



**GREEN
CLIMATE
FUND**

Meeting of the Board
13 – 16 March 2023
Songdo, Incheon, Republic of Korea
Provisional agenda item 14

GCF/B.35/11

7 March 2023

Guidance from the twenty-seventh session of the Conference of the Parties

Summary

This document presents the actions to be undertaken by the Board in 2023 in response to guidance received from the Parties during the twenty-seventh session of the Conference of the Parties to the United Nations Framework Convention on Climate Change (Sharm el-Sheikh, Egypt, 6–20 November 2022), including areas for further discussion among the Board.

I. Introduction

1. In accordance with the Governing Instrument for the Green Climate Fund (GCF) and as defined by the Arrangements between the Conference of the Parties (COP) and the GCF, in line with decision 5/CP.19 of the United Nations Framework Convention on Climate Change (UNFCCC), the COP provides annual guidance to the Board. The Board takes appropriate actions in response to this guidance and reports back to the COP on how it has addressed the guidance received through its annual report to the COP.
2. This document provides information on how the Co-Chairs of the GCF Board propose the Board address the guidance received from the twenty-seventh session of the COP (COP 27), including through the Board workplan for 2023 and proposed additional actions resulting from COP 27, as well as other decisions adopted by COP 27 with elements requiring action by GCF.

II. Outcomes of COP 27 with implications for GCF as an operating entity of the Financial Mechanism

3. Table 1 in annex II to this document contains a proposal from the Co-Chairs in relation to GCF guidance received from COP 27 and the fourth session of the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement (CMA 4) as contained, respectively, in **UNFCCC decision -/CP.27**¹ titled “Report of the Green Climate Fund to the Conference of the Parties and guidance to the Green Climate Fund” and **CMA decision -/CMA.4** titled “Guidance to the Green Climate Fund”.²
4. The COP welcomed the progress of GCF in 2021–2022, including, inter alia, the increase in the number of funding proposals approved and entities accredited by the Board, the increase in the approval of grants for readiness support for national adaptation plans and other adaptation planning processes, and the adoption of several key policy documents.
5. Resulting from COP 27, in addition to items following on previous guidance, there are some new or advanced elements of guidance to GCF, including:
 - (a) The Board was requested to consider how to enhance support for just transitions of developing countries across economic sectors and transition to resilient economies, and how to provide better access to climate finance and enablers of just transitions, to the extent that this is in line with the existing mandate, investment framework, results framework, and funding windows and structures of the Green Climate Fund;
 - (b) The Board was invited 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; and
 - (c) The Board was requested to continue to address the needs of developing countries that are particularly vulnerable to the adverse effects of climate change.
6. Based on the background information and recommendations provided in this document, it is suggested that the Board adopt the draft decision as set out in annex I to this document.

¹ See document available at <https://unfccc.int/documents/624443>.

² See document available at <https://unfccc.int/documents/624442>.

Annex I: Draft decision by the Board

The Board, having considered document GCF/B.35/11 titled “Guidance from the twenty-seventh session of the Conference of the Parties”:

- (a) *Takes note* of this report, including the actions to be undertaken by the Board and Secretariat in 2023 in response to guidance received from the Parties during the twenty-seventh session of the Conference of the Parties, as contained in annex II; and
- (b) *Requests* the Co-Chairs, with the support of the Secretariat, to include an overview of progress on the updated four-year workplan of the Board in the twelfth report of the Green Climate Fund to the Conference of the Parties to the United Nations Framework Convention on Climate Change.

