



GREEN  
CLIMATE  
FUND

---

# Fourth Report of the Green Climate Fund to the Conference of the Parties to the United Nations Framework Convention on Climate Change

---

**GCF/B.10/08**

26 June 2015

**Meeting of the Board**

6–9 July 2015

Songdo, Republic of Korea

Provisional Agenda item 22\*

---

\* The agenda item number will be determined when the final sequence of items in the provisional agenda is confirmed by the Co-Chairs.



## Recommended action by the Board

It is recommended that the Board:

- (a) Take note of the information presented in document GCF/B.10/08 *Fourth Report of the Green Climate Fund to the Conference of the Parties to the United Nations Framework Convention on Climate Change*; and
- (b) Adopt the draft decision presented in Annex I to this document.

## Table of Contents

I.	Background and introduction	1
II.	Introduction of a reporting period	1
	Annex I: Draft Decision of the Board	3
	Annex II: Fourth Report of the Green Climate Fund to the Conference of the Parties to the United Nations Framework Convention on Climate Change	4
	Executive summary	4
I.	Introduction	9
II.	Action taken in response to guidance from the Conference of the Parties	10
III.	Action taken pursuant to the Fifth Review of the Financial Mechanism of the Convention	27
IV.	Report on the implementation of the arrangements between the Conference of the Parties and the Fund	32
V.	Other activities of the Fund	36
	Appendix I: List of documents containing decisions of the Board in 2015	39
	Appendix II: Members and alternate members of the Board of the Green Climate Fund	40
	Appendix III: Green Climate Fund Initial Resource Mobilization Pledge Tracker as at 28 May 2015	43

# Fourth Report of the Green Climate Fund to the Conference of the Parties to the United Nations Framework Convention on Climate Change

## I. Background and introduction

1. This document contains the fourth annual report of the Green Climate Fund (the Fund) to the Conference of the Parties (COP) to the United Nations Framework Convention on Climate Change (UNFCCC). It covers the activities undertaken by the Fund between December 2014 and May 2015.
2. In decision 3/CP.17, the COP decided to provide guidance to the Fund, including on matters related to policies, programme priorities and eligibility criteria and matters related thereto, taking into account the Fund's annual reports to the COP on its activities. The COP provided initial guidance to the Fund at its eighteenth session, and additional guidance to the Fund including the arrangements between the COP and the Fund at its nineteenth session.
3. At its twentieth session, the COP provided further guidance to the Fund in the following decisions:
  - (a) Decision 3/CP.20 National adaptation plans;
  - (b) Decision 4/CP.20 Report of the Adaptation Committee;
  - (c) Decision 7/CP.20 Report of the Green Climate Fund to the Conference of the Parties and guidance to the Green Climate Fund; and
  - (d) Decision 9/CP.20 Fifth Review of the Financial Mechanism.
4. This report therefore provides an overview of the progress made by the Fund in implementing guidance from the COP from its twentieth session as well as guidance from previous COP sessions that are still relevant for reporting.

## II. Introduction of a reporting period

5. In decisions 6/CP.18, paragraph 15 and 7/CP.20, paragraph 23, the COP requests the Fund to make available its annual reports in a timely manner and no later than 12 weeks prior to a session of the COP.
6. In order to align the annual reports of the Fund with the submission time requested by the COP, it is proposed to introduce a reporting period of 1 August up to and including 31 July of each calendar year. This would allow the Fund to submit timely reports to the COP. The proposed approach is also in line with the current practice of other bodies of the Convention, including the Global Environmental Facility (GEF), which has a reporting period of 1 July to 30 June, and the Adaptation Fund, which has a reporting period of 1 August to 31 July for its reports to the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol (CMP).
7. The proposed reporting period would also allow for the reports of the Fund to feed into the work of the Standing Committee on Finance (SCF), which is mandated to provide to the COP draft guidance for the Fund, taking into account the Fund's annual reports as well as submissions from Parties.
8. As the third report of the Fund to the COP covered a reporting period until the end of November 2014, it is proposed that the reporting period of the fourth report covers the period

from 1 December 2014 to 31 July 2015 and for subsequent reports to adopt the reporting period of 1 August up to and including 31 July of each calendar year.

9. It is also recommended to allow for updates in cases where the Board endorses a report of the Fund to the COP before the end of a reporting period, and for the issuance of addendums if deemed necessary in order to include relevant activities of the Fund that occur outside of the reporting period. For instance, the fourth report shall be updated to include the outcomes of the tenth meeting of the Board, which will take place from 6–9 July 2015. Likewise, an addendum to the fourth report would be issued to report on the outcomes of the eleventh meeting, scheduled to take place in late 2015.

## Annex I: Draft Decision of the Board

The Board, having considered document GCF/B.10/08 *Fourth Report of the Green Climate Fund to the Conference of the Parties to the United Nations Framework Convention on Climate Change*:

- (a) Approves the *Fourth Report of the Green Climate Fund to the Conference of the Parties to the United Nations Framework Convention on Climate Change* as contained in Annex II to this decision (hereinafter referred to as Fourth Report), including the reporting period contained therein;
- (b) Requests the Secretariat to update the Fourth Report, taking into consideration the outcomes of the tenth meeting of the Board, and submit the revised report to the United Nations Framework Convention on Climate Change (UNFCCC) secretariat as soon as possible, but no later than 12 weeks prior to the twenty-first session of the Conference of the Parties (COP 21), in accordance with decision 7/CP.20, paragraph 23;
- (c) Also requests the Secretariat to issue and submit to the UNFCCC secretariat an addendum to the Fourth Report after the eleventh meeting of the Board and before COP 21; and
- (d) Decides to adopt an annual reporting period running from 1 August up to and including 31 July of the following calendar year for the report of the Green Climate Fund to the Conference of the Parties, starting with the next annual report to the Conference of the Parties.

## **Annex II: Fourth Report of the Green Climate Fund to the Conference of the Parties to the United Nations Framework Convention on Climate Change**

### **Executive summary**

1. Over the period December 2014 to May 2015, the Green Climate Fund has made significant progress towards the full implementation of its policies and operational guidelines, and the commencement of its operations. Some key milestones achieved in this period, paving the way for the Board to consider funding proposals for climate change mitigation and adaptation projects and programmes at its eleventh meeting, are as follows:

- (a) More than 120 developing countries have nominated their National Designated Authority (NDA) or focal point to the Fund, half of which are already engaging with the Fund to receive readiness and preparatory support;
  - (b) The Fund has accredited its initial seven entities, partners through which the Fund's resources in a variety of financial instruments, including grants, loans, equity and guarantees, will be channelled through to undertake climate change mitigation and adaptation projects and programmes in developing countries. To date, 95 institutions, including sub-national, national, regional, private, non-governmental and international organizations, from all over the world have begun the accreditation application process. Of these, 55 institutions have applied for accreditation, including those that have been already accredited. The Board will continue to consider additional applications for accreditation while aiming to achieve a balance of diversity in the Fund's accredited entities;
  - (c) The Fund has secured US\$ 10 billion equivalent in pledges from 33 countries so far, and will continue to mobilize resources on an ongoing basis. Parties are invited to contribute further to the Fund; and
  - (d) The Fund reached effectiveness in May 2015 and can start allocating resources towards projects and programmes. Twenty-two countries have signed contribution agreements/arrangements, bringing the total of signed contribution agreements to US\$ 5.47 billion equivalent, above the 50 per cent threshold necessary to declare the Fund effective. All remaining contributors are strongly encouraged to promptly turn pledges into contributions in order to further allow the Fund to progress its operations in delivering maximized climate results.
2. The Fund decided to consider its first projects and programmes for funding decisions no later than its third meeting in 2015 to support low emission and climate resilient activities on the ground in developing countries.

### **A. Milestones in resource mobilization**

3. The Fund has secured US\$ 10 billion equivalent in pledges to date and is working expeditiously with all contributors to discuss and finalize the necessary legal documentation in order to convert pledges into contribution agreements/arrangements.

4. Since the Fund's 2014 Pledging Conference, 22 countries have signed contribution agreements/arrangements for a total of approximately US\$ 5.47 billion equivalent (as at 31 May 2015). This amount takes the Fund above the effectiveness threshold of 50 per cent.

5. The attainment of effectiveness means the Fund is in a position to start taking financing decisions on climate change mitigation and adaptation projects and programmes no later than its third meeting in 2015 as earlier targeted by the Board.

6. The Fund is continuing to work with all remaining contributors with the aim of converting all pledges into actual contributions as soon as possible. Efforts to mobilize additional resources are ongoing as scale is essential for the Fund to deliver on its mandate. The US\$ 10 billion equivalent of pledges received in 2014 are just the beginning of the Fund's fundraising efforts, and it is essential that new and additional resources continue to be pledged to the Fund on an ongoing basis. The Paris Agreement is an important opportunity for Parties to the Convention to agree on the pathway for growth in the Fund's resources beyond 2020, thereby allowing the Fund to continue delivering on its mandate to contribute to the achievement of the ultimate objective of the UNFCCC.<sup>1</sup>

## **B. Milestones in operationalizing access to the Fund's resources**

### **I. Readiness and preparatory support**

7. To facilitate access to the Fund's resources by developing countries, the Fund allocated an initial amount of US\$ 16 million for readiness and preparatory support in October 2014.

8. Following the allocation, the Fund has engaged with countries to better understand their needs and has since developed standardized packages of US\$ 300,000 under its Readiness and Preparatory Support Programme ("Readiness Programme") in support of establishing and strengthening NDAs or focal points and strategic frameworks, including the preparation of country programmes. More than half of the developing countries that have nominated their NDA or focal point are seeking this support.

9. In coordination with NDAs and FPs, the Fund is supporting sub-national, national and regional entities through the accreditation process of the Fund. Approximately 24 direct access entities are receiving in-kind support in this area to orient them on the Fund's accreditation requirements and assist them through the accreditation application process.

10. In addition, the Fund is engaging with NDAs and FPs to identify the appropriate means by which to support the development of project and programme proposals that reflect country needs and priorities and to align with the objectives and initial investment framework of the Fund.

11. The fifth pillar of the Readiness Programme seeks to support information sharing, experience exchange and learning at regional level. To this end, the Fund has:

- (a) Supported a regional workshop for the NDAs of Central American countries in San Salvador, El Salvador, in March 2015;
- (b) Co-hosted the regional workshop on climate finance for 20 NDAs from Asia and Eastern Europe in April 2015; and
- (c) Convened a South-South learning webinar for potential accredited entities in the Latin American region in May 2015 where one of the initial entities accredited to the Fund shared with the participants its experience in gaining accreditation to the Fund.

12. As a part of the learning component, the Fund has supported NDA and focal point visits to its headquarters. Delegations from Fiji and Mongolia visited the headquarters in May and

---

<sup>1</sup> Governing Instrument of the Fund, paragraph 2. Available at <[http://gcfund.net/fileadmin/00\\_customer/documents/Key\\_documents/GCF\\_Governing\\_Instrument\\_web.pdf](http://gcfund.net/fileadmin/00_customer/documents/Key_documents/GCF_Governing_Instrument_web.pdf)>.

June 2015. The visits yielded positive feedback from the NDAs, who reported that the two-day orientation enhanced their understanding of, and ability to engage with, the Fund.

