

**GREEN
CLIMATE
FUND**

Meeting of the Board
17 – 20 July, 2022
Incheon, Republic of Korea
Agenda item 12(b)

GCF/B.33/15/Rev.01

19 July 2022

Arrangements for the second replenishment of the Green Climate Fund

Summary

This document presents for the Board’s consideration a proposed process for the second replenishment of GCF (GCF-2), 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; in annex II a proposed process for GCF-2; and in annex III a proposed budget for conducting arrangements for GCF-2.

I. Background

1. In preparation for the initiation of the second replenishment of GCF (GCF-2), and informed by document GCF/B.21/30/Rev.01 titled “Arrangements for the first formal replenishment of the Green Climate Fund” and Board decision B.21/18, annex XVII titled “Process for the first formal replenishment of the Green Climate Fund”, the arrangements for the second replenishment of GCF have been developed based on the lessons learned from the initial resource mobilization (IRM) and GCF-1 and in response to the current climate finance context.
2. The Policy for contributions to the Green Climate Fund for the first replenishment¹ at paragraph 2(e) states that “GCF will initiate the next replenishment 30 months after the commencement of the replenishment period in order to allow sufficient time for the preparation and consideration of such reports and/or evaluations as may be necessary.”
3. Based on the above, it should be noted that the replenishment process and activities of GCF-2 will officially start 30 months after the commencement of the replenishment period, which is July 2022.

II. Process for the replenishment

2.1 Governance of the process of the second replenishment of GCF

2.1.1 Purpose and the scope of the process of the second replenishment of GCF

4. The GCF-2 replenishment process should establish a forum for consultation between potential contributors to the GCF-2 replenishment.
5. The main purpose of the replenishment process will be to discuss and determine financial matters of GCF-2, inter alia the draft policy for contributions for approval by the Board, the financial position of the Fund, and the reference exchange rates.
6. The replenishment will be distinct from, but be informed by progress on Board discussions on strategic programming and the update of the Strategic Plan for GCF.

2.1.2 Role of the Board

7. For GCF-2, by decision B.32/04, the Board decided to conduct an open, inclusive, transparent consultation process engaging Board members, alternate Board members and other stakeholders to inform the review and update of the Strategic Plan. It was also decided to conclude the update of the Strategic Plan no later than the thirty-sixth meeting of the Board (B.36).
8. By the same decision, the Board requested the Co-Chairs to prepare a draft decision for the consideration of the Board at B.33 to launch the replenishment process which will be conducted in an open, transparent, and inclusive manner.
9. Based on this decision, the Board will oversee the preparation and implementation of the replenishment process.

¹ Policy for contributions to the Green Climate Fund for the first replenishment, available at <https://www.greenclimate.fund/sites/default/files/document/policy-contributions-first-replenishment.pdf>.

2.1.3 Role of the Secretariat

10. Under the Governing Instrument for the GCF, the Secretariat is mandated to “support the Board in arranging replenishment processes”.² This role may include, inter alia:
- (a) Preparation of inputs related to reporting on Fund performance
 - (b) Support on financial matters, including in relation to the financial position of the Fund and contribution arrangements; and
 - (c) Planning, logistics and support for the conduct of replenishment meetings.
11. Following the practice of GCF-1, the Board may request the Secretariat to make the arrangements for collective engagement in the replenishment process, within the framework of relevant Board decisions, and subject to approved budget.

