



GREEN  
CLIMATE  
FUND

GLOBAL  
PROGRAMMING  
CONFERENCE

# Report of the first **Global Programming Conference** of the Green Climate Fund

19 – 23 August 2019 | Songdo, Republic of Korea

Realising climate ambitions

#RoadToClimateAction

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# GLOBAL PROGRAMMING CONFERENCE

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

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# CONTENTS

Introduction.....	1
<b>I. Organization of the Conference .....</b>	<b>1</b>
A. Opening of the Conference .....	1
B. Attendance .....	2
C. Side meetings.....	2
<b>II. High-level segment (Days 1 &amp; 2) .....</b>	<b>5</b>
A. Keynote addresses .....	5
B. High-level panel discussions .....	5
C. Closure of the high-level segment.....	9
<b>III. Economy-wide transformations (Day 3).....</b>	<b>11</b>
A. Built environment (sessions 3-1-1 and 3-2-1).....	11
B. Livelihoods (sessions 3-1-2 and 3-2-2) .....	13
<b>IV. Regional dialogues (Day 4) .....</b>	<b>19</b>
A. Taking stock (session 4-1) .....	19
B. Thematic clinics (session 4-2).....	22
C. Looking ahead (session 4-3) .....	27
<b>V. LDCs and SIDS (Day 5) .....</b>	<b>31</b>
A. SIDS forum .....	31
B. LDCs forum.....	32
<b>VI. Closure of the first Global Programming Conference.....</b>	<b>33</b>
ANNEX I – List of participants in the first GCF Global Programming Conference.....	35
ANNEX II – Three key side meetings held on the margins of the first GCF Global Strategic Programming Conference.....	35



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*climate ambition*

# INTRODUCTION

1. The first Global Programming Conference of the Green Climate Fund (GCF) was held at the Songdo Convensia in Incheon, Republic of Korea, from 19 to 23 August 2019, on the theme “Realizing climate ambitions”.

## I. ORGANIZATION OF THE CONFERENCE

### A. OPENING OF THE CONFERENCE

2. The first Global Programming Conference was opened at 9.40 a.m. on Monday, 19 August 2019, by Ms. Oyun Sanjaasuren, Director, External Affairs, Green Climate Fund. Opening statements were made by Ms. Amina J. Mohammed, Deputy Secretary-General of the United Nations; Mr. Yannick Glemarec, Executive Director, Green Climate Fund; the Hon. Mr. Teuea Toatu, Vice President, Kiribati; H.E. Mr. Koo Yun-cheol, Vice-Minister of Economy and Finance, Republic of Korea; and Mr. Park Nam-chun, Mayor of Incheon Metropolitan City, Republic of Korea).
3. Ms. Mohammed, in her video statement, described the Conference as a timely opportunity for participants to shape the strategic direction for GCF, with its newly strengthened governance and key role in enabling a shift from climate ambitions to climate actions, to build on current momentum and respond to the growing demand in developing countries for support to transition to new, low-emission and climate-resilient, pathways. Strong support for the first replenishment was essential and called for developed countries to follow the lead of Germany and Norway and significantly increase their nationally determined contributions (NDCs) committed under the Paris Agreement on Climate Change. Climate finance was key to the implementation of the Paris Agreement, with co-benefits for achieving the Sustainable Development Goals.
4. The Executive Director, in his statement, reaffirmed GCF’s commitment to a country-driven approach in supporting actions by developing countries to realize their climate ambitions through the scaling up of the policy, technological and business innovations to shift to new, low-emissions and climate-resilient development pathways. GCF was stepping up its readiness support and would continue to work with nationally designated authorities (NDAs) and focal points, Accredited Entities (AEs), civil society organizations, the private sector and other partners to open up opportunities for cost and risk-sharing, and to strive to mobilize additional resources for a wide variety of grant and non-grant-based instruments. GCF was also in the process of adjusting the strategy for the coming four years, and the present conference was an opportunity to draw on the participants’ experience, ingenuity and resolve to bring forward their most ambitious ideas.
5. Mr. Toatu, in his statement, said that the Conference was an opportunity for countries to work together, assisted by partner institutions, on ways to realize their climate ambitions in the face of the devastating impacts of natural disasters

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and ecosystem destruction, including on prospects for social and economic prosperity. Bearing in mind that the problems and successes of one were the problems and successes of all, and recalling the duty of member States to support the Paris Agreement, he urged world leaders to show the courage to ensure that decisions adopted were implemented; developed countries in particular should scale up their support to GCF to prevent any delays in the course of its first replenishment. Kiribati, which was deepening its commitment to GCF, appreciated the support received through the Readiness and Preparatory Support Programme to build capacity, streamline internal processes and strengthen stakeholder engagement; more now needed to be done to reduce red tape and facilitate access to financing for a solid pipeline of projects.

6. Mr. Koo, in his statement, welcomed participants to the Republic of Korea and underscored the importance of the Secretariat's support in responding to the recent proliferation of severe climate events. To maximize impact, he suggested that the strategy should include a focus on, among other things, effective cooperation with other global climate finance institutions; direct involvement in the development and implementation of projects, working with countries to ensure their context-relevance; improved access to support through simplified and transparent project approval and accreditation processes; and regular meetings of developing countries, AEs and the Secretariat to discuss further improvements. Meanwhile, GCF's continued efforts to serve as a catalyst for private investment, ensure efficient resource allocation and improve impact evaluation frameworks, would serve, in turn, to encourage countries to increase contributions and create a virtuous cycle of resource mobilization, allocation and evaluation.
7. Mr. Park, in his statement, welcomed participants to Incheon Metropolitan City, which attached great importance to sustainable development and the harmonious coexistence of human beings with nature, as reflected in its recent hosting of numerous multilateral environmental agreement meetings.

## B. ATTENDANCE

8. The representatives of 113 NDAs, 98 DAEs and 66 IAEs, as well as more than 50 experts and representatives of international partner organizations attended the Conference. The full list of participants is set out in annex I to the present report.

## C. SIDE MEETINGS

9. Numerous side meetings were organized throughout the week, on the margins of the Conference, to allow the representatives of, inter alia, countries and AEs, including DAEs, multilateral development banks, United Nations agencies and private sector entities to discuss, in informal settings, subjects ranging from the specific needs and circumstances of Caribbean and Pacific SIDS, sustainable forestry activities in the Amazon basin countries, leveraging Africa's Great Green Wall initiative to accelerate climate change adaptation and mitigation, and others to enable GCF to garner additional inputs to advance and fine-tune its strategic programming in the first replenishment period. Summaries of three of the meetings – a workshop on the GCF knowledge management strategy, an information meeting, held jointly with the Adaptation Fund (AF), on the newly established Committee for the Community of Practice for Direct Access Entities (CPDAE), and a working lunch on the recently launched GCF–Global Environment Facility (GEF) “coordinated engagement” initiative – are set out in annex II to the present report.



# Days 1 & 2



## II. HIGH-LEVEL SEGMENT

10. Discussions on the first and second days of the Conference, on Monday 19 and Tuesday 20 August, were took place in high-level panel debates where the representatives of Governments, NDAs and AEs discussed the urgency of transformative country climate change actions and GCF programming considerations to enable countries to address climate change vulnerabilities and realize of their climate ambitions. For GCF, the feedback and other inputs gleaned from the discussions would serve to fine-tune its strategic planning to support them in those endeavours over the course of the first replenishment.
11. The following section of the present report provides a summary of the key messages that emerged from those discussions.

### A. KEYNOTE ADDRESSES

12. At the 1<sup>st</sup> plenary session, on the morning of Monday 19 August, a keynote address was delivered by H.E. Mr. Ban Ki-moon, President and Chair, Global Green Growth Institute, followed by a vision statement via video link by Mr. Jeffrey J. Sachs, Professor and Director of the Centre for Sustainable Development, Columbia University.
13. Mr. Ban, in an urgent call for collective action and collaboration with other entities, and underscoring the importance of GCF's role in supporting such action, urged Governments to follow the example of Germany and Norway and significantly scale up their pledges. Mitigation must go hand-in-hand with adaptation, which should be mainstreamed into all policymaking and development planning to lessen the threats to communities, businesses and economies in the long term and to protect against climate shocks in the short. Developed countries must not neglect marginalized groups and vulnerable countries, particularly small island developing States (SIDS), which had contributed little to climate change but faced the greatest challenges as a result of its impacts. No single country, institution or sector could implement the solutions on its own; all must work together to ensure the necessary resources and support.
14. Mr. Sachs, speaking via a video link, stressed that all countries needed a long-term plan to achieve net zero emissions by phasing out fossil fuel use and transitioning from coal-based power generation to clean electricity by 2050, with no new thermal plants being built, all new buildings being carbon neutral and no internal combustion engine vehicles being sold from 2030. The technologies existed and, with the appropriate national planning and policymaking, there would be the uptake. It was GCF's crucial role to enable countries to achieve that ambition by shifting from a miscellany of stand-alone plans to a systematic approach to promote regional participation across all sectors, including aviation, ocean shipping and the other main sectors still bound to fossil fuel use.

