

Draft guidance to the Green Climate Fund

*Draft by the co-facilitators of the working group of the Standing Committee on Finance
on the draft guidance to the operating entities of the Financial Mechanism¹*

Version 23 October 2018

Headings	Co-facilitators' draft text	Original inputs received (relevant sections highlighted for ease of reference)	Attribution	Annotations
<i>Standard Paragraphs</i>	<p><i>The Conference of the Parties,</i></p> <p><i>Noting the draft decision on the guidance to the Green Climate Fund prepared by the Standing Committee on Finance;</i></p> <p><i>1. Welcomes the report of the Green Climate Fund to the Conference of the Parties at its twenty fourth session and its addendum, including the list of actions taken by the Board of the Green Climate Fund (hereinafter referred to as the Board) in response to the guidance received from the Conference of the Parties;</i></p>			<i>Standard paragraphs, inserted by the secretariat.</i>
<i>Welcoming progress</i>	<p>2. <i>Welcomes the progress made by the Green Climate Fund in 2018, including:</i></p>		Secretariat	<i>All inputs relating to “welcoming”, “welcoming with appreciation” or “commending” are consolidated under paragraph 2. This follows the structure of the GCF guidance decisions of past few years, where all the welcoming elements are combined and the operative paragraphs follow in the subsequent section.</i>
	(a) Rapid scaling-up of funding proposal approvals;	<i>Welcomes the GCF's rapid scaling up of funding proposal approvals and encourages the GCF to develop a structure for prioritization of proposals and for ensuring effective and efficient use of funds</i>	Mr. Randy Caruso	<i>The operative part of the proposed input can be found in paragraph 11.</i>
	(b) The work to strengthen the Green Climate Fund's institutional capacity, standards and safeguards, transparency, inclusiveness, pipeline and role within the climate finance landscape;	<i>The EU welcomes recent work to strengthen the GCF's institutional capacity, standards and safeguards, transparency, inclusiveness, pipeline and role within the climate finance landscape</i>	EU	

¹ See background document SCF/2018/19/3 for more information.

Headings	Co-facilitators' draft text	Original inputs received (relevant sections highlighted for ease of reference)	Attribution	Annotations
	<p>(c) Efforts made to improve access to the Green Climate Fund through the Structured Dialogues and the Readiness and Preparatory Support Programme {Mr. Iryu}, through which support from the Green Climate Fund builds national capacity and supports national readiness delivery partners in developing readiness proposals, including for adaptation planning {AC} and technology {TEC};</p>	<p><i>Welcomes</i> with appreciation the efforts to improve access to the GCF through readiness and preparatory support and structured dialogues and encourages the GCF to continue such efforts</p> <p><i>Commend</i> progress made in 2018 in enhancing access to the Readiness Programme for adaptation planning and increasing the accreditation of direct access entities for projects, in particular the value of increased support from the GCF secretariat for building national capacity and supporting the development of proposals for funding under the Readiness Programme by national readiness delivery partners</p> <p><i>Commend</i> progress made in 2018 in enhancing access to the Readiness Programme for adaptation planning and increasing the accreditation of direct access entities for projects, in particular the value of increased support from the GCF secretariat for building national capacity and supporting the development of proposals for funding under the Readiness Programme by national readiness delivery partners. (AC)</p> <p><i>Welcomes</i> the nine readiness requests submitted by NDAs with UNEP (as host of the CTCN) as delivery partner to GCF's Readiness and Preparatory Support Program and further encourages continued collaboration between national designated authorities for the Green Climate Fund and national designated entities for technology development and transfer (TEC)</p>	<p>Mr. Kazuhiro Iryu</p> <p>AC</p> <p>AC TEC</p>	<p><i>The inputs from the Mr. Iryu, the AC and the TEC can be merged to sub-para (c) to further streamline the text.</i></p>

Headings	Co-facilitators' draft text	Original inputs received (relevant sections highlighted for ease of reference)	Attribution	Annotations
	(d) The increase in the number of direct access entities accredited by the Board;	<i>Commend</i> progress made in 2018 in enhancing access to the Readiness Programme for adaptation planning and increasing the accreditation of direct access entities for projects , in particular the value of increased support from the GCF secretariat for building national capacity and supporting the development of proposals for funding under the Readiness Programme by national readiness delivery partners	AC	
	(e) The collaboration in 2018 between the Green Climate Fund and the Technology Executive Committee and the Climate Technology Centre and Network;	The TEC <i>welcomes with appreciation</i> the collaboration with the GCF in 2018 and, in light of the urgency to bring new technologies to market, recommends that the COP encourages the GCF to finalize as soon as possible the terms of reference for a request for proposals to support climate technology incubators and accelerators, in accordance with its Board decision B.18/03, and to report on its progress to the COP at its twenty-fifth session	TEC	
	(f) The establishment of the Independent Integrity Unit, the Independent Redress Mechanism, and the Independent Evaluation Unit;	<i>Welcomes</i> the establishment of a robust independent accountability mechanism and <i>requests</i> the GCF to ensure the smooth functioning of the independent units including through prompt approvals of their budgets and work plans	Mr. Randy Caruso	<i>The “independent accountability mechanism” can be elaborated in technically accurate terms: “Independent Integrity Unit, the Independent Redress Mechanism, and the Independent Evaluation Unit.”</i>
	(g) The implementation of the Request for Proposals for Mobilizing Funds at Scale and the publication of 30 concept notes, as well as private sector financing mobilized by approved Green Climate Fund projects;	<i>Welcomes with appreciation</i> the Private Sector RFP and the publication of top 30 concepts and <i>encourages</i> the Secretariat to work with them towards developing full funding proposals for consideration by the Board <i>Welcomes</i> with the appreciation mobilizing private finance by the GCF projects and <i>encourages</i> the Secretariat to continue to prepare private sector funding proposals	Mr. Kazuhiro Iryu	<i>The two inputs on private sector can be merged into one sub-paragraph.</i>