Annex II: Summary of GCF direct guidance received from the twenty-seventh session of the Conference of the Parties to the United Nations Framework Convention on Climate Change and the fourth session of the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement and proposals on how it will be addressed by the Board and Secretariat

Table 1: Summary of GCF direct guidance received from the twenty-seventh session of the Conference of the Parties to the United Nations Framework Convention on Climate Change and the fourth session of the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement and proposals on how it will be addressed by the Board and Secretariat

Guidance item	Action by the Board/Secretariat
Decision -/CP.27 Report of the Green Climate Fund to the Conference of the Parties and guidance to the Green Climate Fund	
1. <i>Welcomes</i> the report of the Green Climate Fund to the Conference of the Parties at its twenty-seventh session and its addendum, 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;	No action required
2. <i>Also welcomes</i> 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;	No action required
3. <i>Further welcomes</i> 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;	No action required

Guidance item	Action by the Board/Secretariat
<p>(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;</p> <p>(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;</p> <p>(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;</p> <p>(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;</p> <p>(g) The adoption of the Private Sector Strategy;</p> <p>(h) The adoption of a policy for minimizing the effect of currency fluctuations;</p> <p>(i) The operationalization of the integrated results management framework;</p> <p>(j) The operationalization of the Indigenous Peoples Advisory Group;</p> <p>(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;</p>	
<p>4. <i>Requests</i> the Board to ensure that the conditions it applies to projects are not inconsistent with approved policies and procedures;</p>	<p>The Board to take note of the request.</p>
<p>5. <i>Welcomes</i> the Fund’s ongoing work to develop the Strategic Plan of the Green Climate Fund for 2024–2027;</p>	<p>No action required</p>
<p>6. <i>Also welcomes</i> the launch of the second replenishment of the Green Climate Fund for the period 1 January 2024 to 31 December 2027; and <i>recalls</i> that the Fund will</p>	<p>No action required</p>

Guidance item	Action by the Board/Secretariat
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;	
7. <i>Requests</i> 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;	<p>The Secretariat to explore options for further enhancing coherence and complementarity and present to the Board for consideration.</p> <p>The Secretariat to continue to enhance complementarity and coherence with relevant bilateral, regional and global funding mechanisms and institutions to better mobilize the full range of financial and technical capacities.</p>
8. <i>Underscores</i> the importance of the Green Climate Fund’s role in supporting the implementation of actions associated with developing countries’ adaptation priorities and <i>urges</i> 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;	The Board to consider this item as part of its work to update the strategy for the Readiness and Preparatory Support Programme.
9. <i>Requests</i> 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;	The Board to consider this item as part of its work on the updated Strategic Plan 2024 – 2027 and update of the strategy for the Readiness and Preparatory Support Programme.
10. <i>Welcomes</i> 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 <i>encourages</i> the Board to continue to support developing countries in this regard;	The Board to take note of the guidance in the context of its work on the update of the strategy for the Readiness and Preparatory Support Programme.
11. <i>Encourages</i> the Board to continue work on the request for proposals to establish technology incubators and accelerators in developing countries;	The Board to consider an overall approach to deployment of RfPs as part of its work on the update to the GCF Strategic Plan 2024-2027, informed by the IEU Rapid assessment of the GCF’s Request for Proposals modality, following which Terms of Reference for RfP on technology incubators and accelerators could be considered for B.37.
12. <i>Requests</i> the Board to continue to accredit direct access entities, especially national and regional entities and institutions, in line with the updated accreditation	The Board to consider this item as part of Strategic matters relating to accreditation in line with decision B.34/19.

Guidance item	Action by the Board/Secretariat
framework and accreditation strategy, focusing on countries and regions with no or few accredited entities;	
13. <i>Urges</i> 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;	The Board to consider this item as part of its work on the updated Strategic Plan 2024 – 2027.
14. <i>Requests</i> the Board to continue to address the needs of developing countries that are particularly vulnerable to the adverse effects of climate change;	The Board to consider this item as part of its work on the updated Strategic Plan 2024 – 2027 and update of the strategy for the Readiness and Preparatory Support Programme.
15. <i>Invites</i> 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;	The Board to consider this item as part of its work on the updated Strategic Plan 2024 – 2027 and update of the strategy for the Readiness and Preparatory Support Programme.
16. <i>Encourages</i> 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;	The Secretariat to conduct further consultations on the terms of reference of a possible second phase of the REDD+ results-based payments programme.
17. <i>Invites</i> 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	The Secretariat to prepare an action plan and timetable focusing on the Fund’s enhanced engagement with the local private sector as well as micro, small and medium-sized enterprises in developing countries, including by providing early-stage and grant-based financing to the local private sector and start-ups in developing countries, as part of the Secretariat’s annual reporting to the Board on progress on implementation of the Private Sector Strategy under decision B.32/06 for consideration at B.37.
18. <i>Requests</i> 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;	The Board to take note of the guidance and to request the Secretariat to continue to report on the implementation of the updated Gender Policy and GCF’s Gender Action Plan.