### B. HIGH-LEVEL PANEL DISCUSSIONS

15. The representatives of SIDS and other vulnerable countries, expressing frustration at the continued focus of the international community on the various issues, threats and challenges related to climate change, as well as on the warnings of the dire consequences of inaction presented in landmark reports by IPCC and

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others, stressed that time was running out for the immediate action needed to address the problems. Reiterating that the science and nature of those problems were already clear, they also expressed the view that the requirements to produce evidence and data to demonstrate the climate science underpinning each project proposal was a waste of the little time left before the world reached a climate emergency tipping point. It was more important now to realize the solutions with some urgency.

- 16.** Government ministers drew attention to the range of ambitious plans and programmes that countries had launched at the national and regional levels in response to the urgent need for climate action in such fields as coral reef regeneration; biodiversity protection; forest conservation and management; climate-smart agriculture; and transition to renewable energies. Among those cited was a long-term partnership being developed by one Caribbean island State to convert its capital city into a climate-resilient – climate-smart – city that could serve as a model for the other countries in the region; a Pacific island State’s infrastructure resilience-building initiative that would otherwise struggle to attract investment from risk-averse private businesses; and an initiative to preserve the enormous carbon storage potential of forest cover in a river basin region of Africa by providing economic incentives to make them more valuable alive than as market commodities.
- 17.** The representatives of AEs provided an overview the development and delivery of climate action, drew attention to their work to assist countries in tackling mitigation and adaptation issues through projects on, inter alia, biodiversity protection, agriculture and regional transport systems.
- 18.** GCF was requested to establish a platform to enable AEs and national designated authorities (NDAs) in Africa to share their experiences in addressing common climate issues and challenges, and to foster collaboration on potential projects in which countries had expressed an interest, such as in the fields of e-mobility and agriculture-based economies. The head of one AE encouraged countries to develop strong information systems to generate the robust climate change data needed to underpin their project proposals, pledging investment in the necessary human capacity-building to manage them. Another expressed a willingness to engage with fellow AEs to mobilize GCF support for less developed entities seeking to secure accreditation or to submit programming projects for funding; and a third welcomed the establishment of the new GCF knowledge management platform.

## The role of GCF

- 19.** Attention was drawn to the role of GCF as a platform for fostering close relations between developing and developed countries, for pooling resources and for capitalizing on efficiencies, and as a catalyst for the mobilization of alternative resources and the engagement of the private sector in climate-sensitive investment by helping to reduce levels of risk. In ensuring efficient resource allocation and strengthening the capacity of its evaluation framework to review the impact of individual projects, GCF would encourage contributing countries to increase their contributions and, in so doing, to create a virtuous cycle of resource mobilization, allocation and evaluation.
- 20.** SIDS regarded GCF as a key component in a wider blend of finance from development partners in support of their climate action, and they and other microeconomies now benefited from its simplified approval processes and other

## II. HIGH-LEVEL SEGMENT

modalities that had improved their access to the Fund's resources, thereby making it possible to take action at the grass-roots level.

### Mobilizing financial systems and entities

21. Several representatives drew attention to the fact that transition to a low-emissions economy called for significant investment in capacity-building, policy development and access to technology, with one representative of an AE suggesting that financial entities could act as "conveyor belts" between countries and the financial sector to address countries' capacity, advocacy and technology issues; country partnership strategies, he said, were key to driving investment at the country level and to tailoring the instruments and support of development banks and other partners to country-specific needs and challenges. With foreign exchange rates and hedging costs outpricing GCF, and with financial intermediaries disconcerted by the risks, the development of innovative tools was recommended as a means of covering the risks and frontline losses to make investments and engagement more attractive to the financial sector.
22. The representative of one Pacific island State pointed out that many "at risk" countries had sound financial systems in place and were using them to monitor and implement their action, adding that the amounts of money spent on individual actions at community level by SIDS, among others, which relied on debt-for-nature swaps and blue bonds, were relatively small and manageable; many, he said, still needed climate finance support from GCF and other institutions to enhance their climate resilience.

### Robust data for informed decision-making

23. Informed, evidence-based, decision-making was essential to enabling countries to realize their ambitions and, hence, they had to have access to robust data that most were unable to obtain for themselves. The reports of IPCC and the World Meteorological Organization (WMO), among others, provided sound guidance and baselines that were also useful to partner organizations. Those organizations could also participate in the data-gathering process through mechanisms such as the WMO Global Framework for Climate Services.

### Institutional transformation

24. Attention was drawn to the obstacles hindering the institutional transformation needed to enhance adaptation and mitigation action to combat climate change, such as a lack of knowledge, vision and qualified personnel, and the fact that public institutions were inflexible, incoherent and unfit for purpose. Institutional human capacity-building at the country level and within direct access entities was crucial to overcome those obstacles and to raise the bar in terms of problem-solving, with emphasis placed on efforts to improve cooperation between government ministers and decision-making institutions; to ensure sound economic planning; and to foster multi-sectoral coordination to develop common strategies and measures, which also called for the participation of youth.

### Capacity-building for civil society organizations

25. Many representatives stressed that GCF's country-driven approaches, to be effective, must reflect the needs of civil society, the private sector and, in particular, vulnerable groups. Attention was drawn to the need for capacity-building for CSOs in order to enhance their role in strengthening the

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resilience of local communities and enabling NDAs to incorporate knowledge on vulnerable groups into the development of effective policies and projects. Given that transition to clean energies relied on improved access to energy for all, attention should be paid to ensuring that communities in isolated areas had access to low-cost, clean energy plants and training in how to manage them.

## Stakeholder engagement

- 26.** Several government representatives highlighted their efforts to engage key stakeholders, such as women, youth and CSOs, through stakeholder engagement strategies encouraging their involvement in the work of, among others, environmental protection agencies, as well as through intersectoral cooperation and coordination between ministries, communities and local government. Progress made in engaging with stakeholders, as well as in as coordination, knowledge generation and resilience-building, could serve as an indicator of a country's state of readiness. Some countries, working together at a regional level, had capitalized on their readiness to strengthen the capacity of their direct access entities.

## Better aligning GCF support with country needs

- 27.** Many representatives requested GCF to facilitate speedy access to its support by further simplifying the accreditation and project evaluation and approval processes, while rendering them more flexible and transparent. Access to funding for vulnerable countries with limited capacity and low debt limits was crucial and called for innovative mechanisms, such as syndicated loans; such mechanisms should be developed jointly with the development banks to make them more impactful. Flexible decision-making, from the Board level to that of the AEs, was key and regular meetings should be held for the Secretariat to discuss the necessary improvements with developing countries and AEs. One representative of a partner organization suggested that her organization, among others, could act as "interpreters" to assist the large private companies that had expressed an interest in working with GCF but were unable to grasp the complexities of its processes. Several representatives recommended that GCF, in order to maximize the impact of its support, should seek strategic cooperation with other global climate finance institutions, while working directly with countries to develop and implement high-impact projects that were attuned to their specific needs.
- 28.** Among the other suggestions to help GCF to better align its support with the specific needs of the countries served was that the Fund should assist in the development of bespoke climate solutions and enhance coordination among donors to ensure that the funding flowed to where it was most needed; provide more guidance and support for the development and implementation of national adaptation and readiness plans; develop longer-term plans and commitments, with an end date of 2050 rather than 2030; and strive to become an innovation hub.

## For a successful first replenishment

- 29.** Most of the representatives that spoke stressed the importance of the first GCF replenishment to the success of major projects and programmes capable of contributing to a global paradigm shift by backing projects that would serve to further progress in the key climate transition areas. Many representatives urged the developed countries to follow the example set by Germany and Norway in scaling up their support so as to prevent any delays, which, according to several,

## II. HIGH-LEVEL SEGMENT

would hamper efforts to drive the paradigm shift and accelerate progress towards adaptation and mitigation goals.

30. An ambitious first replenishment was widely seen as being key to success in the continued realization of climate ambitions.

