Report of the second Global Programming Conference of the Green Climate Fund

Summary

This document presents the Report of the second Global Programming Conference of the Green Climate Fund which took place in Incheon, South Korea, from 13-16 September 2022, convening high-level dignitaries, Ministers and representatives from National Designated Authorities, Accredited Entities, and Delivery Partners around three themes:

Day 1. Partnerships for climate ambition: charting GCF's next chapter;
Day 2. Building blocks for effective and impactful climate investment; and
Day 3. Navigating access: how to make the most of GCF support.

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I. Introduction to the Global Programming Conference (GPC)

A. Opening session

The Green Climate Fund (GCF)'s Global Programming Conference (GPC) was held from 13-15 September, 2022, in Incheon, Republic of Korea. The GPC was the first in-person global event gathering GCF partners since the last global programming conference in 2019.

The conference was opened by H.E. Mark Brown, Prime Minister of Cook Islands, H.E. Fatmir Bytyqi, Deputy Prime Minister of the Republic of North Macedonia, Mr. Yoo Jeong-bok, Mayor, Incheon Metropolitan City, and Mr. Yannick Glemarec, Executive Director of the Green Climate Fund, who stressed the importance of partnerships in acting with urgency and bold climate action in response to science and natural disasters around the world.

The three-day conference convened 425 participants including 44 Ministers and high-level dignitaries, GCF National Designated Authorities or Focal Points, Accredited Entities and Delivery Partners from over the world. The GPC provided a stage for GCF stakeholders to engage in plenary sessions, ministerial panels, and bilateral meetings, as well as a project marketplace that brought together project developers, countries, and GCF experts to match ideas with climate finance.

Aiming to promote dialogue between GCF and its partners and to mobilise partnerships to accelerate climate investment in developing countries, GPC's dialogues and sessions centred around three themes guiding each of the conference days: Partnerships for climate ambition: charting GCF's next chapter; Building blocks for effective and impactful climate investment; and Navigating access: how to make the most of GCF support.

The GPC provided a stage for GCF stakeholders to advance country programming for ambitious climate action, share lessons from implementation, disseminate knowledge of GCF operational tools and strengthen the GCF partnership network. It also provided a space for GCF stakeholders to provide feedback to inform GCF's strategy for the Fund's second replenishment and strategic programming priorities for the period 2024-2027, as well as feedback for the revised strategy of the Readiness and Preparatory Support Programme.

Importance of partnerships was a key takeaway. There was recognition of the need to take collective responsibility and leverage partnership strengths to shape ongoing and future work for climate action. In that regard, rich input was provided by GCF stakeholders to inform investment planning and current and future strategic programming priorities.

Access to climate finance was a major area, including its several dimensions, namely speed, simplicity, harmonization, volume, and direct access. Participants showed a strong willingness for GCF to programme more and at a faster speed. Besides funding volume, a need was noted for enhanced investments in adaptation, direct access, and private sector with greater impact, country ownership and alignment with country strategic priorities. Feedback was received on the revised strategy and operational improvements of the GCF's Readiness Programme grant cycle. The feedback would guide enhancements being made for a more efficient and effective Readiness, the world's largest capacity building programme for climate action.

Stakeholders expressed interest in having GCF regional presence as it would help ongoing efforts to enhance relationships between GCF and its partners and facilitate access to GCF resources.

Joint discussions were also held on programming developments recently adopted by the GCF Board that included the GCF adaptation approach, private sector strategy, updated Simplified Approval Process and Project Specific Accreditation Approach (PSAA). These developments were bringing GCF to organizational maturity with a clear identity and confidence in the unique value it brought as hub of the climate finance architecture.

As a continuous learning organization GPC was an opportunity to learn from the experience gained by GCF and its network of partners in project origination, development, and implementation that could inform GCF institutional journey, as the wealth of GCF experience resided with countries and partner organizations.

B. Ministerial meetings

Closed-door meetings gathered Ministers and high-level representatives from Latin American and the Caribbean; Asia-Pacific; Africa; Eastern Europe and Central Asia; Small Island Developing States; and Least Developed Countries. The meetings were facilitated by Ministers and provided an opportunity for the Executive Director and GCF Management to listen to all Ministers and high-level representatives as they expressed their views and the priorities from their countries, regions and groups, in relation to current and future programming priorities; readiness and capacity building needs; suggested improvements to GCF operations; GCF second replenishment period; and the importance of partnerships and collaboration.

C. Signing of partner agreements

The Conference offered a platform for the GCF Secretariat to sign key agreements with some of its partners. Three Direct Access Entities (DAEs) that were re-accredited by the GCF Board: The Agency for Agricultural Development of Morocco (ADA Morocco), the Environmental Investment Fund (EIF), and the Peruvian Trust Fund for National Parks and Protected Areas (PROFONANPE), were able to sign their amended and restated Accreditation Master Agreements (AMAs) with the GCF, thereby formalizing the renewal of their 5-year accreditation term.

GCF also signed the Funded Activity Agreement (FAA) with the African Development Bank (AfDB) for the Desert to Power G5 Sahel Facility, thus moving closer towards implementation of this critical USD 1 billion project that would leverage blended financing from the AfDB and the private sector for large-scale solar generation with over USD 150 million in approved GCF financing.

The Amended and Restated Framework Readiness and Preparatory Support Grant Agreement (FWA) between the Caribbean Community Climate Change Centre (CCCCC) and the Green Climate Fund, was signed by Dr. Colin Young, Executive Director of the CCCCC, and Ms. Carolina Fuentes, Director a.i., Division of Country Programming of GCF. The amended agreement would enable CCCCC to continue acting as a readiness delivery partner building on the extensive experience gained since the signing of the first agreement in 2017.

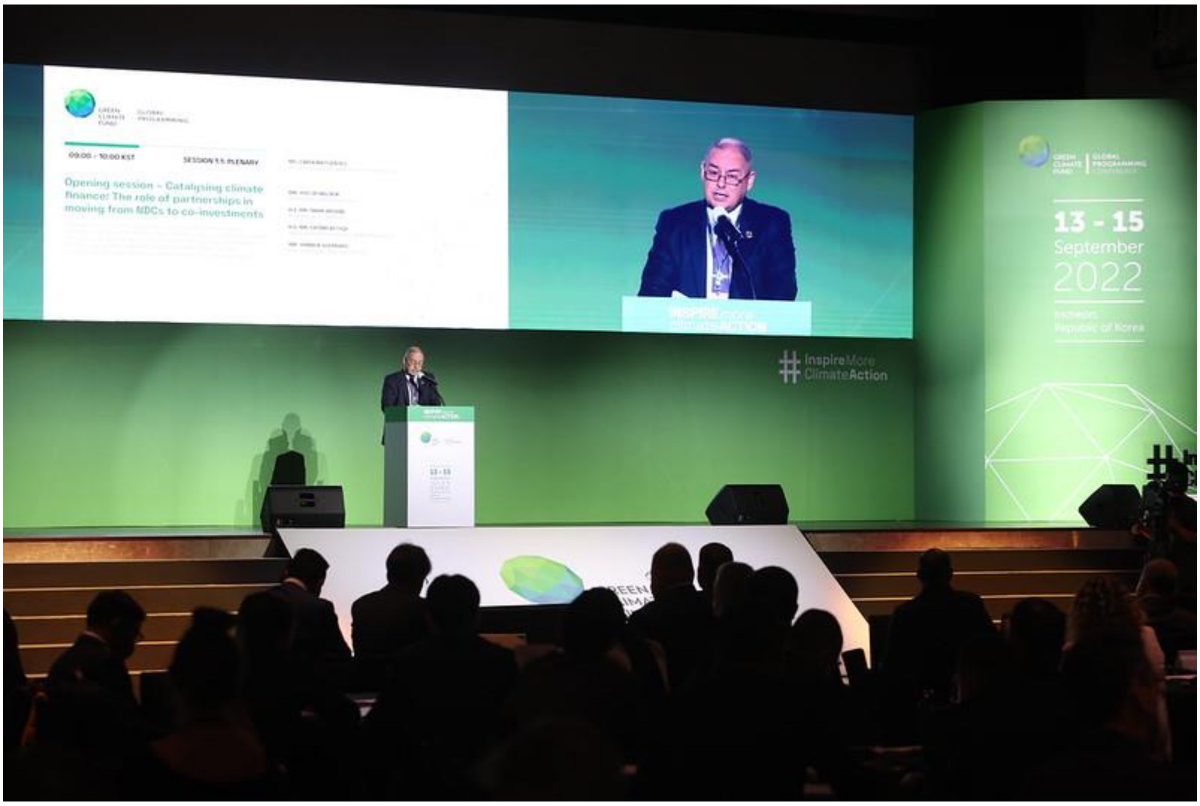
II. High-Level Day Partnerships for Climate Ambition: Charting GCF’s Next Chapter (Day 1)

Day 1 was the high-level day of GPC dedicated to partnerships for climate ambition and charting the GCF next chapter. The sessions in Day 1 provided an overview of the climate crisis and of the window of opportunity to achieve the objectives of the UNFCCC and the Paris Agreement to avoid catastrophic climate change. The critical role of partnerships in catalyzing climate investments and the value that GCF brought as a convener and hub of the climate finance architecture permeated all sessions.