13. The Fund is open to respond to additional expressions of interest to access readiness support.
14. Further developments under the Readiness Programme are regularly produced and are available on the Fund's website.<sup>2</sup>

## II. Operational framework

15. The operation of the Fund has commenced together with the implementation of a comprehensive operational framework. Key achievements relating to the Fund's operational guidelines and implementation to date are as follows:

- (a) **The accreditation framework:** Following the launch of its online accreditation system in November 2014, 95 institutions have begun the accreditation application process and, of these, 55 institutions from all over the world have already applied. These institutions reflect a diversity of subnational, national, regional, private, non-governmental and international organizations that can operate at various levels of scale and can undertake a range of financial instruments, such as grants, loans, equity and guarantees, underscoring the appeal of the Fund's 'fit-for-purpose' approach. The Fund has accredited its initial seven entities through which resources for approved projects and programmes will be deployed. The Board will continue to consider additional applications for accreditation and intends to consider ways to further support sub-national, national, regional and private sector entities in getting accredited. At its first meeting in 2015, the Board adopted the Fund's legal framework for accredited entities. At the same time, the monitoring and accountability framework for accredited entities and the development of a pilot programme for enhancing direct access to the Fund's resources are underway;
- (b) **The initial proposal approval process and investment framework:** The Fund has further developed its initial proposal approval process. Most recently, the Board deliberated the Fund's impact analysis and adopted the Fund's initial activity-specific sub-criteria and indicative assessment factors that supplement the Fund's broader investment criteria. This will be critical in selecting projects and programmes that best achieve the objectives of the Fund. The initial proposal approval process and investment framework now provides a holistic framework through which the Board can take decisions on project and programme proposals starting from its third meeting in 2015;
- (c) **Initial results management framework:** The Board adopted the Fund's mitigation and adaptation performance measurement frameworks, which are embedded in the initial results management framework, and some of its indicators. The remaining indicators are being refined and are expected to be considered by the Board at its eleventh meeting. The indicators will help the Fund to ensure that its activities will deliver maximized climate results in developing countries; and
- (d) **Initial risk management framework:** The Fund conducted a survey of methodologies applied by relevant institutions to define and determine the risk appetite of the Fund. A methodology for determining the Fund's initial risk appetite is to be considered by the Board in 2015. This methodology would allow the Fund to identify the interventions in which it can achieve the most significant add-value to climate change mitigation and adaptation projects and programmes

---

<sup>2</sup> See <<http://www.gcfund.org/documents/all-board-documents.html>> and <<http://www.gcfund.org/operations/readiness/updates.html>>

(e) The Fund also adopted a Fund-wide gender policy and action plan for 2015–2017 to ensure that a gender-sensitive approach is effectively embedded in the operations of the Fund.

16. The Fund has embraced the approach of ‘learning-by-doing’, already incorporating lessons learned by related institutions into its operational guidelines and implementation as part of its ongoing effort to enhance the Fund’s own framework over time.

### **C. Milestones of the Private Sector Facility**

17. The Fund is working to ensure that private sector entities and public entities experienced in working with the private sector are accredited in 2015. One private sector and two public sector entities that engage with the private sector have so far have been accredited to the Fund. An additional 22 such entities have applied for accreditation to the Fund, of which 11 are applying under the direct access track; eight are headquartered in developing countries and another eight have subsidiaries in developing countries.

18. The Fund is actively promoting a country-driven approach for its private sector operations. In this context, accredited entities are being encouraged to interact with relevant NDAs and focal points in the prioritization of projects and programmes at country level, and to engage stakeholders including relevant local private sector actors.

19. Progress has been made in efforts to expedite engagement with local private sector actors in developing countries, including small and medium-sized enterprises (SMEs). Five concept notes with direct involvement of SMEs and local financial institutions in developing countries have been received so far.

20. The development of a framework to mobilize resources at scale, and a strategic approach for engaging with the private sector has also registered progress. In this regard, the Fund has adopted the use of guarantees and equity, both of which have potential to leverage third-party funding at scale. Accredited and potentially accredited entities have also been encouraged to identify pipeline projects and programmes with significant potential to mobilize funding at scale, including through the use of innovative financing structures such as green bonds.

### **D. Milestones in governance, internal structures and administration**

21. The Fund has made progress in its work related to policies and procedures as elaborated below.

22. The Board has put in place an ad hoc Appointment Committee to assist the Board in the appointments of the heads of the independent Evaluation Unit, the independent Integrity Unit and the independent Redress Mechanism. This is a step further in the operationalization of the three accountability units of the Fund.

23. Further, the Board adopted the terms of reference for an independent Technical Advisory Panel and will consider the appointment of its experts at its tenth meeting. The panel will assess funding proposals against the investment criteria for consideration by the Board starting at its eleventh meeting.

24. In addition, at its ninth meeting the Board adopted the Fund’s policy on ethics and conflicts of interest for members of the Board. The Fund’s information disclosure policy is also planned for consideration by the Board this year.

25. The Fund has developed a template for the bilateral agreement on privileges and immunities to form the basis for individual agreements with countries taking into account their specific circumstances. Negotiations on such individual agreements will commence shortly. Notwithstanding the above, the Board considers it desirable to further pursue consideration of an institutional linkage between the United Nations and the Fund.

26. In terms of staffing, 40 staff have joined the Secretariat or have accepted offers so far, enhancing the capacity of the institution. The Fund continues to promote balance in gender and in geographical representation between developed and developing countries in its staff pool. To date 47.5 per cent of staff members are female while 52.5 per cent are male; and 57.5 per cent are from developing countries while 42.5 per cent are from developed countries.

27. Additionally, the Fund has further developed its administrative guidelines. The Board adopted guidelines on the budget and accounting system while guidelines on the internal control framework and internal audit standards are under consideration.

28. All the milestones reached in 2014 and 2015 have put the Fund in a position to take decisions on funding proposals before the end of the year in support of climate action.

# Fourth Report of the Green Climate Fund to the Conference of the Parties to the United Nations Framework Convention on Climate Change

## I. Introduction

1. The COP provides guidance annually to the Fund on its policies, programme priorities and eligibility criteria as an operating entity entrusted with the operation of the Convention's financial mechanism. The Fund therefore takes appropriate action on guidance received from the COP on an ongoing basis.
2. The fourth annual report of the Green Climate Fund to the Conference of the Parties (COP) to the United Nations Framework Convention on Climate Change ("Convention") provides an overview of the progress made by the Fund in addressing guidance received from the twentieth session of the COP (COP 20), and guidance from the seventeenth to the nineteenth sessions of the COP that is still relevant for reporting.
3. In addition to addressing specific COP guidance, the report provides further updates of the progress achieved by the Fund towards the fulfilment of its mandate in promoting a paradigm shift towards low-emission and climate-resilient development pathways by providing support to developing countries to limit or reduce their greenhouse gas emissions and to adapt to the impacts of climate change.
4. The report covers the period of December 2014 to May 2015. Key progress achieved during this period include the following:
  - (a) The Fund has reached effectiveness and can now commit resources to climate mitigation and adaptation projects and programmes. The Board decided to aim to start taking decisions on programme and project proposals no later than its third meeting in 2015.
  - (b) Efforts to mobilise resources in addition to the US\$10 billion in pledges continue. Parties are invited to come forward and pledge additional resources.
  - (c) More than 120 countries have registered national designated authorities (NDAs) focal points to the Fund.
  - (d) The Readiness and Preparatory Support Programme has been operationalised. Half of the registered NDAs and focal points are already engaging with the Fund to receive readiness and preparatory support.
  - (e) The Fund has accredited an initial seven entities, partners through which the Fund's resources in a variety of financial instruments will be channelled, to undertake climate change mitigation and adaptation projects and programmes in developing countries. The Fund continues to consider further applications for accreditation.
  - (f) Progress towards operationalization of the private sector facility has been made. The entities accredited to date include one from the private sector and many more private institutions have applied to be accredited to the Fund.
  - (g) Advancements towards completing work in developing policies and procedures have been achieved. In this regard, milestones have been made in the Fund's initial approval process, initial investment framework, initial risk management framework and the initial results management framework.
  - (h) The Fund has also advanced in its work related to governance and internal structures. This includes advancements in the Fund's administrative guidelines; the nomination of an *ad hoc* Appointment Committee to assist the Board in the appointments of the heads of the three accountability units (the independent Evaluation Unit, the independent

Integrity Unit and the independent Redress Mechanism); progress in the appointment of an independent Technical Advisory Panel; the adoption of a policy on ethics and conflicts of interest for members of the Board; and the recruitment of additional Secretariat staff to enhance the capacity of the institution.

5. The Fund decided to consider its first projects and programmes for funding decisions no later than its third meeting in 2015 to support low emission and climate resilient activities on the ground in developing countries.

## **II. Action taken in response to guidance from the Conference of the Parties**

6. The overall status of the Fund's progress in relation to the guidance received from COP 20 is reflected in Tables 1A, 1B and 1C below. Guidance from COP 17, COP 18 and COP 19 that is still relevant for reporting is presented in Tables 2A and 2B.

## 2.1 Overview of guidance from the Conference of the Parties at its twentieth session and actions taken by the Fund

**Table 1A: Overview of actions taken pursuant to decision 7/CP.20: Report of the Green Climate Fund to the Conference of the Parties and guidance to the Green Climate Fund**

Guidance received from the Conference of the Parties	Relevant action taken by the Fund
<p><i>Urges</i> the Green Climate Fund, the Interim Trustee, and contributors to confirm the pledges in the form of fully executed contribution agreements/arrangements, taking note that the commitment authority of the Green Climate Fund will become effective when 50 per cent of the contributions pledged by the November 2014 pledging session are reflected in fully executed contribution agreements/arrangements received by the secretariat no later than 30 April 2015 as provided for in Green Climate Fund Board decision B.08/13, Annex XIX, paragraph 1 (c);</p> <p><i>Decision 7/CP.20, paragraph 5</i></p>	<p>Since the Fund's 2014 Pledging Conference, 22 countries have signed contribution agreements/arrangements for a total of approximately US\$ 5.47 billion equivalent (at 31 May 2015), which represents 58.5 per cent of the contributions pledged at the Conference. This takes the Fund above the effectiveness threshold of 50 per cent.</p> <p>The Fund is therefore in a position to start taking decisions on projects and programmes no later than its third meeting in 2015 as per decision B.08/07; guidance from the Conference of the Parties (COP) (decision 7/CP.20, paragraph 5); and decision B.08/13 of the Board that outlined the condition for the Fund's effectiveness and commitment authority.</p> <p>The Fund strongly encourages contributors of the remaining US\$ 4.7 billion equivalent to promptly turn pledges into contributions.</p> <p><i>[Please refer to the Pledge Tracker in Appendix III for individual contribution details as at 28 May 2015.]</i></p>
<p><i>Welcomes</i> Green Climate Fund Board decision B.08/07 to start taking decisions on the approval of projects and programmes no later than its 3rd meeting in 2015;</p> <p><i>Decision 7/CP.20, paragraph 7</i></p>	<p>In accordance with decision B.08/07, the Board aims to start taking decisions on project and programme proposals no later than its third meeting in 2015.</p>
<p><i>Requests</i> the Board of the Green Climate Fund to accelerate the operationalization of the adaptation and mitigation windows, and to ensure adequate resources for capacity-building and technology development and transfer, consistent with paragraph 38 of the Governing Instrument (Annex to decision 3/CP.17)</p> <p><i>Decision 7/CP.20, paragraph 8</i></p>	<p>With regard to operationalizing the Fund's adaptation and mitigation windows, the Board aims to start taking decisions on project and programme proposals at its third meeting in 2015. The Fund's initial approval process takes into consideration capacity building and technology development in its assessment of funding proposals. In addition, the Fund's Readiness and Preparatory Support Programme which is dedicated to supporting activities that build the capacity of countries in enabling them to access and utilize the Fund's resources for mitigation and adaptation activities is already under way.</p>