## C. CLOSURE OF THE HIGH-LEVEL SEGMENT

31. H.E. Mr. Mark Brown, Deputy Prime Minister, Cook Islands, in his closing remarks, stressed that a fully-fledged replenishment of GCF was crucial to the implementation of the United Nations Framework Convention on Climate Change (UNFCCC) and the Paris Agreement; that access to GCF resources must be improved for all countries – particularly LDCs, SIDS and other vulnerable countries in urgent need of resilience-building and adaptation – and all AEs, including through continued enhancement of the direct access mechanism; and that GCF’s response to a country’s request for climate finance had to be based on the best available science. Countries with relatively low levels of prosperity, high levels of indebtedness and little chance of attracting the private-sector financing, especially those responsible for the least emissions, should not be expected to have to borrow from the biggest emitters to withstand the extreme climate impacts caused by those emissions; the Board needed to take that into account and to work with countries to address such issues through grant-based funding and non-traditional terms and conditions, such as long-term zero per cent interest rates.
32. The Executive Director, in his closing remarks, expressed satisfaction at the rich interactions of the previous two days between the government ministers and other high-level officials of more than 50 of the 113 countries represented at the Conference, together with the chief executive officers or executive directors of over half of the GCF Accredited Entities. The key points raised would feed into the discussions over the coming months, including the need to facilitate access to GCF resources to make it a matter of working with partners for the countries concerned as opposed to negotiating an assault course; the need to streamline the accreditation process; and the importance of striking a good balance between mitigation and adaptation.
33. The Executive Director declared the high-level segment closed at 6.20 p.m. on Tuesday, 20 August 2019.

# Day 3



# III. ECONOMY-WIDE TRANSFORMATIONS

- 34.** Discussions on the third day of the Conference, on Wednesday 21 August, took place in four sets of parallel sessions, each focusing on transformational change in one of four critical transition areas: the built environment, livelihoods, energy and industry, and water and ecosystems. Each set consisted of a presentation by the Secretariat of GCF's portfolio, proposed sectoral guidance and ideas on areas of concentration related to the transition area under consideration; two consecutive panel discussions, each covering a key aspect of that transition area, with senior government officials, NDAs and AEs sharing experiences and perspectives on the planning, design and implementation of projects; and a "marketplace" session where participants divided into groups to examine and give feedback on a selection of project ideas and proposals, with GCF advising on how better to prepare proposals to meet its criteria for approval.

## A. BUILT ENVIRONMENT (sessions 3-1-1 and 3-2-1)

### 1. PANEL DISCUSSIONS (3-1-1)

#### Climate-focused urban solutions in secondary cities and megacities

- 35.** The representative of Mongolia highlighted the problem of the loss of rural livelihoods due to climate change leading to uncontrolled rural-to-urban migration and, inter alia, increased urban emissions from domestic sources and utilities; the Government's solution – to build a new city to ease the mounting pressure on the capital – had been undermined by a lack of expertise in urban planning and development.
- 36.** The Secretariat stressed that urban sprawl must be prevented as it weakened urban resilience, adding that countries seeking to support megacities in achieving carbon neutrality should seek multiple financing windows and strategies. GCF was ready to assist in de-risking and leveraging investment in the transformation of unsustainable urban systems, and in creating an enabling environment of robust regulatory reform and integrated urban planning. Climate finance, however, would be considered for projects aimed at addressing the systems' greenhouse gas emissions and resilience to the impacts of climate change rather than wider environmental concerns.
- 37.** The representative of the European Bank for Reconstruction and Development (EBRD) stressed that projects prepared under the EBRD green cities programme in Eastern Europe and Asia systematically considered both adaptation and mitigation and called for the full support of the countries concerned as a prerequisite. The project preparation process consisted of the development of an action plan, capital expenditure planning, the inclusion of enforceable city and national-level regulations to create an enabling environment for long-term sustainability, and the structuring of a financing package.

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## Climate-resilient infrastructure

38. The representative of Bangladesh highlighted the support that the country was receiving from GCF to enhance the climate and disaster resilience of its agriculture sector and infrastructure. A trust fund had been established to address the issue; a GCF-backed project to construct roads, embankments and shelters was being implemented by Kreditanstalt für Wiederaufbau (KfW); and the outcomes of consultations with stakeholders, committee discussions and government policymaking would be mainstreamed into a longer term, sector-wide strategy.
39. The Secretariat underscored the importance of countries taking charge of infrastructure maintenance to ensure sustainability throughout the value chain, from policymaking to operations, adding that GCF could de-risk the necessary investments, in keeping with national rules and regulations, and assist countries in assessing the necessary technologies. GCF would also pay attention to the major challenges faced by SIDS and other smaller countries in building the infrastructure resilience of their much smaller cities, keeping in mind that resilience gaps were best addressed in collaboration with the water, agriculture and health sectors, among others.

## 2. MARKETPLACE (3-2-1)

### Climate-focused urban solutions

40. Three project proposals were presented and discussed: one to develop a sustainable bus rapid transit system in Semarang (Indonesia) integrated into the national non-motorized transport system, which would contribute to a modal shift to low-carbon urban transport and improved vehicle fuel economy; a green city pilot in Rwanda linked to the national green growth and climate resilience strategy, with a focus on, inter alia, affordable housing and the resilience of ecosystem infrastructure to limit urban heat island effects, reduce erosion, minimize landslides and enhance storm water management; and a project to develop the intermediate cities of Pasto, Pereira, Monteria and Valledupar in Colombia sustainable transport options for, inter alia, modal integration, non-motorized transport, transport demand management and the monitoring of greenhouse gas reductions.

### Climate-resilient infrastructure

41. Three project proposals were presented and discussed: a blueprint to adapt road infrastructure to projected climate extremes in Antigua and Barbuda – and, potentially, other SIDS – through grey infrastructure and ecosystem-based adaptation approaches supported by, inter alia, multi-stakeholder consultation and coordination, including with utility companies, education and training of the workforce to ensure sustainability, and further clarity on the climate change context; a project to build the resilience of Sir Roberts Wharf in Niue, improve the efficiency of port operations and reduce greenhouse gas emissions, keeping in mind the need to minimize damage to local ecosystems during the works; and a project to build and operationalize a high-speed passenger train system in the Greater Metropolitan Area of Costa Rica, which would involve, among other things, relocating existing utilities networks, ensuring urban integration, including to improve pedestrian access, and changing behaviours for the sustainable use and efficiency of the system.

## B. LIVELIHOODS (sessions 3-1-2 and 3-2-2)

### 1. PANEL DISCUSSIONS (3-1-2)

#### Agriculture and food security

42. The representative of Belize, noting that the GCF pipeline of projects in developing countries had yet to evidence progress in adaptation and climate resilience-building in the agriculture sector, drew attention to the Resilient Rural Belize programme, supported by the International Fund for Agricultural Development (IFAD) and GCF, which had set out to address the infrastructure problems of dispersed villages and to enhance smallholder livelihoods with climate-smart farming practices; build resilience in value chains; and assist farmers with supply chains to the tourism sector.
43. The representative of Viet Nam highlighted areas where GCF investment could help to protect agriculture sector jobs and livelihoods, such as the restructuring of markets and value chains; introducing new crops suited to changing climate conditions and landscapes; planting mangroves in coastal areas; and improving farming practices to reduce water and pesticide use, underpinned by the redevelopment of irrigation systems. Private sector engagement in agricultural enterprises was crucial.
44. The representative of IFAD stressed that the sustainability of projects demanded long-term support and a holistic, bottom up approach based on stakeholder participation at every level and private-sector engagement; sound climate risk assessments and scenarios; and an enabling environment, with grant-based financing and the de-risking of investment, especially in climate research and innovative technologies.

#### Climate information and early warning systems

45. The representative of Cabo Verde stressed the country's need for GCF guidance to strengthen national meteorological services, consolidate desalination plants and enhance renewable energy use. The development and effective implementation of projects called for coordinated action and leveraged finance from a variety of sources, which demanded transformational planning supported by clear priority-setting and the sharing of experience and best practices.
46. The representative of Timor Leste stressed that livelihoods were threatened by climate change impacts; that the problems were compounded by a lack of robust national monitoring systems and local knowledge of those impacts; and that GCF guidance would be needed to improve planning through stakeholder participation, to align plans with approaches, to access critical financial and technical support, and to promote ownership of actions taken address those gaps, especially on the part of the most vulnerable communities.
47. The representative of the African Development Bank (AfDB) pointed out that the lack of access to data to support sustainable development in Africa was putting at risk the capital investments and development gains made there to date, and that inadequate planning resulted in a large share of the resources for disaster risk reduction being used on reactive measures. Mindsets must change; climate change should be recognized as an economic issue; roles and responsibilities in regard to climate information services needed to be clearly identified; and

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Governments must create an enabling environment to mobilize private-sector engagement and orient their investments to be aligned with national strategies.

- 48.** The representative of the South Pacific Regional Environment Programme (SPREP) stressed that the flow of relevant climate information from science to services called for priority-setting based on a stocktaking of the local context; that end users had to have context-relevant tools and information, including local and indigenous knowledge; and that countries needed to formulate strategies and forge partnerships with developed countries in the region to finance the implementation of those priorities.

## **2. MARKETPLACE (3-2-2)<sup>1</sup>**

### **Agriculture and food security**

- 49.** Three projects were considered: one on pathways to low-emission and climate-resilient agriculture in Colombia; another on resilient livelihoods for vulnerable smallholder farmers in Central America, including in the Dry Corridor of Guatemala; and the third on resilient agriculture and food security in Pacific islands, with a focus on the threat of invasive exotic aquatic species and climate-induced transboundary plant pests and animal diseases. Participants underscored the importance of consultative project development process, beneficiary selection criteria and implementation monitoring systems.