Headings	Co-facilitators' draft text	Original inputs received (relevant sections highlighted for ease of reference)	Attribution	Annotations
<i>Readiness and Access</i>	3. <i>Encourages</i> the Board to continue its efforts to improve access to the Green Climate Fund through the readiness and preparatory support and structured dialogues;	<i>Welcomes with appreciation</i> the efforts to improve access to the GCF through readiness and preparatory support and structured dialogues and encourages the GCF to continue such efforts	Mr. Kazuhiro Iryu	
	4. <i>Invites</i> the Board to develop review criteria to be applied in the project proposals under the Readiness and Preparatory Support Programme, similar to those applied for the formulation of National Adaptation Plans;	<i>Invite</i> the GCF to develop transparent review criteria for other areas of the Readiness Programme	AC	<i>The three operative paragraphs suggested by the AC can be refined as shown on the left for enhanced clarity, based on the annotations and the reference documents provided by the AC.</i>
	5. <i>Encourages</i> developing county Parties to consider utilizing national delivery partners to access Green Climate Fund readiness support;	<i>Encourage</i> countries to make more use of national delivery partners	AC	
<i>Policies</i>	6. <i>Requests</i> the Board to streamline the funding proposal templates for the Simplified Approval Process;	<i>Recommend</i> to simplify the funding proposal templates to have a truly simplified approval process	AC	
	7. <i>Requests</i> the Board to conduct further work to improve and evaluate the Fund's impact, effectiveness and operational performance, in order to fulfil its mandate of promoting the necessary paradigm shift towards low-emission and climate resilient development pathways;	This also refers to further work necessary for improving and evaluating the Fund's impact, effectiveness and operational performance in order to fulfil its mandate of promoting the necessary paradigm shift towards low-emission and climate-resilient development pathways.	EU	
	8. <i>Requests</i> the Board to ensure the smooth functioning of the Independent Integrity Unit, the Independent Redress Mechanism, and the Independent Evaluation Unit, including through prompt approvals of their budgets and workplans;	<i>Welcomes</i> the establishment of a robust independent accountability mechanism and requests the GCF to ensure the smooth functioning of the independent units including through prompt approvals of their budgets and work plans	Mr. Randy Caruso	<i>The "independent accountability mechanism" can be elaborated in technically accurate terms, namely: "Independent Integrity Unit, the Independent Redress Mechanism, and the Independent Evaluation Unit."</i>
	9. <i>Urges</i> the Board to prioritize developing full policies on prohibited practices, including policies addressing anti-money laundering and countering the financing of terrorism;	<i>Urges</i> the GCF to prioritize developing full policies and implementing standards on prohibited practices, including policies addressing anti-money laundering and countering the financing of terrorism	Mr. Randy Caruso	<i>Verbatim from Mr. Caruso's input. The policies relating to anti-money laundering and countering the financing of terrorism have been adopted by the Board with decision B.18/10. The remaining policies on prohibited practices will be considered by the Board in 2018.</i>

