



GREEN
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Green Climate Fund Policy on Restructuring and Cancellation)





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Background



- *Policy on Restructuring and Cancellation* was initially approved in Feb. 2019 @ B.22.
- Serves as GCF's framework for managing **post-approval** changes related to **extensions** of the period for fulfilment of conditions, **changes** to the FP or the FAA and **waivers**.
- Since its approval, portfolio has grown significantly in scale and complexity. On occasion of its implementation, multiple **extension** requests for FAA execution or submission of CIA have been placed. Additionally, various **Major Change** Requests and to a lesser extent, **waivers**.
- Initial review of the PRC was presented in B.43. Board took note. Additional consultations are being carried to allow for further inputs & lessons to be reflected in a new text/version.

PRC: existing sections



Section	Subsections
I. Introduction	
II. Changes prior to FAA execution	2.1 Failure to fulfill conditions
	2.2 Extension of the Period for fulfillment of conditions
	2.3 Changes
	2.4 Waiver of Conditions
III. Restructuring after FAA execution	3.1 Waiver and extension of Board-approved conditions
	3.2 Restructuring
IV. Reporting, effective date, and review	

Specific questions - survey



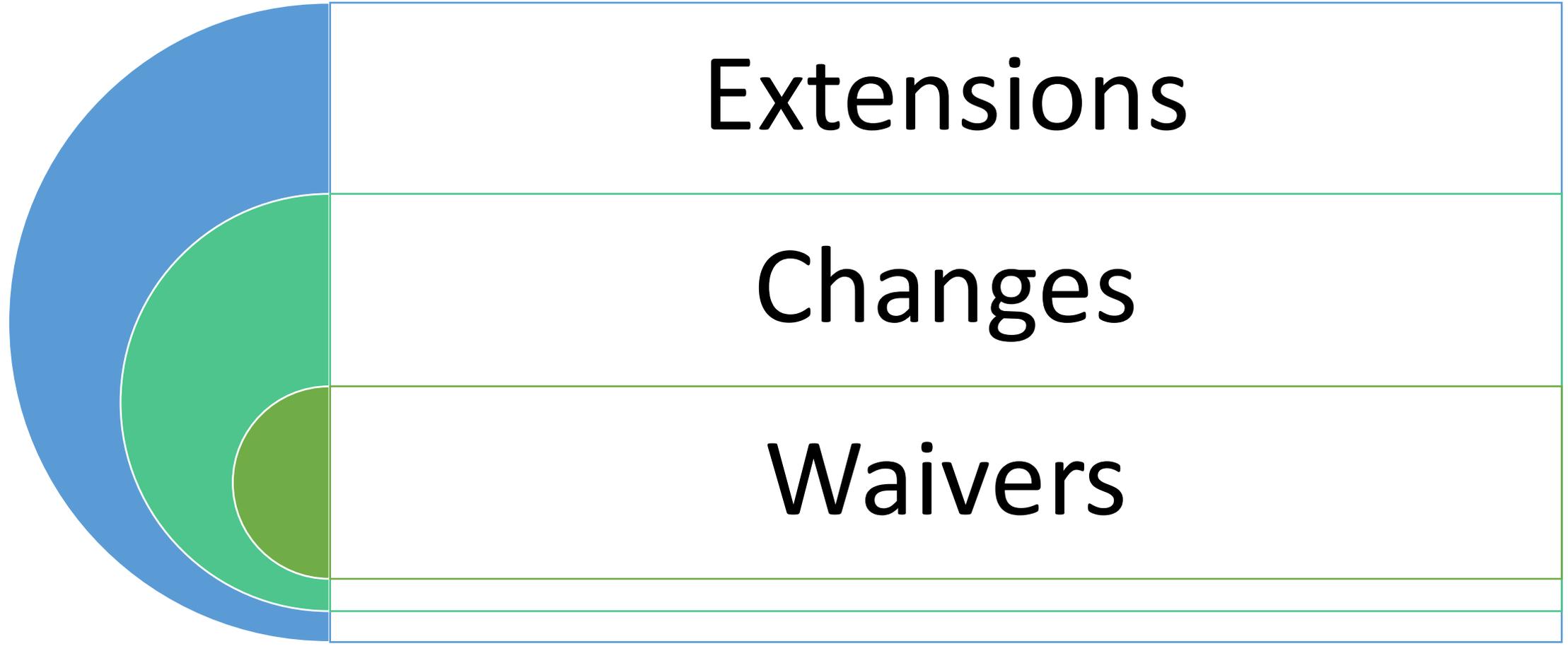
Section	Subsections	Paragraphs
I. Introduction		
II. Changes prior to FAA execution	2.1	
	2.2	2.2.7 - Approval authority for the extensions of the period for the fulfilment of conditions. 2.2.11 - Procedure for seeking an extension.
	2.3	2.3.13 - Information Requirement. 2.3.16 - 11 types of change that could be classified as a Major Change. 2.3.19 - Procedure for approval of a major change.
	2.4	2.4.24 - Approval authority for waiver of conditions. 2.4.26 - Procedure for a waiver
III. Restructuring after FAA execution	3.1	
	3.2	3.2.30 - Information requirement.
IV. Reporting, effective date, and review		

