



Conference of the Parties

Twenty-seventh session

Sharm el-Sheikh, 6–18 November 2022

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

Matters relating to finance

Proposal by the President

Draft decision -/CP.27

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-seventh session and its addendum,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;
2. *Also welcomes* the ongoing efforts of the Green Climate Fund to make a significant and ambitious contribution to the global efforts towards attaining the goals set by the international community to combat climate change and adapting to its impacts and contributing to the achievement of the objective of the Convention, while taking into account the needs of developing countries;
3. *Further welcomes* the progress under the Green Climate Fund in 2022, including in relation to actions taken by the Board in response 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 11.3 billion to support implementation of 209 adaptation and mitigation projects and programmes in 128 developing countries;
 - (b) The increase in the number of entities accredited by the Board, which brings the total number of accredited entities to 114, of which 72 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 to 87;

¹ FCCC/CP/2022/4 and Add.1.



(d) The update of the Simplified Approval Process, including increasing the Green Climate Fund funding amount per proposal to USD 25 million and introducing further simplification;

(e) The adoption of the updated accreditation framework, which includes the implementation of the project-specific assessment approach as a complementary modality to the institutional accreditation process, and the adoption of the accreditation strategy;

(f) The adoption by the Board of decisions concerning guidance on the Green Climate Fund vision, approach and scope for providing support to enhance climate adaptation, and on principles for demonstrating the impact potential of mitigation and adaptation activities;

(g) The adoption of the Private Sector Strategy;

(h) The adoption of a policy for minimizing the effect of currency fluctuations;

(i) The operationalization of the integrated results management framework;

(j) The operationalization of the Indigenous Peoples Advisory Group;

(k) The continued collaboration of the Green Climate Fund with the Adaptation Committee, the Climate Technology Centre and Network, the Least Developed Countries Expert Group and the Technology Executive Committee;

4. *Requests* the Board to ensure that the conditions it applies to projects are not inconsistent with approved policies and procedures;

5. *Welcomes* the Fund's ongoing work to develop the Strategic Plan for the Green Climate Fund for 2024–2027;

6. *Also welcomes* the launch of the second replenishment of the Green Climate Fund for the period 1 January 2024 to 31 December 2027; and *recalls* that the Fund will receive financial inputs from developed country Parties to the Convention and may receive financial inputs from a variety of other sources, public and private, including alternative sources;²

7. *Requests* the Board to continue to enhance coherence and complementarity of the Green Climate Fund with other relevant bilateral, regional and global funding mechanisms and institutions to better mobilize the full range of financial and technical capacities;

8. *Underscores* the importance of the Green Climate Fund's role in supporting the implementation of actions associated with developing countries' adaptation priorities and *urges* the Board to improve technical and capacity-building support for the development of projects and programmes based on national adaptation plans in line with the Board's approved guidance on support for adaptation;³

9. *Requests* the Board to continue to enhance support for the formulation and implementation of national adaptation plans to enable developing countries to take effective adaptation action;

10. *Welcomes* the continued support of the Board under the Readiness and Preparatory Support Programme for enhancing support for technology development and transfer and capacity-building and *encourages* the Board to continue to support developing countries in this regard;

11. *Also encourages* the Board to continue work on the request for proposals to establish technology incubators and accelerators in developing countries;

12. *Requests* the Board to continue to accredit direct access entities, especially national and regional entities and institutions, in line with the updated accreditation framework and accreditation strategy, focusing on countries and regions with no or few accredited entities;

13. *Urges* the Board to maintain the balance it has approved between finance for adaptation and that for mitigation over time and to provide ambitious levels of adaptation support, emphasizing the need for adaptation as stated in decision 7/CP.20, paragraph 12;

² Governing Instrument for the Green Climate Fund, paras. 29–30.

³ In accordance with decision 1/CP.21, para. 46.

14. *Requests* the Board to continue to address the needs of developing countries that are particularly vulnerable to the adverse effects of climate change;
15. *Invites* the Board to enhance support for the least developed countries, small island developing States and other developing countries in developing project pipelines and proposals, as well as for adaptation actions associated with the priorities in their national adaptation plans;
16. *Encourages* the Board to continue supporting results-based payments through policy approaches and incentives for enhancing the contributions of developing countries to global mitigation efforts through the implementation of activities relating to reducing emissions from deforestation and forest degradation, conserving forest carbon stocks, sustainably managing forests and enhancing forest carbon stocks;⁴
17. *Invites* the Board to support the comprehensive implementation of the Fund's Private Sector Strategy and in this context support the Fund's engagement with the private sector, in particular local private sector actors and micro, small and medium-sized enterprises, to catalyse climate finance at scale, promote technical innovation and de-risk investments, including by providing early-stage and grant-based financing to the local private sector and start-ups in developing countries;
18. *Requests* the Board to consider enhancing ambition in the next version of its gender policy and *invites* the Board to take into account the implementation of the enhanced Lima work programme and its gender action plan within its existing guidance;
19. *Encourages* the Board to consider enhancing the provision of support through the Readiness and Preparatory Support Programme for the development of national and subnational gender strategies, as they relate to climate, and consider further strengthening the gender programming of Green Climate Fund activities through supporting the implementation of the policies and projects therein;
20. *Urges* the Board to continue incorporating indigenous peoples' and local communities' interests, perspectives, knowledge and climate priorities into its decision-making, including through its indigenous peoples' policy and the recommendations of the Indigenous Peoples Advisory Group as well as through continued engagement with, inter alia, the Facilitative Working Group of the Local Communities and Indigenous Peoples Platform and the International Indigenous Peoples' Forum on Climate Change;
21. *Invites* Parties to submit to the secretariat views and recommendations on elements of guidance for the Green Climate Fund via the submission portal⁵ no later than 10 weeks prior to the twenty-eighth session of the Conference of the Parties (November–December 2023);
22. *Requests* the Standing Committee on Finance to take into consideration the submissions referred to in paragraph 21 above in preparing its draft guidance for the Green Climate Fund for consideration by the Conference of the Parties at its twenty-eighth session and the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement at its fifth session (November–December 2023);
23. *Also requests* the Board 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.4⁶ 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 2–7 of that decision.⁷

⁴ As referred to in decision 1/CP.16, para. 70, and decision 1/CP.13, para. 1(b)(iii).

⁵ <https://www4.unfccc.int/sites/submissionsstaging/Pages/Home.aspx>.

⁶ Draft decision entitled "Guidance to the Green Climate Fund" proposed under agenda item 8(b) of the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement at its fourth session.

⁷ In accordance with decision 1/CP.21, para. 61.