Headings	Co-facilitators' draft text	Original inputs received (relevant sections highlighted for ease of reference)	Attribution	Annotations
	10. <i>Requests</i> the Board to review and if necessary update or adopt policies for the prevention of sexual exploitation and abuse of authority with the aim to protect staff of the Green Climate Fund as well as its partner organisations from unwanted sexual advances, prevent inappropriate behaviour and abuse of power and provide guidelines for reporting incidents;	<i>Requests</i> the [GCF][GEF] to review and if necessary update or adopt policies for the prevention of sexual exploitation and abuse of authority with the aim to protect staff of the operating entities as well as their partner organisations from unwanted sexual advances, prevent inappropriate behavior and abuse of power and provide guidelines for reporting incidents	Mr. Pieter Terpstra	<i>This input by Mr. Terpstra pertained both to the GCF and the GEF. Minor editorial adjustments have been made to specify the GCF and the GEF.</i> <i>The SCF may wish to note that at B.21 an updated human resources guidelines will be considered, including a code of conduct and zero tolerance policy on sexual harassment</i>
Programme Priorities	11. <i>Encourages</i> the Board to develop a structure for prioritization of funding proposals and for ensuring effective and efficient use of funds;	<i>Welcomes</i> the GCF's rapid scaling up of funding proposal approvals and <i>encourages</i> the GCF to develop a structure for prioritization of proposals and for ensuring effective and efficient use of funds	Mr. Randy Caruso	<i>Verbatim from Mr. Caruso's input.</i>
	12. <i>Encourages</i> the Board to consider approval of funding proposals developed under the Request for Proposals for Mobilizing Funds at Scale; 13. <i>Encourages</i> the Board to continue to consider private sector funding proposals;	<i>Welcomes</i> with appreciation the Private Sector RFP and the publication of top 30 concepts and <i>encourages</i> the Secretariat to work with them towards developing full funding proposals for consideration by the Board <i>Welcomes</i> with the appreciation mobilizing private finance by the GCF projects and <i>encourages</i> the Secretariat to continue to prepare private sector funding proposals	Mr. Kazuhiro Iryu	<i>The "Private Sector RFP" has been spelled out in official terms. Furthermore, the recipient of the guidance was adjusted from the GCF secretariat to the Board, per paragraph 6 of the Governing Instrument.</i>
Governance and Decision making of the Board	14. <i>Requests</i> the Board to prioritize development of procedures for adopting decisions in the event that all efforts at reaching consensus have been exhausted;	<i>Requests</i> the GCF Board to prioritize development of procedures for adopting decisions in the event that all efforts at reaching consensus have been exhausted	Mr. Randy Caruso	<i>Verbatim from Mr. Caruso's input.</i>
	15. <i>Highlights</i> the importance of urgently closing the remaining policy gaps in an expedited manner, including on decision-making related matters, as specified in the Fund's Governing Instrument and its Rules of Procedure;	The EU highlights the importance of urgently closing the remaining policy gaps in an expedite manner, including on decision making related matters as specified in the Fund's Governing Instrument and its Rules of Procedure	EU	<i>Verbatim from the second bullet, contained in the summary box of the EU's submission.</i>

Headings	Co-facilitators' draft text	Original inputs received (relevant sections highlighted for ease of reference)	Attribution	Annotations
<i>Programmatic Approach</i>	16. <i>Requests</i> the Green Climate Fund, as an operating entity of the Financial Mechanism, to promote the use of programmatic approaches, including national, regional, global, and cross-sectoral programs and to develop a programmatic approach modality to enable program development;	<i>Requests</i> the GCF, as an operating entity of the Financial Mechanism, to promote the use of programmatic approaches, including national, regional, global, and cross-sectoral programs and to develop a programmatic approach modality to enable program development	Mr. Randy Caruso	<i>Verbatim from Mr. Caruso's input. The SCF may wish to clarify the recipient of this guidance.</i>
<i>Review of the Initial Resource Mobilization Period</i>	17. <i>Encourages</i> the Board to request its Independent Evaluation Unit to initiate an independent review of the Initial Resource Mobilization Period to inform future policies, priorities, and planning;	<i>Encourages</i> the GCF to request its Independent Evaluation Unit to initiate an independent review of the Initial Resource Mobilization Period to inform future policies, priorities, and planning	Mr. Randy Caruso	<i>Verbatim from Mr. Caruso's input.</i>
<i>Technology</i>	18. <i>Encourages</i> the Board, in light of the urgency to bring new technologies to market, to finalize as soon as possible the terms of reference for a Request for Proposals to support climate technology incubators and accelerators, in accordance with the Board decision B.18/03, and to report on its progress to the Conference of the Parties at its 25 th session;	The TEC welcomes with appreciation the collaboration with the GCF in 2018 and, in light of the urgency to bring new technologies to market, recommends that the COP encourages the GCF to finalize as soon as possible the terms of reference for a request for proposals to support climate technology incubators and accelerators, in accordance with its Board decision B.18/03, and to report on its progress to the COP at its twenty-fifth session	TEC	<i>With minor editorial adjustments.</i>
	19. <i>Encourages</i> continued collaboration between National Designated Authorities for the Green Climate Fund and National Designated Entities for technology development and transfer;	<i>Welcomes</i> the nine readiness requests submitted by NDAs with UNEP (as host of the CTCN) as delivery partner to GCF's Readiness and Preparatory Support Program and further encourages continued collaboration between national designated authorities for the Green Climate Fund and national designated entities for technology development and transfer		
<i>Standard Paragraphs</i>	18. <i>Invites</i> Parties to submit to the secretariat in writing, no later than 12 weeks prior to the twenty-fifth session of the Conference of the Parties (December 2019), their views and recommendations on elements to be taken into account in developing guidance to the Board;			<i>Standard paragraphs, inserted by the secretariat</i>

Headings	Co-facilitators' draft text	Original inputs received (relevant sections highlighted for ease of reference)	Attribution	Annotations
	19. <i>Requests</i> the Standing Committee on Finance to take into consideration the submissions referred to in paragraph 18 above when preparing its draft guidance to the Board for consideration by the Conference of the Parties;			
	20. <i>Also requests</i> the Board to include in its annual report to the Conference of the Parties information on the steps that it has taken to implement the guidance provided in this decision.			