

# Climate Finance Advisory Service



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## Daily Briefing

### 12th Green Climate Fund Board Meeting

(8 March 2016)

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.

During the meetings, CFAS experts are available to provide advice to and answer specific questions for Board Members, Alternates and their advisers from developing countries. The CFAS team can be reached via [cfas@germanwatch.org](mailto:cfas@germanwatch.org).

The CFAS Team

## Summary from 8 March 2016

On Tuesday, 8 March 2016, the Board of the Green Climate Fund (GCF) convened for the first day of the formal part of its 12th meeting in Songdo, Republic of Korea. The meeting comes at the start of a defining year for the fund, following the first approval of funding proposals at the end of 2015 and striving to make funding decisions worth USD 2.5 billion by the end of 2016.

### Opening of the meeting

The two Co-Chairs, Mr. Zaheer Fakir (South Africa) and Mr. Ewen McDonald (Australia) opened the meeting and welcomed Board Members, Alternates, advisers and observers. Altogether, there are 31 agenda items for consideration at this meeting, which will not consider new funding proposals, but rather focus on addressing and closing remaining policy gaps. The proposed agenda was adopted, with no substantive changes, but some modifications to the sequencing of agenda items.

### Report of the Co-Chairs, Secretariat, Committees, Panels and Groups

Contrary to past practice, the reports of the Co-chairs and Secretariat, as well as the Committees, Panels and Groups were not presented orally by the respective facilitators, but rather presented in writing to the Board for approval. Without providing any substantive comments the Board approved the reports, including the Report of the 11th meeting of the GCF Board in Livingstone, Zambia.

The Board Member from the United States announced that the U.S. contribution arrangement had been formalized and that a first tranche of USD 500 million as part of their USD 3 billion pledge had been signed. Regarding the Risk Management Committee (RMC), Mr. Carlos Raúl Delgado Aranda (Mexico) was nominated and appointed by the Board as a new RMC member. The remaining two RMC members from developing countries will be appointed in due time.

### **2016 Work Plan of the Board, COP Guidance and Outstanding Matters**

The Board went on to discuss its work plan for 2016. At the outset, the Co-Chairs highlighted that the work plan was a living document which will be continuously updated following GCF Board meetings. One Board Member stressed the need to operationalize the fund's Accountability Mechanisms (Independent Evaluation Unit, Independent Integrity Unit and the Independent Redress Mechanism) earlier than proposed in the draft work plan, as it was important to have them in place as the fund proceeds with the approval of project and programme proposals. Board Members also pointed out the need to ensure consistency between the work plan of the Board and the Fund's Strategic Plan, which will be addressed later at this meeting. Responding to the comments, the Co-Chairs assured that the work plan would be updated to also reflect the decision made on the Strategic Plan. Regarding the Accountability Mechanisms, the Co-Chairs noted that the earliest date for appointing the Heads of the Independent Integrity Unit and the Independent Redress Mechanism was June (at the 13th Board Meeting), as interviews with shortlisted candidates would take place after BM12.

With regard to the guidance provided to the GCF by the Conference of the Parties (COP) in Paris, the Co-Chairs presented a proposal for a decision on how to reflect the guidance received in the 2016 work plan. They clarified that, while COP21 decisions would be reflected in the work plan, elements found in the Paris Agreement would flow into the Strategic Plan. Following the introduction, one Board Member highlighted that participation by the GCF in Technical Expert Meetings organized by the UNFCCC should also be included in the work plan. Further, one Board Member requested that language on results-based payments in the work plan be adjusted to be consistent with the guidance given by the COP. With the proposed amendments the work plan was adopted.

Finally, the Board turned to 11 matters outstanding from previous Board meetings, on which the Co-Chairs presented draft decisions for a process on how and when to address them, inter alia on issues such as the Establishment of an Appointment Committee, Arrangements for the First Formal Replenishment, the Simplified Approval Process or the Financial Terms and Conditions ('Concessionality'). In 9 cases, the Board decided to follow the Co-Chairs' proposals. On the Simplified Approval Process, the Board slightly amended the decision, deciding to adopt a respective policy at the thirteenth meeting. On the Financial Terms and Conditions, a small group was created that will present a revised decision to the Board for approval.

### **Budget Committee and Revised Budget and Staffing**

As discussed during the informal meeting on Monday, the Board established a Budget Committee and adopted the associated Terms of Reference. The role of the Budget Committee is to review and make recommendations to the Board on matters related to the administrative budget of the GCF, inter alia by reviewing and making recommendations on the GCF's proposed annual administrative budget, including the budget implications of the staffing structure and staff remuneration. Following its establishment, the Board appointed Ms. Diann Black-Layne (Antigua and Barbuda), Mr. Omar El-Arini (Egypt), Mr. Teimuraz Murgulia (Georgia), Ms. Caroline Leclerc (Canada), Ms. Ludovica Soderini (Italy) and Mr. Jose Delgado (Austria) to serve as members of the Budget Committee for an initial term of three years. As a first task, the Committee was requested to develop options for a proposed increase in staffing, in order to allow the Co-Chairs to present a draft decision to the Board by Wednesday afternoon.

### **Strategic Plan for the GCF**

Picking up from the discussions at the informal session on Monday, Board members were given the opportunity to add elements to be included into the Strategic Plan for the GCF. One Board Member highlighted the need to strengthen the language on gender, stressing that gender responsiveness was an important issue to promote transformational change. One Board Member pointed out that the definition of 'scale' should not be limited to financial value and replicability and that a focus purely on scale would disadvantage small countries. Some Board members also noted the Strategic Plan should reference and strengthen the function of the GCF as a knowledge platform. Others indicated that involvement of the private sector should also clearly reference the private sector in LDCs and SIDS in particular, and that regarding country-ownership it was vital to reflect the importance of indigenous peoples. The Co-Chairs took note of the various views expressed and will present a draft decision to the Board on Wednesday.

### **Matters related to the Executive Director**

After lunch, the Board considered matters related to the Executive Director (ED) in a closed executive session, including the Performance Review of the ED and the Process for the Appointment of a new ED. The current ED, Hela Cheikhrouhou, has announced that she will not seek a second term after her initial term ends in September 2016.

### **Further Development of Indicators in the Performance Measurement Framework**

As the final agenda item of the day, the Board briefly considered the further development of indicators in the Performance Measurement Framework. Without extensive discussions, the Board decided to defer a decision on this item to the 13th Board meeting, inviting submissions from Board members, Alternates, as well as active observers. In addition, the Secretariat was requested to facilitate a technical consultation on this document prior to the Board's consideration of this matter at the next meeting.

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