2.2 Procedures for the replenishment process

12. In deciding on the procedures for the second formal replenishment process, the Board may consider the following matters relating to structure, timing and participation:
- (a) **Term of replenishment:** As noted in the policy for contributions and following the replenishment period of GCF-1 (2020–2023), the second replenishment period could run from 2024 to 2027;
 - (b) **Structure/format:** Consistent with the first replenishment, the second replenishment process could consist of the collective engagement of potential contributors through a series of consultation meetings and a high-level pledging conference. The main focus of these consultation meetings would be to discuss and agree on financial matters of GCF-2, including the policy for contributions, the financial position of the Fund, and the reference exchange rates. The updated policy for contributions will be approved no later than B.36, and the conclusion of the second replenishment process, including the result of the pledging conference, will be endorsed at B.37, the last meeting of the Board in 2023;
 - (c) **Timing:** Consistent with decision B.32/04, the Board could consider the following options for consultation meetings and a high-level pledging conference:
 - (i) Initial organizational meeting: 30-31 August. A virtual meeting should be considered;
 - (ii) First consultation meeting: the week of 28 November. A virtual meeting should be considered;
 - (iii) Second consultation meeting: the week of 24 April 2023;
 - (iv) Pledging Conference: late September 2023, before the last Board meeting in 2023.

The timing and venue of meetings will be confirmed at the Initial organizational meeting. A list of key events in 2022 and 2023 is provided in annex IV for reference.

- (d) **Participants and observers:** The replenishment meetings could be open for participation by potential contributors, including sovereign entities, regional governments, states and cities, representatives of the Trustee and the GCF Secretariat. Board members and alternate Board members, four active observers of the Board (two

² Paragraph 23(k) of the Governing Instrument for the GCF.

civil society/ two private sector), one observer each from the secretariats of the United Nations Framework Convention on Climate Change (UNFCCC), Global Environment Facility and Adaptation Fund would also be invited to attend the replenishment meetings. Additional observers may be invited by meeting participants in line with the meetings' rules of conduct, to be agreed at the initial organizational meeting;

- (e) **Trustee:** The Board 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, GCF and the Trustee would discuss and agree on the contribution agreements/arrangements and/or amendments thereto that may be required; and
- (f) **Replenishment Chairperson(s)/Facilitator:** The Board will appoint, with the support of the Secretariat, the Chairperson(s)/Facilitator who will (i) facilitate the series of consultation meetings and a high-level pledging conference; and (ii) report to the Board on the progress and outcomes of the replenishment meetings. Regarding the selection/appointment process, the Board could decide to select an external candidate with experience or demonstrated interest in climate change matters as well as experience in chairing international and intergovernmental meetings. The Board could request the Secretariat to sign a contract with the selected Chairperson(s)/Facilitator.

III. Preparatory work and inputs

13. 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 revised Policy for Contributions for GCF-2 prepared by the Secretariat on the basis of lessons learned from the IRM and GCF-1, reflecting any necessary update;
- (b) Information on the financial position of the Fund; and
- (c) Reference exchange rates for GCF-2.

IV. Potential contributors and other stakeholders

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

- (a) **Public sector contributors (developed and developing country Parties to the UNFCCC, other public-sector entities):** Based on experience from the IRM and GCF-1, GCF can expect the main source of funding to come from the public sector. Beyond existing contributors, GCF can actively reach out to Parties to the UNFCCC that may be willing to contribute, sub-sovereign entities/local governments, and others from which GCF is currently able to receive contributions;
- (b) **Non-traditional contributors (non-parties to UNFCCC, 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 should consider a policy for contributions from philanthropic foundations and other alternative sources at B.34.

V. Proposed draft budget for arrangements for replenishment

15. Based on the information provided in this document, the proposed draft budget for arrangements for replenishment in 2022 and 2023 is approximately USD 761,000, but the amount may be changed depending on the decisions made by the Board. The draft budget includes the following items (refer to annex III for details):

- (a) Arrangements for replenishment process:
 - (i) Replenishment Chairperson(s)/Facilitator;
 - (ii) Consultation meeting travel and conferences;
 - (iii) Pledging conference travel and conferences;
- (b) Technical support:
 - (i) Replenishment advisers;
 - (ii) Professional services;
- (c) Global outreach including capital visits.

