



**GREEN
CLIMATE
FUND**

Meeting of the Board
16 – 19 May 2022
Antigua and Barbuda
Provisional agenda item 10

GCF/B.32/10

6 May 2022

Guidance from the twenty-sixth session of the Conference of the Parties

Summary

This document presents the actions to be undertaken by the Board in 2022 in response to guidance received from the Parties during the twenty-sixth session of the Conference of the Parties to the United Nations Framework Convention on Climate Change (Glasgow, 31 October – 13 November 2021), including areas for further discussion among the Board.

I. Introduction

1. In accordance with the Governing Instrument for the Green Climate Fund (GCF) and as defined by the Arrangements between the Conference of the Parties (COP) and the GCF, in line with decision 5/CP.19 of the United Nations Framework Convention on Climate Change (UNFCCC), the COP provides annual guidance to the Board. 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 of the GCF Board propose the Board address the guidance received from the twenty-sixth session of the COP (COP 26), including through the Board work plan for 2022 and proposed additional actions resulting from COP 26, as well as other decisions adopted by COP 26 with elements requiring action by the GCF.

II. Outcomes of COP 26 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 COP 26 to the UNFCCC and the third session of the Conference of the Parties serving as the Meeting of the Parties to the Paris Agreement (CMA 3) as contained, respectively, in **UNFCCC decision 6/CP.26**¹ titled "*Report of the Green Climate Fund to the Conference of the Parties and guidance to the Green Climate Fund*" and **CMA decision 11/CMA.3** titled "*Guidance to the Green Climate Fund*."²
4. The COP welcomed the progress of the GCF in 2020 – 2021, including, inter alia, the increase in the number of funding proposals approved and in the number of entities accredited by the Board, the approval of its Updated Strategic Plan for 2020-2023, Integrated Results Management Framework and a results tracking rule, the evaluation policy, and continued collaboration with constituted bodies of UNFCCC.
5. The COP also noted the significant number of remaining policy gaps, including updating the accreditation framework including approving the project-specific assessment approach, updating the simplified approval process, approving the policy on programmatic approaches, completing policies related to the investment framework, and addressing matters related to the Private Sector Facility and strategy, as well as outstanding matters from the rules of procedure of the Board, and urged the Board to prioritize closing the policy gaps as a matter of urgency
6. Resulting from COP 26, in addition to items following on previous guidance, there are three new items of guidance to the GCF:
 - (a) The Board was urged to explore diversifying its selection of financial instruments for addressing climate risk, including **parametric insurance** for climatic events;
 - (b) The Board was also invited to consider ways of improving access to the Fund for **local non-governmental and private sector organizations**; and
 - (c) The Board was invited to further clarify the role of data and information from, inter alia, the Intergovernmental Panel on Climate Change, and traditional, local and indigenous knowledge and practices in the assessment of concept notes, project preparation funding applications and funding proposals.

¹ See document FCCC/CP/2021/12/Add.1, available from <https://unfccc.int/documents/460954>.

² See document FCCC/PA/CMA/2021/10/Add.3, available from <https://unfccc.int/documents/460952>.

7. In the context of discussions under the Subsidiary Body for Implementation (SBI) on “*Matters relating to the Least Developed Countries*” (LDCs),³ SBI noted the increasing number of LDCs accessing GCF support for the formulation of NAPs. The SBI also noted the implementation of adaptation projects in the LDCs, with 35 LDCs having successfully accessed funding for such projects from the GCF. The COP extended the mandate of the LEG by 10 years through its decision 15/CP.26⁴ and requested the LEG to continue to provide technical guidance and support to LDCs for advancing the formulation and implementation of NAPs, including in relation to GCF funding.

8. Based on the background information and recommendations provided in this document, a proposed decision is presented in Annex I.

³ See report of the SBI on its fifty-second to fifty-fifth session (document FCCC/SBI/2021/16), available from <https://unfccc.int/documents/460932>.

⁴ See document FCCC/CP/2021/12/Add.2, available from <https://unfccc.int/documents/460955>.

Annex I: Draft decision by the Board

The Board, having considered document GCF/B.32/10 titled “Guidance from the twenty-sixth 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 2022 in response to guidance received from the Parties during the twenty-sixth session of the Conference of the Parties, as contained in annex II;
- (b) Requests the Co-Chairs, with the support of the Secretariat, to include an overview of progress on the Updated four-year work plan of the Board in the 11th report to the UNFCCC Conference of the Parties;
- (c) Agrees to clarify the use of data and information from, inter alia, the IPCC, and traditional, local and indigenous knowledge and practices in the assessment of concept notes, project preparation funding applications and funding proposals; and to provide this clarification, with the support of the Secretariat, in the consideration of relevant policies as part of its work plan;
- (d) Requests the Secretariat to present by B.34 an information paper for the consideration of the Board for addressing climate risk including parametric insurance for climatic events, including options to explore diversifying the selection of financial instruments; and
- (e) Requests the Secretariat to prepare by B.33 an information paper outlining the current approach on financing for forests and alternative approaches.