### **Climate information and early warning systems**

- 50.** Projects were presented by the representatives of the AfDB, the Land Bank of the Philippines (LBP), UNDP and the Ministry of Economy and Finance of Mozambique.

## **C. ENERGY AND INDUSTRY (sessions 3-3-1 and 3-4-1)**

### **1. PANEL DISCUSSION (3-3-1)**

#### **Energy generation and access**

- 51.** The panellists welcomed the emphasis in GCF's sectoral guidance, considering it closely aligned with the strategies of the African Development Bank (AfDB) and Climate Investment Funds (CIFs), among others, and welcomed its emphasis on enabling ecosystems – policy, regulatory, technical and financial – to attract private-sector investment in renewable energy. GCF support was crucial to the transition of national grids and utilities, and attention should be paid to grid capacity, grid code and stability issues; reforming national fuel subsidies could unlock significant funding for renewable energy investment; and the development of national strategies and financing models to ensure that interventions were impactful tailored to a country's specific needs and contexts.
- 52.** On the question of concessional finance and preferential loans, the panel considered them a crucial means still of de-risking investment in renewable technologies that were not yet market-ready, and offsetting upfront costs for affordable access, particularly in small States where economies of scale might not

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<sup>1</sup> A fuller account of the following parallel discussion group presentations cannot be provided owing to a technical incident and other unforeseen circumstances on the conference floor.

### III. ECONOMY-WIDE TRANSFORMATIONS

be possible. Concessional finance would remain key to the implementation of clean energy transition projects until the focus of local investors, among others, shifted to long-term returns and countries in Africa were beginning to attract commercial finance.

#### Energy efficiency

53. UNEP highlighted the work of its United 4 Efficiency (U4E) initiative to assist developing countries with market transformation for the uptake of energy-efficient electric products, including air conditioners and refrigerators. U4E offered policymakers and regulatory authorities a set of model regulation guidelines to ensure the sustainability of the transformation, such as introducing minimum energy performance standards, labelling requirements, monitoring mechanisms, incentives to purchase and innovative financial mechanisms – on-bill financing, revolving loan funds, partial risk guarantees and bulk procurement schemes, among others. In addition to its country projects, U4E was considering opportunities to harmonize policy design and implementation at the regional level.
54. The German Corporation for International Cooperation (GIZ) was working towards emissions reductions in the cooling sector through the installation and maintenance of more energy-efficient devices, as well as the replacement of hydrofluorocarbons with natural refrigerants. Countries needed to mainstream market transformation into their energy efficiency strategies and to coordinate finance and policy for the effective deployment of financial support to ensure uptake; GIZ was exploring opportunities for them to engage a diversity of funds in their low-emissions development investment strategies.

## 2. MARKETPLACE (3-4-1)

#### Energy generation and access

55. Two project ideas were presented, one on the generation and distribution of renewable energy in Palestine and the other on sustainable energy access for vulnerable rural communities in Afghanistan. Regarding the first, the Secretariat considered the project, which would face a range of political, institutional, regulatory, financial and geographical barriers and require an estimated USD 400 million in grants, loans and equity, a potential model for GCF to facilitate resource access in other conflict and post-conflict countries, although a shift of emphasis from energy security to climate change benefits and efforts to mobilize private-sector engagement would be necessary to meet the GCF investment criteria. As to the second idea, which would involve market transformation and community adaptive capacity and livelihood resilience-building within the wider context of Afghanistan's transition towards a low-emissions pathway of private sector-led growth, the Secretariat recommended that the focus be extended beyond soft capacity-building to generating measurable climate change benefits through investments using non-grant instruments in tangible renewable energy assets.
56. Two AfDB programmes were presented. The first, on independent power producers (IPPs), mini-grids and the shift to renewable energies, offered Governments and public utilities upstream development support in establishing regulatory and legal frameworks, strengthening local capacity to de-risk investments and facilitating loans-based affordable financing for IPP and mini-grid projects. Expected outcomes included a replicable streamlined approach, and crowding-in small-scale local investors and financiers. One country favoured

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the mini-grid approach to deliver renewable energy-generated electricity for all but was struggling to attract private-sector investment to make it affordable to low-income households. The Secretariat recommended policymaking to create an enabling regulatory environment for private-sector engagement, and variable tariffs for income-generating activities; GCF could provide preparatory support, but it could not impose regulations or policies on countries. The second programme, on green cooling, aimed to equip low-income and vulnerable households with new, energy-efficient and low-emission appliances, supported by an upfront financing mechanism, a bulk procurement scheme operated with the standards and labelling authorities, and recycling capacity-building for eco-entrepreneurs. Expected outcomes included significant reductions in net baseloads and consumption; an enabling environment for private-sector alignment with new standards and requirements; and the paradigm-shift potential of a subsequent scaling-up to national level.

## Energy efficiency<sup>2</sup>

- 57.** Two projects were considered: a private-sector initiative, supported by a grants-based mechanism and finance from multinational institutions to accelerate transition to climate-friendly and energy-efficient cooling systems in Costa Rica, Ghana and Indonesia, and to develop emerging markets for green air-conditioning appliances; the second a public-private grant and loans-based initiative to transform and leapfrog the air-conditioning market in Grenada to energy efficiency.

## D. WATER AND ECOSYSTEMS (SESSIONS 3-3-2 AND 3-4-2)

### 1. PANEL DISCUSSION (3-3-2)

#### Ecosystem and ecosystem services<sup>3</sup>

- 58.** The panel welcomed the GCF draft guidance as it related to the ecosystems and ecosystem services sector, appreciating in particular the range of activities and potential scope for cross-cutting initiatives and synergies with their respective entities, the Global Environment Facility (GEF) and the International Union for Conservation of Nature (IUCN), as well as with the secretariats of other multilateral environmental agreements, such as the Convention on Wetlands. Attention was drawn to GCF's collaboration with IUCN on a mangrove protection, conservation and rehabilitation project in coastal Bangladesh and, to illustrate the Fund's support for vulnerable communities, to its proposed idea on peatland conservation and restoration and pro-poor payments for ecosystem systems.
- 59.** On the question of the quantification of ecosystem services, the Secretariat noted that the multiplicity of methodologies used to produce them might make it difficult to credibly verify estimates.

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<sup>2</sup> A fuller account of this marketplace discussion group cannot be provided owing to technical difficulties on the conference floor.

<sup>3</sup> A fuller account of the panel discussions and marketplace on water and ecosystems cannot be provided owing to technical difficulties on the conference floor.

## Water resources

60. Participants welcomed the approach proposed in GCF's draft guidance as it related to water resources, noting the potential for synergies with their entities' approaches, such as in the case of a national development bank for agriculture and rural development working with GCF and the Adaptation Fund (AF) on water issues in India.

## 2. MARKETPLACE (3-4-2)

61. Two project proposals were presented, the first on actions and tools to enhance hurricane and drought-resilience in upper-watershed communities in Jamaica, and the second on climate-resilient and sustainable coastal forestry in Bangladesh. The Secretariat recommended more emphasis on capacity-building in technical approaches and interventions, better coordination and questions of sustainability, replicability and scalability. Participants requested more information on forest carbon credits and on sustained GCF funding under the payment for ecosystem services (PES) scheme.

# Day 4



# IV. REGIONAL DIALOGUES

62. Discussions on the fourth day of the Conference, on Thursday 22 August, took place in parallel dialogues between GCF and countries in four regions: Africa, Asia and the Pacific, Eastern Europe and Central Asia, and Latin America and the Caribbean. Each regional dialogue consisted of a panel discussion, where countries presented a stocktake of progress in – and barriers to – climate change action (session 4-1); a session of concurrent “thematic clinics”, or discussion groups, where the participants considered a selection of projects relevant to the clinic’s theme and identified those themes that were of particular relevance to the region (session 4-2); and a third session for GCF and countries alike to identify key pointers for forward planning to pave the way for future progress (session 4-3).