General questions - survey

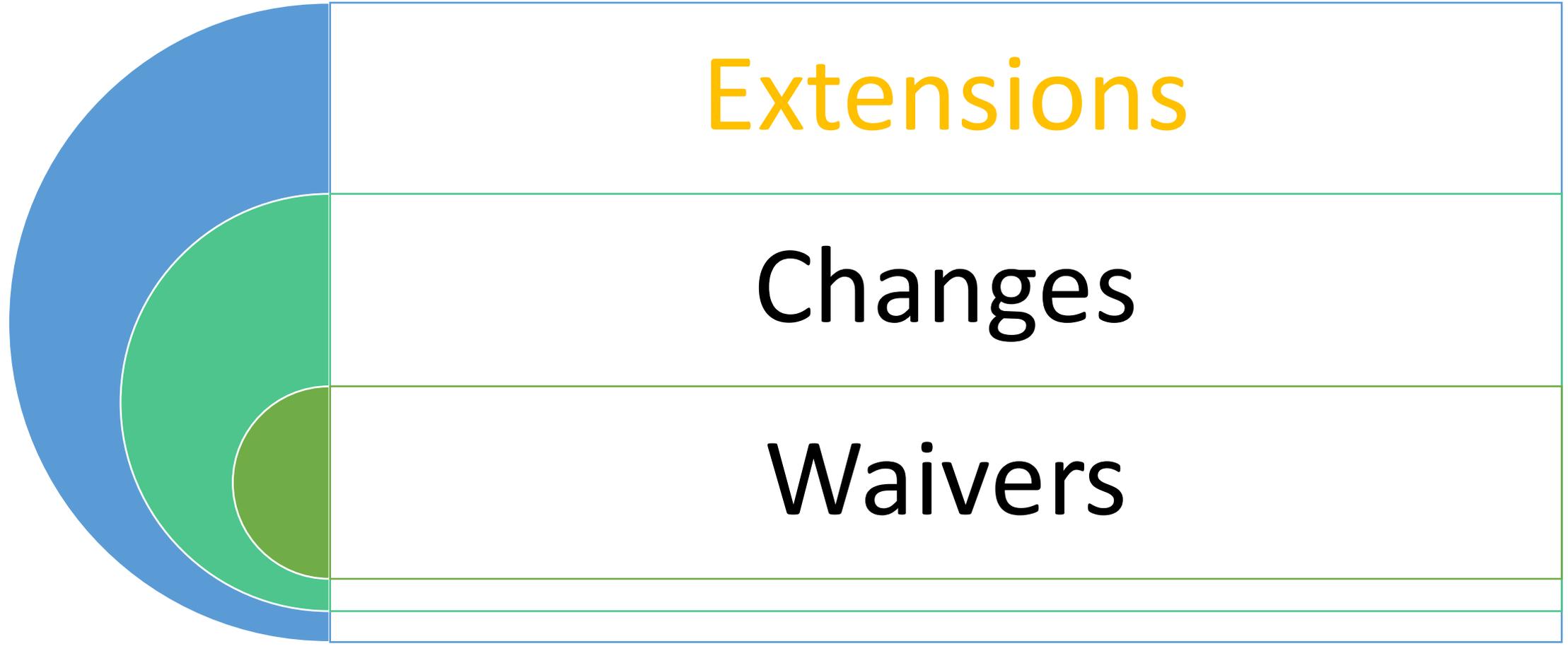


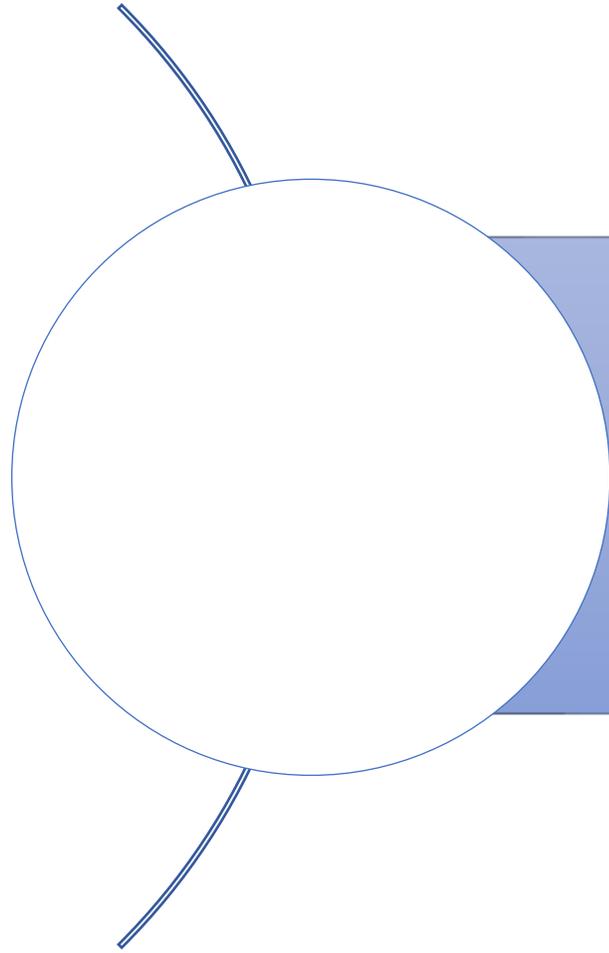
- Do you have experience with requests for changes and/or time extensions falling under the PRC? Please describe your experience, what worked well and what should be improved? Any indication on the materiality (e.g. delivery/costs/time) of the change / time request, both on how it improves delivery / impact, versus effort to procure the requests.
- Has the PRC prevented you from seeking Change Requests?
- Have you any thoughts, suggestions or enhancements to the existing wording of the PRC so as to consider any differences in FAs with a single country versus FAs with multiple countries?
- What challenges have you experienced in the consultation process between AEs & NDAs/focal points, where this is required under the current procedure for extensions, waivers, and major changes? What processes has your organization adopted to ensure regular dialogue between AEs and NDA/focal points? If you are an AE, how is this consultation documented and demonstrated to GCF?