Day 1 also provided insights into the GCF institutional journey from its creation and early days of operations, and stressed the lessons learned from implementation that could further inform origination. As a continuous learning organization, GCF aimed to build on the experience and knowledge gained as it moves into the future. During Day 1, sessions for GCF stakeholders to provide feedback on the GCF-2 strategy and replenishment and on the revised readiness strategy were scheduled. Feedback from partners was underlined as key to guide the next chapter of GCF operations.

A. Opening session -Catalyzing climate finance: The role of partnerships in moving from NDCs to co-investments

The conference was opened by H.E. Mark Brown, Prime Minister of Cook islands, H.E. Fatmir Bytyqi, Deputy Prime Minister of the Republic of North Macedonia, Mr. Yoo Jeong-bok, Mayor, Incheon Metropolitan City, and Mr. Yannick Glemarec, Executive Director of the Green Climate Fund, with Ms. Carolina Fuentes, Director of the Country Programming Division acting as master of ceremony.



During this session the speakers, welcomed over 400 participants to the GPC, including ministers and high-level dignitaries, National Designated Authorities, Accredited Entities and Delivery Partners to the GPC. The speakers signalled the interconnected global issues that brought significant challenges to climate action, including rising fuel and food prices, growing public debt, increasing number of people living in extreme poverty, and recovery from the pandemic.

Against this backdrop, the importance of reaching net-zero emissions by 2050 to avoid unmanageable climate change and immediately scale up adaptation efforts to manage unavoidable climate impacts was stressed.

The GCF-2 replenishment was identified as critical for global climate action and ambition, building on GCF-1 programming track record combined with a compelling vision for the future. GCF's nature as a partnership institution, working for, through and with more than 2022 partners to deliver climate results was underlined.

The opening session set the stage for the three-day GPC programme.

B. The GCF journey in enabling climate ambition

This session reflected on GCF's journey since it was established, both from the perspective of the GCF Secretariat and its partners and included an overview of the evolving global context for climate change action and ambition. An evolution of the GCF portfolio was presented along with the mitigation and adaptation results achieved so far, as well as projected results based on the approved projects and programmes. Participants also considered the improvements in monitoring of the climate impact of GCF's activities and considered the lessons learned from recent independent evaluations. It was noted that the need for GCF to deliver climate results was becoming more critical as climate ambitions were ratchetted up and the latest science emphasized urgency.

The lessons learned from country experiences were also reviewed. These highlighted important achievements but also the need for operational improvements to speed up the delivery of concrete results on the ground for climate action. Opportunities to further strengthen complementary and coherence with other climate funds, and specifically with the Global Environment Facility, were underlined in light of GCF-2. It was noted that a strong second replenishment of GCF could boost the Fund's ability to engage in joint programming with other climate funds to improve efficiencies and maximize climate action in developing countries.

In the ensuing interactive exchange of opinions on the priority gaps in reaching climate ambition in light of GCF-2, participants specifically highlighted the importance of further strengthening support to adaptation activities, facilitating access in terms of speed, simplicity and scale, and improving operational efficiencies; support for capacity building and technology were also mentioned as priorities.

C. How to deliver a paradigm shift? GCF-2 strategy and replenishment

The session introduced strategic directions for the GCF's second replenishment and was structured to enable consultation with GPC participants, and in particular, NDAs and AEs, on the review and update of the GCF Strategic Plan. It was divided into four segments, each of which included a short presentation from the Secretariat followed by use of interactive media (Menti) to seek participants' views to inform the setting of an ambitious strategic vision, objectives, and priorities under an updated GCF strategic plan for GCF-2.

The first segment reviewed the GCF's evolution from the initial resource mobilization (IRM) to the present and invited participants to reflect on the following questions: "What has GCF done well/should it keep doing into GCF-2?" and "What GCF could do better?" Many participants identified the readiness programme, capacity building and direct access as strong suits of the GCF; and the need to enhance and simplify access as a key area for improvement. When asked specifically about the most significant steps the Fund could take to improve access, participants identified less complex/ better harmonized policies as the first priority followed by improved guidance and technical assistance for preparing GCF proposals.

The second segment highlighted changes in the global climate investment context, including the latest climate science and developing country needs, and explored how GCF could help drive paradigm shift through supporting countries in pursuing more systemic rather than incremental approaches to investment planning. Participants identified a range of key needs along the NDC/NAP/LTS implementation planning spectrum where GCF support would be highly beneficial. In particular, this included building capacity/expertise/tools to use climate assessments in decision-making, supported by investment planning and matching financial sources, and by support for drafting concept notes and funding proposals.

The third segment focused on programming goals the Fund should pursue in GCF-2. It introduced a potential approach for setting different types of goals for GCF-2, including mid-term, results-oriented programming goals; allocation targets; and operational goals. During the interactive part of the sessions, participants indicated their priority areas for programming in the coming 5-10 years, with a strong focus emerging on the food/agriculture/water/energy nexus; ecosystems and nature-based solutions; forests and deforestation-free value chains; resilient infrastructure; and net zero carbon energy transition. When asked what types of goals the GCF should set moving forward, many highlighted the need to focus on adaptation, direct access and speeding up access. Multiple participants also highlighted the need for loss and damage support.

The final segment included an overview of GCF's comparative advantages and its positioning in the climate finance landscape. Participants considered "adaptation/ mitigation balance and focus on vulnerable" and "country ownership & direct access" as the two most valued attributed of the GCF. Finally, participants were asked how the GCF could improve how it worked with other climate funds and with public and private actors. Many participants highlighted the importance of harmonizing and aligning processes between actors, as well as the need to share knowledge and results.

D. System transitions: Programming for transformational change

This high-level session focused on how GCF and its partners could respond to the IPCC's call for systems transitions to stay within the 1.5℃ guardrail and effectively adapt to climate change. This included opportunities to promote paradigm-shifting pathways that identified investment and co-investment opportunities to address key pressure points to enable the transitions in energy, land, coastal and freshwater ecosystems; urban, rural and infrastructure; and industry, society and the financial systems in developing countries.

The session highlighted the importance of addressing concurring challenges and identifying enabling factors and investment opportunities, which could support systems transitions and paradigm-shifting pathways that would contribute to bridging the climate investment gap. The panel discussion covered geographical and country-specific factors, which contributed to the achievement of systems transitions, while considering global developments and pressure points that affected investment and co-investment opportunities for climate resilient and low emission development pathways;

The high-level session included the following panelists: Mrs. Katerine Aliño (Vice president of Central Bank, Cuba); Mr. Matthew Samuda (Minister without Portfolio, Ministry of Economic Growth and Job Creation, Jamaica); Mr. Beksultan Ibraimov (Deputy Minister, Ministry of Natural Resources, Ecology and Technical Supervision of Kyrgyz Republic); and Ms. Renée González (Executive Director, Mexican Fund for Nature Conservation -FMCN Mexico, one of GCF's Direct Access Entities).

The representative from Cuba presented the main opportunities and challenges related to the development of the green banking system in Cuba, which aimed to integrate financial support for the protection, conservation and sustainable use of natural resources, biodiversity and the environment in general into the national banking system.

The Jamaican Minister presented the work being undertaken with the support of GCF Readiness resources with regards to a systemic resilience assessment tool that allowed the integration of climate risk analytics into decision-making and planning for key infrastructure sectors in Jamaica, while promoting nature-based solutions, where possible, to reduce the impacts of climate change.

The vice-minister from Kyrgyzstan presented the opportunities related to the updated NDC, as it set out a vision for transition to low-carbon and climate resilient development with the consideration of socio-economic and other environmental problems that the country was facing. The country's updated NDC noted that there was a need to consolidate fragmented climate change policies and ensure consistency with numerous strategies, plans and funding opportunities currently available in the country. GCF could play a role in bridging these gaps for system transition.

The Mexican DAE representative explained the most innovative climate solutions that were being introduced in Mesoamerica to tackle the dual challenges of biodiversity loss and climate change impacts.

With regard to opportunities for GCF to further support SIDS in developing and implementing their Blue Economy policies and strategies, the Minister of Jamaica highlighted the importance of investing in a sustainable ocean economy, stating that "Ocean health is ocean wealth".