Guidance item	Action by the Board/Secretariat
<p>19. <i>Encourages</i> 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;</p>	<p>The Board to consider this item as part of its work to update the strategy for the Readiness and Preparatory Support Programme.</p>
<p>20. <i>Urges</i> 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;</p>	<p>The Board to take note and to decide to:</p> <p>Invite the co-chairs of the Facilitative Working Group (FWG) of the Local Communities and Indigenous Peoples Platform (LCIPP) to the next annual dialogue with the UNFCCC constituted bodies, in line with decision B.13/11; and</p> <p>Engage with the Indigenous Peoples Advisory Group (IPAG), including by requesting provision of guidance and advice, as relevant, and in line with the Indigenous Peoples Policy and IPAG terms of reference.</p>
<p>21. <i>Invites</i> Parties to submit to the secretariat views and recommendations on elements of guidance for the Green Climate Fund via the submission portal no later than 10 weeks prior to the twenty-eighth session of the Conference of the Parties (November–December 2023);</p>	<p>No action required</p>
<p>22. <i>Requests</i> 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);</p>	<p>No action required</p>
<p>23. <i>Also requests</i> 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;</p>	<p>No action required</p>
<p>24. <i>Takes note</i> 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 2–10 of that decision.⁷</p>	<p>No action required</p>
<p>Decision -/CMA.4 Guidance to the Green Climate Fund</p>	

Guidance item	Action by the Board/Secretariat
1. <i>Recommends</i> that the Conference of the Parties at its twenty-seventh session transmit to the Green Climate Fund the guidance contained in paragraphs 2–7 below;	No action required
2. <i>Welcomes</i> the report of the Green Climate Fund to the Conference of the Parties at its twenty-seventh session and its addendum, 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;	No action required
3. <i>Also welcomes</i> the ongoing efforts of the Green Climate Fund to make a significant and ambitious contribution to global efforts towards achieving the ultimate objective of the Convention and the goals set by the Paris Agreement to combat climate change and adapting to its impacts while taking into account the needs of developing countries;	No action required
4. <i>Requests</i> the Board to increase its support to developing countries in order to guide and enable Green Climate Fund programming to promote a paradigm shift across both high-impact areas of mitigation potential and countries' adaptation and resilience needs, including by supporting a wider alignment of financial flows with countries' climate plans and strategies;	The Board to consider this item as part of its work on the updated Strategic Plan 2024 – 2027.
5. <i>Encourages</i> the Board to continue supporting results-based payments through policy approaches and positive 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, in accordance with Article 5 of the Paris Agreement;	The Secretariat to conduct further consultations on the terms of reference of a possible second phase of the REDD+ results-based payments programme.
6. <i>Invites</i> the Board to take further action in relation to the Fund's approach to financing alternative policy approaches to results-based payments, such as joint mitigation and adaptation approaches for the integral and sustainable management of forests, in accordance with decision 16/CP.21;	The Board to consider requesting the Secretariat to update the paper on GCF approach to financing for forests and alternative approaches. ³
7. <i>Requests</i> the Board to consider how to enhance support for just transitions of developing countries across economic sectors and transition to resilient economies,	The Board to consider this item as part of its work on the updated Strategic Plan 2024 – 2027.

³ The original document on *Current GCF approach to financing for forests and alternative approaches*, as submitted to and taken note of at B.33 is available at: <https://www.greenclimate.fund/sites/default/files/document/gcf-b33-inf07.pdf>



Guidance item	Action by the Board/Secretariat
and how to provide better access to climate finance and enablers of just transitions, to the extent that this is in line with the existing mandate, investment framework, results framework, and funding windows and structures of the Green Climate Fund.	
