy implementation, learning and review cycle;</i></p> <p><i>(h) The adoption of the Green Climate Fund’s policy on co-financing;</i></p> <p><i>(i) The forward-looking performance review of the Green Climate Fund;</i></p> <p><i>(j) The continued collaboration between the Green Climate Fund, the Climate Technology Centre and Network and the Technology Executive Committee;</i></p> <p><i>(k) The collaboration between the Green Climate Fund, the Adaptation Committee and the Least Developed Countries Expert Group;</i></p> <p><i>(l) The steps agreed at the 24th meeting of the Board to finalize, at the 25th meeting of the Board, the draft Strategic Plan 2020–2023;</i></p> <p><i>(m) Policies related to integrity, notably the policy on the protection from sexual exploitation, sexual abuse and sexual harassment and the standard on anti-money-laundering and countering the financing of terrorism</i></p>	
<p><i>3. Further welcomes the pledges made by 28 contributors and the successful conclusion of the first formal replenishment process of the Green Climate Fund, resulting in a nominal pledge of USD9.66 billion and a notional credit of USD118.47 million that may be earned in the event all contributors make early encashment;</i></p>	<p>Action: No additional action required from the Board.</p>
<p><i>4. Encourages further pledges and contributions towards the first formal replenishment period;¹</i></p>	<p>Action: GCF Secretariat to continue working on the mobilization of resources to obtain further pledges and contributions for GCF-1, in accordance with Policy for Contributions (decision B.24/01, annex I)</p>

¹ In accordance with Green Climate Fund Board document GCF/B.24/02

<p>5. Also encourages contributing countries to confirm their pledges to the Green Climate Fund in the form of fully executed contribution agreements or arrangements as soon as possible;</p>	<p>Action: GCF Secretariat to continue working with GCF-1 contributing countries to expedite contribution agreements.</p> <p>Note: As at 18 February, <u>12 countries</u> have confirmed part or all of their pledges by executing contribution agreements/arrangements.</p>
<p>6. Reiterates the request to the Green Climate Fund to accelerate the disbursement of funds for already approved projects, including for readiness support, and provide detailed information on disbursement levels and measures taken in this regard in its report to the Conference of the Parties;</p>	<p>Action: GCF Secretariat will:</p> <ol style="list-style-type: none"> 1. Upgrade NDAs and AEs portals in terms of quality and quantity of information, better interaction and tracking of funding proposals, including disbursement status. 2. Continue disclosing progress on accelerating disbursements through the annual report to the Conference of the Parties. <p>Note: As at 18 February, USD 905 million has been disbursed to approved projects.</p>
<p>7. Welcomes the approval of the Board's four-year workplan and requests the Board to complete its work on closing policy gaps, streamlining and simplifying approval processes, including for readiness support and national adaptation plans, and addressing the review of the accreditation framework as soon as possible so as not to disrupt the project and programme approval cycle during the first formal replenishment;</p>	<p>Action:</p> <ol style="list-style-type: none"> 1. The GCF Board has on its workplan for 2020 work relating to: <ol style="list-style-type: none"> a. Addressing the following policy gaps and updates needed for programming-critical updates in 2020: <ol style="list-style-type: none"> i. Policies for contributions from alternative sources; ii. Updated accreditation framework; iii. Review of initial fiduciary standards; iv. Incremental and full cost methodology; v. Policy on concessionality; vi. Programmatic approach policy guidelines; vii. Legal risk policy viii. Updated results management framework; ix. GCF support to adaptation. 2. The Board will include progress on these matters in its 9th report to COP.
<p>8. Encourages the Board of the Green Climate Fund to continue its efforts to ensure that the Green Climate Fund enjoys privileges and immunities;</p>	<p>Action:</p> <ol style="list-style-type: none"> 1. GCF Secretariat, in accordance with Board decision B.08/24, to: <ol style="list-style-type: none"> a. Continue engaging with countries on bilateral agreements on privileges and immunities of the GCF. 2. GCF Board, in accordance with decision B. 24/04, to: <ol style="list-style-type: none"> a. Consider privileges and immunities for the GCF as part of the Workplan of the Board for 2020–2023

<p>9. Takes note of the engagement of the President of the Conference of the Parties at its twenty-fifth session with the Secretary-General of the United Nations on the matter of granting privileges and immunities for the Green Climate Fund and its officials through a possible institutional linkage between the United Nations and the Green Climate Fund, and requests the President to report on this engagement at its twenty-sixth session (November 2020);</p>	<p>Action: The Co-Chairs, with the support of the Secretariat, will remain available to provide any information and support required in the engagement of the President of the Conference of the Parties with the Secretary-General of the United Nations.</p>
<p>10. Decides to continue its consideration of the matter in paragraph 9 above at its twenty sixth session;</p>	<p>Action: No additional action required from the Board. The Secretariat will provide an update, if any, on the status of bilateral PS&Is in its 2020 report to the COP.</p>
<p>11. Invites Parties to submit to the secretariat their views and recommendations on elements to be taken into account in developing guidance for the Board via the submission portal² no later than 10 weeks prior to the twenty-sixth session of the Conference of the Parties;</p>	<p>Action: GCF Board to consider draft report to COP at B.26 and issue an addendum following the conclusion of B.27.</p>
<p>12. Requests the Standing Committee on Finance to take into consideration the submissions referred to in paragraph 11 above when preparing its draft guidance to the Board for consideration by the Conference of the Parties and the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement;</p>	<p>Action: GCF Secretariat will engage and provide clarification to questions raised by the SCF.</p>
<p>13. Also requests the Board to include in its annual report to the Conference of the Parties information on the steps it has taken to implement the guidance provided in this decision;</p>	<p>Action: As done in previously annual reports, the GCF Board, with the assistance of the Secretariat, will continue reporting steps taken to implement guidance provided by the COP.</p>
<p>14. Takes note of decision-/CMA.2 and decides to transmit to the Green Climate Fund the guidance from the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement contained in paragraphs 15–21 below, in accordance with decision 1/CP.21, paragraph 61</p>	<p>Action: No additional action required from the Board.</p>
<p>15. Welcomes the report of the Green Climate Fund to the Conference of the Parties at its twenty-fifth session and its addendum,³ including the list of actions taken by the Board of the Green Climate Fund (hereinafter</p>	<p>Action: No additional action required from the Board.</p>

