

DRAFT TEXT

on

**COP 29 agenda item 8(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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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 report of the Green Climate Fund to the Conference of the Parties at its twenty-ninth session,¹ including the information on actions taken by the Board of the Green Climate Fund in response to guidance received from the Conference of the Parties, while noting that there is room for improvement;
2. Also welcomes the pledges and contributions made to the second replenishment of the Green Climate Fund since the twenty-eighth session of the Conference of the Parties, acknowledges the efforts by those who have substantially increased their commitments and acknowledges with appreciation the role of the United Arab Emirates government and Presidency of the twenty-eighth session of the Conference of the Parties in achieving the highest pledges from previous replenishment in the Fund's history;
3. Further welcomes:
 - (a) The increase in the number of funding proposals approved, which brings the total amount approved by the Board to USD 15.9 billion to support the implementation of 286 adaptation and mitigation projects and programmes in 133 developing countries;
 - (b) The increase in the number of entities accredited by the Board, which brings the total number of accredited entities to 139, of which 89 are direct access entities;
 - (c) The increase in the approval of grants for readiness support for national adaptation plans and other adaptation planning processes, bringing the total number of grants approved for readiness support for national adaptation plans and other adaptation planning processes to 115;
 - (d) The adoption by the Board of a policy for results-based payments for activities referred to in paragraph 70 of decision 1/CP.16;²
 - (e) The continued collaboration of the Board with the Climate Technology Centre and Network and the Technology Executive Committee;
 - (f) The progress in the Green Climate Fund's 2023 portfolio commitments, which grew by USD 2.1 billion and added 34 new projects as the Fund committed USD 917.4 million to 10 new private sector projects representing 44% of that year's programming volume and increasing its private sector portfolio to USD 5 billion, and overall has committed over USD 5 billion to 60 private sector projects that will mobilize an additional USD 17.5 billion of which USD 1.6 billion is in private equity mobilizing 5.5 times the Fund capital at the fund level and at least an equal amount at the downstream portfolio investment level, with each Green Climate Fund dollar to the private sector in some mitigation sectors expected to mobilize six times the committed capital at the fund level;

¹ FCCC/CP/2024/3 and Add.1.

² Green Climate Fund Board document GCF/B.40/11.

(g) The Board's ongoing implementation of the Strategic Plan for the Green Climate Fund 2024–2027,³ which includes making efforts to enhance access to climate finance for developing countries and accelerating the provision of support to developing countries with a view towards maximizing impact;

(h) [The ongoing efforts of the Green Climate Fund in collaboration with the Global Environment Facility, the Adaptation Fund ~~and the Climate Investment Funds with a view to enhance access to climate finance, scaling successful projects, maximizing impact and strengthening coherence~~];

(i) The Board's focus on the accreditation of direct access entities, particularly national and regional entities in underserved countries and regions, in line with the Strategic Plan for the Green Climate Fund 2024–2027;

(j) The enhanced efficiency measures of the Green Climate Fund for the approval of readiness grants, including its support for the formulation of national adaptation plans and other adaptation planning processes;

(k) The work of the Indigenous Peoples Advisory Group in enhancing support for and the inclusion of Indigenous Peoples within Green Climate Fund operations, including through improved channels of engagement;

(l) The progress of the Green Climate Fund in attracting and mobilizing private sector investment as a means of leveraging and enhancing the impact and reach of climate finance in developing countries;

(m) The ongoing efforts of the Green Climate Fund to enhance its regional engagement including by exploring regional presence in all developing country regions;

4. *Notes* the vision announced by the Executive Director of the Green Climate Fund for the Fund to be able to efficiently manage USD 50 billion in capital by 2030;

5. [*Invites* the Board to consider how the Green Climate Fund can further strengthen country driven partnerships with multilateral development banks and international financial institutions through accreditation and programming, as appropriate];

6. [*Invites* the Board to ensure that efforts to enhance coherence and complementarity do not restrict access of developing countries to resources or reduce finance available to them];

7. [Request the Board to streamline and simplify access to funding by establishing a clear project approval timetable, providing transparent guidelines, adopting a programmatic approach and strengthening relationships with countries, particularly SIDS and LDCs];

8. *Requests* the Board to continue considering ways to better serve different regions in a geographically balanced manner including by exploring regional presence in all developing country regions in line with the Governing Instrument;

9. *Requests* the Board to consider taking measures to ensure that the monitoring and accountability requirements for procedures after accreditation are fit for purpose and takes into account the capacity constraints of Direct Access Entities;

10. *Invites* the Board to consider how to strengthen direct access including through tailored approaches that address needs and priorities and are consistent with national institutional arrangements and address capacity gaps in consultations with nationally designated authorities;

11. *Encourages* the Board to continue supporting adaptation action, including the implementation of national adaptation plans and the projects, policies and programmes identified therein, in line with the Strategic Plan for the Green Climate Fund 2024–2027;

12. *Urges* the Board to continue to strengthen efforts to maintain the 50:50 balance between mitigation and adaptation in the overall portfolio, as per its Governing Instrument;

³ Contained in annex III to Green Climate Fund document GCF/B.36/21.