16. With respect to the budget for the first replenishment activities in 2019, by decision B.21/18, paragraph (q), and annex XVIII thereto, the Board approved USD 1,296,500 to conduct the formal replenishment process. The Secretariat reported to the Budget Committee in February 2020 that it had spent USD 731,405 or 56 per cent of the total approved replenishment budget.

Annex I: Draft decision of the Board

The Board, having reviewed document GCF/B.33/15/Rev.01 titled “Arrangements for the second replenishment of the Green Climate Fund,” and taking into account decision B.32/04 and guidance from the Conference of Parties to the United Nations Framework Convention on Climate Change:

- (a) *Stresses* the decision B.21/18, paragraph (c) which states that the replenishments of the Fund should take into account the stated ambitions, actions and contributions of developing countries to reduce their greenhouse gas emissions by meaningful mitigation actions and to adapt to the impacts of climate change, and that the Board will provide the replenishment process with strategic guidance;
- (b) *Recalls* paragraph 2(e) of the “Policy for contributions to the Green Climate Fund for the first replenishment”, which states that “the GCF will initiate the next replenishment 30 months after the commencement of the replenishment period in order to allow sufficient time for the preparation and consideration of such reports and/or evaluations as may be necessary”;
- (c) *Also recalls* decision B.32/04, by which the Board set out the details of the sequencing and consideration of strategic and programming matters for the Green Climate Fund’s second replenishment;
- (d) *Decides* to commence the process for the Green Climate Fund’s second replenishment from July 2022;
- (e) *Also decides* that the period of the second replenishment will be from 1 January 2024 to 31 December 2027;
- (f) *Further decides* that replenishment meetings will be open to all potential contributors and to all Board members;
- (g) *Endorses* the process of collective engagement for the second replenishment process set out in annex II to document GCF/B.33/15/Rev.01;
- (h) *Requests* the Secretariat to begin making arrangements to facilitate the process of collective engagement referred to in paragraph (g) above, including finding hosts for the in-person replenishment meetings;
- (i) *Approves* a budget of USD 761,000 to conduct the second replenishment process in 2022 and 2023, as detailed in annex III to document GCF/B.33/15/Rev.01;
- (j) *Requests* the 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 for contribution agreements and/or arrangements; and
 - (ii) Other relevant financial management issues as agreed between the Executive Director of GCF and the Trustee;
- (k) *Also requests* the Co-Chairs, in consultation with the Board and with the support of the Secretariat, to identify and appoint a suitable chairperson(s)/facilitator for the second replenishment process;
- (l) *Further requests* the Secretariat to prepare for consideration at the first consultation meeting of the replenishment process a document outlining areas in the policy for

contributions, standard provisions, and template for contribution agreements that may be updated for the Green Climate Fund's second replenishment period;

- (m) *Decides* to conclude its consideration of the updated policy for contributions no later than the thirty-sixth meeting of the Board; and
- (n) *Invites* participants to the replenishment process to provide, by the end of 2022, inputs to the Board on the updated Strategic Plan for the second replenishment period of the Green Climate Fund, in accordance with the consultation process outlined in decision B.32/04.

Annex II: Process for the Green Climate Fund's second replenishment

1. Nature and timing

- (a) Consistent with the first replenishment process, collective engagement will take place in the form of an initial organizational meeting, two replenishment consultation meetings and a high-level pledging conference (the “replenishment meetings”), as well as communication between meetings, as necessary;
- (b) Organizational arrangements for the replenishment meetings, including finding hosts for all meetings, should commence as soon as possible with a view to the process being finalized through a high-level pledging conference before the last Board meeting in 2023;
- (c) In principle, the replenishment meetings will be planned according to the following schedule:
 - (i) Initial organizational meeting: 30-31 August 2022 (virtual meeting suggested);
 - (ii) First consultation meeting: the week of 28 November–2 December 2022 (virtual meeting suggested);
 - (iii) Second consultation meeting: the week of 24–28 April 2023; and
 - (iv) Pledging Conference: late September 2023, before the last Board meeting in 2023; and
- (d) The replenishment meetings may take place in the format of in-person, hybrid or virtual meetings, depending on the host country and the COVID-19 situation. The timing and venue of meetings will be confirmed at the Initial organizational meeting.