Furthermore, he emphasized that the blue economy allowed countries to explore new fields, including marine biotechnology, offshore renewable energy, carbon capture, and sustainable tourism. He also stressed that GCF should: (i) support the development of institutional frameworks and establishment of blue economic potential of SIDS and support partnerships on the blue economy, (ii) develop more innovative financial solutions and tools to assist community-based organizations and private sector entities, and (iii) focus on blue investments since they created jobs and overall support to blue energy generation.

E. How can Readiness resources address the needs of countries to advance climate investments? Part 1

The aim of the plenary session was to introduce the ongoing considerations in the revision of the GCF Readiness strategy which would guide the next stage of the largest, global climate-action, capacity-building programme.

Participants heard from country representatives from Argentina, the Central African Republic and Nepal. They all mentioned the crucial role of readiness in their countries and the need to streamline the process and increase funding, given that the needs in their countries were enormous.

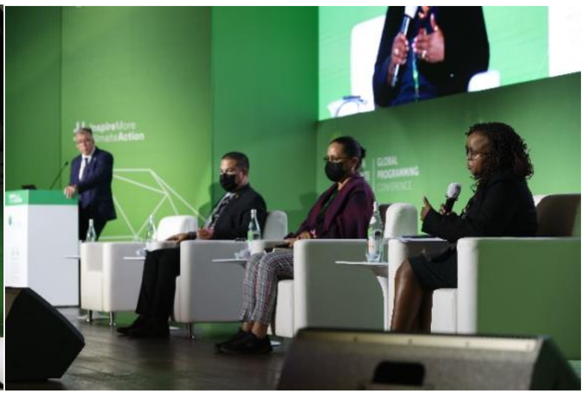
F. How can Readiness resources address the needs of countries to advance climate investments? Part 2

The second session was designed as a structured discussion divided into three languages groups: Spanish, English and French. The issues raised in the different sessions broadly converged and revolved around the following main topics:

1) Emphasis was given to the role of readiness in creating capacities for something bigger; readiness was not an end in itself and there was a need to ensure continuity in the outcomes and capacities created through readiness activities;
2) The need to simplify the review of readiness proposals and to reduce the overall review timeframe. It was necessary to move faster towards multi-annual readiness grants, to have simpler and less bureaucratic procedures and to allow partners to plan longer-term;
3) Offer more opportunities for the NDAs to deepen cooperation with the private sector. A dedicated window for the private sector would avoid competition for readiness resources between the public sector and the private sector and would support unlocking funds from the private sector in the medium and long-term. Among others, the timing of readiness might be a barrier: it was difficult for the private sector to work at the same current (slow) speed of the Readiness programme;
4) A dedicated window for Direct Access Entities (DAEs) to build their capacity for accreditation (in particular on ESS) and to prepare stronger funding proposals was also suggested. However, it was also made clear that readiness was not a pre-requisite of projects;
5) Besides revisiting the annual cap per country and its periodicity, the volume i.e., USD 1 million per year per country, was not considered sufficient to meet the needs of countries. Also, countries did not understand why the funds dedicated to a country did not accumulate over the years;

6) In general, climate justification was a weak issue in project proposals due to the lack of understanding of the rationale behind it but also the lack of climate science available to countries. Readiness was identified as a tool that could be used in this respect, in particular for adaptation projects. Countries mentioned the need for the adaptation readiness window to be used in this regard. Countries wished to know the next phase of this window now that many had already used the entire cap; and
7) Local context: It was important to work with delivery partners located in the country or the region that were not only geographically close but also understood the context of the country. It was also important to recognize that a one-size-fits all approach worked; readiness was a flexible programme but could be improved in this regard.

III. Building Blocks for Effective and Impactful Climate Investment (Day 2)



Day 2 was dedicated to the building blocks for efficient and effective climate investment and most of the discussions revolved around the transition from Nationally Determined Contributions and Low-Emission Climate-Resilient Strategies to investment planning.

Participants noted the opportunity for the GCF to orient its programming approach and make it compatible with the Paris Agreement cycles for Nationally Determined Contributions (NDCs) and National Adaptation Plans (NAPs). As a mechanism serving the Paris Agreement, GCF should support and be aligned with these cycles.

To contribute to the achievement of the Paris Agreement, it would be necessary to identify, and implement paradigm-shifting mitigation and adaptation projects and mobilize unprecedented amounts of capital, most of which needed to come from the private sector.

Countries had prioritized areas of impact as part of their NDCs and NAPs which constituted a strong basis for translating countries' climate commitments into investment actions. This also set the scene for policy transformation needed for a transition to a low-carbon resilient economy and societies.

Participants considered what role GCF should take in supporting NDC/NAP/LTS implementation and investment planning. They suggested that GCF should support countries in building an evidence-based approach to identify investment options for their NDCs. This meant that investment planning should be based on emission scenarios, climate risk and vulnerability assessments as they related to the priorities stated in NDCs. From this basis, a range of priority options can be identified by applying cost efficiency, cost-benefit, equity and other criteria.. Readiness and Project Preparation Facility (PPF) resources could support countries in developing or strengthening their capacities and expertise to use climate assessments in decision-making.

As a next step, GCF could also provide support by reorienting its country programming tools towards the investment planning. This would involve supporting the costing and the funding needs of priority interventions; the range of financial options by source such as private sector, public sector, financial instruments, bonds, sovereign debt etc.; the sequencing of the investments; and, very importantly, identifying the barriers that need to be addressed for finance to flow. GCF should align its country programmes to the NDCs and NDC cycle and focus on investment planning that would benefit the country as a whole and which would inform the portfolio of interventions to be financed by GCF and other investors. Readiness resources could support investment planning work.

There was a call for the Secretariat to strengthen the coherence and fluidity across programming and project development tools, investment plans, readiness, concept notes and PPF. They should be connected so that the outputs of one process triggered the other; this would allow the project cycle to advance much more quickly.

Considering the scale of financial requirements to address the climate challenge, GCF should work with AEs who could play a catalytic role in mobilizing further financing, from other financiers and from co-investment platforms in critical transition areas and in leveraging private sector financing.

A series of sectoral sessions were held covering ecosystems, energy, water, agriculture, forests, climate information and transportation during which innovation, scalability and sustainability were highlighted as key dimensions of achieving a paradigm shift in each of the sectors. The importance of good design, financial structuring and the private sector focus featured in all of them. Some of the topics raised included policy reform, GCF's de-risking role in catalyzing private sector investment and the use of innovative financial instruments

A. Integrated resilience planning

The session aimed to address the key role of integrated resilience planning for sectors including transportation, telecommunications, water, and energy where strong interdependencies may cause a 'domino effect' of failures across systems. Such failures were leading to the loss of billions of dollars in repairs and the loss of life and security for millions of people around the world. The speakers during the session were H. E. Mr. Matthew Samuda, Minister of Economic Growth and Job Creation; H. E. Ms. Diann Black-Layne, Director of Department of Environment, Ministry of Health and Development, Antigua and Barbuda; and Ms. Lilian Macharia, Director, Division of Portfolio Management, Green Climate Fund. The session was moderated by Mr. Kevin Horsburgh, Climate Science Lead, Office of the Executive Director, Green Climate Fund.

The moderator underlined how the growth of multiple climate-related hazards and increase in extreme weather experienced globally, threatened people, infrastructure and the economy. He further elaborated on disruptions of services in low and middle-income countries costing around USD 400- 650 billion on households and businesses which strained national budgets and reduced the attractiveness of these sectors to private investment.

The representative from Jamaica highlighted that the multiple climate hazards experienced in Jamaica were increasing in intensity and frequency and that the South Coast, which had most of the population, was more susceptible to storms and hurricanes. Loss and damage due to climate change impacts accounted for 1.3 per cent of GDP. He underlined the Jamaica Systemic Risk Assessment Tool (J-SRAT) that was developed by the University of Oxford, was launched in May 2022 under a multi-partnership as a critical tool to integrate climate risk analytics into decision-making and planning.

The representative from Antigua and Barbuda reiterated that there was an increase in the intensity and frequency of hurricanes and droughts in Antigua and Barbuda (A&B). She highlighted that the Caribbean was among the most vulnerable regions, experiencing enormous loss and damage due to climate change impacts and the cost of capital in A&B could be twice as much as other larger countries. She outlined recommendations for GCF programming in 2022 and beyond, including interventions to support access to low-cost capital for homes owners and integrate climate change into sports infrastructure and facilities.

The GCF Secretariat representative highlighted that adaptation needs were highest in developing countries and the infrastructure sector came second highest (after the agriculture sector) at 22.6 per cent in terms of adaptation finance needs**.** She also emphasized the need to address political and regulatory barriers as well as microeconomic and technical barriers to the flow of funding for adaptation. She commended the 'Jamaica Pilot' where GCF was developing a methodology to translate climate hazard-risk information into viable infrastructure project concepts as a systematic approach that would strengthen the resilience of infrastructure.