13. *Encourages* the Green Climate Fund to continue collaborating with the Climate Technology Centre and Network to enhance access to technology for developing countries, maximize impact and strengthen coherence;
14. *Invites* the Board to consider areas of improvement in the context of gender responsiveness of the Fund's work, taking into account relevant insights, including the report of the 2024 Standing Committee on Finance forum on gender responsive climate finance;
15. *Urges* the Board to adopt an updated gender action plan for the second replenishment period of the Green Climate Fund, noting the previous plan for 2020–2023, and to actively contribute to the implementation of activities under the UNFCCC gender action plan once it is decided;
16. *Urges* the Board, in its decision-making, to continue incorporating Indigenous Peoples knowledge and interests, in a way that respects their rights, perspectives, and climate priorities, including through free prior and informed consent;
17. *Encourages* the Board to support the increased use of alternative financial instruments [with an emphasis on lowering co-financing requirements] and structures with a view to increasing public and private finance in line with the risk appetite statement in mitigation and adaptation projects in developing countries;
18. [*Requests* the Board to expedite consideration of the approach of the Green Climate Fund to local currency financing];
19. *Reiterates* its request⁴ to the Board to strengthen monitoring and reporting of disbursements for, and impacts arising from, inter alia, multi-country activities on a per-country basis in a manner consistent with the integrated results management framework;⁵
20. [<NCQG placeholder>]
21. [*Decides* to modify the arrangements between the Conference of the Parties and the Green Climate Fund, as outlined in the annex to this decision, for consideration and approval by the Board before the thirtieth session of the Conference of the Parties (November 2025), thereby making the revised arrangements effective upon the Board's approval, and ensuring that the subsequent guidance from the Conference of the Parties and the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement is provided to the Green Climate Fund after each session until their thirty-first (November 2026) and eighth (November 2026) sessions, respectively, and biennially thereafter [including the development of such guidance at the Conference of the Parties held in the year immediately preceding the initiation of new replenishment discussions];]
22. [*Confirms* that guidance outside the biennial cycle referred to in the revised arrangements outlined in the annex upon request by a Party consistent with rules 9 to 13 of the draft rules of procedure being applied and also at each session that precedes the final year of each replenishment of the Green Climate Fund];
23. *Invites* Parties to submit views and recommendations on elements of guidance for the Green Climate Fund via the submission portal⁶ no later than [X] weeks prior to the [thirtieth][thirty-first] session of the Conference of the Parties;
24. *Requests* the Standing Committee on Finance to take into consideration the submissions referred to in paragraph [X] above in preparing its draft guidance for the Green Climate Fund for consideration by the Conference of the Parties at its [thirtieth][thirty-first] session and the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement at its [seventh session (November 2025)][eighth session];
25. *Also requests* the Board of the 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;

⁴ Decision 6/CP.28, para. 13.

⁵ See Green Climate Fund Board decision B.29/01.

⁶ <https://www4.unfccc.int/sites/submissionsstaging/Pages/Home.aspx>.

26. *Takes note* of decision [X]/CMA.6⁷ 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 [X-X] of that decision.⁸

⁷ Draft decision entitled “[Y]” proposed under agenda item [Z] of the [body] at its [X] session.

⁸ In accordance with decision 1/CP.21, para. 61.

DRAFT TEXT

on

CMA 6 agenda item 11(c) Matters relating to finance Guidance to the Green Climate Fund

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-ninth session transmit to the Green Climate Fund the guidance contained in paragraphs [X-X] below;¹
2. *Welcomes* the report of the Green Climate Fund to the Conference of the Parties at its twenty-ninth session,² including the information on action taken by the Board of the Green Climate Fund in response to guidance received from the Conference of the Parties;
3. *Also welcomes* the adoption by the Board of a policy for results-based payments for activities referred to in paragraph 70 of decision 1/CP.16;³
4. *Encourages* the Board to support the increased use of alternative financial instruments [with an emphasis on lowering co-financing requirements] and structures with a view to increasing public and private finance in line with the risk appetite statement in mitigation and adaptation projects in developing countries;
5. [*Encourages* the Green Climate Fund to support climate action in the context of sustainable recoveries from conflict];
6. [*Also encourages* the Green Climate Fund to enhance complementarity and coherence with other entities, including multilateral development banks and climate funds with a view towards working together as a system to simplify access to and enhance the impact of their finance].
7. [*Notes* the decision by the Conference of the Parties regarding guidance to the Green Climate Fund;⁴
8. [*Confirms* that guidance may be provided, for transmission by the Conference of the Parties, outside the biennial cycle referred to in the revised arrangements outlined in the annex of decision XX/CP.29 upon request by a Party consistent with rule 9 to 13 of the draft rules of procedure being applied and also at each session of the CMA that precedes the final year of each replenishment of the Green Climate Fund.]

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

² FCCC/CP/2024/3 and Add.1.

³ See Green Climate Fund Board document GCF/B.40/11.

⁴ Decision X/CP.29 paras XX-XX.

Annex

Modifications to the arrangements between the Conference of the Parties and the Green Climate Fund

Determination and communication of guidance from the Conference of the Parties

Replace paragraph 3 with:

3. The COP will communicate guidance to the GCF biennially:
 - (a) until the end of 2026, after each of its sessions, and thereafter, after every second of its sessions; and
 - (b) after each of its sessions immediately preceding the final year of each replenishment of the Green Climate Fund; and
 - (c) where applicable, after any session not referred to in (a) and (b) above, should the COP decide to provide guidance.

Reports from the Green Climate Fund to the Conference of the Parties

Replace paragraph 16 with:

16. The COP may request additional information from the Green Climate Fund via its guidance.