2. Participation

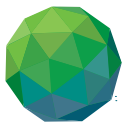
- (a) The Executive Director will issue an open invitation to all potential contributors¹ to the Fund's second replenishment process;
- (b) The replenishment meetings will be open to all potential contributors, including sovereign entities, regional governments, states and cities, representatives of the Trustee and the GCF Secretariat. Board members, four active observers of the Board (two civil society and two private sector), and one observer each from the secretariats of the United Nations Framework Convention on Climate Change, the Global Environment Facility and the Adaptation Fund are also invited to attend the replenishment meetings;
- (c) Additional observers may be invited by meeting participants in line with the meetings' rules of conduct;
- (d) The Chairperson(s)/Facilitator will chair the replenishment meetings with the support of the Secretariat;
- (e) 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, with the support of the Secretariat; and

¹ As currently covered by the GCF policy 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 for the GCF, in conjunction with consideration of a policy on contributions from alternative sources.

- (f) The rules of conduct of the replenishment meetings will be agreed at the initial organizational meeting.

3. **Inputs and outcomes**

- (a) The Secretariat, with the support of the 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 second replenishment;
 - (ii) any documents requested by the Board to help inform the replenishment process; and
 - (iii) information on the financial position of the Fund;
- (b) The replenishment process will have the opportunity, at the first consultation meeting, to provide input to the Board on strategic planning for the second replenishment, for consideration as part of the process for the updated Strategic Plan adopted by decision B.32/04. This input, if any, will be finalized before the end of 2022;
- (c) The Chairperson(s)/Facilitator will report to the Board on progress in the replenishment consultation meetings;
- (d) The Board will be requested to consider and endorse the outcomes of the replenishment process at its thirty-seventh meeting, i.e., at the last meeting of the Board in 2023; and
- (e) The disclosure of information and documents regarding the second replenishment process will be governed by the Fund's Information Disclosure Policy.



Annex III: Proposed budget for the second replenishment process

Budget Item	Amount (USD)
Arrangements for replenishment process	
Replenishment chairperson/facilitator	75,000
Conferences: 1 consultation meeting	48,000
Travel: 1 consultation meeting	180,000
Conference: pledging conference	48,000
Travel: pledging conference	180,000
Sub-total	531,000
Technical support	
Replenishment advisers	50,000
Professional services: Communications branding agencies support for replenishment comms campaign	50,000
Sub-total	100,000
Advocacy and outreach	
Travel: global outreach including capital visits	100,000
Sub-total	100,000
Contingency	
Contingency	30,000
Total	761,000

Annex IV: Key events in 2022 and 2023

2022

Dates	Event	Location
JUL		
4	<i>Independence Day of the United States of America**</i>	
5 – 15	High-level Political Forum on Sustainable Development	New York, USA
9 – 13	<i>Eid al-Adha***</i>	
AUG		
SEP		
13 – 27	Seventy-seventh session of the United Nations General Assembly	New York, USA
9 – 12	<i>Chuseok (autumn harvest festival observed in Korea)</i>	
OCT		
1	<i>National Day of the People's Republic of China</i>	
4 – 5	<i>Yom Kippur*</i>	
14 – 16	2022 World Bank and IMF Annual Meetings	Washington DC, USA
17 – 20	GCF – B.34, proposed dates	
24 – 27	<i>GCF – B.34 current dates</i>	
24	<i>Diwali*</i>	
NOV		
7 – 18	UNFCCC – Twenty-seventh session of the Conference of Parties	Sharm El-Sheikh, Egypt.
8	<i>Gurpurab*</i>	
24	<i>Thanksgiving Day**</i>	
DEC		
5 – 9	GEF – 63rd Council meeting	Washington DC, USA
25	<i>Christmas day***</i>	

Abbreviations: B.32–B.34 = the thirty-second to thirty-fourth meetings of the Board, COP = Conference of the Parties, GEF = Global Environment Facility, IMF = International Monetary Fund, UNCCD = United Nations Convention to Combat Desertification, UNFCCC = United Nations Framework Convention on Climate Change.