Annex II

Table 1: Summary of GCF core guidance received from the twenty-sixth session of the Conference of the Parties to the UNFCCC and the 3rd 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	2022 Work Plan and proposed actions by Board / Secretariat
UNFCCC decision 6/CP.26: Report of the Green Climate Fund to the Conference of the Parties and guidance to the Green Climate Fund	
<p>1. Welcomes the reports of the Green Climate Fund to the Conference of the Parties at its twenty-sixth session, 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>	No additional action required from the Board.
<p>2. Also welcomes the continued efforts of the Green Climate Fund to make a significant and ambitious contribution to the global effort to meet the goals set by the international community in relation to combating climate change;</p>	No additional action required from the Board.
<p>3. Further welcomes the progress of the Green Climate Fund in 2020–2021, including in relation to guidance provided by the Conference of the Parties:</p> <p>(a) The increase in the number of funding proposals approved, which brings the total amount approved by the Board to USD 10 billion to support implementation of 190 adaptation and mitigation projects and programmes in 127 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 112, of which 72 are direct access entities;</p> <p>(c) The approval of its Updated Strategic Plan for 2020–2023,² Integrated Results Management Framework and a results tracking tool;</p> <p>(d) The revision of its environmental and social policy to reaffirm its commitment to preventing sexual exploitation, sexual abuse and sexual harassment; administrative remedies and exclusions policy; and guidelines to facilitate consideration by the Board of Independent Redress Mechanism reports on requests for reconsideration, grievances and complaints;</p>	No additional action required from the Board.

<p><i>(e) The approval of its evaluation policy;</i> <i>(f) The continued collaboration between the Green Climate Fund, the Climate Technology Centre and Network and the Technology Executive Committee;</i> <i>(g) The collaboration between the Green Climate Fund, the Adaptation Committee and the Least Developed Countries Expert Group.</i></p>	
<p><i>4. Welcomes the long-term vision on complementarity, coherence and collaboration between the Green Climate Fund and the Global Environment Facility and requests the Board to enhance coherence and complementarity with other climate finance delivery channels with a view to enhancing the impact and effectiveness of its work;</i></p>	<p>1. The Secretariat to continue activities in line with decision B.13/12 and the operational framework on complementarity and coherence and the actions with respect to scaling up and joint work between the multilateral climate funds as well as on enhancing coherence and complementarity with other climate finance delivery channels and provide regular update to the Board in the report on the activities of the Secretariat</p>
<p>5. Encourages further collaboration and engagement between the Green Climate Fund, the Climate Technology Centre and Network and the Technology Executive Committee, through continued joint work, as well as collaboration on events, and taking into consideration elements related to gender mainstreaming and observer engagement;</p>	<p>1. GCF Secretariat to continue engaging with CTCN and TEC in accordance with decisions B.13/11, B.14/02, and B.18/03 and previous and present guidance with view to promote technology innovation, incubation, acceleration, growth, transfer, deployment, and gender mainstreaming. The Secretariat to discuss with CTCN options of enhancing quality of readiness proposals and their linkage with technology aspects in CNs and FPs and to continue to liaise with TEC on developments of incubators and accelerators.</p>
<p>6. Reiterates the request to the Board to continue efforts to maintain the balance in the allocation of resources between adaptation and mitigation;</p>	<p>1. Secretariat to continue to monitor actively the portfolio composition in view of achieving the balance between adaptation and mitigation projects.</p>
<p>7. Encourages the Board to further clarify the role of data and information from, <i>inter alia</i>, the Intergovernmental Panel on Climate Change, and traditional, local and indigenous knowledge and practices in the assessment of concept notes, project preparation funding applications and funding proposals;</p>	<p>2. Board to clarify in a crosscutting manner the application of from, <i>inter alia</i>, the IPCC, and traditional, local and indigenous knowledge and practices in the assessment of concept notes, project preparation funding applications and funding proposals; and to provide this clarification, with the support of the Secretariat, in the consideration of relevant policies as part of its work plan</p>
<p>8. Also encourages the Board to strengthen country ownership and regional management by proactively engaging national designated authorities in all aspects of the project and programme cycle;</p>	<p>1. The Board to update relevant policies as needed and notably, the readiness program.</p>
<p>9. Takes note of the exceptional circumstances of the coronavirus disease 2019 pandemic and its significant impact on the implementation of the Board's updated four-year workplan, recognizes the Board's efforts during that period</p>	<p>1. The Board to continue prioritizing relevant items through its updated Board Work Plan.</p>

