

Notes on the GCF status

21 October 2014

On behalf of my fellow co-Chair, Manfred, and the rest of both developed and developing countries board members, I have the pleasure to share with you the status of the progress of the Green Climate Fund.

Let me start by borrowing a quote from Christiana Figueres who had once said – “the success of the GCF is the defining element for the success for COP in Lima and Paris. Eyes of entire community and world are on us to deliver key ingredient for the global agreement (in Paris)”.

Let me assure you, Christiana, and the rest of the international community that the board members demonstrated leadership and acted coherently and with a strong sense of responsibility to make this fund operational.

1. In Songdo, at the 7th Board meeting in May, the GCF was declared OPEN for business, after we have completed the 8 essential requirements, and now, after the 8th Board meeting, the GCF is rendered READY for business, after we have approved the policies for contributions.

Therefore, there are no more reasons why the fund should not start receiving and disbursing funds.

Now, let me brief you on the critical decisions we took in Barbados, Key among them are the following,

1. Policies for Initial Resource Mobilization

- Decision making of the board in the absence of a consensus. Use of voting that is linked to contributions. This was utterly rejected, and the decision was to request the Secretariat to develop options for the procedures for adopting decisions in the event all efforts at reaching consensus have been exhausted for the consideration by the board at its first meeting in 2015.
- Fund targeting (earmarking). Earmark 20% of the aggregate fund. This was also addressed by the board and the decision was not include any earmarking.
- Trusteeship arrangement. Extension of the World Bank interim trustee arrangement until April 2018, where a new contract of a permanent trustee must come to effective.

2. It was also decided that all developing countries will have access to readiness support and that the Fund will aim for a floor of 50% of the readiness support allocation to particularly vulnerable countries, including SIDs, LDCs and African states – one of the readiness objectives to support the NDAs/ focal points; developing strategic frameworks for national engagement with the Fund building on existing strategies and plans,

including low-emission development strategies, NAMAs, NAPs and NAPAs; enabling regional, national and sub-national institutions to meet the accreditation standards of the Fund, including for the fast track accreditation process in coordination with the NDA or focal point. Noteworthy, the board also decided that readiness commitment to individual developing countries will be capped at US\$ 1 million per calendar year.

3. There was also a good outcome on enhancing country-ownership as reflected by the agreement on the no-objection procedure for funding proposals; where the fund will only consider funding proposals that are submitted with a formal letter of no-objection from the recipient country. This was a contentious area where some board members were suggesting to have it as an optional requirement to recipient countries with a time-lapse for submission of the no-objection letters, while the majority of members were supporting a very well established procedures that include no-objection letter, as it was eventually decided.

4. Approved the guidelines for the operationalisation of the fit-for-purpose accreditation approach;

5. Decided that the purpose of fast track accreditation is to expedite the accreditation of entities, including subnational, national, regional and international entities that have already been accredited by a relevant fund or institution that has an accreditation process and that the fiduciary and environmental and social standards of the other relevant funds are found to be comparable to the Fund's fiduciary standards and environmental and social safeguards.

6. The initial result management framework of the fund, where the fund adopted the initial logic model for the REDD+ results-based payments and the performance measurement framework (PMF) for REDD+ results-based payments. We also adopted the proposed mitigation and adaptation performance measurement frameworks.

These were the key decisions and there were many other decisions that have been taken, however, for the sake of time, I will avail myself to share them bilaterally with those who are interested.

Lastly, the election of the new co-chairs took place and it gives me a great pleasure to announce that the new co-chairs will be,

Mr. Gabriel, Quijandria of Peru
and
Mr. Henrick Harboe of Norway

Let me also introduce the new Secretary to the Board of the directors,

Ms. Carolina Fuentes

That said,

The preceding were the key outcome decisions of the board.

Ladies and Gentlemen, we are moving slowly but surely to ensure that the only dedicated fund for climate, under the Convention, acting truly as an operating entity of the financial mechanism of the Convention to assist developing countries to enhance their implementation of the Convention.

Colleagues,

As for the pledging conference in Nov 20 – we are hoping for a significant scale of resources to be made; however, I would like to note that the Fund has not been able to set the level of ambition for the initial resource mobilisation process.

Now, we need real numbers on the table and concrete actions. Developed countries have this unique opportunity to show the world that they are ready to meet their obligations, that they are ready to bridge the financing gaps, especially for adaptation, by providing new and additional, adequate, accessible, predictable financial resources, including for the transfer of technology, to developing country Parties of the Convention, as laid out in the Convention and in the Governing Instrument of the fund.

We are looking forward to the third meeting of the IRM (initial resource mobilization) process, where developed countries can ensure compliance with the guidance of the COP, by providing a "very significant" scale of resources to meet the "needs and challenges" of developing countries.

With this I conclude,

Thank you.