



**GREEN  
CLIMATE  
FUND**

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# Report on the activities of the Secretariat – Addendum V

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## Summary

The present Addendum to the Report on the Activities of the Secretariat (“RAS”, [GCF/B.35/15](#)) is issued to provide more granularity in relation to two distinct but related matters: the question on the pursuit of a more complete privileges and immunities cover for the Green Climate Fund (para 30 RAS - A), and the issue of challenges encountered by GCF in relation to its status as international organization, including in relation to participation in relevant UN events (para 31 RAS - B).

## Introduction

1. The present Addendum to the Report on the Activities of the Secretariat (“RAS”, [GCF/B.35/15](#)) is issued to provide more granularity in relation to two distinct but related matters: the question on the pursuit of a more complete privileges and immunities cover for the Green Climate Fund (para 30 RAS - A), and the issue of challenges encountered by GCF in relation to its status as international organization, including in relation to participation in relevant UN events (para 31 RAS - B).

### A. Privileges and Immunities of the Green Climate Fund

2. This section complements the information provided in paragraph 30<sup>1</sup> of the RAS with respect to the progress on Key Performance Indicator (KPI) 6.5 the target of which is both the pursuit of a number of new bi-lateral agreements on privileges and immunities and the pursuit of the initiative with the UN for P&Is at the multilateral level. It recounts some challenges encountered in engaging with countries and securing a broader set of countries and provides an addition (erratum) to the text issued in the RAS.

3. Privileges and immunities are not an end in themselves. They are granted to international organizations to enable such organizations to achieve their respective mandates, free from interference from any one State to the detriment of other States which participate in the organization (e.g., taxation imposed on an international organization by one State, thereby reducing the funding available to other States that would otherwise be able to access the organization’s resources).

4. Similarly, the privileges and immunities granted to officials of international organizations are provided not for the benefit of the individuals themselves, but in order to allow them to discharge the organization’s mandate free from any interference from any one State.

#### a. Pursuit of a larger cover through bi-lateral P&I agreements - challenges

5. To ensure that GCF is covered by privileges and immunities, the COP, in UNFCCC decision 7/CP.20, paragraph 21, urged “developing country Parties to enter into bilateral agreements with the [GCF] based on the template to be approved by the Board of the [GCF], in order to provide privileges and immunities for the [GCF]”

6. While it is not within the Secretariat’s power to expedite these, the Secretariat is actively continuing its pursuit of bilateral privileges and immunities agreements. Overall progress on negotiations is slow due to various factors outside of the Secretariat’s control. These include lengthy national approval processes, limited impetus on the side of some counterparts and high rotation of focal points for negotiations. Nevertheless, the Secretariat continues to proactively engage and explore new avenues for engagement, taking every opportunity to advance

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<sup>1</sup> Para 30 RAS reads as follows:

For this reporting period, the Secretariat has continued its pursuit of finalizing bilateral privileges and immunities agreements with countries. In November 2022 an Agreement on the Privileges and Immunities of the GCF was signed with the Republic of Rwanda, bringing the total number of signed bilateral privileges and immunities agreements to 29. The Agreement with Rwanda must now be ratified before entering into force. Overall progress on other negotiations has, however, remained slow. As of 31 December 2022, the GCF portfolio under implementation spans 98 countries where it does not have privileges and immunities, meaning that GCF is now disbursing USD 2.5 billion in countries where GCF, staff and assets do not have privileges and immunities coverage. As previously noted<sup>1</sup>, not only can these risks give rise to significant financial liabilities and affect the amount of resources available for programming, they can materially and adversely affect the reputation of GCF, thereby impacting on its ability to achieve its mandate. It could also directly jeopardize the capacity of GCF staff to discharge their oversight functions.

negotiations and wrap up final steps, insofar as within the Secretariat's remit. The Secretariat is currently proactively engaging with around 30 countries in various stages of negotiations. Internal processes have been streamlined to further improve internal coordination among relevant divisions to keep the momentum with the countries through email communications, virtual and in person bilateral meetings as well as high-level engagements.

**b. Pursuit of opportunities on multilateral level**

7. As part of its efforts to obtain privileges and immunities, and based on relevant COP guidance at COP25, the Secretariat has exchanged preliminary views on the matter with the United Nations Secretariat. The Board has not yet had the opportunity to act upon the relevant COP25 or COP26 guidance on privileges and immunities, nor consider the Secretariat's initial conclusions<sup>2</sup> based on the exchanges with the United Nations Secretariat.

**B. Matters relating to the status of the GCF as an international organization**

8. This section complements Paragraph 31 of the RAS by providing additional information on issues engaging with relevant stakeholders at high-level events due to issues regarding the recognition of the GCF as an international organization (as opposed to private entity or non-governmental organization), including by providing a table with concrete examples.

9. The lack of understanding of the need for and lack of impetus to enter into bilateral agreements on the privileges and immunities of GCF is a manifestation the larger issue of the legal status of GCF on the international plane. Although the bilateral agreements seek to address this issue, GCF has faced a number of related challenges, both in the context of its programming and in other fora.

**a. Erratum at Paragraph 31**

10. The following sentence is to be added at the end of paragraph 31 "The Secretariat will continue to inform relevant stakeholders of the legal status of GCF."