## A. TAKING STOCK (session 4-1)

### 1. AFRICA

63. Country presentations were given by the representatives of Ghana, Malawi, Senegal and Tunisia.
64. Ghana was striving to overcome a range of institutional, policy and legal stumbling blocks to effective climate change action by strengthening its monitoring, regulatory and fiscal capacity and fostering a culture of intersectoral communication and collaboration; the ministry of finance was leading on climate finance, for instance, and the department of environment on climate change policy and project development.
65. Malawi was committed to scaling up climate investment through strategies and initiatives, such as the establishment of a national platform to generate support from technical and financial partners, and a national climate fund to mobilize finance from GCF and other funds; the continued reluctance of the private sector to invest in adaptation was a drawback, but opportunities to unlock investments in clean energy generation, for instance, were beginning to emerge at the regional level thanks to initiatives such as the Africa Renewable Energy Initiative (AREI).
66. Senegal was seeking to mainstream adaptation and mitigation into policymaking, action plans and strategies across the board and, having recognized the importance of stakeholder participation in the process to ensure the sustained relevance of technical expertise, would be seeking support from GCF for the necessary stakeholder capacity-building.
67. Tunisia was striving to strengthen the capacity of NDAs and focal points to coordinate climate change actions; a multidisciplinary NDA had been established, with a team of senior officials, technical experts and stakeholders, including the private sector, to facilitate and support decision-making and implementation. Work was also under way to raise awareness of GCF and its investment criteria, readiness guidelines and PSF modalities, including through their translation into Arabic.

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## 2. EASTERN EUROPE AND CENTRAL ASIA

68. Country presentations were given by the representatives of Albania, Georgia, Moldova, Montenegro, Tajikistan and Uzbekistan.
69. Albania was struggling to improve energy efficiency and address climate change impacts, particularly on water resources, owing to inadequate infrastructure, technology and institutional capacity to implement national strategies and realize its climate ambitions.
70. Georgia had identified priority areas for a project pipeline in a country programming document and submitted a project proposal covering sustainable forestry, water resource management and irrigation, energy efficiency and sustainable tourism; the proposal had been prepared with Deutsche Gesellschaft für Internationale Zusammenarbeit (German Corporation for International Cooperation – GIZ), three public and private entities had been nominated as DAE. Lack of knowledge of GCF investment criteria had been a major impediment.
71. Moldova had developed a climate change adaptation strategy for a multisectoral shift to low-emission development. A mechanism to coordinate, monitor and evaluate progress and planning was awaiting government approval, two national adaptation plans were being implemented and future plans would identify additional technology needs.
72. Montenegro was developing strategies to promote sustainable transport in the tourism sector, but national strategies were generally lacking in consistency and coherence and progress on climate action was slow owing, inter alia, to difficulties in unlocking private-sector investment.
73. Uzbekistan was developing national adaptation plans for climate change-vulnerable regions covering water resources, agriculture, health care, natural disasters and sustainable construction. Two of the plans developed to date, which also included mitigation measures, were considered consistent with GCF pre-approval criteria.
74. Tajikistan prioritized climate change actions, including resilience-building for farmers, under the national development strategy and, as a GCF pilot country, already had the capacity for project development; it was currently working on a climate-resilient hydropower project and the Government had established a committee to elaborate a plan for GCF-relevant actions and initiatives.
75. The Secretariat, asked to indicate how GCF would encourage new country pipelines in Eastern and Central Europe, pointed to the Fund's establishment of a regional centre in the Balkans and its support for national expertise-building; for DAE accreditation; DAE, NDA and government capacity-building; and efforts to identify suitable accredited entities, as in case of, among others, the Tajikistan hydropower development project.

## 3. ASIA–PACIFIC

76. Country presentations were given by the representatives of Indonesia, Iraq, Jordan and Samoa and the Infrastructure Development Company Limited (IDCO).
77. Indonesia was struggling to grow its pipeline because the accredited entities lacked the capacity to address bottlenecks and develop project ideas into

#### IV. REGIONAL DIALOGUES

concept notes and, ultimately, fully-fledged funding proposals; its NDA was underresourced; it only had a single DAE and needed more, as the familiarity of those entities with local operating environments enabled them to better ensure direct community access; and key stakeholders were relatively unaware of GCF and how to access the opportunities to accelerate the processing of no-objection letters by the NDA.

- 78.** Iraq was committed to shifting from oil dependency to renewable energies and was reaching out to academia and technology innovators for options to develop a relevant pipeline. An NDA had been established; a three-year country programme was in place, including outreach and communications to mobilize private-sector engagement and a focus on women's vulnerability to climate change; and the updating of the intended nationally determined contributions (INDCs) and nationally appropriate mitigation actions was close to completion. GCF support was required to build partnerships and secure access to the technologies and resources.
- 79.** Jordan was striving to develop its climate change portfolio and, since achieving direct access, to have an additional DAE accredited each year, but was in need of capacity-building to foster and strengthen collaboration between its institutions. GCF had been highly responsive to the country's requests for guidance but access to readiness support was proving problematic.
- 80.** Samoa was striving to implement a flood resilience-building project but faced barriers, such as the cost of technical assistance to offset limited capacity, difficulties in meeting GCF's strict funding disbursement requirements, and poor coordination and communication between GCF, AEs and the NDA. A steering committee had been set up to address those issues and ensure the NDA's participation in discussions and decision-making. GCF capacity-building support should be extended from AEs to overall national systems, countries should participate in project development to ensure context-relevance, and direct access should be enhanced to draw on the familiarity of DAEs with local implementation capacity.
- 81.** IDCOL, an AE recently upgraded to provide grants to projects in Bangladesh, highlighted the significant improvements to the country's pipeline development linked to GCF's contribution as a financing option and provider of guidance to inform investment priorities for its shift to a low-emission and climate-resilient development pathway.

#### 4. LATIN AMERICA AND THE CARIBBEAN<sup>4</sup>

- 82.** Country presentations were given by the representatives of Antigua and Barbuda, Guatemala, Jamaica and Uruguay.
- 83.** On the question of how GCF could revitalize the Latin American pipeline, the panel suggested linking climate finance investments to national development strategies; seeking synergies with other development partners and generating interest among contributors on the advantages of helping countries to meet their objectives in terms of, inter alia, infrastructure capacity and competitiveness; establishing multi-stakeholder committees within NDAs to so that the pipeline reflected the countries' priorities; and extending the engagement strategy to include the high-level representatives of various stakeholder groups in countries.

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<sup>4</sup> A fuller account of the session cannot be provided owing to technical difficulties on the conference floor.

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As to the Caribbean pipeline, the panel suggested strengthening support for readiness activities and, given the particular vulnerabilities of countries in the subregion, the establishment of an emergency response fund.

- 84.** The Deputy Executive Director, Mr. Javier Manzanares, urged Latin American and Caribbean countries to raise their level of ambition and increase the number of funding proposals presented and approved.

## B. THEMATIC CLINICS (session 4-2)

### 1. AFRICA

#### Renewable energy

- 85.** Participants considered a newly proposed rural electrification project in Senegal, with grant, concessional loan and equity-based instruments used to de-risk private sector investments; efforts to enhance regulatory frameworks under the project would result not only in climate benefits but also in lower electricity prices. The Secretariat recommended that greater emphasis be placed on the adaptation and mitigation benefits, and suggested that the Government should seek to assume a co-financing role and, to that end, introduce the sovereign guarantees scheme that was presented as an option.

#### Integrated climate-resilient agriculture

- 86.** Participants considered a project idea to promote climate-proofing agricultural investments within the framework of the national food security and rural development programme in Burundi, the expected outcomes of which included a new – and replicable – business model. The Secretariat recommended that sufficient quantified scientific evidence be included in the concept note include to explain the core problems, the steps already taken to address them and the solutions to overcome existing barriers, and that the supporting documents comprise an informed theory-of-change and other forms of evidence, such as a report on community-level experiences. Such information was key to the preparation of context-relevant activities and sequenced actions, and it was important also to consider the project's alignment with national strategy to ensure its sustainability.

#### Water resources

- 87.** Participants considered a project to address water security issues in Rwanda by modernizing the existing rainwater harvesting and storage infrastructure, including systems and technologies; installing new systems in public buildings and collective housing; ensuring affordable access for poor rural households; and building the policymaking and planning capacity to scale up the project to local and national levels. In addition to the cost-effectiveness of the upscaling, the paradigm shift potential lay in the replicability of interventions and sustainability of the results.

#### Forestry and land use

- 88.** Participants considered GCF's readiness support for REDD-plus activities and the results-based payments pilot programme, with some noting that the fixed rate of USD 5 per tonne of CO<sub>2</sub> used for financial evaluations was too low. The Secretariat highlighted how GCF supported countries in the development and implementation of national REDD-plus strategies and action plans; the

submission of forest reference emission levels (FRELs); the development of robust and transparent national forest monitoring systems; and the establishment of a safeguards information system. Countries submitting proposals were requested to specify the exact purposes of the funding requested; to check their projects against GCF's eligibility criteria and provide a road map to address any shortcomings; and to draw on the UNFCCC technical assessment of proposed FRELs when preparing their supporting documents.

## 2. EASTERN EUROPE AND CENTRAL ASIA

### Energy-efficient buildings

- 89.** North Macedonia outlined the country's approach of including mitigation and energy efficiency measures in new building construction projects as a cost-effective means of reducing emissions, and raising public awareness on the importance of energy efficiency; Albania presented a project to promote sustainable building construction through municipality-led efforts to strengthen the capacity of construction companies to mainstream energy efficiency into their operations; and Uzbekistan presented a project to build affordable low-carbon housing for vulnerable rural population groups.

