



Conference of the Parties

Twentieth session

Lima, 1–12 December 2014

Agenda item 12(c)

Matters relating to finance

**Report of the Green Climate Fund to the Conference of
the Parties and guidance to the Green Climate Fund**

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Proposal by the President

Draft decision -/CP.20

**Report of the Green Climate Fund to the Conference of the
Parties and guidance to the Green Climate Fund**

The Conference of the Parties,

Recalling Articles 4 and 11 of the Convention,

Taking into account decision 11/CP.1,

Recalling decisions 1/CP.16, 3/CP.17, 1/CP.18, 6/CP.18, 7/CP.18, 4/CP.19 and 5/CP.19,

1. *Welcomes* the report of the Green Climate Fund to the Conference of the Parties,¹ in particular the detailed and comprehensive list of responses of the Green Climate Fund Board to guidance received from the Conference of the Parties;²
2. *Notes with appreciation* the progress made by the Green Climate Fund, and the information contained thereon in the report of the Green Climate Fund, in particular the decision on the confirmation of the completion of the essential requirements and the commencement of the initial resource mobilization process;
3. *Welcomes with appreciation* the successful and timely initial resource mobilization process of the Green Climate Fund that led to the mobilization of USD 10.2 billion to date

¹ As contained in document FCCC/CP/2014/8.

² As contained in sections II and III of document FCCC/CP/2014/8.

by contributing Parties,³ enabling the Green Climate Fund to start its activities in supporting developing country Parties of the Convention, and making it the largest dedicated climate fund;

4. *Requests* the Green Climate Fund to ensure that the ongoing resource mobilization efforts are commensurate with the ambitions of the Fund, and *calls* for contributions by other developed country Parties,⁴ as well as *invites* financial inputs from a variety of other sources, public and private, including alternative sources,⁵ throughout the initial resource mobilization process;

5. *Urges* 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);

6. *Notes* Green Climate Fund Board decisions, including the decisions made at its 8th meeting, regarding the formal replenishment process for the Fund;

7. *Welcomes* 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;

8. *Requests* 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;⁶

9. *Also requests* the Board of the Green Climate Fund 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, 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;

10. *Further requests* the Board of the Green Climate Fund, in the implementation of its 2015 workplan, to complete its work related to policies and procedures to accept financial inputs from non-public and alternative sources, the investment and risk management frameworks of the Green Climate Fund, the impact analysis on its initial results areas, including options for determining Board level investment portfolios across the structure of the Fund,⁷ and the approval process of the Fund, including methodologies for selecting programmes and projects that best achieve the objectives of the Fund;⁸

11. *Requests* the Board of the Green Climate Fund to consider ways by which to further increase the transparency of its proceedings;

³ Australia, Austria, Belgium, Canada, Colombia, Czech Republic, Denmark, Finland, France, Germany, Indonesia, Italy, Japan, Liechtenstein, Luxembourg, Mexico, Monaco, Mongolia, Netherlands, New Zealand, Norway, Panama, Peru, Republic of Korea, Spain, Sweden, Switzerland, United Kingdom of Great Britain and Northern Ireland, and United States of America.

⁴ As per decision 4/CP.19, paragraph 13.

⁵ As per decision 4/CP.19, paragraph 15.

⁶ Annex to decision 3/CP.17.

⁷ Green Climate Fund Board decision B.08/07, paragraph (l).

⁸ Green Climate Fund Board decision B.07/03, paragraph (b).

12. *Also requests* 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;
13. *Encourages* the timely implementation of the accreditation framework and *requests* 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;
14. *Invites* 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;
15. *Requests* 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;
16. *Also requests* 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;
17. *Further requests* 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;
18. *Requests* the Board of the Green Climate Fund:
- (a) To develop a monitoring and accountability framework in accordance with Green Climate Fund Board decision B.08/02;
 - (b) To consider decisions relevant to REDD-plus,⁹ 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;
19. *Urges* 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;¹⁰
20. *Takes note* of Green Climate Fund Board decision B.08/24 on the institutional linkage between the United Nations and the Green Climate Fund, and *requests* 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);
21. *Urges* 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

⁹ 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.

¹⁰ Green Climate Fund Board decision B.06/03, annex I.

Fund, in order to provide privileges and immunities for the Fund, in accordance with Green Climate Fund Board decision B.08/24, paragraph (b);

22. *Requests* 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;

23. *Also requests* 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;

24. *Further requests* 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;¹¹

25. *Requests* 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;

26. *Invites* Parties to submit to the secretariat annually, and no later than 10 weeks prior to the subsequent session of the Conference of the Parties, their views and recommendations in writing on the elements to be taken into account in developing guidance to the Green Climate Fund;

27. *Requests* the secretariat to compile the submissions referred to in paragraph 26 above into a miscellaneous document for consideration by Parties in developing guidance through the Standing Committee on Finance to the Green Climate Fund.

¹¹ In accordance with the annex to decision 5/CP.19, paragraph 9.