11. Paragraph 31 now reads (new addition in bold):

31. The Secretariat is also focusing on a broader issue concerning the legal status of GCF. The organization has legal personality and capacity in the international plane, but it has also faced a number of challenges, both in the context of its programming and in other fora. For example, in a number of countries where GCF has approved projects and programmes, relevant regulatory authorities have raised questions with regard to the legal status of GCF within the relevant country, which has delayed implementation of projects and programmes, or affected GCF partners' compliance with the relevant project/programme legal documentation slowing down reflows to GCF which could have been used for new projects/programmes. It has also hampered the capacity of GCF to participate in global policy dialogue, share its experience and forge new partnerships. For instance, GCF was not accredited to fully participate in pivotal high-profile events, including the 2022 UN Oceans Conference, despite being a significant and transformative funder with respect to oceans projects. If not properly addressed, GCF may be faced with similar constraints for other major events. In addition to addressing each situation on its own merit, as GCF matures, the Secretariat will continue to consolidate the narrative surrounding the legal status of the GCF. **The Secretariat will continue to inform relevant stakeholders of the legal status of GCF.**

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<sup>2</sup> Document GCF/B.29/Inf.07/Add.05 titled "Institutional linkage between the United Nations and the Green Climate Fund" was presented at B.29.

**b. Status of GCF**

12. GCF has faced a number of challenges related to its status, both in the context of its programming and in other fora. In a number of countries where the GCF has approved projects and programmes, relevant regulatory authorities have raised questions with regard to the legal status of GCF within the relevant country, which has delayed implementation of projects and programmes, or affected GCF partners' compliance with the relevant project/programme legal documentation and delaying reflows to GCF which could have been used for new projects/programmes. For example, some countries have exchange regulations and controls and their regulatory authorities have raised questions with respect to GCF's status, both in general and in their country, which has delayed the granting of licenses to allow cash reflows. While the Fund has so far been able to "convince" the relevant stakeholders that it is an international organization (not a private sector entity, not an NGO), significant efforts are expended and delays incurred and future similar issues are not guaranteed to yield the same results. As set out in the RAS, accreditation to particularly relevant world events is impacted which costs the Fund visibility and opportunities to independently engage with relevant stakeholders. This is of particular concern as the Fund embarks on its second replenishment.

**c. Examples of difficulties encountered with accreditation for and participation in high-level UN events**

13. One of the challenges GCF faces, relates to participation in high-level UN events. International convenings are instrumental in elevating GCF's presence and knowledge about the Fund to prospective partners, contributors, and investors. It is important for strengthening GCF's positioning as a key player in the climate finance space. Presently, GCF is not able to fully engage in many relevant conferences because its legal status as an international organization is not always recognized. Such is the case most notably with accreditation to UN conferences where GCF has been denied accreditation as an international organization, leading GCF to seek to costly, time-consuming, and often awkward means to attend and engage in these events. These awkward alternatives are required to avoid even more difficult to explain alternatives such as accreditation in the "private sector" or "non-governmental" categories. Such categorizations are not only inappropriate for the largest dedicated climate fund, but also come with restrictions in different rules for participation.

14. The table below provides examples of specific instances and events accreditation due to non-recognition of status has occurred. The table lists specific measures taken by GCF and GCF staff and lists concrete consequences from the lack of accreditation or alternative participation.

<b>GCF Participation at UN Events</b>					
<b>Organizer</b>	<b>Date</b>	<b>Attendance /accreditation</b>	<b>Participation</b>	<b>Consequences</b>	
UN DESA- UN Ocean Conference	Jun-22	GCF not accredited, received special speaker passes for limited participation	Participated as part of invited “side events” at Director and Climate Lead level; secured special event passes; received support from multiple organizations and countries to attend yet was not able to attend at Institutional level and receive recognition	No participation at high level; hindrance to reach key audiences and decision makers regarding topics and thematic areas up for discussion	Participation allowed access to the venue (Blue Zone) and official segments of the Conference.
UNGA 2019 and 2022	Sept. '19 and '22	No ability to accredit and register to officially attend unless securing side event or speaker invitations	GCF is invited and must be escorted to meeting rooms taking place at UN HQ and/or in the perimeter. ED (2019, 2021, 2022) was able to access the premises (thanks to retired UN ASG status), but GCF staff supporting ED were not able to enter. ED should be accompanied by staff.		Passes do not secure a speaking slot or a spot on the floor
					Hinders the GCF to engage with key focal points and to attend meetings and events without delegation passes; leads GCF to rely on UN AEs to shepherd and act as escorts of GCF staff at key political convenings

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UN OHRLLS – LDC5 Conference	Mar-23	Accredited under NGO category; no high-level speaking slot and participation at the high level during a critical year for the GCF (replenishment)	Participation forthcoming at PSF deputy director level and Country Manager Focal point (DCP)	No participation at high level; hindrance to reach key audiences and decision makers regarding topics and thematic areas up for discussion	Accreditation as NGO is perceived negatively by partners and by contributors especially because GCF is the largest financial mechanism dedicated to climate projects; NGOs /CSOs may perceive GCF as competition for support
UN DESA – UN Water Conference	Mar-23	GCF attempted to register as an IGO which was unsuccessful  GCF attempted to register under UNFCCC acting as the umbrella organization, but UNFCCC was not able to fulfill request	Technical focal points registered under professional networks; GCF participating at 6 official events, but not able to register as an IGO/its own delegation; Director (DEA) and Deputy Director (PSF) to receive special event passes with limited access		