The key takeaways from the session included:

a) The cost of doing business was higher in the SIDS, specifically in Jamaica and in A&B, due to climate change impacts. The cost of capital was higher than in bigger countries, insurance was escalating, and the effect of climate finance was thus reduced;

b) There were net benefits of investing in climate-resilient infrastructure. The benefits from investment in adaptation and resilience were typically considered in terms of avoided losses and cost benefit ratios. For example, the Global Commission on Adaptation (2019) estimated that the overall rate of return on investments in improved resilience was very high, with benefit-cost ratios ranging from 2:1 to 10:1, and in some cases, even higher; and

c) GCF could support countries in bridging the growing investment gap for building new and resilient infrastructure and in considering the use of green and grey infrastructure to address climate hazards. Working with the Government of Jamaica under the auspices of the Coalition for Climate Resilient Investment (CCRI), GCF was developing a methodology to translate climate hazard-risk information into viable infrastructure project concepts (incorporating NbS/ hybrid) to strengthen the resilience of infrastructure. GCF's approach aimed at de-risking infrastructure investments and making it more attractive for the private sector to invest in climate-resilient infrastructure. The approach would be scalable and replicable.

B. Investment planning for NDC implementation

The session presented opportunities seen to strengthen the collaboration between countries, accredited entities and GCF to accelerate NDC/NAP/LTS implementation. GCF's Secretariat elaborated on opportunities related to assessing evidence-based intervention options and to preparing investment plans – including, inter alia: prioritization and structuring of cohesive, sequenced investments; financial engineering approaches; and consideration of barriers and comparative advantages of GCF and other financiers.

There was consensus among invited panelists and participants on the fundamental role that NDAs performed, given the strength of their mandate to establish effective and coherent cross-sectoral frameworks for climate investment planning. It was clear from comments that the development of project/programme pipelines could be strengthened with GCF's engagement (e.g., through the provision of technical assistance) at the request of NDAs. Additionally, the engagement of AEs with the NDAs and GCF during project formulation was highlighted as pivotal in order to maximize the potential to achieve transformational effects.

The GCF's Secretariat underlined its readiness and capacity (e.g., on climate rationale and on financial engineering) to support countries to expedite NDC/NAP/LTS implementation and invited further collaboration.

C. Pipeline development: Innovation, scalability, and sustainability –Paradigm shift

Ecosystems and ecosystem services

The session presented four paradigm-shifting case studies from GCF partners, followed by an audience-led discussion.

Energy efficiency, access & power generation

The session on energy efficiency, access and power generation included several presentations and a panel discussion followed by an audience-led discussion. It included presentations from the GCF Secretariat (the Division of Mitigation and Adaptation (DMA) and the Division of the Private Sector Facility (PSF)) and three presentations from partners (Acumen, Camco and MASEN).

The GCF presentation focused on the different pathways for renewable energy and energy efficiency, different financial instruments and examples of innovative approved proposals, along with current challenges facing the energy sector, namely energy security, financing costs, risk appetite, and capital costs.

The presentations from the partners covered diverse areas and aspects, including but not limited to the following:

1) Energy access as an enabler/tool for energy transition;
2) Role of blended finance and power of equity instruments - as a capital mobilizer, and as a catalyst for supporting early-stage companies and ideas;
3) Need to look at energy access from a resilience perspective;
4) Challenges of implementing projects in frontier markets, the role of patient capital which was flexible and establishing strong partnerships, and the need to embrace risks and uncertainties;
5) A few successful case studies on energy generation/access in LDCs; and
6) The role that green hydrogen could play in energy transition.

During the session, panelists highlighted the critical need for GCF capital in blended finance structures, in order to scale-up investments in the energy access and transition.

Water Security

During the session, participants considered the GCF water sector guide that set out GCF's investment strategy in water security. They also discussed the transformational pathways for a paradigm shift in water security to secure water resilience and water services through innovation, scalability and sustainability under conditions of increased climate change impacts. In addition, the role of GCF to support the initiative of water asset transition by treating water as a "new asset class" was explored. Through three presentations and five panelists and interactive discussions, the session concluded with several messages as follows:

1) Given the increasing demand for this most scarce resource, the global water sector seemed to offer investment opportunities. The water sector was both subject to climate impacts but also where solutions could be found and which would support a systemic approach to other results areas, such as food, energy and ecosystems. Treating water as a new asset class for water reuse and sanitation was an innovative approach that supported the GCF's goal for water security: "GCF promotes a paradigm shift in water security that is low-carbon, resilient to climate change, and meets the goals of the UNFCCC and Paris Agreement" (GCF water security sectoral guide). Supporting a new asset class in sanitation and water re-use also increased the focus on adaptation;

2) The new asset class was "an asset for adaptation and/or mitigation that is developed and funded using credit enhancement to crowd in private sector funding targeted towards developing debt capital market and acceptable financial returns but remain in line with ESG impacts and help to meet the targets set in the Paris Agreement and contribute to the United Nations' Sustainable Development Goals (SDGs)s (Goal 6 –clean water and sanitation; Goal 3 – Affordable and clean Energy; Goal 13 climate action; Goal 14 – sustainable oceans and Goal 17– Partnerships with the involvement of the private sector) and providing water for domestic, municipal, and industrial purposes and allows municipalities to scale their water reuse and sanitation projects in partnership with private sector and/or governments purchase a service instead of an asset" (GCF water security sectoral guide);

3) Increasing the resilience of the water sector to climate change required a paradigm shift in how water assets were defined, developed, and financed. The systemic change was only possible through: (i) increasing focus on adaptation and treating water sanitation and reuse infrastructure as a new asset class; (ii) aligning new financial solutions with the Paris Agreement targets and SDGs which was essential for recognition of wastewater and sanitation facilities as an asset class for private investment in developing countries; (iii) building the capacities of project owners in structuring bankable and affordable projects; (iv) provision of innovative financing solutions, including the use of credit enhancement and blended finance mechanisms that lowered the cost of borrowing and improve investment grade levels; and (v) creating partnerships and strengthening investor relationship among governments, financial institutions and wider stakeholders to improve investor's understanding and confidence; and

4) The role of GCF was to de-risk investments and mobilize the private sector, improve water security and community resilience while helping reduce GHG emissions and support the carbon market through promoting the treatment of water as a new asset class for wastewater and sanitation services by: i) supporting countries to develop and adopt policies and legislation to create an enabling investment environment to identify, design, and implement public and private funded transformational water security interventions as a new asset class; ii) finance the transition and de-risk private investment in addressing financial market barriers and ensuring affordability and bankability to unlock water reuse and desalination investment, and iii) supporting new financial models accompanied by acceptable revenue in line with Paris Agreement targets and the SDGs.

Agriculture and food security

The session addressed how GCF investments were underpinned by country needs to adapt their agri-food systems to climate change, while responding to the increasing demand for quality food and reducing the sector's environmental footprint. The key programming directions for agriculture and food security – as included in the respective sectoral guide – were presented, along with global processes and commitments (e.g. UN Food Systems Summit, COP 26 Global Methane Pledge and End Deforestation Pledge). In addition, the programming directions for the sector in GCF-2 – i) low carbon climate resilient livestock; ii) methane reduction in rice farming systems; iii) reducing food loss and waste; and iv) transitioning to sustainable and balanced diets – were introduced.

Subsequently, three case studies of GCF investments in the sector were present by DAE and IAE representatives: an overview of the Namibia's Environmental Investment Fund (EIF) agriculture projects, the Micronesia Conservation Trust (MCT) climate resilient food security project, and the Acumen Resilient Agriculture Fund (ARAF), the first climate adaptation-focused agriculture investment fund for small-scale farmers, active in Ghana, Kenya, Nigeria, and Uganda. These examples and the subsequent discussion highlighted several lessons learned that could guide further investments in the sector for the remainder of GCF-1 and for GCF-2.

These included: i) the need to strengthen national capacities to plan for climate resilient agricultural investment and to improve delivery mechanisms for climate smart agriculture technologies to ensure sustainable adoption by small scale farmers; ii) transitioning from a project to a programmatic approach in agriculture that could allow delivery at scale and reduce transaction costs; iii) supporting and enhancing direct access, in particular in addressing the cost of implementation of agricultural projects at a micro scale; iv) promoting blended finance projects, especially to de-risk private capital to re-orient to climate resilient agriculture businesses; and v) ensuring that sufficient grant resources were channeled into technical assistance to accompany investment windows for agri-businesses.

Low-emission and resilient transport

The session included several presentations along with a panel discussion followed by an audience-led discussion. Presentations were given by the GCF Secretariat's Division of Mitigation and Adaptation (DMA) and the Division of the Private Sector Facility (PSF) as well as by GCF partners (UNEP and CAF) describing case studies.