Guidance received from the Conference of the Parties	Relevant action taken by the Fund
<p><i>Also requests</i> the Board of the Green Climate Fund</p> <ul style="list-style-type: none"> <li>to accelerate the operationalization of the private sector facility by aiming to ensure that private sector entities and public entities with relevant experience in working with the private sector are accredited in 2015,</li> <li>expediting action to engage local private sector actors in developing country Parties, including small and medium-sized enterprises in the least developed countries, small island developing States and African States, emphasizing a country-driven approach, expediting action to mobilize resources at scale, and developing a strategic approach to engaging with the private sector;</li> </ul> <p><i>Decision 7/CP.20, paragraph 9</i></p>	<ul style="list-style-type: none"> <li>At its ninth meeting, the Board approved the Fund’s initial seven accredited entities, one of which was from the private sector (Acumen Inc.), and a further two entities with significant experience working with the private sector (KfW Group and the Asian Development Bank). At the same meeting, the Board requested the Secretariat to “aim to achieve a diverse balance in accredited private entities including subnational, national regional and international intermediaries that have significant on the ground presence in developing countries.” The Board will continue to consider additional applications for accreditation at its second and third meetings in 2015.</li> <li>At its ninth meeting, the Board also requested the Secretariat, in consultation with the Accreditation Panel, to provide recommendations for the fast-tracking of national, regional and private sector entities (decision B.09/07). Pursuant to this decision, ways to further support the accreditation of national, regional and private sector entities will be considered by the Board at its tenth meeting.</li> </ul> <p>The Board considered at its ninth meeting the following matters: <i>Private Sector Facility: Working with Local Private Entities, Including Small and Medium-Sized Enterprises</i>; and <i>Private Sector Facility: Potential Approaches to Mobilizing Funding at Scale</i>. Following consideration of these items, the Board decided to receive recommendations from the Private Sector Advisory Group on these matters, and to consider at its eleventh meeting a draft request for proposals for a small and medium-sized enterprises (SME) programme and an outline of activities that could be undertaken to mobilize resources at scale (decision B.09/09).</p>
<p>Further requests the Board of the Green Climate Fund, in the implementation of its 2015 work plan;</p> <ul style="list-style-type: none"> <li>to complete its work related to policies and procedures</li> <li>to accept financial inputs from non-public and alternative sources,</li> <li>the investment and risk management frameworks of the Green Climate Fund;</li> </ul>	<ul style="list-style-type: none"> <li>The matters covered and to be addressed by the Board in 2015 are aimed towards completing work related to policies and procedures of the Fund. During 2015, the Fund has made significant progress in advancing, among other things, its accreditation framework; country ownership and readiness and preparatory support; initial proposal approval process and investment framework; and the overall institutional framework.</li> <li>In decision B.05/04, the Board requested the Secretariat to prepare a document for understanding and defining alternative sources of financial inputs to the Fund for consideration by the Board. The Board also requested the Secretariat at its eighth meeting to develop policies and procedures for contributions from philanthropic foundations, and other non-public and alternative sources (decision B.08/13). These agenda items are in the pipeline for consideration by the Board.</li> <li>Through decision B.09/05, the Board adopted the initial activity-specific sub-criteria and indicative assessment factors to further develop the Fund’s initial investment framework. The</li> </ul>

Guidance received from the Conference of the Parties	Relevant action taken by the Fund
<ul style="list-style-type: none"> <li>the impact analysis on its initial results areas, including options for determining Board level investment portfolios across the structure of the Fund (Green Climate Fund Board decision B.08/07, paragraph (1)); and</li> <li>the approval process of the Fund, including methodologies for selecting programmes and projects that best achieve the objectives of the Fund (Green Climate Fund Board decision B.07/03, paragraph (b)).</li> </ul> <p><i>Decision 7/CP.20, paragraph 10</i></p>	<p>initial proposal approval process and investment framework now provide a holistic framework through which the Board can consider project and programme proposals.</p> <p>In decision B.09/06, the Board took note of the survey of methodologies carried out to define and determine risk appetite of the Fund. The Board is to consider in 2015 a methodology for determining the initial risk appetite of the Fund.</p> <ul style="list-style-type: none"> <li>At its ninth meeting, the Board, having considered document GCF/B.09/06 <i>Analysis of the Expected Role and Impact of the Green Climate Fund</i>, adopted decision B.09/02. In this decision, the Board requested the Secretariat “to monitor the portfolio, report to the Board, and recommend needed actions, in order to align the portfolio composition with the initial results management framework (...) when the portfolio reaches US\$ 2 billion, but no later than two years after the first funding decision”.</li> <li>Through decision B.09/05, the Board at its ninth meeting adopted the initial activity-specific sub-criteria and indicative assessment factors which take into account the Fund’s initial investment framework, the Fund’s initial result areas and initial results management framework, to be further applied in the selection of proposals that best achieve the Fund’s objectives.</li> </ul>
<p><u>Requests</u> the Board of the Green Climate Fund to consider ways by which to further increase the transparency of its proceedings</p> <p><i>Decision 7/CP.20, paragraph 11</i></p>	<p>A comprehensive draft information disclosure policy is to be considered by the Board in 2015. Revised guidelines on the participation of observers in Board meetings are also to be considered by the Board in 2015, as a step forward towards achieving broader stakeholder engagement in the Fund’s processes and activities.</p>
<p><u>Also requests</u> the Board of the Green Climate Fund to accelerate the implementation of its work programme on readiness and preparatory support, ensuring that adequate resources are provided for its execution, including from the initial resource mobilization process, providing urgent support to developing countries, in particular the least developed countries, small island developing States and African States, led by their national designated authorities or focal points to build institutional capacities in accordance with Green Climate Fund Board decision B.08/11</p> <p><i>Decision 7/CP.20, paragraph 12</i></p>	<p>The Fund is making progress in all five activity areas of its Readiness and Preparatory Support Programme:</p> <ul style="list-style-type: none"> <li>Activity area 1: <i>Establishing and strengthening the national designated authority or focal point;</i></li> <li>Activity area 2: <i>Strategic frameworks, including the preparation of country programmes;</i></li> <li>Activity area 3: <i>Selection of intermediaries and implementing entities and support for accreditation;</i></li> <li>Activity area 4: <i>Initial pipelines of project and programme proposals;</i> and</li> <li>Activity area 5: <i>Information sharing, experience exchange and learning.</i></li> </ul> <p>The Fund has developed standardized packages of US\$ 300,000 in support of establishing and strengthening national designated authorities or focal points and strategic frameworks, including the preparation of country programmes (activity areas 1 and 2). Approximately half of the developing</p>

Guidance received from the Conference of the Parties	Relevant action taken by the Fund
	<p>countries that have nominated their National Designated Authority (NDA) or focal point are seeking support for activity areas 1 and 2.</p> <p>In coordination with NDAs and focal points, the Fund is also providing in-kind support to subnational, national and regional entities to orient them on the accreditation requirements and assist them through the accreditation application process (activity area 3). Approximately 24 direct access entities are benefitting from such support.</p> <p>In addition, the Fund is engaging with NDAs and focal points to identify the appropriate means by which to support the development of project and programme proposals that reflect country needs and priorities, and align with the objectives and initial investment framework of the Fund (activity area 4).</p> <p>Activity area 5 seeks to support information sharing, experience exchange and learning. To this end, the Fund has supported a regional workshop in San Salvador, El Salvador in March 2015 for Central American countries. Furthermore, the Fund co-hosted the regional workshop on climate finance for 20 NDAs from Asia and Eastern Europe. In May 2015, the Fund also convened a South–South learning webinar for potential accredited entities in the Latin American region where one of the initial entities accredited to the Fund shared its experience in gaining accreditation to the Fund.</p> <p>As part of learning, the Fund has supported NDA and focal point visits to its headquarters. Delegations from Fiji and Mongolia visited the headquarters in May and June 2015. The visits yielded positive feedback from the NDAs, who reported that the two-day orientation enhanced their understanding of and ability to engage with, the Fund.</p> <p>Further details on progress in readiness are outlined in the progress reports on the Readiness Programme (documents GCF/BM-2015/Inf.05 and GCF/B.10/Inf.06) available on the Fund’s website.<sup>3</sup></p>
<p><i>Encourages</i> the timely implementation of the accreditation framework and <i>requests</i> the Board of the Green Climate Fund, in its implementation, to pay adequate attention to the priorities and needs of developing country Parties, including the least developed countries, small island developing States and African States, emphasizing the need to provide readiness support to those national and regional entities eligible for fast tracking that request it</p> <p><i>Decision 7/CP.20, paragraph 13</i></p>	<p>At its ninth meeting, the Board approved the Fund’s initial seven accredited entities (decision B.09/07), including national, regional, private sector and international entities with a balanced geographical representation. The Board will continue to consider an additional 13 applications for accreditation in its second meeting in 2015, and further entities at its third meeting in 2015. In addition, in its guidance to the Secretariat at its ninth meeting, the Board specifically “encourages the timely implementation of the accreditation framework and requests the Secretariat to pay special attention to the priority needs of developing countries, emphasizing readiness support to national and regional entities that request it, including those eligible for fast-tracking” (decision B.09/07, paragraph (d)).</p> <p>The Board continues to develop its accreditation framework and adopted at its ninth meeting the Fund’s legal and formal arrangements with accredited entities (decision B.09/08).</p>

<sup>3</sup> See <<http://www.gcfund.org/documents/all-board-documents.html>>.

Guidance received from the Conference of the Parties	Relevant action taken by the Fund
	<p>In coordination with NDAs and focal points, the Fund is providing in-kind support to regional, national and subnational entities to orient them on the Fund's accreditation requirements and assist them with the accreditation application process of the Fund (activity area 3 of the Readiness Programme).</p>
<p><i>Invites</i> developing country Parties to expedite the nomination of their national designated authorities and focal points as soon as possible, as well as the selection of their national and subnational implementing entities, to facilitate their engagement with the Green Climate Fund;</p> <p><i>Decision 7/CP.20, paragraph 14</i></p>	<p>As at 31 May 2015 the Secretariat had registered 126 NDA/focal point nominations. The Secretariat continues to reach out to countries through the Fund's Readiness Programme, encouraging them to submit their nominations.</p> <p>With regard to support to potential accredited entities, the Fund is with relevant NDAs and focal points and providing in-kind support to direct access entities to orient them on the accreditation requirements and the overall process for applications for accreditation. So far the Fund has provided such assistance to 24 entities that have submitted or are in the process of submitting applications for accreditation under the direct access modality. Three have been accredited and six are to be considered at the tenth meeting of the Board. The Fund has similarly provided assistance to many more subnational, national and regional entities that have expressed their interest in or are preparing to apply for accreditation to the Fund. As part of these efforts, the Secretariat convened a South-South learning webinar in May 2015, where one of the initial accredited entities to the Fund shared its experience in gaining accreditation to the Fund (activity area 5 of the Readiness Programme).</p>
<p><i>Requests</i> the Board of the Green Climate Fund, when deciding its policies and programme priorities, to consider the information and lessons learned through engagement with other relevant bodies under the Convention, and other relevant international institutions;</p> <p><i>Decision 7/CP.20, paragraph 15</i></p>	<p>The Fund continues to engage with, consider lessons learned by, and adopt applicable best practices from relevant bodies under the United Nations Framework Convention on Climate Change (UNFCCC) and other relevant international institutions in the development and implementation of its policies, procedures and programme priorities. The following are examples of recent efforts:</p> <ul style="list-style-type: none"> <li>• In the development of the Fund's initial activity-specific sub-criteria and methodology, such methodologies used by other climate funds and international financial institutions were identified and compared.</li> <li>• As per decision B.07/05, paragraph (e) (i), the initial step in developing the Fund's initial risk management framework was a survey of methodologies used by relevant institutions to define and determine the risk appetite of the Fund.</li> <li>• The REDD-plus initial logic model and performance measurement framework of the Fund were prepared in accordance with the methodological guidance in the Warsaw Framework for REDD-plus. (The response to the decision 7/CP.20, paragraph 18 (b), below has further details pertaining to the development of the REDD-plus initial logic model).</li> <li>• Recommendations made by the Adaptation Committee to the Board outlined in the annex to decision 4/CP.20, paragraph 4, concerning the Fund's monitoring and evaluation framework are being taken into consideration in the ongoing revision of the initial results management framework/performance measurement framework.</li> </ul>

Guidance received from the Conference of the Parties	Relevant action taken by the Fund
	<p>Efforts to engage with and learn from existing relevant thematic bodies of the Convention are ongoing, with an increasing number of events held by the thematic bodies of the Convention being attended by the Fund's representatives.</p>
<p><i>Also requests</i> the Green Climate Fund to enhance its collaboration with existing funds under the Convention and other climate relevant funds in order to enhance the complementarity and coherence of policies and programming at the national level;</p> <p><i>Decision 7/CP.20, paragraph 16</i></p>	<p>The interaction with and learning from funds under the Convention and other climate relevant funds including the Global Environment Facility (GEF), Climate Investment Funds (CIFs), Adaptation Fund (AF), Multilateral Fund and other climate relevant institutions related to topics such as readiness, accreditation, results management and monitoring and evaluation, among others, are continuously considered in the development of the policies, guidelines and operations of the Fund.</p> <p>Examples of enhanced complementarity and coherence of policies and programming as a result of the Fund's engagement with the bodies include:</p> <ul style="list-style-type: none"> <li>• Decision B.08/03, indicating that institutions accredited by and in full compliance with the standards of the GEF and the Adaptation Fund are eligible to apply for accreditation to the Fund under the fast-track accreditation process; and</li> <li>• The Fund's adoption of the International Finance Corporation's Performance Standards as its interim environmental and social safeguards.</li> </ul> <p>The Secretariat is also currently working on defining which greenhouse gas accounting methodologies should be used by its accredited entities to measure the relevant results management framework mitigation indicators related to reductions in and cost of tonnes of carbon dioxide equivalent. The Fund continues to learn from interaction with the main relevant international bodies such as the Clean Development Mechanism and other international development and finance institutions. It has also started to be actively engaged in a working group on the harmonization of the GHG accounting methodologies; this group is composed of the main international finance institutions and organizations that have finalized methodologies for renewable energy and aims at completing the methodologies for transport and energy efficiency by the end of 2015.</p> <p>The Fund Secretariat has also benefited from the interaction with and lessons learned from the Multilateral Fund Secretariat.</p> <p>The Fund continues to participate in events of funds under the Convention and other climate-relevant funds such as the meeting of the Board of the Adaptation Fund in April 2015, the CIFs meetings in May 2015 and the Council Meeting of the GEF in June 2015.</p>