### Renewable energy

- 90.** Moldova presented a project to create an enabling environment to improve the deployment of renewable technologies with a view to scaling up community and household-level solar pilot projects to the country level. Armenia drew attention to two of the large-scale renewable energy projects prioritized in the country's nationally determined contributions, the first project to develop solar capacity for households and small and medium-sized agricultural enterprises in rural areas, and the second to reduce emissions from wood-burners in some 300 vulnerable forest communities.
- 91.** The Secretariat advised countries to seek readiness support from the Fund before developing a project proposal so that they had the capacity to ensure that the proposed project was investment-ready; to test that project internally against the six GCF investment criteria; and, in order to strengthen the case for its approval, to study the paradigm shift potential set out in the proposals submitted by others and subsequently approved.

### Forestry

- 92.** Kyrgyzstan presented a project proposal to enhance forest and pasture land management, green investments in forest rehabilitation and livelihoods, and ecosystem and ecosystem service resilience-building. Georgia presented a project being developed by the NDA and GIZ to implement a national sustainable forest management system – which would include a national forest inventory and strengthen capacity in the forestry department – and to address the problem of unsustainable fuelwood consumption by rural populations by distributing energy-efficient stoves and developing a market for alternative fuels;
- 93.** The Secretariat, noting that sustainable forest management was prioritized by the vast majority of countries in their nationally determined contributions, pointed out that GCF was keen to receive more project proposals on the subject.

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## Early warning systems

94. Azerbaijan presented a proposed GCF project to generate critical climate risk information for the design and implementation of transformative policies and plans to reduce the vulnerability to climate risks and impacts of the population and the agriculture, tourism, health and infrastructure sectors, among others. In parallel, two programmes were currently being developed – with financial support from the Government and others – to modernize the country’s meteorological and hydrometeorological monitoring systems, and workshops and training would be organized build the capacity of staff to operate the new technologies.
95. Uzbekistan drew attention to a funding proposal submitted under the simplified approval process (SAP) on effective climate hazard forecasting and monitoring through the use of weather, climate, hydrological and cryospheric data sets from existing monitoring systems, the implementation of new systems and capacity-building for national experts.
96. The Secretariat pointed out that project proposals received by GCF often included activities related to early warning systems for many sectors, such as agriculture, water and health, adding that GCF prioritized funding for such activities, as it considered those systems a pillar of climate change adaptation.

## 3. ASIA-PACIFIC

### Water resources

97. Among the key points raised were that projects should be considered in the wider context of a country’s resilience rather than that of the water sector alone; that the support provided must reach the most vulnerable and marginalized groups; that countries faced with sanitation problems due to water scarcity should consider replicating innovative solutions already implemented elsewhere in the region, such as dry sanitation systems, contributing in turn to a regional paradigm shift. In the absence of local data, information to underpin project development should be sought from global sources, such as WMO.

### Health and well-being

98. Participants noted that while some projects included health co-benefits among their expected outcomes, none had identified human health and/or well-being as a primary objective, regardless of the clear links between climate change impacts and ill health, particularly in small island developing States, also pointing out that many countries were struggling to monitor and measure the impacts and cost of project interventions, and that small grants and the enhancing direct access (EDA) pilot programme could be key to targeted resilience-building. The Secretariat highlighted the focus in that GCF’s proposed sectoral guidance on green and climate-resilient health facilities and integrated health information systems.

### Climate information and early warning systems

99. Participants underscored the importance of robust information for resilience-building and disaster preparedness; SIDS, in particular, should include in the scope of weather and atmospheric monitoring projects an early warning system that also monitored ocean acidification and warming. The Secretariat pointed out that high-resolution remote sensing data to inform early warning interventions was available from the European Earth Observation Programme, and

#### IV. REGIONAL DIALOGUES

that it was important, in the course of conventional data-gathering and physical investments, also to consider effective “last mile” infrastructure, social constructs and the role of the private sector.

### Transport

**100.** Participants considered a selection of projects focused on the transition to electricity-powered forms of public and private transport, and the Secretariat, noting the considerable interest, pointed out that all such projects must account for the scrappage and waste associated with the shift to renewable energy technologies to meet the simplified approval process (SAP) eligibility criteria related to environmental and social safeguards; and that transport projects, as a rule, received GCF support only when they contributed to greenhouse gas emission reductions and resilience-building, and very rarely for merely purchasing fleets of vehicles.

### Renewable energy

**101.** Participants considered a selection of GCF-financed projects to switch to renewable energy use with a view to improving access to electricity, decarbonizing the fuel mix and addressing issues related to indoor air pollution, hence human health, and rural development. Discussions centred on, inter alia, technology choices; GCF’s use of non-grant financial instruments, including the selection and accreditation of entities to manage those instruments and the prohibitive cost of foreign exchange hedging in the case of USD-denominated loans; and the financial structure of projects.

### Agriculture and food security

**102.** Participants noted the importance of collaboration and cross-learning in the development of solutions and the projects to implement them, as well as the need, when engaging with AEs, to factor in delays in the event of protracted negotiations on funded activity agreements with GCF. Attention was drawn to the particular challenges to food security in SIDS caused by salinization, reef degradation, erratic rainfall and frequent storms.

### Forestry and land use

**103.** The Secretariat, noting a general lack of clarity among participants as to what was required for a paradigm shift in forestry and land use, underscored the importance of ensuring project sustainability, which was the key to success; adopting a holistic and systematic approach, as opposed to a piecemeal approach to interventions on a case-by-case basis; cross-country comparisons and experience-sharing in the project development stage; and considering the private sector from a variety of angles to ensure its flexible engagement in the project’s development and implementation.

## 4. LATIN AMERICA AND THE CARIBBEAN

### Forestry and land use

**104.** Participants considered a Secretariat progress report on the GCF pilot programme for REDD-plus results-based payments, highlighting, among other things, the first approvals of Latin American projects: one to catalyse transformational change and a paradigm shift with respect to land use in the Amazon forest in Brazil, and the

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other to further implementation of the national REDD-plus action plan in Ecuador. Paraguay presented a project proposal submitted under the pilot programme to implement a national sustainable forest management strategy, capitalize a national climate change fund now established by law, and develop a national climate change facility, with UNEP acting as AE. Attention was drawn to a national forest management strategy presented in a concept paper developed by Colombia and FAO. Participants recommended that concept papers and project proposals be designed and developed in consultation with local and indigenous communities and include a gender focus; the Secretariat pointed out that all submissions were required to include a gender action plan in their supporting documents.

## Water resources

- 105.** Participants considered a newly developed programme to build the climate resilience of human settlements, fresh water resources and coral reefs in Barbados under the supervision of a programme management unit at the ministry of finance; a technical working group was being established and a plan for each project to have a separate AE was awaiting government approval. The Secretariat deemed the overall approach consistent with GCF's proposed sectoral guidance on infrastructure and, in answer to a question, pointed out that country programmes, which were broad-based, did not identify specific pipeline investments.
- 106.** Participants also considered a community resilience-building project in Trinidad and Tobago. One stressed that actions must be bold and ambitious and offered the country access to a measurement, reporting and verification hub in Jamaica; another recommended close collaboration with the communities on the ground in carrying out adaptation work, offering to share the lessons learned in vulnerability and capacity assessments by the Caribbean Natural Resources Institute (CANARI).

## Renewable energy

- 107.** Participants considered a project proposal on rural electrification in Jamaica with solar photovoltaic, including capacity-building and training for local communities in data collection, metering and maintenance of an off-grid system; a pilot was being prepared to test a prepaid meter scheme and a concept note was being developed to request funding but faced difficulties to mobilize finance and foster community ownership. The Secretariat suggested charging a small amount for the service to ensure that it was valued by its users, and studying lessons learned from other, similar, projects, such as in regard to financial management guidance for households and working with the community on long-term solutions.
- 108.** Participants also considered a proposal for a project that would further the shift to sustainable energy in Saint Vincent and the Grenadines, building on government efforts to replace energy-inefficient generators and develop the country's solar photovoltaic capacity, and be owned and operated as a public good by the national utility, but which, according to some, lacked adequate detail on private-sector engagement and a communications strategy.

## Ecosystems and ecosystem services

- 109.** Participants considered an idea to build the adaptive capacity of sugar cane farmers in Belize, with the Caribbean Community Climate Change Centre (CCCCC) identified as a potential AE. The Secretariat noted the need to have an

#### IV. REGIONAL DIALOGUES

AE that was accredited to manage loans, together with further elaboration of the financial structure and a shift of focus from coping measures to an integrated transformational approach and long-term vision for the sugar cane sector.