The presentation from the GCF Secretariat provided an overview of:

1) The GCF portfolio on low emission and resilient transport;
2) How to achieve a paradigm shift in low emission transport;
3) The transport sector guide and priority areas;
4) Areas of innovation, scalability and sustainability as key dimensions of achieving a paradigm shift; and
5) A case study on a project by Macquarie Alternative Assets Management Limited (MAAML) FP186: India E-mobility Financing Program. Salient features of the project were highlighted, namely strategic national context, financing/investment barriers, programme design components, market segments and programme structure.

The case studies presented by GCF partners were as follows:

1) UNEP's Low and Zero Carbon Mobility Programmes highlighting key trends, regulatory regimes for used vehicles, the global trade in used vehicles and the way forward.

2) CAF's E-Motion programme: E-Mobility and Low Carbon Transportation in Latin American Countries which was aiming to accelerate electromobility in LAC countries. The main topics were:

   i. Why electromobility adoption was relevant in the LAC;
   ii. The main barriers identified in LAC could be addressed by providing access to funds;
   iii. Long-term sustainability could be achieved by innovation in business models; and
   iv. How the theory of change was integrated in the E-Motion programme.

During the session, panelists also highlighted that the transport sector had a significant and measurable impact on climate change accounting for nearly a quarter of all energy-related CO2 emissions. Radical paradigm shift or transformation was needed for the transport sector to stay within the 1.5-2°C goal by 2050. It was also emphasized that if current investments did not shift from low occupancy, fossil fuel-based systems to high occupancy, renewable powered systems, it would lock in a fossil-fuel, high emission future.

Forest and land use

The session focused on an analysis of the GCF's portfolio and a discussion on emerging topics, including blue carbon and the role of the private sector.

In order to maximize one of forests' greatest comparative advantages – the ability to deliver on mitigation, adaptation and co-benefits simultaneously – the Secretariat highlighted several priority themes for the remainder of GCF-1 and GCF-2. These included combating forest fires, promoting deforestation-free value chains, conservation, indigenous peoples and blue carbon.

In particular, blue carbon presented a wide range of opportunities, notably in attracting investors in light of the high prices blue carbon credits could fetch on fast-expanding voluntary markets. GCF could not only de-risk investment but also focus on technical assistance to overcome barriers faced by private sector investors.

Private partners should not necessarily be restricted to investors. In the Amazon, the Peruvian Trust Fund for National Parks and Protected Areas had partnered with small businesses, with support from GCF, to help them design and implement business plans to reduce emissions and enhance their resilience while ensuring livelihoods for thousands of workers and their families.

Climate Information and Early Warning Systems (CIEWS)

The session discussed the transformational pathways for establishing fit-for-purpose CIEWS projects based on the draft GCF CIEWS sector guide and highlighted best practices, lessons and legacies from approved GCF projects that could inform future programming. The key elements of the GCF sector guide for CIEWS were presented including the three paradigm shifting pathways, namely (i) Climate Information Services including modernization of hydromet services and regional hydromet programmes, (ii) Impact-Based Multi-Hazard Early Warning Systems and Early Action, and (iii) CIEWS for infrastructure design and resilience financing. Emphasis was placed on the key role GCF played in supporting developing countries to establish and operate fit-for-purpose hydromet services required to achieve this paradigm shift.

The session was chaired by the Honorable Mr. Demetrio do Amaral de Carvalho, State Secretary for Environment, Timo-Leste. The session consisted of two core presentations: The GCF CIEWS sector guide and CIEWS Project Fast-Tracking through SAP. This was then followed by a panel discussion on GCF CIEWS approved projects that discussed lessons, best practices and opportunities for future programming. The panel members consisted of Accredited Entities that had approved CIEWS GCF projects, namely, UNDP, Landbank, AfDB, and UNEP. The participants highlighted the need for programmatic approaches to CIEWS, the importance of strengthening of meteorological agencies to deliver on their mandate to provide climate information, and also that the monitoring and evaluation of CIEWS was key to developing better products and adaptive management.

The presentation on fast tracking CIEWS projects through the SAP modality was intended to enhance quality at entry and reduce the time and effort for the preparation and review of SAP proposals. The SAP team also indicated that the Secretariat would develop a set of SAP funding proposal guidelines and templates in the GCF impact areas in high demand, particularly CIEWS.

D. Facilitating stakeholder engagement

Private Sector engagement

The session discussed the private sector strategy that set out GCF's investment focus and the support that it would provide to enhance engagement with the local private sector in developing countries. The discussion expanded on how the strategy would affect GCF's funding modalities going forward, including Readiness, project preparation facility (PPF) and funding proposals.

Through two presentations and interactive discussions with the two panelists, the session concluded a number of messages, including the following:

1. The role of GCF was not only to de-risk investment and mobilize the private sector in its investments, but also to create a conducive investment environment where the barriers facing private sector were minimized. The GCF modalities that were critical in helping to create this environment were the PPF and Readiness; and

2. While the focus on adaptation and resilience were challenging to achieve in the private sector, this was necessary in order to reach to the most vulnerable people facing climate change. GCF was appreciated as a partner as it had a clear focus on adaptation impacts and outcomes on the ground.

Direct access entities

The session discussed key project development and implementation challenges being faced by DAEs and explored solutions to address the challenges. The key identified challenges included:

1) Deficiency in internal capacity for project development;
2) Language barriers when translating national policies and legal documents into English;
3) Lack of clarity around GCF processes and required documents for project development due to frequent changes at the GCF;
4) Mapping climate impact; risk (probability of occurrence of uncertain impacts), options for mitigation/adaptation;
5) Environmental and social safeguards and gender-related issues; and
6) Data gaps.

The following suggestions were made to address the identified challenges:

1) Provide more guidance to DAEs to help keep them up-to-date with updated programming tools and policies;
2) Develop a sustainable network, through Community of Practice of Direct Access (CPDAE) for experience and sharing of best practices among DAEs;
3) Enhance and develop in-house capacities of DAEs in project development and implementation;
4) Strengthen DAEs' engagement with NDAs to boost country ownership of climate change adaptation and mitigation;
5) Provide support to DAEs in their efforts to address country's climate priorities and achieve the long-term goals framed under the Nationally Determined Contributions (NDCs); and
6) Provide flexibility and a simplified approach for DAEs in the project review process and ensure that reviewers had a good understanding of country's specific context.

IV. Navigating Access: How to make the most of GCF support (Day 3)


Day 3 of the 2022 edition of the Global Programming Conference aimed to draw the together the various themes of the preceding days. After exploring leveraging partnerships for more ambitious climate action and discussing building blocks for effective and impactful climate investment, it focused on how partners could make the most of the support GCF was able to provide them. Participants discussed GCF funding windows as well as available appraisal guidance and the GCF Programming Manual.

The role of GCF as a partnership organization was illustrated by robust discussions around accreditation and partnership modalities to tap into funding from GCF. Lessons from implementation of Readiness grants and from implementation of projects (funded activities) were shared, creating learning loops to inform the design of more impactful Readiness proposals and projects.

Day 3 also hosted a Marketplace, a networking event during which countries presented projects ideas to accredited entities, as they sought match-making for further development and submission of their prioritized projects to GCF.

A. GCF support for proposal development

During the session, the GCF Secretariat initiated discussions on how countries could make the most of GCF support. It was divided into three parts: 1) funding windows; 2) appraisal guidance including tools; and 3) interactive discussion on the GCF Programming Manual.

The funding windows covered in the session included Readiness, the DAE New Funding Window, and Project Preparation Facility (PPF). The representatives from the Divisions of Country Programming (DCP), Portfolio Management (DPM), Mitigation and Adaptation (DMA) and the Office of the Executive Director (OED) provided a brief snapshot of the available funding windows in support of proposal development. Further participatory discussions on the GCF funding windows were conducted during the question-and-answer session.

The second segment introduced the recently published GCF Appraisal Guidance and tools made available by the GCF to facilitate the delivery of proposals in alignment with GCF's mandate, policies and investment framework. During this session, participants revisited a wide range of GCF tools for project development: Concept Note (CN) checklist, Innovation and Additionality Tool (IAT), Investment Criteria Scorecard (ICS), Grant Equivalent (GE) calculator, Simplified Approval Process (SAP) toolkit, and Economic and Financial Analysis (EFA) guidance.

The session culminated with interactive and participatory discussions on the GCF Programming Manual with panelists from the Pacific Community (SPC), Development Bank of Southern Africa (DBSA), Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ), and Division of Mitigation and Adaptation. The session was enriched by the meaningful interventions from the panelists providing insights and lessons learned from the usage of the GCF Programming manual. They shared their suggestions and highlighted areas for further improvement of the Programming Manual, including applying it more consistently and making it more user-friendly.