■ PRC



■ PRC

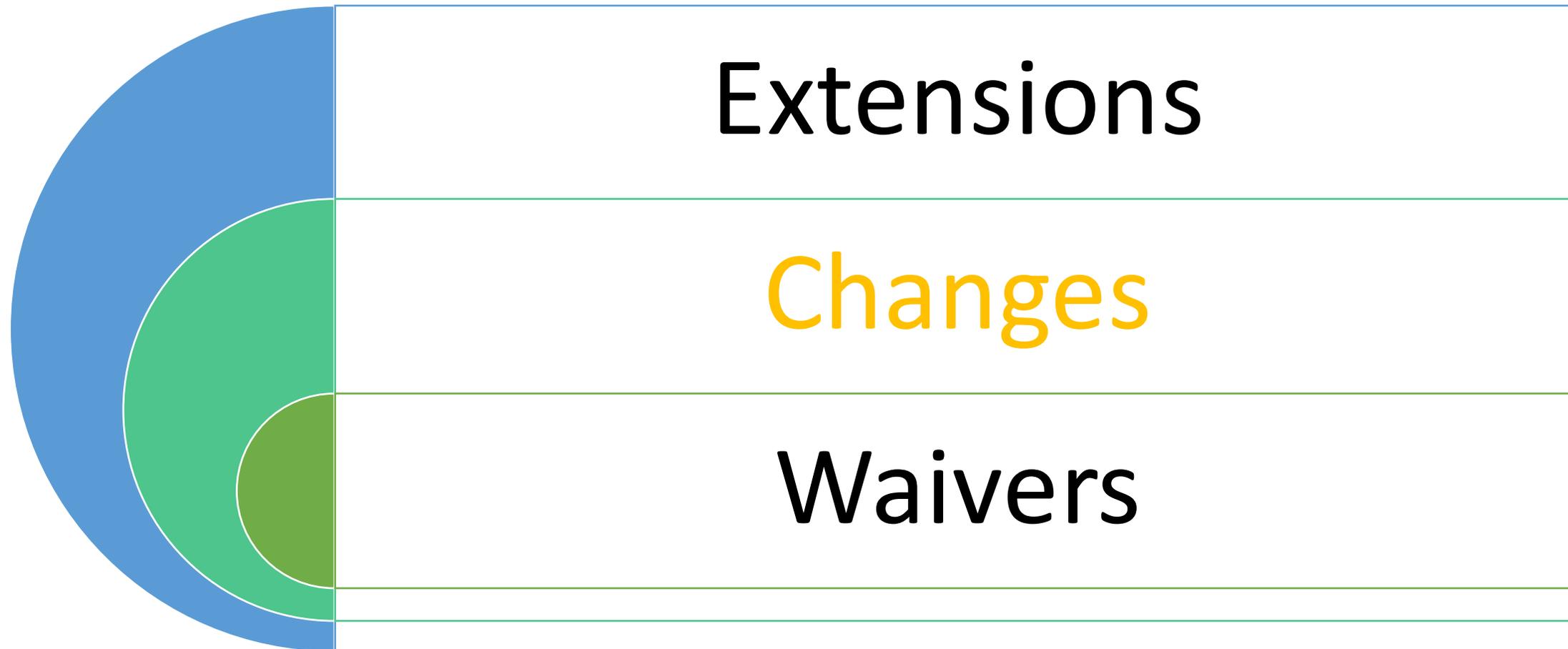


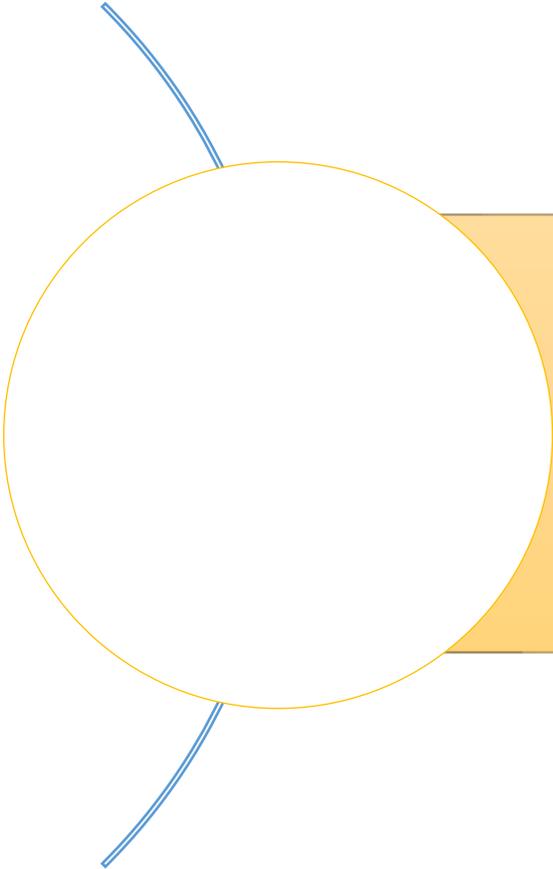


Extensions

- Extension of the period for fulfilment of conditions to be met prior to the execution of the FAA (includes Certificate of Internal Approval)
- ED can approve the initial extension; additional ones must be presented before the Board.