** United Nations floating holidays*

*** Official holidays observed at the United Nations Headquarters that are national holidays*

**** Official holidays observed at the United Nations Headquarters that are not national holidays*

Other meetings to be announced

TBA	UNFCCC – 28 th meeting of the Standing Committee on Finance	
TBA	UNFCCC – 39 th meeting of the Adaptation Fund Board	Bonn, Germany



2023

Dates	Event	Location
JAN		
2	<i>New Year's Day***</i>	
7	<i>Orthodox Christmas*</i>	
21 - 23	<i>Seollal/Lunar New Year (observed in Korea and most of East Asia)</i>	
FEB		
20	<i>Presidents' Day*</i>	
MAR		
5-9	UNFCCC - Part 2 of 5th UN LDC5 Conference	Doha, Qatar
20	<i>Nowruz*</i>	
22 - 24	United Nations 2023 Water Conference	New York
13 - 16	<i>Available</i>	
13 - 16	GCF - B.35	
20 - 23	<i>Available</i>	
23	<i>Beginning of Ramadan</i>	
APR		
7	<i>Good Friday***</i>	
8	<i>Day of Vesak</i>	
14	<i>Orthodox Good Friday*</i>	
21 - 23	2023 World Bank and IMF Spring Meetings	TBC
20/21	<i>Eid al-Fitr*** (End of Ramadan)</i>	
MAY		
29	<i>Memorial Day**</i>	
29 - [1]	<i>Available</i>	
JUN		
5 - 15	UNFCCC First sessional period 2023 (subsidiary bodies sessions)	Bonn, Germany
19 - 22	<i>Available</i>	
26 - 29	<i>Available</i>	
29	<i>Eid al-Adha***</i>	
JUL		
3 - 6	<i>Available</i>	
4	<i>Independence Day of the United States of America**</i>	
10 - 13	GCF - B.36	
AUG		
SEP		
12 - 30	Seventy-eighth session of the United Nations General Assembly	New York
20-21	High-level Political Forum on Sustainable Development (SDG Summit)	New York
24	<i>Yom Kippur*</i>	
28-30	<i>Chuseok (autumn harvest festival observed in Korea)</i>	
OCT		



1	<i>National Day of the People's Republic of China</i>	
13 - 15	2023 World Bank and IMF Annual Meetings	Morocco
23 - 26	GCF - B.37	
NOV		
6 - 17	UNFCCC second sessional period 2023 (COP 28)	UAE
12	<i>Diwali*</i>	
23	<i>Thanksgiving Day**</i>	
27	<i>Gurpurab*</i>	
DEC		
25	<i>Christmas day***</i>	

Abbreviations: CIFs = Climate Investment Funds, COP = Conference of the Parties, GEF = Global Environment Facility, IMF = International Monetary Fund, LDCs = Least Developed Countries, TBA = to be announced, UNFCCC = United Nations Framework Convention on Climate Change.

** United Nations floating holidays*

*** Official holidays observed at the United Nations Headquarters that are national holidays*

**** Official holidays observed at the United Nations Headquarters that are not national holidays*

Key events to be announced

Date	Event	Location
TBA	Adaptation Fund Board – 40 th and 41 st meeting	TBA
TBA	Two GEF Council meetings	TBA
TBA	CIFs Trust Fund Committee meetings	TBA
TBA	UNFCCC – Standing Committee on Finance meetings	TBA
TBA	Regional Climate Weeks	TBA

Abbreviations: CIFs = Climate Investment Funds, GEF = Global Environment Facility, TBA = to be announced, UNFCCC = United Nations Framework Convention on Climate Change.