B. Accreditation and partnership modalities to leverage GCF financing

This session was designed to introduce participants to the various partnership modalities with the GCF, including accreditation. The moderator Ms. Stephanie Kwan provided an overview of the different ways to engage with the GCF, including institutional accreditation, as executing entity, readiness delivery partner or co-financier, and the project-specific assessment approach.

The National Designated Authority (NDA) panelists Dr. Osmond Martinez, CEO in the Ministry of Finance, Economic Development and Investment of Belize, and Mr. Petrus Muteyauli, Deputy Director in the Ministry of Environment, Forestry and Tourism of Namibia, made interventions sharing their countries' experiences and approach in identifying the partners best-fitted for GCF investments, nominating for accreditation candidates that were able to help reach national climate objectives.

Direct Access Entity representatives Ms. Nayari Diaz-Perez, Executive Director of the Protected Areas Conservation Trust of Belize, Mr. Benedict Libanda, CEO of the Environmental Investment Fund of Namibia and Mr. Enkh-Erdene Erdenekhuyag, Project Development Officer in XacBank LLC (Mongolia) talked about their collaboration with their respective NDAs, as well as with other entities. They also made remarks with regards to their roles as delivery partners, and GCF resources available to DAE candidates.

Ms. Ilona Porsché, Head of GCF Business Development Unit at GIZ shared the entity's experience working with GCF as AE, EE, delivery partner, and the willingness of GIZ, as an EE, to undertake various roles including executing DAE projects where possible.
Finally, the attendees were given the opportunity to put questions to the panelists regarding the nomination and accreditation processes and partnering with the GCF.

C. Learnings from Readiness implementation

The session was designed to offer an opportunity for the audience to learn from and engage with a panel composed of NDAs, DPs, and GCF Secretariat staff working on Readiness portfolio management. The panelists discussed, inter alia, GCF RPSP funding and technical support as a critical opportunity for countries to build capacities and develop a strong pipeline of concepts note and projects, as well as challenges, good practices, and lessons learned. Key questions directed to the panelists and the audience were:

a) What are the most important outcomes achieved with the Readiness Programme at the national or the regional level?
b) To what extent are the learning and knowledge acquired during the implementation of the Readiness supported grants (NAP and Non-NAP) relevant to other countries and partners?

c) What are the key recommendations that would help strengthen Readiness implementation, performance, and knowledge? How can the GCF better support countries?

The NDAs panelists were from Mongolia and Georgia whilst delivery partners (DPs) were GIZ and GGGI who shared their experiences in implementing readiness grants. The NDAs were able to share how the RPSP had allowed their respective countries to strengthen the NDAs capacity to address the impact of climate change and the mitigation and adaptation strategies instituted. For example, the RPSP had helped NDAs, especially Mongolia, to prioritize climate adaptation and mitigation strategies in their countries' policymaking. On the other hand, the two NDAs recalled the challenges faced in the early stages of implementing the RPSP. They indicated that the countries with direct access support had a challenge utilizing the country's yearly cap and advocated for clear guidance on which allocations a country could access.

The DPs responded to a critical question about when a country was ready with the RPSP. The response was that a country was prepared when it was willing to team up with other countries to share its knowledge, experiences, and best practices, as well as willing to learn from peers in innovating climate change mitigation and adaptation solutions. In addition, such countries showed a willingness to exchange and collaborate with NDAs, DAEs, DPs, and GCF, while calling for the relevant stakeholders to step up for multicounty initiatives. Furthermore, the DPs advised countries to use the RPSP as a ladder to access and leverage extensive climate change mitigation and adaptation funds.

The session ended with the panelists and the audience commending the GCF for its timely response in addressing the impact of the COVID-19 pandemic on countries. They urged GCF to help build the capacities of DAEs through its RPSP portfolios while increasing the opportunities to collaborate with relevant stakeholders to share knowledge and best practices to foster

performance. Finally, the panelists encouraged countries to consider multiple-year Readiness programmes and to fully leverage the benefits that the GCF could offer through the RPSP.

E. Funded Activities: Lessons from implementation, adaptive management, and evaluation

The session focused on issues and challenges commonly encountered during implementation, the adaptive management solutions, as well as key lessons from the implementation of the GCF portfolio of projects and programmes, including the role of the Independent Units of GCF. Seven panellists from the GCF Secretariat, AEs and GCF's Independent Units (IUs), gave short presentations highlighting successful approaches for funded activities in achieving the expected delivery of results.

Two panellists from Caribbean Community Climate Change Centre (CCCCC) (DAE) and Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) (IAE) shared their perspectives on project implementation challenges experienced in their portfolios and how they were addressed as part of adaptive management. The AE representatives highlighted the impact of the COVID-19 pandemic on their project operations arising from operational and procurement challenges, as supply chain disruption and inflation, as well as restrictions on mobility heavily affected and delayed implementation. The two panellists from the GCF Secretariat elaborated on the critical success factors in adaptive management processes related to submitting and processing change requests in a timely fashion. The discussion also focused on how Secretariat-led and AE-led evaluations could inform and support implementation. Moreover, the three representatives from the GCF's IUs shared lessons and advice on project implementation from the IUs' standpoint, including guidance on avoiding complaints during the implementation process, addressing integrity red flags, and key-takeaways from evaluations on barriers to the implementation of GCF projects.

An interactive discussion amongst the panellists in connection with insightful questions from the audience rounded up the session, highlighting the importance of adaptive management and implementation practices for the achievement of results.

V. Side-Events


A. Wildlife Conservation Society- Debt swaps for climate, nature and people

The session on debt swaps for climate, nature, and people organized by the Wildlife Conservation Society (WCS), in collaboration with the International Institute for Environment and Development (IIED), discussed how sovereign debt could become a potential financing instrument for nature, climate change, and people as well supporting governments in meeting their commitments to 30x30 (protecting 30 per cent of Earth's land and water by 2030 under the Post-2020 Global Biodiversity Framework). The panelists included: Mr. Sandy Andelman, Vice-President, Conservation Strategy and Partnerships WCS, Mr. Paul Steele, Chief Economist, IIED, Mr. Abdul Malik Aman, Head at National Treasury of Kenya, Dr. Osmond Martinez, CEO, Ministry of Finance, Economic Development and Investment Belize, Dr. Marcos de Carvalho Chamon, Deputy Division Chief, Debt Policy Division IMF, Ms. Maria del Pilar Restrepo, Climate Finance Leader, National Planning Department, Colombia. Mr. German Velasquez, Director of the Division of Mitigation and Adaptation (DMA) closed the session.

The panel examined the practical challenges and opportunities for scaling up debt exchanges to help transform cross-sectoral policy decisions and financing for governments, through budgetary approaches or through programmes.

The session started with WCS highlighting the importance of reaching 30x30 by presenting relevant scientific research on the impact of climate change by the Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services (IPBES) and the Intergovernmental Panel on Climate Change (IPCC). More than 100 countries globally support the 30x30 target, showcasing the strong political will.

The IIED then introduced how debt swaps worked and their potential benefits including expanded fiscal policy space, increased investment in nature and climate, reduced debt stocks, increased growth, and reduced poverty through pro-poor investments. To reach large-scale debt swaps, it was crucial to move away from project support to programmes utilizing budget support for the governments managed as performance-based payments linked to NDCs. Examples of large-scale debt swaps included Norway's REDD-plus.

The representative of Kenya supported the commitment to 30x30 and stressed the importance of including climate change policies in the medium and long term, but also admitted that it competed with other governmental policy priorities.

The representative of Belize showcased the positive impact of debt swaps on Belize, which included a 45 per cent discount on all commercial debts and the establishment of a conservation fund. However, he admitted that it required strong political commitment, financial discipline, and the right debt instruments.

The representative from Colombia agreed and outlined an endowment fund focused on debt swaps, which was aligned with national policies.

The representative from IMF presented the theoretical framework of debt swaps and explained that the choice of financial instruments needed to consider the individual fiscal situation of countries. Climate conditional grants could work better in countries with insufficient fiscal space. Replicating the success of debt swap programmes in Belize could reduce debt stocks and improve the fiscal situation while also protecting nature.

B. Project Preparation and simplified approvals

The session explored the prevalent technical, financial and sectoral challenges faced by countries and accredited entities when developing public and private sector proposals for climate financing.

Following a presentation on the status of the Project Preparation Facility (PPF) since it was introduced in 2015, as well as the challenges and gaps that the Secretariat was taking into consideration in shaping the direction of the PPF heading to GCF-2, panelists from the National Designated Authority of the Republic of Yemen, Acumen, DBSA and GIZ highlighted good practices and challenges in project preparation drawing on their experiences and reflected on the role GCF could play in helping to develop bankable projects. Inputs from the panelists and attendees would feed into the review of the funding and revision of the operating modalities for the PPF which would be presented to the Board for its consideration no later than B.36.