Guidance received from the Conference of the Parties	Relevant action taken by the Fund
<p><i>Further requests</i> the Board of the Green Climate Fund to further enhance the participation of all stakeholders in accordance with paragraph 71 of the Governing Instrument and other relevant Board decisions;</p> <p><i>Decision 7/CP.20, paragraph 17</i></p>	<p>The Board adopted at its third meeting the Fund's guidelines relating to observer participation, accreditation of observer organizations and participation of active observers in meetings of the Board (Decision B.01-13/03, Annex XII of document GCF/B.01-13/12). The review of the guidelines on the participation of observers and their consideration by the Board is planned to be carried out during 2015. The civil society organizations and private sector organizations have been invited to provide their inputs.</p> <p>By its decision B.09/11, the Board adopted a Fund-wide gender policy and action plan. One main objective of the policy is to enhance the participation of women in activities of the Fund, consistent with the Governing Instrument, which explicitly lists women among the Fund's stakeholders.</p>
<p><i>Requests</i> the Board of the Green Climate Fund:</p> <ul style="list-style-type: none"> <li>• To develop a monitoring and accountability framework in accordance with Green Climate Fund Board decision B.08/02;</li> <li>• To consider decisions relevant to REDD-plus (Policy approaches and positive incentives on issues relating to reducing emissions from deforestation and forest degradation in developing countries; and the role of conservation, sustainable management of forests and enhancement of forest carbon stocks in developing countries), including decisions 1/CP.16, 2/CP.17, 12/CP.17 and decisions 9/CP.19, 10/CP.19, 11/CP.19, 12/CP.19, 13/CP.19, 14/CP.19 and 15/CP.19;</li> </ul> <p><i>Decision 7/CP.20, paragraph 18</i></p> <p>Linked with: <i>Decision 9/CP.19, paragraphs 8</i></p>	<ul style="list-style-type: none"> <li>• Pursuant to decision B.08/02, the item 'Monitoring and accountability framework for accredited entities' is to be addressed at the tenth meeting of the Board.</li> <li>• The Board identified REDD-plus implementation as one of the initial result areas of the Fund. In decision B.08/08, the Board adopted a logic model and performance framework for ex-post REDD-plus results-based payments, which were developed based on the methodological guidance in the Warsaw Framework for REDD-plus and in decisions 1/CP.16 and 12/CP.17. The next step towards the completion of the framework within which REDD-plus can be supported by the Fund is to develop methodologies for the indicators in the performance measurement framework. The Board, in decision B.08/08, specifically noted that methodologies for the indicators will be aligned with methodological guidance provided by the COP.</li> </ul>
<p><i>Urges</i> the Green Climate Fund to ensure that staff selection is open, transparent and based on merit without discrimination, taking into account geographical and gender balance, in accordance with the administrative policies of the Green Climate Fund (Green Climate Fund Board decision B.06/03, annex I);</p> <p><i>Decision 7/CP.20, paragraph 19</i></p>	<p>So far, 40 staff have joined the Secretariat or have accepted offers of employment and thus enhancing the capacity of the institution. The Fund continues to promote the gender balance and diversity balance of the staff so that to date 47.5 per cent of staff members are female while 52.5 per cent are male, and 57.5 per cent are from developing countries while 42.5 per cent are from developed countries.</p> <p>The Fund has strived to diversify its recruitment strategy. Vacant positions are currently advertised across numerous websites in order to reach out to candidates from as many parts of the world as possible. An additional strategy is applied to vacancy announcements, which have a clear statement that 'applications are strongly encouraged from women and citizens of developing countries'. Staff selection</p>

Guidance received from the Conference of the Parties	Relevant action taken by the Fund
	is in accordance with the administrative policies of the Fund, thereby ensuring an open, transparent process based on merit without discrimination and taking into account geographical and gender balance.
<p><i>Takes note</i> of Green Climate Fund Board decision B.08/24 on the institutional linkage between the United Nations and the Green Climate Fund, and <i>requests</i> the Board of the Green Climate Fund to continue further deliberations on privileges and immunities, and to report on this matter to the Conference of the Parties at its twenty-first session (November–December 2015);</p> <p><i>Decision 7/CP.20, paragraph 20</i></p>	<p>Further to decision B.08/24, the Board continued its deliberations on an institutional linkage between the United Nations and the Fund, which might either entail that the Convention on the Privileges and Immunities of the United Nations would become applicable to the staff of the Fund, or, alternatively, with a more limited scope and purpose, that the staff of the Fund may make use of the United Nations laissez-passer. The Fund considers it desirable that a detailed study regarding this matter be carried out by the UNFCCC secretariat. To this end, the Fund recommends that the COP request the UNFCCC secretariat to prepare a technical paper to explore various options of an institutional linkage between the United Nations and the Fund, including those mentioned above.</p>
<p><i>Urges</i> developing country Parties to enter into bilateral agreements with the Green Climate Fund based on the template to be approved by the Board of the Green Climate Fund, in order to provide privileges and immunities for the Fund, in accordance with Green Climate Fund Board decision B.08/24, paragraph (b);</p> <p><i>Decision 7/CP.20, paragraph 21</i></p>	<p>It is important to ensure that the Fund and the persons associated with it are covered by privileges and immunities in the country Parties to the UNFCCC. To this end, the Fund has developed a template bilateral agreement on privileges and immunities as a framework for individual agreements with country Parties to the Convention, which will take account of the specific circumstances of country Parties. The Board will consider the template at its tenth meeting.</p>
<p><i>Requests</i> the Board of the Green Climate Fund to report biennially to the Conference of the Parties on the status of existing privileges and immunities with regard to its operational activities, starting at the twenty-first session of the Conference of the Parties</p> <p><i>Decision 7/CP.20, paragraph 22</i></p>	<p>At its eleventh meeting, the Board will consider a biennial report on privileges and immunities, with the aim of submitting the report to the UNFCCC secretariat prior to the twenty-first session of the COP.</p>
<p><i>Also requests</i> the Board of the Green Climate Fund to make available its annual report in a timely manner and no later than 12 weeks prior to a session of the Conference of the Parties in accordance with decision 6/CP.18, paragraph 15, for due consideration by Parties</p> <p><i>Decision 7/CP.20, paragraph 23</i></p> <p>Linked with: <i>Decision 6/CP.18, paragraph 15</i></p>	<p>In an effort to submit the report timely manner, the Board addressed the Fund's report to the COP at its second meeting of the year rather than at its third meeting.</p> <p>This report, which was submitted in a timely manner, responds to this request.</p>

<b>Guidance received from the Conference of the Parties</b>	<b>Relevant action taken by the Fund</b>
<p><i>Further requests</i> the Green Climate Fund to include in its annual report to the Conference of the Parties the recommendations of its independent redress mechanism, if any, and any actions taken by the Board in response to those recommendations (In accordance with the annex to decision 5/CP.19, paragraph 9.)</p> <p><i>Decision 7/CP.20, paragraph 24</i></p> <p>Linked with: <i>Annex to decision 5/CP.19, paragraph 9</i></p>	<p>The redress mechanism of the Fund is in the process of being set up in accordance with previous decisions of the Board; the operations of the mechanism have not yet commenced.</p>
<p><i>Requests</i> the Board of the Green Climate Fund to report to the Conference of the Parties at its twenty-first session on progress made in the implementation of this decision, as well as the elements and provisions of the guidance contained in decisions 3/CP.17, 6/CP.18, 4/CP.19 and 5/CP.19</p> <p><i>Decision 7/CP.20, paragraph 25</i></p>	<p>The left-hand column of this table indicates links to previous decisions where applicable. In addition, Table 2 addresses guidance contained in decisions 3/CP.17, 6/CP.18, 4/CP.19 and 5/CP.19 that is still relevant for reporting.</p>

**Table 1B: Overview of actions taken pursuant to decision 4/CP.20: Report of the Adaptation Committee (AC)**

Guidance received from the Conference of the Parties	Relevant actions taken by the Fund
<p>Requests Parties, operating entities of the Financial Mechanism and other relevant entities working on adaptation to consider the recommendations contained in chapter V of the report of the Adaptation Committee, as included in the annex;</p> <p><i>Decision 4/CP.20, paragraph 4</i></p>	<p>Please see below for the responses to paragraphs 2 to 6 in the Annex to decision 4/CP.20.</p>
<p>The AC recommends that the COP invite Parties, <u>operating entities of the Financial Mechanism</u> and relevant entities working on adaptation to take into account the following recommendations, which are based on the outcomes of the meeting of the task force on national adaptation plans (NAPs) referred to in paragraphs 38 and 39 of the report of the AC referred to in paragraph 1 above:</p> <p>(a) Recognizing the importance of raising awareness and buy-in for the NAP process by all stakeholders, in order to:</p> <p>(i) Generate interest in, demand for and leadership of the NAP process at the national level;</p> <p>(ii) Make available support for the NAP process better known;</p> <p>(b) Improving coordination, collaboration and coherence among:</p> <p>(i) Bilateral and multilateral agencies and institutions, including the operating entities of the Financial Mechanism;</p> <p>(ii) Various national ministries;</p> <p>(iii) Parties and regions, with a view to:</p> <p>a. Enhancing the accessibility of NAP support;</p> <p>b. Further understanding effective pathways to achieving the objectives of the NAP process, on the basis of experience;</p>	<p>At its ninth meeting the Board further developed the Fund's initial investment framework and adopted activity-specific sub-criteria and indicative assessment factors (decision B.09/05). One of the criteria on which every funding proposal is assessed is 'country ownership'; under this are the following sub-criteria that determine whether:</p> <ul style="list-style-type: none"> <li>• A country has a current and effective national climate strategy or plan, a nationally appropriate mitigation action (NAMA), national adaptation plan (NAP) or equivalent, as appropriate; and that</li> <li>• Objectives are in line with priorities in the country's national climate strategy.</li> </ul> <p>Through this sub-criterion, the Fund generates demand, makes support for NAPs available and aims to improve coordination and knowledge among relevant stakeholders.</p>

Guidance received from the Conference of the Parties	Relevant actions taken by the Fund
<p>c. Fostering coherence in the provision of support, including by better matching needs with support, involving more financial institutions in the NAP process and helping countries to prepare for accessing funding, including from the Green Climate Fund (GCF);</p> <p>(c) Enhancing learning as stakeholders increasingly engage in the NAP process, particularly around aspects such as the role of institutional arrangements and monitoring and evaluation.</p> <p><i>Annex to decision 4/CP.20, paragraph 2</i></p>	
<p>In supporting the monitoring and evaluation of adaptation, the AC recommends that the COP invite Parties, operating entities of the Financial Mechanism and relevant entities working on adaptation to take into account the following recommendations:</p> <p>(a) Monitoring and evaluation frameworks need to be appropriate, relevant to needs and tailored to country circumstances. A common set of global indicators is not useful, owing to the context-specific nature of adaptation;</p> <p>(b) National-level assessments can play a different role in measuring adaptive capacity from subnational or project-based assessments. National-level assessments could, for example, measure the degree of coordination and integration of adaptation in national priorities;</p> <p>(c) A positive learning environment, which encourages formal and informal learning, including peer-to-peer learning, and which encourages learning from negative as well as positive experiences, is important;</p> <p>(d) Planning and allocation of resources, both technical and financial, are key for effective monitoring and evaluation systems.</p> <p><i>Annex to decision 4/CP.20, paragraph 3</i></p>	<p>The initial results management framework and monitoring and evaluation guidelines of the Fund are under further development. This set of recommendations is being taken in due consideration and will be reported on subsequently.</p>