² <https://www4.unfccc.int/sites/submissionsstaging/Pages/Home.aspx>.

³ FCCC/CP/2019/3 and Add.1

<p><i>referred to as the Board) in response to guidance received from the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement;</i></p>	
<p><i>16. Also welcomes the Board's decision⁴ confirming that the current Green Climate Fund modalities enable support for the preparation and implementation of nationally determined contributions and adaptation-related elements of the Paris Agreement;</i></p>	<p>Action: 1. The GCF will continue to provide support for the preparation and implementation of nationally determined contributions and adaptation-related elements of the Paris Agreement, in accordance with Decision B.13/09 and B.13/10.</p>
<p><i>17. Recalls Article 7, paragraph 1, of the Paris Agreement, in which Parties established a global goal on adaptation for enhancing adaptive capacity, strengthening resilience and reducing vulnerability to climate change;</i></p>	<p>Action: No additional action required from the Board.</p>
<p><i>18. Takes note of the encouragement of the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement⁵ for the Green Climate Fund, among others, to continue channeling support to developing country Parties for the implementation of their adaptation plans and actions in accordance with the priorities and needs outlined in their adaptation communication and/or nationally determined contributions;</i></p>	<p>Action: 1. The GCF will continue to provide support for the preparation and implementation of nationally determined contributions and adaptation-related elements of the Paris Agreement, in accordance with Decision B.13/09 and B.13/10.</p>
<p><i>19. Encourages the Green Climate Fund to continue to enhance its support for adaptation and requests the Green Climate Fund to:</i> <i>(a) Swiftly conclude its work on guidance on the approach and scope for providing support to adaptation activities;⁶</i> <i>(b) Continue to enhance its support for the implementation of national adaptation plans, in line with Board decisions on enhancing readiness programming;⁷</i></p>	<p>Action: 1. The Board is scheduled to adaptation support actions at its 26th meeting. 2. GCF will continue to support preparation of national adaptation plans, and their implementation in accordance with decisions GCF/B.22/10 and GCF/B.22/11.</p>

⁴ Green Climate Fund Board decision GCF/B.13/10.

⁵ Decision 9/CMA.1, para. 21.

⁶ Pursuant to Green Climate Fund Board document GCF/B.17/10

⁷ Green Climate Fund Board decisions GCF/B.22/10 and GCF/B.22/11.

<p>20. Also encourages the Green Climate Fund to continue to collaborate with the Climate Technology Centre and Network and the Technology Executive Committee with a view to both strengthening cooperative action on technology development and transfer at different stages of the technology cycle and achieving a balance between support for mitigation and support for adaptation;</p>	<p>Action:</p> <ol style="list-style-type: none"> 1. GCF Secretariat to continue engaging with CTCN and TEC and explore how this mandate can be integrated to the existing collaboration, in accordance with decisions B.13/11, B.14/02, and B.18/03 with views to promote technology innovation, incubation, acceleration, growth, transfer and deployment. Current engagement with CTCN focuses technical advisory on incubators and accelerators and enhancing the pipeline countries receiving technical support for national innovation systems and local technology production from CTCN through the readiness program. With TEC, the Secretariat also obtains their technical advice on incubators and accelerators and engage in exchange on the trends arising from the information presented related to support for technology in the report of the GCF to COP related to support to technology, in accordance with Decision 9/CP.23, paragraph 18.
<p>21. Invites the Board of the Green Climate Fund to continue providing financial resources for activities relevant to averting, minimizing and addressing loss and damage in developing country Parties, to the extent consistent with the existing investment, results framework and funding windows and structures of the Green Climate Fund, and to facilitate efficient access in this regard, and in this context to take into account the strategic workstreams of the five year rolling workplan of the Executive Committee of the Warsaw International Mechanism for Loss and Damage associated with Climate Change Impacts;⁸</p>	<p>Action:</p> <ol style="list-style-type: none"> 1. GCF to continue to provide financial resources in accordance with its existing investment, results framework and funding windows and structures. 2. The Board will include in the 9th GCF report to COP, actions it has taken with this decision and in accordance with GCF Board decision B.13/11. 3. In 2020, the Board is scheduled to consider the draft updated Strategic Plan for 2020-23; the current draft of the Strategic Plan considers activities relevant to averting, minimizing and addressing loss and damage in developing country Parties. 4. The Secretariat to provide information on existing support available through the GCF Report to COP for consideration by the Board, and engage with the Executive Committee of the Warsaw International Mechanism for Loss and Damage associated with Climate Change Impacts, consistent with Decision B.13/11 paragraph (f). <p>Note: Based on countries requests, GCF is helping countries to take steps in that direction. Support already exist for early warning systems, weather insurance or infrastructure resilient to climate stresses, for example - and funding of such projects would likely increase in the coming years.</p>

⁸ FCCC/SB/2017/1/Add.1, annex.