

Status of operationalization of GCF

Update at ADP Stocktaking by Co-Chair Manfred Konukiewitz

- Thank you very much for the invitation and the opportunity to provide you with an update of the work of the GCF board. It is an honor to be here and to brief you on our work.
- First of all I would like to convey the warmest greetings from my fellow Co-chair Governor Salceda from the Philippines, who regrets very much that he cannot be here.
- Now to the update on GCF work. I am very glad that I came here with good news. The good news is: GCF operationalization made great progress. We have taken the final steps for the fund to become operational and to start the initial resource mobilization process.
- With the decisions taken at the last Board meeting (18-21 May 2014, Songdo, Republic of Korea), the essential elements for the resource mobilization are complete and the fund can start to be ambitious and effective in supporting the paradigm shift towards low-emission and climate-resilient development, as laid out in the Governing Instrument of the GCF and the decision at COP 17.
- This last GCF board meeting was decisive, but we have made the essential progress needed and the Board eventually also decided to launch the initial source mobilization process. The First meeting of this process will already take place this month, on 30th June, 1st July in Oslo, Norway. A meeting aiming to finalize the collective engagement of the initial resource mobilization before COP20 in Lima.
- Very essential decisions have been taken by the Board in order for the GCF to be the ambitious and result driven fund to support foster transformation in developing countries we like it to become - as a major pillar of the financial architecture of the new 2015 agreement.
- Decisions on the operationalization of the Fund include the decision on initial allocation of resources with the right balance between mitigation and adaptation, the initial results management framework, the initial proposal approval process, the guiding framework and procedures for accrediting entities, and the Fund's financial risk management and investment frameworks.

- We had to get the substance right, be ambitious in design and objectives, and at the same time we all had to show a high degree of flexibility and pragmatism to get this done.
- The last board meeting was probably the most crucial board meeting in the short history of the GCF. We had to bring the operational design of the GCF and its business-model to a graduation – and the board did a great job! We can now all say with confidence: This fund will provide added value to the existing funds in terms of paradigm shift, and it should be significant both in terms of impact as in terms of scale.
- We want this fund to be a champion for climate change with the right parameters in its design to achieve maximum impact for combating climate change and serve for achieving the objectives of the Convention and in particular to stay below our 2 degrees target.
- Now - the operational design work is of course not finished. There are other very important elements that need to be defined for the fund to start its day-to-day operations. We will have to design further areas such as readiness and preparatory support, a gender-sensitive approach, terms and conditions for financial instruments, additional result areas and indicators for adaptation activities; additional modalities that further enhance direct access; Country ownership, including: the no-objection procedure; and country coordination and multi-stakeholder engagement. So the plate of the Board is still full with challenges and we will have to deal with these items at the next board meetings.
- Important to emphasize: the fund will be a continuously evolving and learning institution. The decisions taken by the board now are mainly “initial” policies. Initial means: they are good enough now to start working, and to convince our home constituencies that this is a serious, trustworthy, efficient and effective fund. But they are not cast in stone -there will be a need and opportunity to refine certain elements further, develop the funds own processes (or standards for example), and to review other policies. The Board has focused on the guiding principle: Don't let the perfect be the enemy of the good! And this worked quite well.

- The GCF and its board have come a long way. We have struggled, we even fought some times, but mainly we have worked constructively together to create a joint vision of how this fund will work and what its objectives are. We think we have set the fund on the right track to be operational. We have created a good basis to start the initial resource mobilization process.
- And here I want to thank all the Board members for the hard work and dedication they have brought and are bringing to the process, and especially the first Co-chairs and our predecessors in this job, Zaheer Fakir from South Africa and Ewen McDonald from Australia. They have pioneered the work of the Board and brought it to the place it is in now.
- The fund is now ready to receive, program, manage and disburse funds. We are on track and delivered the initial operational design. Now we have to be equally ambitious in the resource mobilization process.
- We are aware that there are various channels for international climate funding. The IPCC quoted between 35 and 49 billion USD in official financial flows. The GCF has to prove that it will add value and deliver the results needed.
- We count on all interested parties that are in a position to do so to contribute – and contribute substantially – and to participate in this process.
- The resource mobilization process will be a collective engagement with all interested contributors and we are looking forward to engaging with you on this next important step for the GCF to reach maturity and to begin to fulfill its mandate.