■ PRC





Changes

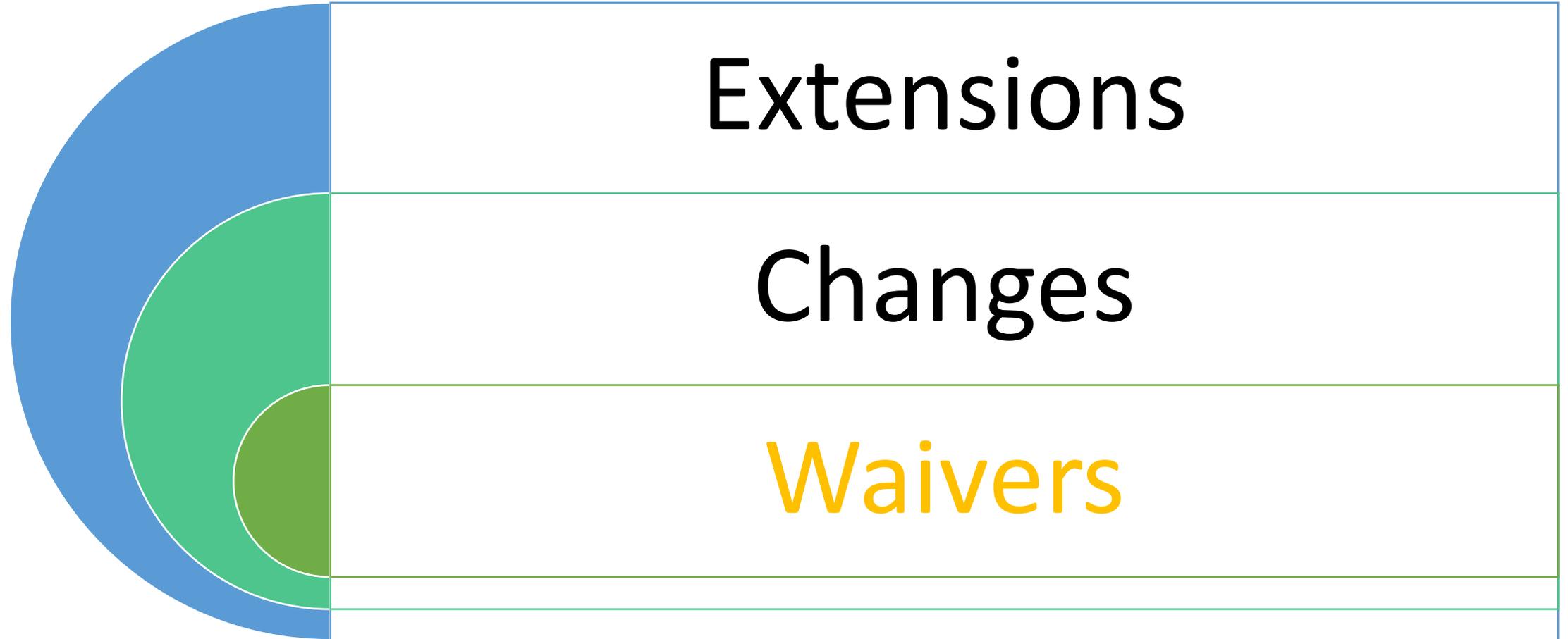
- 11 types of changes trigger a Major Change, which results in the need to Board's intervention.
- Approval authority for non-Major Changes lies with the Secretariat.
- Procedure for Approval of Major Changes (NOL, Approval/Non-Approval, Cancellation).