Guidance received from the Conference of the Parties	Relevant actions taken by the Fund
<p>In the context of the monitoring and evaluation of adaptation, the AC also recommends that the COP invite the Board of the GCF, with respect to its Results Management Framework, to consider:</p> <ul style="list-style-type: none"> <li>(a) Keeping indicators simple;</li> <li>(b) Designing indicators that are qualitative as well as quantitative;</li> <li>(c) Designing indicators in such a way as to capture the progress that countries are able to make in integrating adaptation into their development and sectoral planning, policies and actions;</li> <li>(d) Giving countries sufficient flexibility to define their indicators in line with their national and local planning, strategies and priorities.</li> </ul> <p><i>Annex to decision 4/CP.20, paragraph 4</i></p>	<p>At its eighth meeting, the Board adopted the Fund’s mitigation and adaptation performance measurement frameworks (PMFs), embedded in the initial results management frameworks, and some of its indicators. The Board requested the Secretariat to further develop some of the PMF indicators that need refinement (decision B.08/07). The revision of the indicators is underway, and it is taking into consideration the recommendations of the Adaptation Committee. The revised mitigation and adaptation PMFs are in the pipeline for consideration by the Board.</p>
<p>Encourage the Adaptation Fund, the Global Environment Facility (GEF) and the GCF to enhance their consideration of local, indigenous and traditional knowledge and practices and their integration into adaptation planning and practices, as well as procedures for monitoring, evaluation and reporting.</p> <p><i>Annex to decision 4/CP.20, paragraph 5 (b)</i></p>	<p>One of the six investment criteria against which funding proposals of the Fund will be assessed is ‘efficiency and effectiveness’. Under this is the sub-criterion ‘application of best practices and degree of innovation’, which aims to determine how best available technologies and/or best practices, including those of indigenous people and local communities, are considered and applied.</p> <p>By making provisions to assess the degree to which indigenous knowledge is incorporated into proposals on/with a component on climate adaptation, the sub-criterion encourages the incorporation of indigenous knowledge as best practices where applicable.</p>
<ul style="list-style-type: none"> <li>(a) Inviting the Board of the GCF to consider the significant work undertaken under the Cancun Adaptation Framework and on the NAP process as it continues to provide the governance of the Fund;</li> </ul>	<ul style="list-style-type: none"> <li>(a) In accordance with the Governing Instrument, support for the work on NAPs and related processes are being taken into account in the work of the Fund as applicable.</li> </ul> <p>The second pillar of the Readiness and Preparatory Support Programme focuses on ‘Strategic frameworks, including the preparation of country programmes’. Through this pillar, the Fund aims to ensure that country projects and programmes that the Fund will support build on and strengthen climate strategies, policies, and needs assessments, including NAPs, national adaptation programmes of action (NAPAs), low-emission development strategies and NAMAs. The Readiness Programme also seeks to strengthen institutional capacities of national designated authorities in order for them to effectively fulfill their roles in adaptation and mitigation action supported by the Fund.</p>

Guidance received from the Conference of the Parties	Relevant actions taken by the Fund
<p>(b) Inviting the Board of the GCF to engage with institutions that have started initiatives on countries' readiness to access GCF funding and exploring how more countries can benefit from such initiatives;</p> <p><i>Annex to decision 4/CP.20, paragraph 6 (a) and (b)</i></p>	<p>Furthermore, the investment criteria of the Fund will consider funding proposals' alignment with NAPs and other existing climate policies, in particular the 'country ownership' criterion which further assesses whether project and programme objectives are designed in cognizance of and in line with priorities in the country's climate strategies and policies. These checks and balances therefore aim to ensure that the Fund supports only those projects and programmes that are well coordinated with NAPs and other climate-related strategies of a country.</p> <p>(b) The Fund is engaging with institutions working on the Fund's readiness initiatives and has set up a coordination mechanism with these institutions.</p>

**Table 1C: Overview of actions taken pursuant to decision 3/CP.20: National adaptation plans**

Guidance received from the Conference of the Parties	Relevant actions taken by the Fund
<p>Requests the Adaptation Committee and the Least Developed Countries Expert Group, in collaboration with the Green Climate Fund, as an operating entity of the Financial Mechanism, to consider how to best support developing country Parties in accessing funding from the Green Climate Fund for the process to formulate and implement national adaptation plans, and to report thereon to the Subsidiary Body for Implementation at its forty-second session.</p> <p><i>Decision 3/CP.20, paragraph 11</i></p>	<p>The Co-Chairs of the Board of the Fund participated in a teleconference with the Co-Chairs of the Adaptation Fund and representatives of the Chairperson of the Least Developed Countries Expert Group to discuss the implementation of decision 3/CP.20. Information on possibilities to access the Fund's resources in support of NAPs and overall adaptation actions was exchanged, including on the second pillar of the Readiness and Preparatory Support Programme, through which the Fund will support the development of strategic frameworks, including the preparation of country programmes with the aim of ensuring that the resulting activities are well-coordinated with NAPs and other climate-related strategies. The bodies agreed to further collaborate and continue to explore possible options.</p>

## 2.2 Overview of guidance from the Conference of the Parties at its seventeenth, eighteenth and nineteenth sessions that is still relevant for reporting and action

7. The guidance provided to the Fund at COP 17, COP 18 and COP 19 that is still relevant has been consolidated in Tables 2A and 2B below. Similar guidance from these three conferences has been grouped together in order to facilitate the understanding of the decisions and actions taken by the Fund in addressing such guidance.

**Table 2A: Overview of actions taken pursuant to guidance from the Conference of the Parties at its seventeenth, eighteenth and nineteenth sessions that is still relevant for reporting and action**

Guidance received from the Conference of the Parties	Relevant decisions/actions taken by the Fund
<p>Confirms that all developing country Parties to the Convention are eligible to receive resources from the Fund</p> <p><i>Decision 4/CP.19, paragraph 10</i></p>	<p>The Fund considers all developing country Parties to the Convention as eligible for funding.</p>
<p>Calls for ambitious and timely contributions by developed countries to enable an effective operationalization, including for readiness and preparatory support of the Green Climate Fund that reflects the needs and challenges of developing countries in addressing climate change in the context of preparing, by the twentieth session of the Conference of the Parties (December 2014), the initial resource mobilization process described in paragraph 12 above;</p> <p>Underlines that initial resource mobilization should reach a very significant scale that reflects the needs and challenges of developing countries in addressing climate change;</p> <p><i>Decision 4/CP.19, paragraphs 13 and 14</i></p>	<p>The Fund has secured pledges of US \$10 billion equivalent so far in its initial resource mobilization process from 33 countries, 25 of which are developed countries and 8 of which are developing countries. Since the Fund's 2014 Pledging Conference, 22 countries have signed contribution agreements/arrangements for a total of approximately US\$ 5.47 billion equivalent (as at 31 May 2015).</p> <p>The Fund strongly encourages contributors of the remaining US\$4.7 billion to promptly turn pledges into contributions.</p> <p>Scale is essential for the Fund to deliver on its mandate and efforts to mobilize additional resources to the Fund are ongoing. The pledges received so far are just the beginning of the Fund's fundraising efforts, and it is essential that new and additional resources continue to be pledged to the Fund on an ongoing basis.</p> <p>The Paris Agreement is also an important opportunity for Parties to the Convention to agree on the pathway for growth in the Fund's resources beyond 2020.</p>
<p>Requests the Board of the Fund:</p> <p>(a) To consider important lessons learned on country-driven processes from other existing funds;</p> <p><i>Decision 4/CP.19, paragraph 16 (a)</i></p>	<p>Please see responses below to the Annex to decision 5/CP.19, paragraph 15 and decision 7/CP.20, paragraphs 16 and 17.</p>

Guidance received from the Conference of the Parties	Relevant decisions/actions taken by the Fund
<p>Requests the Board of the Fund to report on the implementation of the arrangements referred to in paragraph 4 of decision 5/CP.19 in its annual reports to the COP, starting at the twentieth session of the COP (December 2014).</p> <p><i>Decision 5/CP.19, paragraph 5</i></p>	<p>Please refer to Chapter IV of this report and Table 4 for progress made by the Fund in the implementation of the arrangements between the Conference of the Parties (COP) and the Fund.</p>
<p>Requests the Board of the Green Climate Fund:</p> <p>(a) To develop a transparent no-objection procedure to be conducted through national designated authorities referred to in paragraph 46 of the Governing Instrument, in order to ensure consistency with national climate strategies and plans and a country-driven approach and to provide for effective direct and indirect public and private-sector financing by the Fund, and to determine this procedure prior to approval of funding proposals by the Fund;</p> <p><i>Decision 6/CP.18, paragraph 7 (a)</i></p> <p>Linked with: <i>Decision 3/CP.17, paragraph 7</i></p>	<p>(a) By its decision B.08/10, paragraph (b), the Board approved the initial no-objection procedure contained in Annex XII of the document GCF/B.08/45. In accordance with decision B.08/10 (a), the Board will only consider funding proposals that are submitted with a formal letter of no-objection by the National Designated Authority.</p>
<p>(c) To secure funding for the Fund, taking into account paragraphs 29 and 30 of the Governing Instrument, to facilitate its expeditious operationalization, and to establish the necessary policies and procedures to enable an early and adequate replenishment process;</p> <p><i>Decision 6/CP.18, paragraph 7 (c)</i></p> <p>Linked with: <i>Annex to decision 5/CP.19, para 17 (b)</i> <i>Decision 4/CP.19, para 9 (a)</i></p>	<p>(c) As at 31 May 2015, 22 out of 33 countries had signed their contribution arrangements/agreements so that the Fund reached effectiveness. Efforts to collaborate with the remaining contributors to convert pledges into contribution arrangements/agreements are ongoing. The Fund calls on contributors to do so before the twenty-first session of the COP. New contributions can be taken in by the Fund on an ongoing basis.</p> <p>The Board aims to consider the arrangements for the formal replenishment of the Fund with all interested contributors in line with decision B.05/17.</p>

Guidance received from the Conference of the Parties	Relevant decisions/actions taken by the Fund
<p>(e) To select the trustee of the Fund through an open, transparent and competitive bidding process in a timely manner to ensure that there is no discontinuity in trustee services;</p> <p><i>Decision 6/CP.18, paragraph 7 (e),</i></p> <p>Linked with: <i>Decision 3/CP.17, paragraph 16</i></p>	<p>(e) By its decision B.08/22, the Board invited the World Bank to continue serving as the Interim Trustee until a permanent Trustee is appointed. The process to appoint the permanent Trustee should be finalized no later than the end of 2017, to enable the permanent Trustee to commence its contractual agreement with the Fund no later than April 2018.</p>
<p>(f) To initiate a process to collaborate with the Adaptation Committee and the Technology Executive Committee, as well as other relevant thematic bodies under the Convention, to define linkages between the Fund and these bodies, as appropriate;</p> <p><i>Decision 6/CP.18, paragraph 7 (f)</i></p> <p>Linked with: <i>Decision 3/CP.17, paragraph 17</i></p>	<p>(f) The Co-Chairs of the Board of the Fund have collaborated with the Co-Chairs of the Adaptation Committee and representatives of the Chairperson of the Least Developed Countries Expert Group (LEG) to discuss the implementation of decision 3/CP.20. The Co-Chairs have also engaged with the Co-Chairs of the Technology Executive Committee (TEC) to discuss possibilities for continued engagement of the bodies as the financial and technical mechanisms of the Convention.</p> <p>The Co-Chairs and representatives of the Secretariat have also participated in meetings and events of the thematic bodies of the Convention and other climate funds. These include the SCF; AC; LEG; TEC; ADP; GEF; AF; CIFs and the Multilateral Fund. Further details on the engagement of the Fund with relevant thematic bodies of the Convention and other climate funds are outlined in the responses to decisions 5/CP.19, par. 15 and 7/CP.20, par. 16.</p>

**Table 2B: Overview of actions taken pursuant to decision 1/CP.18: Agreed outcome pursuant to the Bali Action Plan**

Guidance received from the Conference of the Parties	Relevant actions taken by the Fund
<p>Agrees to further elaborate, at its twentieth session, the linkages between the Technology Mechanism and the financial mechanism of the Convention, taking into consideration the recommendations of the Board of the Green Climate Fund, developed in accordance with decision 3/CP.17, par 17, and of the Technology Executive Committee, developed in accordance with decision 4/CP.17, par 6.</p> <p>Decision: 1/CP.18 paragraph 62</p> <p>Linked with: <i>Decision 3/CP.17, paragraph 17</i></p>	<p>The item on engagement of the Fund with the UNFCCC thematic bodies is in the pipeline for consideration by the Board. The Fund recognizes the importance of the engagement with the technology mechanism and initial exchanges between the two bodies have taken place.</p>

### **III. Action taken pursuant to the Fifth Review of the Financial Mechanism of the Convention**

8. The Fund welcomes the recommendations of the COP emanating from the Fifth Review of the Financial Mechanism (decision 9/CP.20). As a designated operating entity of the financial mechanism of the Convention, the Fund is taking into consideration the recommendations in the formulation of its guidelines and procedures and in its operations as appropriate.