- 110.** Participants also considered a proposal presented by Ecuador on energy generation and community vulnerabilities in the Galápagos Islands, with a focus on climate-smart agriculture and long-term biodiversity management, and, as a cross-cutting component, on tourism. The Secretariat recommended that the project's chances of meeting GCF's eligibility criteria would be improved by a shift of emphasis to the climate-resilience and transformation of the tourism sector, together with the co benefits for energy access, livelihoods and food security.
- 111.** Another proposal, presented by Colombia, centred on a project to build the climate-resilience of vulnerable farmers and ecosystems through innovative financing and a country-driven approach to securing enhanced direct access to resources. The Secretariat noted that emphasis in the proposal focused more on capacity-strengthening for financial intermediaries than ecosystem-based adaptation actions, pointing out that GCF would require it to include a catalogue of activities that met the Fund's six investment criteria, together with a profile of eligible beneficiaries.

## C. LOOKING AHEAD (session 4-3)

### 1. AFRICA

- 112.** Participants considered the strategic direction of GCF over the course of the first replenishment, raising questions such as how the Secretariat would ensure consistency in evaluating proposals when they entered the implementation phase, given that different Secretariat teams were involved at different stages; and whether project co-financing would be considered a prerequisite for approval, especially for LDCs. The Secretariat, on the latter question, responded that an absence of co-financing was not systematically seen as grounds for non-approval and, on the former, pointed to the current practice to date of assigning one member of the Office of Portfolio Management (OPM) team, which monitored implementation, to contribute also to the work of the evaluation team.

### 2. EASTERN EUROPE AND CENTRAL ASIA

- 113.** Participants considered the question of how GCF could assist the region in mobilizing climate investment at scale, suggesting that the Fund should strive to foster private-sector cooperation with international entities; to engage partners in the development of large-scale projects that national entities lacked the capacity to deliver unassisted; to encourage private-sector entities to act as hubs for entrepreneurial capacity-building within national institutions; and to reduce the length of the direct access accreditation process, which was a disincentive to private-sector engagement.
- 114.** The Secretariat pointed out that GCF financial instruments could be used to unblock access to finance for countries lacking a strong economy and private sector and, hence, unable to afford costly technologies; GCF could also work with Governments to foster private-sector engagement and to develop policies to engage development finance institutions in capacity-building for private-sector entities.

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### 3. ASIA–PACIFIC

- 115.** The Secretariat highlighted some of the key factors in programming support for countries, such as the advantages of multi-year readiness support in allowing NDAs to determine and sustainably manage their own priorities, pipelines and partnerships; the value of relying on national systems for project implementation; that AEs needed the capacity, presence and reach to assist in moving projects from pipelines to implementation, which called for the participation of well-resourced DAEs with a knowledge of local operating environments; the fact that engaging NDAs in the development of concept notes and funding proposals could speed up the processing of no-objection letters; and the importance of meaningful and enduring partnerships between GCF and countries, countries and AEs, and NDAs and communities and vulnerable groups in ensuring that actions were country-owned and sustainable.
- 116.** In the thematic clinics, GCF had noted the value of face-to-face exchanges and instant feedback in shaping project ideas and the importance of experience-sharing for countries to deploy solutions tried and tested by others, and the main takeaways included the need to determine the financing structure of projects and programmes in vulnerable countries, particularly LDCs and SIDS, on a case-by-case basis, taking into account their potential in terms of crowding in public and private sector investments and revenue-generating capacity; to consider each proposal in the context of a country's overall low-emission and climate-resilient development pathways; to include in country programmes a strategic framework for developing context-relevant activities, aligning funding sources and partners and presenting the paradigm-shift potential; and for the GCF to make clear to NDAs the intended purpose of country programmes and provide guidance on their development.

### 4. LATIN AMERICA AND THE CARIBBEAN

- 117.** Among the factors for GCF to bear in mind in programming future support for countries in the Latin America and the Caribbean region, the Secretariat highlighted the need to accelerate access to resources by identifying alternative mechanisms and mobilizing private-sector engagement; to encourage more innovative investment opportunities; to review successful experiences with environment funds in the region from which to model approaches with a climate change dimension; to ensure that climate change was recognized as a multi-sectoral development issue; and to develop climate change funds and other mechanisms to assist in post-disaster emergency response and recovery.
- 118.** The Deputy Executive Director singled out a number of priorities that would form the focus of GCF programming in Latin America, such as financial readiness for private banks, with the Federación Latinoamericana de Bancos (FELABAN) acting as delivery partner; the establishment of a subregional facility for climate services and early warning systems; a subregional readiness approach for the Amazon rainforest; an e-mobility-based readiness initiative; and a collaborative platform to identify common areas of interest in national climate change strategies with a view to designing multi-country proposals. Emphasis in the Caribbean subregion would be placed on, inter alia, renewable energies and climate-resilient agriculture; coastal resources and water-related projects; identifying and scaling up of pilots funded by other funds; and using guarantees and other innovative instruments to mobilize private-sector engagement.



# Day 5



# V. LDCs AND SIDS

**119.** Discussions on the fifth day of the Conference, on Friday 23 August, took place in two half-day forums organized to enable GCF, through exchanges with the representatives of countries in each of two priority groups, namely SIDS and least developed countries (LDCs), to pinpoint the lessons learned from their experiences to date in engaging with the Fund, to explore solutions tailored to their specific needs and circumstances and, hence, to sharpen the focus of GCF support to either group during the first replenishment period.

## A. SIDS FORUM

**120.** The Executive Director, in his opening remarks, stressed that the world was already locked into a level of warming the impacts of which, even in a best-case scenario, would present overwhelming existential challenges for SIDS. The scaling up of adaptation investments was crucial and a new set of rules was needed to meet the urgent calls from SIDS for new responses to the “climate emergency”, which were shaped by experiences to date and tailored to the realities on the ground.

### Priorities driven by human security, health and well-being

**121.** Participants underscored the need for SIDS to build the resilience of their economies and societies to the climate change impacts that were affecting their food and water security and degrading the marine and coastal resources and critical infrastructure underpinning the livelihoods of their populations.

### Multi-stakeholder collaboration for a multifaceted emergency

**122.** Participants observed that SIDS had access to climate finance and to a range of sources providing financial assistance for, among other things, disaster management, humanitarian interventions, development efforts and even security, but that those sources had to make a concerted effort to forge partnerships with countries, including local partners and civil society, in order to streamline the deployment of the resources and realize more ambitious programmes. Subregional dialogues and/or workshops with a technical focus could help to foster context-relevant partnerships and multi-stakeholder collaboration for the development of programmes of a regional scale, which could be enhanced with the support of the GCF Readiness Programme. The ridge-to-reef approach was considered a model for programming and a means of ensuring the certainty of resources over time.

### A risk appetite in an emergency context

**123.** Participants underscored the importance of innovative financing instruments for SIDS to effectively address their unique vulnerabilities to the climate emergency, with some stressing that they must be flexible enough to, inter alia, mobilize contingent financing after disasters, modify debt-for-nature swaps to fund adaptation or design an emergency fund for post disaster recovery in the wake of extreme climate events. Given the high levels of indebtedness of many SIDS and the fact that their credit rating could be further downgraded by climate change-related risks, GCF should render its co-financing requirements less restrictive to assist many SIDS in gaining access to resources. The representatives

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of SIDS also called for the use of grants as the preferred financial instrument to alleviate the burden of adapting to climate change, which was not a problem of their making.

## Direct access as a game changer

**124.** Participants highlighted the potential benefits of direct access to GCF in terms of developing sustainable capacities and ownership of investments in SIDS. The GCF Readiness Programme was seen as a critical means of building the necessary capacity and technical expertise to understand and harness the GCF resources available for climate change investments, including to build pipelines and adapt to the evolving GCF policy frameworks, and the knowledge gained in the process must be retained in SIDS to build their institutional memory. The representatives of Caribbean SIDS called for the strengthening of expertise in project development.

## B. LDCS FORUM

**125.** The Deputy Executive Director, in his opening remarks, underscored the importance that GCF attached to addressing the needs of LDCs, as reflected in its efforts to, inter alia, increase process efficiency, improve technical support, ensure access to additional adaptation resources, enhance co financing policies and prioritize the accreditation of national entities.

### 1. BUILDING MOMENTUM

**126.** Following a brief review by the Secretariat of actions under way since the 2018 GCF Structured Dialogue to help LDCs build momentum and capitalize on opportunities during the first replenishment period, participants divided into small groups to discuss and provide inputs to enhance the Fund's work. Recommendations included for the GCF to simplify, streamline and speed up procedures, processing times and operations; to improve country resource allocation approaches; to address communication difficulties and language barriers, such as through the translation of key GCF documentation into various languages; and to offer longer-term technical assistance.

### 2. LOW-EMISSION AND RESILIENT GROWTH

**127.** The Secretariat gave a presentation of the role of the GCF Private Sector Facility (PSF) in addressing the adaptation financing gap and the limitations of public finance, particularly in LDCs; in creating private-sector platforms for knowledge-sharing on climate change investments at the country level; and in encouraging NDAs to take steps to include the private sector in national dialogues.