The panel discussion on the PPF was followed by a presentation of updates on the Simplified Approval Process (SAP), where the Secretariat presented the Update of the Simplified Approval

Process as per decision B.32/05. The Secretariat presented the changes in the eligibility criteria for projects as well as the work undertaken by the Secretariat to simplify and speed up the review, approval and disbursement of SAP projects.

The session was closed by a lively Q&A during which participants posed questions regarding the Secretariat processes and the timeline for the changes. They expressed their eagerness for the SAP to reach its full potential in meeting developing country needs.

C. World Meteorological Readiness proposals: CREWS and the GCF SAP scaling up framework: Accelerating climate finance for climate information and early warning system investment

This session illustrated the ongoing work that, under the implementation of the updated Simplified Approval Process (SAP) policy, the GCF Secretariat and the Climate Risk and Early Warning Systems initiative (CREWS) were doing to accelerate and scale up climate finance for investments in climate information and EWS in developing countries, in particular in Africa, LDCs, and SIDS.

D. Designing strong readiness proposals: RRMF, theory of change and logical framework

The purpose of this session was to brief stakeholders on the newly adopted Readiness Results Management Framework (RRMF) and its implications for designing readiness proposals from 2023 onwards. The session was a continuation of the Secretariat's efforts to communicate the RRMF to GCF partners following the initial RRMF webinar held virtually on 6 July 2022. The session attracted a total of 25 external participants attending in person and 17 participants attending virtually, predominantly from GCF NDAs.

At the onset of the session, the GCF team presented the RRMF structure and initiated a discussion on how to speed up the operationalization of the RRMF. That was followed by group work where the participants focused on a case study to develop a readiness grant logical framework. In order to ensure inclusivity and support in the group work, the participants were divided into three groups by language - English, French, and Spanish. Each group was supported by a facilitator and note taker from the GCF Secretariat. At the end of the exercise, a rapporteur from each group presented their draft logical framework and received feedback and inputs from the Secretariat team.

In addition to the group exercise, the GCF took the opportunity to seek participants' views on potential challenges to the operationalization of the RRMF. The feedback was positive, especially in relation to the simplicity of the RRMF and the clear linkages between outcomes, outputs, and indicators. A number of participants would be approached to join a pilot test using the digital version of the RRMF logical framework in the Project Performance Management System (PPMS) that was planned after the GPC.

E. UNIDO – Green Hydrogen (GH2), the global game changer in the just energy transition for climate mitigation and adaptation

This session highlighted the breakthrough opportunity offered by Green Hydrogen (GH2), particularly for the Global South, to leapfrog global decarbonisation and reduce local emissions while further broadening electrification infrastructures and bolstering climate-resilient economic growth. It informed participants about the many bottlenecks in the realisation of GH2 projects and focused discussions on how financial mechanisms, such as outcome-based financing, could help pave the way for accelerating a GH2 economy

F. CREWS – SAP Scaling Up framework.

The GCF SAP team and the Climate Risk and Early Warning System Initiative (CREWS) co-organized a session to inform participants on the ongoing partnerships aimed at accelerating access to GCF climate finance through SAP for projects in Climate Information and Early Warning Systems (CIEWS) previously financed by CREWS and evaluated as successful. This was aligned with the implementation of the updated Simplified Approval Process (SAP) policy (May 2022).

During the event, CREWS representatives presented the initiative and WMO staff presented case studies defining what success in scaling up CIEWS in CREWS projects should be about. The presentations were followed by a Q&A session with the participants.

In closing the session, the main points and follow up actions were summarized as follows:

a) The CREWS and SAP partnership was expected to increase and accelerate the flow of climate finance for impactful adaptation actions, especially in SIDS and LDCs and to contribute to the United Nations Secretary General Early Warning System (UNSG EWS) for All initiative; and

b) CREWS would explore the possibility to feature this partnership at a high-level side even of COP 27 and CREWS and the SAP team aimed to pilot and operationalize the framework in 2023.

VI. Marketplace

The Marketplace was an opportunity for NDAs to present project ideas that did not yet have an AE identified. The Marketplace was divided into two sessions with two presentations happening simultaneously (2 different screens). Session 1 included presentations from Asia Pacific countries (Cambodia, Indonesia, Kiribati and Vanuatu), Caribbean countries (The Bahamas, Barbados, Jamaica) and African countries (Sudan, Zambia). Session 2 included presentations from LATAM (Brazil), EECA (Armenia, Georgia, Kyrgyzstan, Tajikistan, and Turkmenistan-Uzbekistan), and Asia (Iran, Nepal, Sri Lanka, Yemen).

Overall impressions:

1. A mix of international and direct access entities attended the presentations. These included: APEC, GIZ, KDB, KOICA, PKSF, SCA, WFP). More robust attendance from AEs could have facilitated greater match-making opportunities.
2. Despite limited AE representation, both NDA and AE participants engaged actively in the Q&A after each presentation. Participants found it useful to share project-specific experiences from their countries/regions and NDAs engaged in active discussions even after the session ended.
3. Project ideas were at a very early stage. Many ideas could be categorized as development projects and would need to strengthen their link to the climate change issues being faced in countries if they planned to access support from GCF or other climate finance donors.

VII. Bilateral Meetings


Institutional and informal bilaterals were held between GCF and its stakeholders (NDAs, DPs and AEs) from Tuesday, 13 September 2022 to Friday, 16 September 2022. On average, 30 minutes was dedicated for each meeting, and action points from each were documented in meeting notes for follow-ups by the respective divisions.

364 bilateral meetings were held through the Smartsheet scheduling system and below are the statistics on bilateral meetings:

a) 26 High-level bilaterals;
b) 220 Institutional bilaterals; and
c) 118 Informal bilaterals.

VIII. Conference conclusion

The Green Climate Fund (GCF)'s Global Programming Conference (GPC) wrapped up with key conclusions that would inform GCF's strategy around the Fund's upcoming second replenishment and strategic programming priorities for the period 2024-2027.

The three-day conference (15-17 September) convened Ministers and high-level dignitaries, GCF National Designated Authorities or Focal Points, Accredited Entities and Delivery Partners to Incheon, Republic of Korea, GCF's host country. Over 400 participants, including approximately 40 Ministers and high-level representatives, engaged in plenary sessions, ministerial panels, and bilateral meetings, as well as a project marketplace that brought together project developers, countries, and GCF experts to match ideas with climate finance.

Aiming to promote dialogue between GCF and its partners and to mobilise partnerships to accelerate climate investment in developing countries, GPC's dialogues and sessions centred around three themes: Partnerships for climate ambition: charting GCF's next chapter; Building blocks for effective and impactful climate investment; and Navigating access: how to make the most of GCF support.

Importance of partnerships was a key takeaway. There was recognition to take collective responsibility and leverage partnership strengths to shape ongoing and future work for climate action. In that regard, rich input was provided by GCF stakeholders to inform investment planning and strategic programming priorities for GCF's second replenishment period.

Access to climate finance was a major area, including its several dimensions, namely speed, simplicity, harmonization, volume, and direct access. Participants showed a strong desire for GCF to programme more and at a faster speed. Besides funding volume, there was a need for enhanced investments in adaptation, direct access, and private sector with greater impact, country ownership and alignment with country strategic priorities. Feedback was received on the revised strategy and operational improvements of the of GCF's Readiness Programme grant cycle. The feedback will guide enhancements being made for a more efficient and effective Readiness, the world's largest capacity building programme for climate action.

Underscoring partnerships and access was a need for a GCF regional presence. Stakeholders expressed interest in having a GCF regional presence as it would help ongoing efforts to enhance relationships between GCF and its partners and facilitate access to GCF resources.

Joint discussions were also held on programming developments recently adopted by the GCF Board that included a new adaptation approach, private sector strategy, updated Simplified Approval Process and Project Specific Accreditation Approach (PSAA). These developments were bringing GCF to organizational maturity with a clear identity and confidence in the unique value it brought as hub of the climate finance architecture.

The conference reaffirmed GCF's partnership-oriented approach, which brought together the public and private sectors to increase financial flows for low-emission, climate-resilient development. As GCF entered its second replenishment, it would leverage its role as a partner convener to catalyse financing through new and innovative finance mechanisms that would not increase the burden of unsustainable debt, an issue for most developing countries.

ANNEX I: ED Opening Remarks for Global Programming Conference - 13 September 2022

Your Excellencies, distinguished guests, ladies, and gentlemen,

Please allow me to welcome you to this 2022 GCF Global Programming Conference. I would like also to offer a warm welcome to those joining us online and to express my deepest thanks to Mayor **Yoo Jeong-bok** for hosting this event in Incheon, Korea, the home of GCF.