9. Efforts to address the recommendations in the current and future work of the Fund are ongoing, and an overview of actions taken by the Fund to date pursuant the review are presented in Table 3 below.

**Table 3: Overview of guidance from decision 9/CP.20 on the Fifth Review of the Financial Mechanism and actions taken by the Fund**

Guidance received from the Conference of the Parties	Relevant decisions/actions taken by the Fund
<p>The GCF could build on the experience of and lessons learned from the GEF in terms of stakeholder involvement. In this regard, the GCF may consider establishing a robust consultative process with its observers in order to ensure that adequate and timely consultation is undertaken with respect to the development of its policies, procedures, guidelines, and, later on, during the implementation of programmes and projects of the Fund.</p> <p><i>Annex to decision 9/CP.20, paragraph 14</i></p>	<p>In accordance with the Governing Instrument, participants in meetings of the Board include four active observers consisting of two civil society organization (CSO) representatives, one each from developing and developed countries; and two private sector organization (PSO) representatives, one each from developing and developed countries. The CSO and PSO representatives actively participate in Board discussions. In accordance with the Fund’s Rules of Procedure, Board documents are transmitted to active observers and posted on the Fund’s website on the same day that they are sent to Board members.</p> <p>At its third meeting, the Board adopted the Fund’s guidelines relating to observer participation, accreditation of observer organizations and participation of active observers in meetings of the Board (Annex XII to document GCF/B.01-13/12). The review of the guidelines on the participation of observers and their consideration by the Board is planned to be carried out in 2015. The CSOs and PSOs have been invited to provide joint inputs on observer participation.</p>
<p>In developing its own approach to gender mainstreaming, the GCF could build on the experience of the GEF. It is recommended that gender equality be integrated in the structure and organization of the GCF itself, and that gender-sensitive criteria be taken into account in funding approvals of the Fund.</p> <p><i>Annex to decision 9/CP.20, paragraph 18</i></p>	<p>The Governing Instrument explicitly lists women among the Fund’s stakeholders. The Board therefore adopted a Fund-wide gender policy and action plan in decision B.09/11 that aims to embed gender equality in the structure and organization of the Fund itself. The policy is aimed to enhance a gender-sensitive approach in the Fund’s processes and operations, including in the design and implementation of the activities to be financed by the Fund. The Gender Policy for the Fund is contained in Annex XIII to document GCF/B.09/23 and the Gender Action Plan 2015–2017 in Annex XIV to document GCF/B.09/23.</p> <p>The gender-sensitive approach has continually been considered and is embedded in the Fund’s guidelines and procedures as developed to date, including in Fund’s Readiness and Preparatory Support Programme and in the initial results management framework. This is consistent with the Fund’s mandate on gender sensitivity laid out in the Governing Instrument. The Fund has also promoted gender balance in its staff pool so that 47.5 per cent of staff members are female and 52.5 per cent are male to date.</p>
<p>As the GCF is developing its own environment and social safeguards, it should consider consistency with the safeguards of the GEF.</p> <p><i>Annex to decision 9/CP.20, paragraph 21</i></p>	<p>The Fund adopted the International Finance Corporation’s (IFC) Performance Standards as its interim environmental and social safeguards (ESS). In accordance with decision B.07/02, the Board “aims to complete the process of developing the Fund’s own ESS, which will build on evolving best practices, within a period of three years after the Fund becomes operational, and with inclusive multi-stakeholder participation”.</p>

<b>Guidance received from the Conference of the Parties</b>	<b>Relevant decisions/actions taken by the Fund</b>
<p>Since the GCF will also be using financial intermediaries such as commercial banks, it is recommended that the GCF also develop an appropriate oversight mechanism to ensure that the institutions to which these intermediaries will channel funding also comply with the environmental policies and social safeguards of the GCF.</p> <p><i>Annex to decision 9/CP.20, paragraph 22</i></p>	<p>Following on from decision B.08/02, the monitoring and accountability framework of entities accredited to the Fund is scheduled for consideration by the Board in 2015. This framework is to act as an oversight mechanism to ensure that accredited entities and the institutions to which they channel funding also comply with the ESS of the Fund. The framework will be applicable to all accredited entities of the Fund including commercial banks as the case may be.</p>
<p>As it monitors the use of its initial fiduciary standards and reviews those standards within the next three years, the GCF should consider maintaining consistency with the standards of the GEF.</p> <p><i>Annex to decision 9/CP.20, paragraph 25</i></p>	<p>The initial fiduciary principles and standards of the Fund were drawn up based primarily on the standards of the GEF in addition to those of the Adaptation Fund and the Directorate-General for Development and Cooperation–EuropeAid of the European Commission (EU DEVCO), and on best practices from most multilateral development banks. When the Board adopted the initial fiduciary principles and standards through decision B.07/02, it decided to conduct a review of the standards within three years.</p>
<p>The GEF and the GCF may consider collaborating in the use of funding pathways that may include the LDCF and the SCCF.</p> <p><i>Annex to decision 9/CP.20, paragraph 51</i></p>	<p>The Fund considers the needs of LDCs and countries with special needs in its policies and practices as mandated in its Governing Instrument which states that “In allocating resources for adaptation, the Board will take into account the urgent and immediate needs of developing countries that are particularly vulnerable to the adverse effects of climate change, including LDCs, SIDS and African States”. Collaboration with other funds is still to be considered by the Board.</p>
<p>The GCF would benefit from lessons learned on the accreditation process from other funds, particularly the GEF. In the case of the GEF, the goal of accreditation of 10 project agencies was only partially achieved. The GCF may consider building on existing systems of GEF intermediaries and implementing entities, and may in the process also consider providing financial assistance to support the accreditation of national entities in recipient countries that may need it.</p> <p><i>Annex to decision 9/CP.20, paragraph 58</i></p>	<p>Following the launch of its online accreditation system in November 2014, 95 institutions have begun the accreditation application process and, of these, 55 institutions from all over the world have already applied. These institutions reflect a diversity of subnational, national, regional, private, non-governmental and international organizations that can operate at various levels of scale and can undertake a range of financial instruments, such as grants, loans, equity and guarantees, underscoring the appeal of the Fund’s ‘fit-for-purpose’ approach.</p> <p>The Fund has accredited its initial seven entities through which resources for approved projects and programmes will be deployed. The Board will continue to consider an additional 13 applications for accreditation in its second meeting in 2015, and further entities at its third meeting in 2015. In addition, the Board will consider ways to further support subnational, national, regional and private sector entities in gaining accreditation to the Fund</p> <p>Currently, institutions accredited by and in full compliance with the standards of the Global Environment Facility (GEF) (in addition to those accredited by the Adaptation Fund and EU DEVCO)</p>

Guidance received from the Conference of the Parties	Relevant decisions/actions taken by the Fund
	<p>are eligible to apply for accreditation to the Fund under the fast-track accreditation process, thus building on existing systems of such intermediaries and implementing entities.</p> <p>The Fund has since started its Readiness and Preparatory Support Programme to support activities aimed at developing projects and programmes that meet the Fund’s objectives. Activity area 3 of the Programme is ‘Selection of intermediaries and implementing entities and support for accreditation’, aimed at supporting subnational, national and regional institutions through the accreditation process of the Fund, including for fast-track accreditation where applicable. In coordination with NDAs and focal points, the Fund has so far provided in-kind support to 24 entities to orient them on the accreditation requirements and assist them in submitting applications for accreditation under the direct access modality; three have been accredited and six are to be considered at the tenth meeting of the Board. The Fund has similarly provided assistance to many more subnational, national and regional entities that have expressed their interest in or are preparing to apply for accreditation to the Fund.</p>
<p>There is ample room for the GCF to learn from the experiences of other funds in terms of improving the enabling environments in recipient countries. It can do this by linking investments with focused efforts to engage stakeholders within countries in programming, and by providing technical assistance and capacity-building so as to strengthen enabling environments – institutions, policies, and regulations – that support mitigation and adaptation actions in developing countries.</p> <p><i>Annex to decision 9/CP.20, paragraph 69</i></p>	<p>The Board adopted the Fund’s investment criteria through decision B.07/06 and adopted the sub-criteria and indicative factors that further elaborate the investment criteria through decision B.09/05.</p> <p>One of the investment criteria is ‘country ownership’, which is defined as beneficiary country ownership of and capacity to implement a funded project or programme. This investment criteria and sub-criteria for a project or programme that is to be implemented include (i) the existence of a national climate strategy; (ii) coherence with existing policies; (iii) capacity of implementing entities, intermediaries or executing entities to deliver; and (iv) engagement with civil society organizations and other relevant stakeholders. This investment criteria and applicable sub-criteria typically aims at linking the investment to be made by the Fund with the enabling environment. One sub-criterion (needs of a recipient country) to apply to all applicable projects and programmes further assesses the potential of the proposed project or programme to strengthen institutional and implementation capacity of relevant institutions in the context of the proposal.</p> <p>In addition, the Fund has in place the Readiness and Preparatory Support Programme, which provides for a comprehensive framework of technical assistance and capacity-building across the Programme’s five key pillars. Further details on the Readiness Programme are included in the response to paragraph 12 of decision 7/CP.20 (see Table 1A).</p>

<b>Guidance received from the Conference of the Parties</b>	<b>Relevant decisions/actions taken by the Fund</b>
<p>The GEF and the GCF may consider collaborating to harmonize impact indicators and set new norms around reporting practice, especially in the context of adaptation finance. Furthermore, the operationalization of the GCF results-based management framework presents an opportunity to make progress in this regard.</p> <p><i>Annex to decision 9/CP.20, paragraph 76</i></p>	<p>At its eighth meeting, the Board adopted the Fund’s mitigation and adaptation performance measurement frameworks (PMFs), embedded in the initial results management framework (RMF), and some of its indicators (decision B.08/07). The Board in the same decision requested the Secretariat to further develop some of the PMF indicators that need refinement, that include indicators on adaptation.</p> <p>The development of the proposed PMFs and their indicators as initially proposed to the Board at its eighth meeting was informed by their relevance to the Fund’s logic models, practices, lessons learned and evaluations of the other climate funds and peer agencies, and technical soundness. The GEF was consulted in this first phase of developing the RMF/PMF indicators on both mitigation and adaptation. Following the request by the Board at its eighth meeting, the revision of the indicators is ongoing, and consultations with the GEF, including the GEF Independent Evaluation Office have once again been carried out to this end. The revised mitigation and adaptation PMFs are in the pipeline for consideration by the Board at its upcoming meetings.</p>

#### **IV. Report on the implementation of the arrangements between the Conference of the Parties and the Fund**

10. By its decision 5/CP.19, the COP outlined the reporting arrangements between the COP and the Fund to be included in the Fund's annual report to the COP starting from COP 20. The reporting arrangements are aimed to set out the working relationship between the COP and the Fund to ensure that the Fund is accountable to and functions under the guidance of the COP to support projects, programmes, policies and other activities in developing country Parties.

11. Table 4 below summarizes the decisions and actions taken by the Fund in addressing the elements for reporting in the arrangements between the COP and the Fund.

