

Decision 5/CP.24

Report of the Green Climate Fund to the Conference of the Parties and guidance to the Green Climate Fund

The Conference of the Parties,

Noting the draft guidance to the Green Climate Fund prepared by the Standing Committee on Finance,¹

Recalling decision 10/CP.22, paragraph 5,

1. *Welcomes* the report of the Green Climate Fund to the Conference of the Parties at its twenty-fourth session and its addendum,² including the list of actions taken by the Board of the Green Climate Fund (hereinafter referred to as the Board) in response to guidance received from the Conference of the Parties;

2. *Also welcomes* the progress of the Green Climate Fund in 2018, including:

(a) That funding approved by the Board has reached USD 5.5 billion, including USD 4.6 billion in loans, grants, equities and guarantees in the past three years for the implementation of 93 funding proposals for adaptation and mitigation in 96 developing countries;

(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;

(c) The decision of the Board³ to initiate a review of the performance of the Green Climate Fund to assess the progress of the Fund in delivering on its mandate as set out in its Governing Instrument;

(d) The decision of the Board⁴ concerning the selection process for the appointment of the Executive Director of the Green Climate Fund secretariat;

(e) The decision of the Board to select and appoint the International Bank for Reconstruction and Development as the trustee of the Green Climate Fund;

(f) Efforts made to improve access to the Green Climate Fund through the structured dialogues and the Readiness and Preparatory Support Programme;

(g) The increase in the number of entities accredited by the Board, including direct access entities;

(h) The implementation of the simplified approvals process, including the approval of four projects worth USD 30.1 million in Green Climate Fund funding to date;

(i) The collaboration in 2018 between the Green Climate Fund and the Technology Executive Committee and the Climate Technology Centre and Network;

(j) The decision of the Board⁵ on financial planning in 2019 and the allocation of up to USD 600 million to fund projects submitted in response to requests for proposals and pilot programmes, including the requests for "proposals on REDD-plus results-based payments", mobilizing funds at scale, micro, small and medium-sized enterprises, enhanced direct access and the simplified approvals process;

(k) The first annual report on complementarity and coherence with the Green Climate Fund and other climate finance channels;

¹ FCCC/CP/2018/8, annex IV.

² FCCC/CP/2018/5 and Add.1.

³ Green Climate Fund Board decision B.21/17.

⁴ Green Climate Fund Board decision B.21/06.

⁵ Green Climate Fund Board decision B.21/14.

3. *Further welcomes* the report on the implementation of the 2018 workplan and the approval of the 2019 workplan of the Board, and *urges* the Board to address remaining policy gaps, including on, as specified in the Fund's Governing Instrument and its rules of procedure:

(a) Policies relating to:

(i) The approval of funding proposals, including project and programme eligibility and selection criteria, incremental costs, co-financing, concessionality, programmatic approach, restructuring and cancellation;

(ii) Prohibited practices as well as the implementation of the anti-money-laundering and countering the financing of terrorism policy;

(b) Review of the accreditation framework;

(c) Pursuing privileges and immunities for the Green Climate Fund;

(d) Consideration of alternative policy approaches, such as joint mitigation and adaptation approaches for the integral and sustainable management of forests;⁶

(e) The requests for proposals to support climate technology incubators and accelerators, in accordance with Board decision B.18/03;

4. *Urges* the Board to continue its consideration of procedures for adopting decisions in the event that all efforts at reaching consensus have been exhausted, as specified in the Fund's Governing Instrument;

5. *Welcomes* the launching of the first formal replenishment process and the Board's decisions on the inputs and processes related to the Fund's replenishment,⁷ which take into account the needs of developing countries;

6. *Stresses* the urgency to reach pledges for the first formal replenishment process aiming to conclude the process in October 2019;

7. *Takes note* of the independent evaluations of the readiness and preparatory support programme and encourages the Board to address the recommendations contained therein, in accordance with paragraph 59 of the Governing Instrument, with a view to improving access to the Green Climate Fund and increasing the Fund's efforts to support country ownership and country programming;

8. *Reaffirms* the necessity to focus on implementation and to speed up disbursement of funds to already approved projects as a key element of the Green Climate Fund's operations in line with agreed disbursement schedules;

9. *Invites* Parties to submit to the secretariat via the submission portal,⁸ no later than 10 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 for the Board;

10. *Requests* the Standing Committee on Finance to take into consideration the submissions referred to in paragraph 9 above when preparing its draft guidance for the Board for consideration by the Conference of the Parties;

11. *Also requests* 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;

⁶ Decision 16/CP.21, paragraph 6, and decision 7/CP.21, paragraph 25.

⁷ Green Climate Fund Board decision B.21/18.

⁸ https://unfccc.int/submissions_and_statements.

12. *Decides*, in accordance with decision 1/CP.21, paragraph 61, 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 the decisions referred to in decision 3/CMA.1, paragraph 4.

*10th plenary meeting
15 December 2018*