This is the first in-person Global Programming Conference for three years. The world has changed significantly since our last GPC in 2019. Rising fuel and food prices, growing public debt, high inflation rates, increasing number of people living in extreme poverty, recovery from the pandemic and the changing structure of international politics all bring significant challenges to climate action.

While we must recognize these challenges, we must also recognize the window of opportunity to meet the goals of the Paris Agreement and avoid catastrophic climate change is rapidly closing. Since our last GPC, the IPCC sixth assessment cycle has delivered its working group reports confirming with very high confidence that '*Global warming, reaching 1.5°C in the near-term, would cause unavoidable increases in multiple climate hazards and present multiple risks to ecosystems and humans*'.

As we have heard from **Prime Minister Brown** and **Deputy Prime Minister Bytyqi**, there is no time for delay. We must act now to secure a livable future for people and the planet. There are enormous tasks ahead of us – we must reach net-zero emissions by 2050 to avoid unmanageable climate change and immediately scale up adaption efforts to manage unavoidable climate impacts. This will require integrated approaches that leverage climate action to promote inclusive and sustainable development.

The outcomes of this Global Programming Conference will inform our ongoing programming work and will educate the updated GCF 2024-2027 Strategic Plan and GCF-2 replenishment. GCF is now entering its second replenishment, which will culminate with a pledging conference in Autumn 2023. The GCF-2 replenishment is critical for global climate action and ambition. And this conference can play a key role in setting out the needs and expectations of developing countries for GCF's next funding period – and for setting the tone for an ambitious replenishment to provide the resources required.

I hope to hear from many of you over the coming days about your hopes and expectations for the GCF-2 period, and how we can work more effectively with you to deliver your climate ambitions. For a successful GCF-2 replenishment that builds on GCF-1, we must have a credible programming track record combined with a compelling vision for the future. Achieving a successful replenishment will also require strong political support from our partner countries throughout 2022 and 2023.

GCF is fundamentally a partnership institution, working for, through and with partners to deliver climate results. Today, 148 countries have designated a National Designated Authority/Focal Point and GCF has established a network of 113 Accredited Entities and over 200 delivery partners. Thanks to the commitment and hard of this partnership, **GCF has a solid track record.** During the current GCF-1 period, which runs from 2019 until 2023, GCF has made tremendous progress in terms of organizational development, strategy, programming, portfolio implementation, and risk and result management.

In terms of programming, let's go quickly through a few key numbers. GCF has committed $ 10.8 billion of its resources (USD 40.2 billion with co-financing) to 200 projects. We have a maturing portfolio with 81% of projects under implementation. We supported 141 developing countries in building readiness to implement climate finance through grants totaling USD 423.5 million.

The remaining Board meetings of GCF-1 should consolidate this dynamic. I am pleased to confirm that the GCF and its partners are to deliver a large pipeline of Funding Proposals for B34 with an important number of them covering DAEs, adaptation, and private sector. ITAP is currently reviewing 17 funding proposals with a GCF commitment of close to $1.6B. We intend to fully use our commitment authority for the 34th GCF Board meeting next October and schedule for submission to our 35th Board meeting next March any Funding Proposal that cannot be accommodated within our commitment authority for B.34.

Today, GCF is also reaching organizational maturity with a clear identity and confidence in the unique value we can bring. At the heart of our organizational development work is increasing the ability of developing countries to access climate finance. There are several dimensions to access, namely speed, simplicity, harmonization, volume, and direct access; and I would like to set out how GCF has been taking steps to enhance each of these five dimensions.

Speed is the first dimension.

If GCF is replenished every 4 years, funds pledged by financial contributors are usually transferred to the Fund in annual instalments. GCF is determined to avoid sitting on idle funds, and we aim to programme these resources as soon as transferred. At COP 26, we were able to confirm that GCF had committed all its available resources at that point in time to priority climate projects, and we anticipate being able to do the same at COP27. Today, GCF can programme its funds as soon as available thanks to significant strides made in increasing the speed of project appraisal, approval, implementation, and disbursement. For example, the time taken from first review of funding proposals to first disbursement has fallen considerably, from 26-28 months in 2018, down to 12-17 months for projects approved last year. Today, we are one of the fastest financial institutions for full scale projects (over $ 25 million).

Simplicity is also critical.

We are continuing to take steps to simplify our procedures for securing climate finance. This year our Board has approved new measures to further streamline our Simplified Approval Process or SAP. This is a significant reform which will further simplify the documentation required for proposals and develop an expedited review process for SAP projects. The level of GCF funding for SAP projects/programmes will also increase from USD 10 million to up to USD 25 million. In parallel, we have also initiated a major re-engineering of our business processes to accelerate the approval and implementation of small-scale readiness grants (usually less than $ 1 million), by better tailoring proposal review and second level due diligence to project risks.

Another breakthrough in terms of simplification and streamlining of processes was the adoption by the GCF Board earlier this year of a new Project Specific Assessment Approach. This will allow organisations to bring climate project proposals directly to GCF for rapid consideration, rather than having to undertake accreditation as a prior and separate step. This initiative will be formally launched in 2023, coupled with a capacity development initiative that will target the development of locally led projects in partnership with GCF National Designated Authorities in LDCs, SIDS and African States.

GCF has also streamlined and codified all its project development, appraisal, and implementation procedures. GCF programming and appraisal manuals can be downloaded from our website, together with our project development and appraisal tools. These manuals and tools aim to empower our project development partners, standardize the appraisal process, and avoid delays associated with unnecessary back-and-forth during the project development cycle.

Harmonization is the third dimension of access I would like to highlight.

These GCF simplification measures are important, and I look forward to hearing your ideas about how we can further simplify our procedures. However, they cannot solve this problem alone. In seeking climate finance, developing countries must address multiple channels of finance of which GCF is only one. Developing countries, particularly SIDS and LDCs, might have to engage with several dozens of multilateral, bilateral, and non-governmental climate financiers, each with different requirements and application procedures. Harmonization is therefore key to achieving greater simplicity in access to climate finance. Here, GCF is ideally positioned, to take the lead. With over 200 delivery partners, our role is increasingly to act as a hub of climate finance and create coalitions for transformative change.

We aim to leverage this role of climate hub to unify processes with multilateral institutions, delivery partners and bilateral financing partners. I would highlight in particular our work on complementarity and coherence with other climate funds, for example our Long-term Vision approach with the Global Environment Facility, and our ongoing partnership initiatives with the Adaptation Fund and Climate Investment Funds.

Volume is the next critical dimension of access.

After B.34 and by the time of COP27 we should have over USD 45 billion in assets under management, including almost $ 12 billion of GCF resources in co-financing. However, it should be recognized that GCF, whilst the largest dedicated climate fund, only accounts for around 2-3% of global climate finance flows under the UNFCCC; 0.5% of total climate finance flows; and less than 0.1% of total climate finance investment requirements. It is therefore critical for us to use our resources in a catalytic manner to mobilise much larger sums of climate finance from both public and private sectors.

We have adopted a four-pronged approach to unlock climate innovation and investment and enable developing countries to access climate finance at scale. They are: (i) enhancing the capacity of countries to establish an enabling environment for climate action; (ii) enabling innovators in developing countries to ground truth new climate solutions; (iii) de-risking through blended finance early investments in new climate solutions; and (iv) greening the financial sector to accelerate the widespread adoption of proven climate solutions.

We also recognize that a project-by-project approach is unlikely to reach scale fast enough to advert catastrophic climate change. With its partners, GCF is working on several co-investment platforms to accelerate climate innovation and investment. Here again, we will aim to leverage our capacity to convene and share knowledge as a hub of the climate finance architecture to create coalitions for transformative change.

This includes a "Green and Sustainable Debt Platform" to increase developing countries' access to domestic, regional, and international capital markets and several regional blue economy co-investment platforms, which will federate different sources of public and private finance for some of the most climate vulnerable countries in the world, without increasing their debt burden. We look forward to discussing some of the initiatives during our regional and thematic sessions in the coming three days.

Finally, and most importantly, support for enhancing **direct access** is key to access climate finance as it leverages local expertise and strengthen country ownership. I am pleased to report that we are on-track to achieve the objective of our Updated Strategic Plan 2020-2023 of increasing the portfolio share managed by direct access entities, which has risen from 13% during the IRM period (2015-2019) to 17% in **cumulative terms** to date thanks to a significant increase in direct access during the first three years of GCF-1. Our Board is currently considering an accreditation strategy, which would allow a greater prioritization of the accreditation of direct access entities.

Your Excellences, together we are already delivering, and we can do much more in future, with more resources. This conference will provide important feedback on our future priorities and can help us to set a vision for an ambitious GCF-2 replenishment. Once again, thank you for joining us and for your participation and insights in this global programming conference.