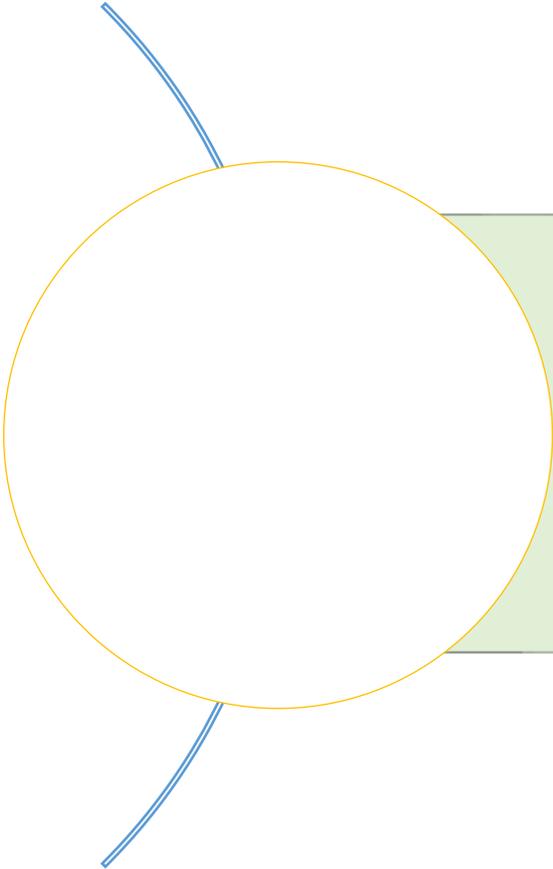
PRC – triggers of a Major Change



a)	<i>Any changes that would render the project/programme inconsistent with the GCF mandate and business model;</i>
b)	<i>A change in the scope of the project/programme which would result in a material and adverse deviation from the intended objectives or outcomes that the AE seeks to achieve from the implementation of the relevant project/programme, in particular its climate and/or environmental outcomes as set out in the funding proposal or FAA;</i>
c)	<i>The assignment or transfer of all or a material part of its responsibilities to another AE;</i>
d)	<i>A change of an executing entity that would have a material effect on the implementation of the project/programme;</i>
e)	<i>Any change that would have a material and adverse impact on the ability of the executing entity to operate the relevant project/programme, including a material and adverse change in the legal status of an executing entity which has a material and adverse impact on the implementation of the project/programme;</i>
f)	<i>Any change to the pricing of the GCF proceeds for the project/programme that deviates from the Board-approved parameters;</i>
g)	<i>Any material and adverse change in the pricing and financial structure of the project/programme;</i>
h)	<i>Any change in a project/programme that results in a change in the environmental and social safeguards category from a lower to a higher category, or changes within a category that would trigger additional safeguards standards to be applied or require additional due diligence;</i>
i)	<i>A delay in the completion of the project/programme or its major components that materially and adversely affect the achievement of the intended outcomes;</i>
j)	<i>Other changes such as may be expressly set out as a Major Change in the Approval Decision; and</i>
k)	<i>Any other event or proposed modification that constitutes a 'major change' in the relevant legal agreements".</i>

■ PRC





Waivers

- AEs, in consultation with the NDA/FP, may request waivers.
- Requires Board approval except if it was delegated to the ED.
- Procedure for waivers (AE to Secretariat & cc to NDA; Secretariat assesses; ED or Board intervene, as appropriate).



Thank you.
Questions?



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A large, abstract geometric graphic on the right side of the slide, composed of various shades of green triangles and polygons, creating a faceted, mountain-like or crystalline shape.