

DRAFT TEXT BY THE CO-CHAIRS

on

COP 26 agenda sub-item 8(c)

Report of the Green Climate Fund to the Conference of the Parties and guidance to the Green Climate Fund (for 2020 and 2021)

CMA 3 agenda sub-item 8(b) Guidance to the Green Climate Fund

Sixth iteration (11 November 2021)

Decision -/CP.26

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 decision 3/CP.17, annex,

1. *Welcomes* the reports of the Green Climate Fund to the Conference of the Parties at its twenty-sixth session,¹ including the list of actions taken by the Board of the Green Climate Fund (hereinafter referred to as the Board) in response to guidance received from the Conference of the Parties;
2. *Also welcomes* the continued efforts of the Green Climate Fund to make a significant and ambitious contribution to the global effort to meet the goals set by the international community in relation to combating climate change;
3. *Further welcomes* the progress of the Green Climate Fund in 2020–2021, including in relation to guidance provided by the Conference of the Parties:
 - (a) The increase in the number of funding proposals approved, which brings the total amount approved by the Board to USD 10 billion to support implementation of 190 adaptation and mitigation projects and programmes in 127 developing countries;
 - (b) The increase in the number of entities accredited by the Board, which brings the total number of accredited entities to 112, of which 72 are direct access entities;
 - (c) The approval of its Updated Strategic Plan for 2020–2023,² Integrated Results Management Framework and a results tracking tool;
 - (d) The development of the long-term vision on complementarity, coherence and collaboration between the Green Climate Fund and the Global Environmental Facility;³
 - (e) The revision of its environmental and social policy to reaffirm its commitment to preventing sexual exploitation, sexual abuse and sexual harassment; administrative remedies and exclusions policy; and guidelines to facilitate consideration by the Board of Independent Redress Mechanism reports on requests for reconsideration, grievances and complaints;
 - (f) The approval of its evaluation policy;
 - (g) The continued collaboration between the Green Climate Fund, the Climate Technology Centre and Network and the Technology Executive Committee;

¹ FCCC/CP/2020/5 and FCCC/CP/2021/8.

² Contained in Green Climate Fund document GCF/B.27/21, annex II. Available at <https://www.greenclimate.fund/document/gcf-b27-21>.

³ Contained in Global Environment Facility document GEF/C.60/08, annex I. Available at <https://www.thegef.org/council-meeting-documents/long-term-vision-complementarity-coherence-and-collaboration-between-green>.

(h) The collaboration between the Green Climate Fund, the Adaptation Committee and the Least Developed Countries Expert Group;

4. *Welcomes* the long-term vision on complementarity, coherence and collaboration between the Green Climate Fund and the Global Environment Facility and *requests* the Board to enhance coherence and complementarity with other climate finance delivery channels with a view to enhancing the impact and effectiveness of its work;

5. *Encourages* further collaboration and engagement between the Green Climate Fund, the Climate Technology Centre and Network and the Technology Executive Committee, through continued joint work, as well as collaboration on events, and taking into consideration elements related to gender mainstreaming and observer engagement;

6. *Reiterates* the request to the Board to continue efforts to maintain the balance in the allocation of resources between adaptation and mitigation;⁴

7. *Encourages* the Board to further clarify the role of data and information from, inter alia, the Intergovernmental Panel on Climate Change, and traditional, local and indigenous knowledge and practices in the assessment of funding proposals;

8. *Also encourages* the Board to strengthen country ownership and regional management by proactively engaging national designated authorities in all aspects of the project and programme cycle;

9. [*Encourages* the Board to further improve the efficiency and effectiveness of its decision-making, recognizing the exceptional circumstances of the coronavirus disease 2019 pandemic;]

10. *Takes note* of the continued efforts of the Board to provide financial resources for activities relevant to averting, minimizing and addressing loss and damage in developing country Parties, consistent with the existing investment, results framework and funding windows and structures of the Green Climate Fund, including through the Project Preparation Facility and the Readiness and Preparatory Support Programme;

11. *Also takes note* of the exceptional circumstances of the coronavirus disease 2019 pandemic and its significant impact on the Board's updated four-year workplan;⁵

12. *Notes* the significant number of remaining policy gaps, including in relation to updating and streamlining the project-specific accreditation approach, accreditation framework, simplified approval process, project programmatic approaches and policy-related investment framework, and *urges* the Board to prioritize closing the policy gaps as a matter of urgency;

13. [*Requests* the Board to initiate work on a new updated strategic plan, to be concluded ahead of the second Green Climate Fund replenishment period;]

14. [*Also requests* the Board to consider the Independent Evaluation Unit's evaluation of the Private Sector Facility in order to finalize its Private Sector Strategy and complete its review of the modalities of the Private Sector Facility in line with previous guidance;]

15. [*Further requests* the Board to finalize its updated general guidelines for committees of the Board;]

16. [*Requests* the Board to prioritize the development of the guidelines on decisions without a Board meeting⁶ and to ensure that such decisions are taken consistently with international guiding principles of transparency and accountability;]

17. *Takes note* of the engagement of the President of the Conference of the Parties on the matter of granting privileges and immunities for the Green Climate Fund and its officials and *invites* the Board to continue efforts to ensure that it enjoys privileges and immunities as are

⁴ As per decision 4/CP.19, para. 9(a).