<p>and encourages the Board to continue to improve the efficiency and effectiveness of its work;</p>	
<p>10. Takes note of the continued efforts of the Board to provide financial resources for activities relevant to averting, minimizing and addressing loss and damage in developing country Parties consistent with the existing investment results framework and funding windows and structures of the Green Climate Fund, including through the Project Preparation Facility and the Readiness and Preparatory Support Programme;</p>	<ol style="list-style-type: none"> 1. Consistent with previous guidance, continue to provide GCF support, including via PPF, Readiness Programme, and funding proposals, and provide information on support for activities relevant to averting, minimizing and addressing loss and damage reported in the eleventh report to COP, including with respect to relevant IRMF indicators. 2. Secretariat to continue to engage with WIM and ExCom in line with decision B.13/11 and previous COP guidance.
<p>11. Notes the significant number of remaining policy gaps, including updating the accreditation framework including approving the project-specific assessment approach, updating the simplified approval process, approving the policy on programmatic approaches, completing policies related to the investment framework, and addressing matters related to the Private Sector Facility and strategy, as well as outstanding matters from the rules of procedure of the Board, and urges the Board to prioritize closing the policy gaps as a matter of urgency and to explore diversifying its selection of financial instruments for addressing climate risk including parametric insurance for climatic events;</p>	<ol style="list-style-type: none"> 1. The Co-Chairs, with the support of the Secretariat, to include an overview of progress on the Updated four-year work plan of the Board in the 11th report to the UNFCCC Conference of the Parties
<p>12. Takes note of the engagement of the President of the Conference of the Parties on the matter of granting privileges and immunities for the Green Climate Fund and its officials and invites the Board to continue efforts to ensure that the Fund enjoys privileges and immunities as are necessary;</p>	<ol style="list-style-type: none"> 1. The Board to continue to discuss the matter, taking into account the previous guidance from COP25 and information provided by the Secretariat. 2. The Secretariat to continue to advance bilateral P&Is agreements and report to the Board and the COP on the progress.
<p>13. Urges the Board to finalize in a timely manner its work related to the guidance and arrangements of the Conference of the Parties on financing for forests and alternative approaches as mandated by decision 7/CP.21, paragraphs 23–25;</p>	<ol style="list-style-type: none"> 1. The Secretariat to prepare an information paper for outlining current approach on financing for forests and alternative approaches.
<p>14. Encourages the Board to continue the integration of gender considerations into its activities, including through its gender policy and by promoting gender balance across the structures of the Fund;</p>	<p>The Board and the Secretariat to:</p> <ol style="list-style-type: none"> 1. Continue to integrate gender considerations into activities of the Fund in line with the “Updated Gender Policy and Gender Action Plan 2020–2023”.
<p>15. Invites the Board to consider ways of improving access to the Fund for local non-governmental and private sector organizations;</p>	<ol style="list-style-type: none"> 1. The Board will consider options for improving access to the Fund for local non-governmental and private sector organizations under the Accreditation Strategy

<p>16. Also invites Parties to submit to the secretariat views and recommendations on elements of guidance for the Green Climate Fund via the submission portal¹ no later than 10 weeks prior to the twenty-seventh session of the Conference of the Parties (November 2022);</p>	<p>No additional action required from the Board.</p>
<p>17. Requests the Standing Committee on Finance to take into consideration the submissions referred to in paragraph 16 above when preparing its draft guidance for the Green Climate Fund for consideration by the Conference of the Parties at its twenty-seventh session and the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement at its fourth session (November 2022);</p>	<p>No additional action required from the Board.</p>
<p>18. Also requests the Board of the Green Climate Fund 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>1. As done in previous 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>19. Takes note of decision 11/CMA.3 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 2–8 of that decision.</p>	<p>No additional action required from the Board.</p>
<p>Additional items from decision 11/CMA.3 Guidance to the Green Climate Fund</p>	
<p>5. Welcomes the Updated Strategic Plan for the Green Climate Fund for 2020–2023, which is aimed at, inter alia, supporting the Board in guiding and enabling Green Climate Fund programming to promote paradigm shift across both high-impact areas of mitigation potential and countries' adaptation and resilience needs, including by supporting a wider alignment of financial flows with countries' climate plans and strategies consistent with a pathway towards low-emission and climate-resilient development;</p>	<p>1. The Board to include in its 11th report to COP information on portfolio-level results, including on support provided for activities related to a wider alignment of financial flows with countries' climate plans and strategies.</p>

<p>6. Requests the Board to continue to enhance support for mitigation proposals, in line with the governing instrument and investment framework, that support countries in contributing to holding the increase in the global average temperature to well below 2 °C above pre-industrial levels and pursuing efforts to limit the temperature increase to 1.5 °C above pre-industrial levels;</p>	<p>1. The Board to continue to provide support to mitigation in line with the investment framework and the GCF-1 targets, and report on amount of funding approved for mitigation proposals in its 11th report to COP.</p>
<p>8. Requests the Board to continue to enhance support for the implementation of adaptation projects and programmes, in line with the governing instrument, informed by national adaptation plans and other voluntary adaptation planning processes, and adaptation communications, including those submitted as components of nationally determined contributions, as applicable, with a view to contributing to the global goal on adaptation to enhance adaptive capacity, strengthen resilience and reduce vulnerability to climate change, and in line with the guiding principles and factors for determining terms of financial instruments.</p>	<p>1. To continue to provide support to adaptation in line with the investment framework and the GCF-1 targets, and report on amount of funding approved for adaptation proposals in its 11th report to COP.</p>