**Table 4: Overview of reporting elements in the arrangements between the Conference of the Parties and the Fund**

Guidance received from the Conference of the Parties	Relevant decisions/actions taken by the Fund
<p><i>Requests</i> the Board of the Green Climate Fund to report on the implementation of the arrangements in its annual reports to the COP, starting at the twentieth session of the Conference of the Parties (December 2014).</p> <p><i>Decision 5/CP.19, paragraph 5</i></p>	<p>This report addresses this request, in particular Chapter IV and Table 4.</p>
<p>The GCF will include in its annual reports to the COP the recommendations of its independent redress mechanism, and any action taken by the Board of the Fund in response to those recommendations.</p> <p><i>Annex to decision 5/CP.19, paragraph 9</i></p>	<p>See response to paragraph 24 of decision 7/CP.20 (see Table 1A).</p>
<p>The GCF is to submit annual reports to the COP for its consideration. Such annual reports shall include information on the implementation of policies, programme priorities and eligibility criteria provided by the COP, including information on the extent to which the Board of the Fund has adhered to COP guidance.</p> <p><i>Annex to decision 5/CP.19, paragraph 11</i></p> <p>Linked with: <i>Decision 6/CP.18, paragraph 5</i></p>	<p>This report addresses this request.</p>
<p>The GCF will include in its reports a synthesis of the different activities under implementation and a listing of the activities approved, as well as a financial report.</p> <p><i>Annex to decision 5/CP.19, paragraph 12</i></p> <p>Linked with: <i>Decision 6/CP.18, paragraph 10 (ii)</i></p>	<p>Pursuant to decision 5/CP.19, paragraph 12, the Board requested the Fund to report on the activities undertaken, including joint activities with existing initiatives and the progress of committing and disbursing available funds (decision B.06/11 and decision B.08/11).</p> <p>The Fund is currently supporting readiness activities and has decided to consider its initial funding proposals at the third meeting of the Board in 2015. A report on this guidance will be timely when a portfolio of activities implemented under the Fund is in place.</p> <p>Activities supported under the Readiness Programme are included in the Programme's progress reports:</p> <ul style="list-style-type: none"> <li>• <i>Revised Report on Readiness and Preparatory Support Programme</i> (GCF/BM-2015/Inf.05); and</li> <li>• <i>Progress Report on the Readiness and Preparatory Support Programme</i> (GCF/B.10/Inf.06);</li> </ul>
<p>The GCF will also include information on all activities financed by the Fund.</p> <p><i>Annex to decision 5/CP.19, paragraph 13</i></p>	

Guidance received from the Conference of the Parties	Relevant decisions/actions taken by the Fund
	<p>Reports on activities financed by the Fund, including expenditure against the Board-approved allocation of US\$ 16 million for the Readiness Programme, are also available as:</p> <ul style="list-style-type: none"> <li>• <i>Status of Resources and Execution of the Administrative Budget of the Green Climate Fund for 1 January to 31 December 2014</i> (GCF/BM-2015/Inf.02); and</li> <li>• <i>Status of Resources and Execution of the Administrative Budget of the Green Climate Fund at 30 April 2015</i> (GCF/BM-2015/Inf.08).</li> </ul> <p>Other details on the Readiness Programme are contained in this report in the responses to related COP guidance, as well as other parts of the report.</p> <p>All the documents referred to above are available at the Fund's website<sup>4</sup></p>
<p>The GCF will indicate actions undertaken to balance the allocation of resources between adaptation and mitigation activities under the Fund.</p> <p><i>Annex to decision 5/CP.19, paragraph 14</i></p> <p>Linked with: <i>Decision 4/CP.19, paragraph 9 (a)</i> <i>Decision 6/CP.18, paragraph 7 (b)</i> <i>Decision 3/CP.17, paragraph 8</i></p>	<p>The Board adopted the initial parameters and guidelines for the allocation of resources in order to aim for a 50:50 balance between mitigation and adaptation over time (decision B.06/06). In the same decision, the Board therefore requested the Secretariat to report annually on the status of resources in respect of the allocation parameters.</p> <p>The Board is aiming to consider the initial set of funding proposals in its third meeting in 2015. The status of the portfolio versus the allocation parameters can only be assessed after the portfolio is set up.</p>
<p>The GCF will include information on the development and implementation of mechanisms to draw on appropriate expert and technical advice, including from the relevant thematic bodies established under the Convention, as appropriate.</p> <p><i>Annex to decision 5/CP.19, paragraph 15</i></p>	<p>The Fund continues to engage with the relevant thematic bodies under the Convention and other relevant international institutions to draw on appropriate technical advice.</p> <p>Among other things, the Board put in place technical panels to draw on appropriate expert and technical advice. To date, the Fund has an Accreditation Panel and a Private Sector Advisory Group. Most recently, the Board adopted the terms of reference of the independent Technical Advisory Panel (decision B.09/10) and will consider the nomination of its experts at the tenth meeting.</p> <p>Efforts to draw on appropriate expert and technical advice from relevant thematic bodies and other relevant bodies are ongoing. Examples are outlined in the response to paragraph 15 of decision 7/CP.20 (see Table 1A).</p>
<p>The GCF is to provide information on resource mobilization and the available financial resources,</p>	<p>Details on the status of the Initial Resource Mobilization process are provided in the responses to decision 7/CP.20, paragraph 5 (see Table 1A), and decision 4/CP.19, paragraphs 13 and 14 (see Table 2).</p>

<sup>4</sup> <http://www.gcfund.org/documents/all-board-documents.html>

<b>Guidance received from the Conference of the Parties</b>	<b>Relevant decisions/actions taken by the Fund</b>
<p>including any replenishment processes, in its annual reports to the COP.</p> <p><i>Annex to decision 5/CP.19, paragraph 17 (b)</i></p> <p>Linked with: <i>Decision 6/CP.18, paragraph 7 (c)</i></p>	<p>Information on the replenishment process will be provided once the process has been established.</p>
<p>The reports of the GCF should include any reports of the independent evaluation unit, including for the purposes of the periodic reviews of the financial mechanism of the Convention.</p> <p><i>Annex to decision 5/CP.19, paragraph 20</i></p>	<p>The independent Evaluation Unit of the Fund is in the process of being set up in accordance with previous decisions of the Board and the operations of the mechanism have not yet commenced.</p>

## V. Other activities of the Fund

### 5.1 The Board

12. The Fund is governed and supervised by a Board that also has full responsibility for funding decisions. The Board has 24 members, composed of an equal number of members from developing and developed country Parties to the Convention. Each Board member has an alternate member. Participants in meetings of the Board also include advisers to Board members and their alternates and four active observers. The Board usually holds three meetings in a year.

13. Members of the Board serve for a term of three years. The current term of Board membership started in August 2012 and is to expire in 2015.

#### 5.1.1 Initial term of Board membership

14. Regarding the upcoming end of the initial term of Board membership, the Board in decision B.09/12 affirmed the following set of principles to apply if successors to the current members and alternate members of the Board or to active observers are not selected by 23 August 2015:

- (a) Members and alternate members of the Board whose terms expire on 23 August 2015 shall continue in their functions until their successors have been selected;
- (b) Members and alternate members of the Board serving in the capacity of members of the Accreditation Committee, the Risk Management Committee, the Investment Committee and the Private Sector Advisory Group whose terms expire in 2015 shall continue their functions until their successors have been selected;
- (c) Representatives from the active observers from accredited civil society organizations and private sector organizations whose terms expire in 2015 shall continue their functions until their successors have been selected; and
- (d) Successors are expected to be selected not later than 31 December 2015.

15. At the request of the Board, the Secretariat conveyed the principles above to all Parties to the UNFCCC, copying the UNFCCC secretariat and regional groups of the Convention. The Board is to consider further the principles contained in the decision mentioned above at its tenth meeting.

16. Appendix II contains the list of Board members and alternate members.

#### 5.1.2 Meetings of the Board

17. An informal Board dialogue was held at the start of the year on 19 and 20 January 2015 at the Peace Palace in The Hague, the Netherlands. The meeting played an important role in identifying the main areas of work for the Fund in 2015.

18. The ninth meeting of the Board was held at the Fund's headquarters in Songdo, Republic of Korea from 24–26 March 2015. The decisions taken by the Board at its ninth meeting are contained in document GCF/B.09/23 *Decisions of the Board – Ninth Meeting of the Board, 24 - 26 March 2015*<sup>5</sup>. The report of the meeting will become available on the Fund's website once adopted by the Board at its tenth meeting.

---

<sup>5</sup> <http://www.gcfund.org/documents/all-board-documents.html>

19. Further meetings of the Board in 2015 include the tenth meeting, scheduled to take place from 6–9 July in Songdo, Republic of Korea and the eleventh meeting, whose dates and venue are to be determined.

## 5.2 Management and staff of the Fund

20. The Fund is headquartered in Songdo, Republic of Korea. It carries out day-to-day operations of the Fund, providing operational, financial, legal and administrative expertise.

21. The Secretariat supports the Board in its work programmes and in the implementation of agreed decisions. Secretariat support is also extended to Board committees and panels.

22. Progress has been made in the implementation of systems and in recruitments, enhancing the capacity of the Fund's management and staff. The Fund has aimed to achieve balance in gender and geographical representation between developed and developing countries among its staff. To date 47.5 per cent of staff members are female while 52.5 per cent are male; and 57.5 per cent are from developing countries while 42.5 per cent are from developed countries.

## 5.3 Observers

23. In accordance with the Governing Instrument of the Fund, participants in meetings of the Board include four active observers consisting of two civil society organization (CSO) representatives, one each from developing and developed countries; and two private sector organization (PSO) representatives, one each from developing and developed countries. The CSO and PSO representatives actively participate in Board discussions. In addition, other observers are physically present at the venue of Board meetings and witness the meetings through live video transmission. A total of 155 observers attended the ninth meeting of the Board, representing 96 observer organizations and 14 Parties to the Convention and observer states. Calls for accrediting observer organizations to the Fund are opened on a regular basis.

## 5.4 The Fund's resources

### 5.4.3 Activities on resource mobilization

24. By its initial resource mobilisation conference in November 2014, the Fund had mobilised approximately US\$ 10 billion equivalent of pledges from 33 contributing countries. The COP in decision 7/CP.20 paragraph 5 urged the Fund, interim Trustee, and contributors to confirm the pledges in the form of fully executed contribution agreements/arrangement and took note of decision B.08/13 where the Board agreed that the commitment authority of the Fund would become effective when 50 per cent of the contributions pledged by the November 2014 pledging session were reflected in fully executed contribution agreements/arrangements received by the secretariat.

25. As of 31 May 2015, 22 countries had signed contribution agreements/arrangements since the Fund's 2014 Pledging Conference, bringing the total to approximately US\$ 5.47 billion equivalent, which represents 58.5 per cent of the contributions pledged during the 2014 Pledging Conference. This total amount takes the Fund above the effectiveness threshold of 50 per cent. The pledge tracker that demonstrates the execution of individual contributions as at 28 May 2015 is included in Appendix III. Further information on resource mobilization is contained in the document GCF/B.10/Inf.09 *Status of the Initial Resource Mobilization Process*.

26. The Fund strongly urges the contributors of the remaining US\$ 4.7 billion to convert all pledges into actual contributions.

27. Efforts to mobilize additional resources are ongoing as scale is essential for the Fund to deliver on its mandate. The US\$ 10 billion equivalent of pledges received is just the beginning of the Fund's fundraising efforts, and it is essential that new and additional resources continue to be pledged to the Fund on an ongoing basis. The Paris Agreement is an important opportunity for Parties to the Convention to agree on the pathway for growth in the Fund resources beyond 2020.

#### 5.4.4 **Status of resources and execution of the administrative budget**

28. Funds from contributors' payments and investment income earned by the Interim Trustee, less the amount of cash transfers (Funds Held in Trust) as of 31 March 2015 amounted to US\$ 108.63 million.

29. The Fund's 2015 administrative budget stands at US\$ 19,266,866, of which US\$ 4,489,911 was executed by the end of April 2015.

30. Full details on the administrative budget are outlined in the document GCF/BM-2015/Inf.08 *Status of Resources and Execution of the Administrative Budget of the Green Climate Fund at 30 April 2015* available at the Fund's website<sup>6</sup>.