**128.** In the ensuing small-group discussions with GCF experts, participants considered opportunities to develop renewable-energy, land-use and adaptation initiatives in LDCs.

**129.** On renewable energies, participants highlighted the main barriers to investment, such as technology costs, currency risks, creditworthiness, deficient regulatory frameworks and the complexity, length and cost of procedures, calling on GCF to pave the way for capacity-building, policy and regulatory interventions to increase the share of renewable energies in the energy mix and improve access to clean energy, and to support innovative decarbonization approaches; the PSF, it was

noted, could assist in de-risking renewable energy investments in LDCs through the use of loans, equity and guarantees.

- 130.** On land use, participants noted GCF's capacity to support mitigation efforts in that sector through policy interventions and the creation of enabling environments for mapping and for resolving tenure issues. Suggestions included the establishment of learning platforms on private sector engagement at the country level, with equitable participation ensured for indigenous peoples and women.
- 131.** On adaptation, participants highlighted the barriers to critical private-sector participation, engagement and investment, such as a lack of understanding of climate change investments by local actors, limited access to finance and a relative absence of enabling policy environments; GCF, it was noted, could support efforts to overcome those barriers through capacity-building, de-risking and catalysing investments, mobilizing resources at scale and encouraging knowledge-sharing with other countries.

## VI. CLOSURE OF THE FIRST GLOBAL PROGRAMMING CONFERENCE

- 132.** The representative of the Secretariat declared the first Global Programming Conference closed at 5.20 p.m. on Friday, 23 August 2019.

# Annexes



# ANNEX I

## LIST OF PARTICIPANTS IN THE FIRST GCF GLOBAL PROGRAMMING CONFERENCE

(please refer to the list uploaded separately on the [event webpage](#))

# ANNEX II

## THREE KEY SIDE MEETINGS HELD ON THE MARGINS OF THE FIRST GCF GLOBAL STRATEGIC PROGRAMMING CONFERENCE

### KNOWLEDGE MANAGEMENT WORKSHOP (DAY 2)

At a knowledge management (KM) workshop held on the margins of the conference, on the afternoon of Tuesday 20 August, the representatives of GCF and KM focal points from partner organizations, drawing on inputs from NDAs, DAEs and AEs on their climate finance-related knowledge gaps, considered the following: key factors to be reflected while developing a successful KM strategy; potential pitfalls in operationalizing the strategy; and ways in which partners could support the Fund in achieving its KM objectives. The outcomes of the discussion, as highlighted below, will guide GCF in revising and fine-tuning the KM strategy and theory of change.

#### Steps to ensure the success of the KM strategy

Workshop participants recommended that GCF, to advance its KM strategy, should seek to build “knowledge partnerships” to develop an overview of what knowledge was available and where, adding that it was important to ensure diversity through the inclusion of national, regional and international partners.

Participants also encouraged GCF to acknowledge the importance of existing climate finance expertise and the experience of other actors, such as international development agencies; to clarify and simplify the knowledge products resulting from its KM work; and to explore a range of possible delivery models. Adequate resource allocation would be key to operationalizing the KM strategy.

#### Pitfalls to avoid in operationalizing the strategy

Participants noted that a clear grasp of the knowledge needs of stakeholders was key to a well-structured strategy and suggested that GCF, which had conducted a survey prior to the workshop to identify and make sure that it fully understood those needs, should continue that process and seek also to identify the partners that would be instrumental in generating, capturing and sharing knowledge.

It was further noted that future programming relied on the willingness of existing partners, in their crucial role of generating knowledge from GCF-funded programmes, to share not only the positive but also the negative lessons learned. Participants therefore recommended that GCF explore options for direct knowledge-sharing among DAEs, AEs and other partners to enable peer-to-peer learning and, given that

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many had limited capacity to capture and share knowledge, that it strive to make KM capacity-building a primary focus of its KM activities.

### How partners can contribute to achieving KM objectives

Participants encouraged GCF to identify past and present examples of successful knowledge partnerships and to replicate the success factors.

It was suggested that the evaluation units of partners should collaborate with GCF in jointly developing knowledge products based on the lessons learned from the programmes and that GCF, to ensure the success of its KM strategy, should explore ways of creating incentive mechanisms that could encourage stakeholders to work with the Fund in generating and sharing knowledge.

### **WORKING LUNCH ON THE GCF–GEF “COORDINATED ENGAGEMENT” INITIATIVE (DAY 3)**

On the third day of the Conference, on Wednesday 21 August 2019, the secretariats of GCF and the Global Environment Facility (GEF) co-hosted a working lunch for countries, AEs and other entities to present and elicit feedback on the “coordinated engagement” initiative launched by the two operating entities of the financial mechanisms of the UNFCCC at the Sixth GEF Assembly in June 2018. Mr. Pa Ousman Jarju, Director of the GCF Division of Country Programming (DCP), followed by Ms. Chizuru Aoki, Lead Environmental Specialist (GEF), outlined the history and objectives of the initiative and its approach to improving operations in support of developing countries by strengthening complementarities and harnessing competitive advantage to enhance direct access and ensure more coherent national programming.

Mr. Ousman, pointing out that GCF’s primary role in the initiative included the scale-up of innovative GEF projects and ensuring a focus on transformational change and paradigm shifts, highlighted the progress made in implementing the first three of the current 21 pilots in the coordinated engagement pipeline: a comprehensive national landscape strategy being developed with parallel financing in Costa Rica; a mission to explore options for a low carbon transport project under the current GEF-7 cycle in Mauritius, and a proposal to elicit GCF support for the accelerated sequencing and scaling up of financing; and a national dialogue to identify how best to coordinate support for transition to a sustainable resilience-building and low-emission development pathway in Laos, which, according to a country representative, had resulted in a national road map and arrangements for focal point coordination.

Ms. Aoki, pointing out that the launch of the initiative had coincided with the start of the GEF 7 replenishment period and GCF’s preparations for its first replenishment, outlined the interactions between the two entities in joint country programming discussions, in engaging in each other’s outreach activities, such as structured dialogues and expanded constituency meetings, and in exchanging information on adaptation projects to enable activity support, identify potential linkages for sequential support and avoid overlap. Horizontal coordination among in-country focal points was key and all AEs and other entities should familiarize themselves with the coordinated engagement approach while also fostering in-house dialogue and communication, which was particularly important to those that had different teams dealing with GCF and GEF. The Facility was reaching out to the entities developing multi year country partnerships, investment plans and strategies with a climate change dimension in order to exchange views on how best to align them with the coordinated engagement approach as a basis for decision-making on, inter alia, the scope, scale, timing and partners for country projects and programmes.

In the ensuing discussion, participants considered the case of a proposal submitted by Kiribati to support an under-resourced national climate change finance mechanism but later withdrawn in the face of unattainable additional requirements; one underscored the importance of aligning country and AE processes, sequencing projects and clearly identifying and minimizing risk.

Representatives of GCF and GEF affirmed that sharing the lessons learned from the coordinated engagement pilots would enable the two to jointly address the barriers to project development and implementation. As a rule, countries could consider the designing of a GEF project as a first step in preparing a GCF proposal. Meanwhile, GCF had analysed the GEF “impact areas” approach and was assessing the potential for its use in the context of the first replenishment, and similarities had been noted between that approach as it related to forestry, for instance, and the GCF sustainable forest management approach.

## **INFORMATION MEETING ON THE COMMUNITY OF PRACTICE FOR DIRECT ACCESS ENTITIES COMMITTEE (DAY 4)**

At a side meeting hosted by GCF on the fourth day of the Global Programming Conference, on the afternoon of Thursday 22 August, the participating representatives of DAEs were introduced to the newly established Community of Practice for Direct Access Entities (CPDAE) Committee, and updated on the development of a charter of governance and a CPDAE action plan to provide knowledge-management, capacity-building and communications support.

The first chairperson of the six-member Committee, Ms. Claudia Godfrey, Executive Director of the Peruvian Trust Fund for National Parks and Protected Areas (Profonanpe), presented an overview of the background, composition and mandate of the Committee, and set out the next steps on its agenda. She was joined for a panel discussion by another Committee member, Ms. Aissata Sall, Coordinator, Climate Finance Unit, Centre de Suivi Ecologique (CSE), Senegal, who underscored the importance of strengthening the capacity of DAEs to access international climate finance, and by Mr. Mikko Ollikainen, Manager, Adaptation Fund (AF) Board Secretariat, and Mr. Pa Ousman, Director, Division of Country Programming, GCF, both of whom welcomed that the CPDAE was an initiative wholly owned and led by DAEs and National Implementing Entities (NIEs) for the AF, and pledged the support of AF and GCF for the operationalization of the action plan.







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