

Climate Finance Advisory Service

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Daily Briefing

9th Green Climate Fund Board Meeting

(24 March 2015)

This is the Climate Finance Advisory Service (CFAS) Daily Briefing. Produced at key meetings and negotiations by the CFAS expert team, the Daily Briefings try to provide a concise, informative update on key discussions that have taken place at each day of the meeting and give an overview of substantive points of action or progress. Please note that this is an independent summary by CFAS and not officially mandated by the GCF Board or Secretariat.

Summary from 24 March 2015

Opening of the meeting, adoption of the agenda and organization of work

On Tuesday, March 24th 2015, the Board of the Green Climate Fund (GCF) convened for its 9th meeting in Songdo, Republic of Korea. The two new Co-Chairs, Mr. Henrik Harboe (Norway) and Mr. Gabriel Quijandria (Peru), presided the meeting. For the first time, the GCF is holding its board meeting in its own headquarter premises.

This meeting is regarded as important as the Fund begins to move into operational stage departing from its establishment phase. After more than USD 10 billion was pledged to the Fund at the end of last year, the Board is now actively engaged in discussions on where to effectively invest as the funds are being deposited. This meeting's agenda contains a number of issues that are crucial for the Fund to be able to approve proposals and disburse funds, such as accreditation of entities, further elaboration of the initial investment framework and a pilot phase to further enhance direct access.

In total, there are 31 agenda items to be dealt with at this meeting. The agenda was adopted with an amendment to include the status of the initial resource mobilization and status of the implementation of the readiness program. It was also decided that these two items would be standing agenda items in the Board's upcoming meetings.

During the morning session, Board members adopted the report of the 8th Board meeting held in Barbados. The Board also took note of the report of the activities by the Co-Chairs, the Secretariat and the Fund's different committees (e.g. Investment, Ethics and Audit, Risk Management Committee, Accreditation Panel, and the Private Sectors Advisory Group (PSAG)).

Status of the Initial Resource Mobilization

This item was added to the agenda at the request of a number of developing countries. The Secretariat gave a presentation on the latest status and informed the Board that contribution agreements for USD 80 million had been signed. The Secretariat said they are in consultation with a

number of contributors regarding the agreement. Many developed countries also clarified their respective positions. The deadline, by when 50% of the contributions pledged at the pledging conference in November 2014 should be reflected by fully executed contribution agreements/arrangements is 30 April 2015.

Work plan for 2015

The Co-Chairs presented the work plan for 2015 to be considered by the Board. Most of the members appreciated the work plan and provided few suggestions. Some members pointed out that the standing agenda items and guidance from the COP needed to be considered in the work plan. They also suggested to the Co-Chairs not to overburden the workload, as there were many tasks already agreed for the year. The importance of ensuring a robust project pipeline this year was also stressed. There was a demand by some Board members for the Secretariat to facilitate South-South learning. Similarly, striking a balance between mitigation and adaptation with a focus on adaptation was also requested to be considered in the plan. The Co-Chairs said they would have bilateral consultations with Board members and the Secretariat and then present a revised work plan during the course of the meeting.

Analysis of the expected role and impact of the Green Climate Fund

At its eighth meeting, the Board requested the Secretariat to perform an analysis that would allow the Board to identify the GCF's comparative advantage over other existing funds. The Secretariat presented this analysis, including five potential high-impact investment priorities - 1) Climate-compatible cities in Africa, Asia, Latin America and Eastern Europe; 2) Sustainable climate-smart agriculture in Africa and Asia; 3) Scaling up finance for forests and climate change in Africa, Asia and Latin America; 4) Enhancing resilience in Small Island Developing States; and 5) Transforming energy generation and access in Asia and Africa. These were based on the 14 initial result areas and 8 impact areas agreed by the Board.

However, many Board members were not fully satisfied with the document. They disagreed with the geographical prioritization suggested in the paper - for instance, only SIDS being recommended as priority regions for enhancing resilience. They also stressed that the document did not have clear enough linkages to the initial Investment Framework of the Fund. Some questions were also raised as to the role of the private sector in adaptation. Board members found the paper to be too prescriptive. They suggested that countries be given more flexibility to develop their own portfolios from the bottom up.

There was a long discussion on how to move ahead with the document. The Co-Chairs proposed to further work with the Secretariat and conduct bilateral discussions with Board members to develop a revised draft decision, to be presented to the Board tomorrow morning.

Policy on ethics and conflicts of interest for the Board

To conclude the first day, the Secretariat made a presentation on the policy on ethics and conflicts of interest for Board members. This issue will be discussed in detail tomorrow.

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