⁵ Contained in Green Climate Fund document GCF/B.24/14/Rev.01. Available at <https://www.greenclimate.fund/document/gcf-b24-14-rev01>

⁶ Contained in Green Climate Fund document GCF/B.21/23. Available at <https://www.greenclimate.fund/sites/default/files/document/gcf-b21-23.pdf>

necessary for fulfilling its purposes, and that its officials enjoy privileges and immunities as are necessary for the independent exercise of their official functions in connection with the Fund;

18. *Urges* the Board to finalize in a timely manner its work related to the guidance and arrangements of the Conference of Parties on financing for forests and alternative approaches as mandated by decision 7/CP.21, paragraphs 23-25;⁷

19. *Encourages* the Board to continue the integration of gender considerations into its activities, including through its gender policy and by promoting gender balance across the structures of the Fund;

20. [*Takes note* of the increase in negative impacts of climate change and the need for urgent action in this regard and [*requests*] [*invites*] the Board to consider ways of improving access to the Fund for local non-governmental organizations and private sector organizations and to explore diversifying its selection of financial instruments for addressing climate risk[, including parametric insurance for climatic events;]]

21. *Invites* Parties to submit to the secretariat views and recommendations on elements of guidance for the Green Climate Fund via the submission portal⁸ no later than 10 weeks prior to the twenty-seventh session of the Conference of the Parties (November 2022);

22. *Requests* the Standing Committee on Finance to take into consideration the submissions referred to in paragraph XX above when preparing its draft guidance for the Green Climate Fund for consideration by the Conference of the Parties at its twenty-seventh session and the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement at its fourth session (November 2022);

23. *Also requests* the Board of the Green Climate Fund to include in its annual report to the Conference of the Parties information on the steps it has taken to implement the guidance provided in this decision;

24. *Takes note* of decision -/CMA.3⁹ and *decides* to transmit to the Green Climate Fund the guidance from the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement contained in paragraphs XX–XX of that decision.¹⁰

Decision -/CMA.3

Guidance to the Green Climate Fund

The Conference of the Parties serving as the meeting of the Parties to the Paris Agreement,

1. *Recommends* that the Conference of the Parties at its twenty-sixth session transmit to the Green Climate Fund the guidance contained in paragraphs XX–XX below;¹¹

2. *Welcomes* the reports of the Green Climate Fund to the Conference of the Parties at its twenty-sixth session,¹² including the list of actions taken by the Board of the Green Climate Fund (hereinafter referred to as the Board) in response to guidance received from the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement;

3. *Also welcomes* the continued efforts of the Green Climate Fund to make a significant and ambitious contribution to the global effort to meet the goals set by the international community in relation to combating climate change;

⁷ As per decision 7/CP.21, paras. 23–25.

⁸ <https://www4.unfccc.int/sites/submissionsstaging/Pages/Home.aspx>.

⁹ Draft decision entitled “[X]” proposed under agenda sub-item 8(b) of the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement at its third session.

¹⁰ In accordance with decision 1/CP.21, para. 61.

¹¹ In accordance with decision 1/CP.21, para. 61.

¹² FCCC/CP/2020/5 and FCCC/CP/2021/8.

4. *Takes note* of the continued efforts of the Board to provide financial resources for activities relevant to averting, minimizing and addressing loss and damage in developing country Parties, consistent with the existing investment, results framework and funding windows and structures of the Green Climate Fund, including through the Project Preparation Facility and the Readiness and Preparatory Support Programme;
5. [*Welcomes* the Updated Strategic Plan for 2020–2023 of the Green Climate Fund¹³ and *invites* the Board to promote activities that support countries in aligning financial flows [with a pathway towards low-emission and climate-resilient development] [consistent with their climate plans and strategies]];]
6. [*Also welcomes* the Updated Strategic Plan for 2020–2023 of the Green Climate Fund¹⁴ and *requests* the Board to promote activities that support countries in aligning financial flows with their climate plans and strategies that are in line with the goals of the Paris Agreement, including by enhancing its provision of funding for mitigation projects that would contribute to holding the increase in the global average temperature to well below 2 °C above pre-industrial levels and pursuing efforts to limit the temperature increase to 1.5 °C above pre-industrial levels;]
7. [*Requests* the Board, in line with its governing instrument,¹⁵ to enhance its provision of funding for mitigation projects that would contribute to holding the increase in the global average temperature to well below 2 °C above pre-industrial levels and pursuing efforts to limit the temperature increase to 1.5 °C above pre-industrial levels;]
8. [*Encourages* the Board to further improve the efficiency and effectiveness of its decision-making, recognizing the exceptional circumstances of the coronavirus disease 2019 pandemic];]
9. [*Requests* the Board to enhance support for programmatic adaptation proposals in line with its governing instrument,¹⁶ in particular proposals that support countries in contributing to achieving the global goal on adaptation, enhancing adaptive capacity and strengthening resilience and reducing vulnerability to climate change, [in order to enhance implementation of national adaptation plans, adaptation communications and other voluntary adaptation planning processes], with a view to contributing to sustainable development and ensuring an adequate adaptation response in the context of the long-term temperature goal of the Paris Agreement.]

¹³ Contained in Green Climate Fund document GCF/B.27/21, annex II. Available at <https://www.greenclimate.fund/document/gcf-b27-21>.

¹⁴ Contained in Green Climate Fund document GCF/B.27/21, annex II. Available at <https://www.greenclimate.fund/document/gcf-b27-21>.

¹⁵ Decision 3/CP.17, annex.

¹⁶ Decision 3/CP.17, annex.