---

<sup>6</sup> <http://www.gcfund.org/documents/all-board-documents.html>

## **Appendix I: List of documents containing decisions of the Board in 2015**

### **I. Ninth meeting (March 2015)**

*Decisions of the Board – Ninth Meeting of the Board, 24-26 March 2015 (GCF/B.09/23)*

*Report of the Ninth Meeting of the Board, 24 - 26 March 2015 (GCF/B.09/24)*

## Appendix II: Members and alternate members of the Board of the Green Climate Fund

<b>Members</b>	<b>Alternate Members</b>	<b>Constituency/Regional Group</b>
Mr. Christian N. Adovelande (Benin) President West African Development Bank	Mr. Tosi Mpanu Mpanu (Democratic Republic of the Congo) Former Chair the African Group of climate negotiators	Developing countries, Africa
Mr. Omar El-Arini (Egypt) Member of Board, Egyptian Environmental Affairs Agency, International consultant on ozone layer and climate issues	Mr. Newai Gebre-ab (Ethiopia) Member the former Transitional Committee for the design of the Green Climate Fund	
Mr. Zaheer Fakir (South Africa) Head International Relations and Governance, Department of Environmental Affairs	Mr. Paulo Gomes (Guinea Bissau) Member of the Board of Directors, Ecobank Transnational Inc. Vice-Chairman of the finance committee	
Mr. Yingming Yang (China) Deputy Director General International Department, Ministry of Finance	Mr. Hoe Jeong Kim (Republic of Korea) Director General International Financial Cooperation, Ministry of Strategy and Finance	Developing countries, Asia-Pacific
Mr. Ayman M. Shasly (Saudi Arabia) International Policies Consultant Ministry of Petroleum and Mineral Resources	Mr. Jose Ma. Clemente Sarte Salceda (Philippines) Governor Province of Albay	
Mr. Nauman Bashir Bhatti (Pakistan)	Mr. Shri Dipak Dasgupta (India) Principal Economic Adviser Ministry of Finance	
Mr. Jorge Ferrer Rodriguez (Cuba) Minister Counsellor Multilateral Affairs and International Law General Division, Ministry of Foreign Affairs	H.E. Ms. Audrey Joy Grant (Belize) Minister Energy, Science and Technology and Public Utilities	Developing countries, Latin America and the Caribbean
Ms. Mariana Ines Micozzi (Argentine) Advisor to Secretariat of Finance Ministry of Economy and Finance	Mr. Cristian Salas (Chile) Advisor for International Affairs to the Minister Ministry of Finance	Developing countries, Latin America and the Caribbean



Mr. Gabriel Quijandria (Peru) Vice Minister, Ministry of Environment	Mr. Angel Valverde (Ecuador) National Director Mitigation on Climate Change, Ministry of Environment	
Mr. David Kaluba (Zambia) Principal Economist Ministry of Finance and National Planning	Mr. Nojibur Rahman (Bangladesh) Secretary Ministry of Environment and Forests	Developing countries, Least developed countries
Mr. Patrick McCaskie (Barbados) Director Research and Planning Unit, Economic Affairs Division, Ministry of Finance and Economic Affairs	H.E. Mr. Ali'ioaigi Feturi Elisaia (Samoa) Ambassador Extraordinary and Plenipotentiary, Permanent Representative Permanent Mission of Samoa to the United Nations	Developing countries, Small island developing States
Mr. George Zedginidze (Georgia) Former Minister Ministry of Environment Protection	Mr. Irfan Ampri (Indonesia) Head Center for Climate Change Financing and Multilateral Policy, Fiscal Policy Agency, Ministry of Finance	Developing countries
Mr. Clare Walsh (Australia) First Assistant Secretary Department of Foreign Affairs and Trade	Mr. Peter J. Kalas (Czech Republic) Former Minister Ministry of Environment	Developed countries, Australia on behalf of Australia and New Zealand
Mr. Jacob Waslander (Netherlands) Head Climate and Energy Division, Ministry of Foreign Affairs	Mr. Peder Lundquist (Denmark) Deputy Permanent Secretary Ministry of Finance	Developed countries, Denmark and the Netherlands
Mr. Arnaud Buisse (France) Deputy Assistant Secretary Multilateral Financial Affairs and Development Division, Directorate-General of the Treasury	Mr. Frederic Glanois (France) Head Official Development Assistance and Multilateral Development, Directorate-General of the Treasury	Developed countries, France
Ms. Ingrid-Gabriela Hoven (Germany) Director General Sector Policies and Programmes, Federal Ministry for Economic Cooperation and Development	Mr. Norbert Gorissen (Germany) Head Division of International Climate Finance, International Climate Initiative, Federal Ministry for the Environment, Nature Conservation and Nuclear Safety (BMU)	Developed countries, Germany



<p>Mr. Atsuyuki Oike (Japan) Director-General for Global Issues Ministry of Foreign Affairs</p>	<p>Mr. Shuichi Hosoda (Japan) Director Development Issues, International Bureau Ministry of Finance</p>	<p>Developed countries, Japan</p>
<p>Mr. Henrik Harboe (Norway) Director of Development Policy Ministry of Foreign Affairs</p>	<p>Mr. Georg Børsting (Norway) Policy Director Ministry of Foreign Affairs</p>	<p>Developed countries, Norway</p>
<p>Mr. Zoltan Ajtony Hevesi (Hungary) Deputy State Secretary Ministry of National Development</p>	<p>Mr. Marcin Korolec (Poland) Secretary of State, Government Plenipotentiary for Climate Policy</p>	<p>Developed countries, Hungary and Poland</p>
<p>Ms. Ludovica Soderini (Italy) International Financial Relations, Treasury Department, Ministry of Economy and Finance</p>	<p>Ms. Aize Azqueta Quemada (Spain) Coordinator of Climate Funds, Ministry of Economy and Competitiveness</p>	<p>Developed countries, Spain and Italy</p>
<p>Mr. Stefan Marco Schwager (Switzerland) Senior Adviser International Biodiversity and Climate Change Finance, Federal Office for the Environment</p>	<p>Mr. Alexey Kvasov (Russian Federation) Deputy Chief of the Presidential Experts' Directorate Russian G8 Sherpa, Executive Office of the President</p>	<p>Developed countries, Russian Federation and Switzerland</p>
<p>H.E. Mr. Jan Cedergren (Sweden) Ambassador Ministry of Environment</p>	<p>Mr. Jozef Buys (Belgium) Attaché Directorate General Development Cooperation Ministry of Foreign Affairs</p>	<p>Developed countries, Sweden and Belgium</p>
<p>Ms. Andrea Ledward (United Kingdom of Great Britain and Northern Ireland) Head DFID's Climate and Environment Department</p>	<p>Ms. Kate Hughes (United Kingdom of Great Britain and Northern Ireland) Deputy Director DFID's Climate and Environment Department</p>	<p>Developed countries, United Kingdom of Great Britain and Northern Ireland</p>
<p>Mr. Leonardo Martinez-Diaz (United States of America) Deputy Assistant Secretary Environment and Energy Office, Department of the Treasury</p>	<p>Mr. C. Alexander Severens (United States of America) Director Environment and Energy Office, Department of the Treasury</p>	<p>Developed countries, United States of America</p>

## **Appendix III: Green Climate Fund Initial Resource Mobilization Pledge Tracker as at 28 May 2015**

PLEDGE TRACKER



### **Status of Pledges and Contributions made to the Green Climate Fund**

Status Date: **28 May 2015**

A total of 33 governments have made a pledge to the Green Climate Fund (GCF) to date, including 8 representing developing countries. The objective is for all pledges to be converted into contribution agreements within one year from the time at which they are made. The combined pledges and contributions made to the Fund are indicated in the table below.

GCF's initial resource mobilization (IRM) period continues to be in progress, and the Fund accepts new pledges on an ongoing basis.

<b>Total amount pledged to date</b>	<b>USD</b>	<b>10.2 billion *</b>
Total amount in contributions signed	USD	5.5 billion *
In percent		58.5% **

\* Amounts indicated are in United States dollars equivalent (USD eq.).

\*\* Percentage is based on the amount in signed contributions divided by the total amount of USD 9.35 billion pledged up until GCF's High-Level Pledging Conference in Berlin in November 2014.

A detailed overview of pledges and contributions by country is shown on the reverse side.



**Status of Pledges for GCF's Initial Resource Mobilization (IRM) as of 28 May 2015**

Calculated on basis of reference exchange rates established for GCF's High-Level Pledging Conference (GCF/BM-2015/Inf.01)

(in millions)

Contributor	Pledges				Grant Equivalent <sup>1</sup>		
	Announced		Signed	Announced Pledge Per Capita	of Pledged Amount	of Signed Amount	
	In Currency	USD eq. <sup>2</sup>	USD eq. <sup>2</sup>	USD eq. <sup>2</sup>	USD eq. <sup>2</sup>	USD eq. <sup>2</sup>	
Australia	AUD	200.0	186.9	-	7.9	186.9	-
Austria <sup>3</sup>	USD	25.0	25.0	26.8	2.9	25.0	26.8
Belgium	EUR	51.6	69.0	54.3	6.2	69.0	54.3
Canada (Grant) <sup>4</sup>	CAD	300.0	277.0	-		TBD	-
Canada (Loan)	CAD	TBD	TBD	-	7.8	TBD	-
Canada (Cushion)	CAD	TBD	TBD	-		TBD	-
Chile	USD	0.3	0.3	0.3	0.0	0.3	0.3
Colombia	USD	6.0	6.0	-	0.1	6.0	-
Czech Republic	CZK	110.0	5.3	0.5	0.5	5.3	0.5
Denmark	DKK	400.0	71.8	71.8	12.8	71.8	71.8
Finland	EUR	80.0	107.0	-	19.8	107.0	-
France (Grant)	EUR	432.0	577.9	577.9		577.9	577.9
France (Loan)	EUR	285.0	381.3	-	16.0	105.1	-
France (Cushion)	EUR	57.0	76.3	-		-	-
Germany	EUR	750.0	1,003.3	1,003.3	12.1	1,003.3	1,003.3
Iceland	USD	0.2	0.2	0.2	0.5	0.2	0.2
Indonesia <sup>5</sup>	USD	0.3	0.3	0.3	0.0	0.3	0.3
Italy	EUR	250.0	334.4	-	5.5	334.4	-
Japan	JPY	154,028.7	1,500.0	1,500.0	11.8	1,500.0	1,500.0
Latvia	EUR	0.4	0.5	0.5	0.2	0.5	0.5
Liechtenstein	CHF	0.1	0.1	0.1	1.5	0.1	0.1
Luxembourg	EUR	5.0	6.7	6.7	13.4	6.7	6.7
Mexico	USD	10.0	10.0	-	0.1	10.0	-
Monaco	EUR	0.3	0.3	0.3	8.8	0.3	0.3
Mongolia	MNT	90.0	0.0	-	0.0	0.0	-
Netherlands	EUR	100.0	133.8	133.8	8.0	133.8	133.8
New Zealand	NZD	3.0	2.6	2.6	0.6	2.6	2.6
Norway	NOK	1,600.0	257.9	257.9	50.6	257.9	257.9
Panama	USD	1.0	1.0	0.5	0.3	1.0	0.5
Peru	USD	6.0	6.0	-	0.2	6.0	-
Poland	PLN	0.4	0.1	0.1	0.0	0.1	0.1
Republic of Korea <sup>5</sup>	USD	100.0	100.0	14.2	2.0	100.0	14.2
Spain	EUR	120.0	160.5	-	3.4	160.5	-
Sweden	SEK	4,000.0	581.2	581.2	60.5	581.2	581.2
Switzerland <sup>6</sup>	USD	100.0	100.0	30.0	12.2	100.0	30.0
United Kingdom (Capital)	GBP	576.0	968.8	968.8		968.8	968.8
United Kingdom (Grant)	GBP	144.0	242.2	242.2	19.1	242.2	242.2
United States of America	USD	3,000.0	3,000.0	-	9.3	3,000.0	-
<b>Total</b>			<b>10,193.5</b>	<b>5,473.9</b>		<b>9,564.1</b>	<b>5,473.9</b>
<b>EU Member States (Total)</b>	USD		<b>4,745.0</b>	<b>3,667.7</b>		<b>4,392.6</b>	<b>3,667.7</b>

**Notes:**

<sup>1</sup> Grant equivalent is calculated based on the terms in Policies for Contributions.

<sup>2</sup> United States dollars equivalent (USD eq.), based on the reference exchange rates established for GCF's High-Level Pledging Conference (GCF/BM-2015/Inf.01).

<sup>3</sup> The pledge from Austria was announced in USD but signed in EUR (20 million). The amount shown as signed is calculated in accordance with <sup>2</sup>.

<sup>4</sup> Type of pledge is indicative. A portion of a grant may be provided as a loan and/or capital.

<sup>5</sup> Signed amount includes contributions made prior to GCF's High-Level Pledging Conference.

<sup>6</sup> Switzerland intends to sign the remainder of its USD 100 million pledge upon confirmation that GCF's effectiveness has been reached (i.e., when 50% of the USD 9.35 billion pledged by GCF's High-Level Pledging Conference has been signed).