

Green Climate Fund Board takes key decisions on operations and makes progress on ‘Essential Eight’

(Bali, Indonesia, 22 February 2014) – The Board of the Green Climate Fund met this week in Indonesia to progress the eight essential requirements for its initial resource mobilization and take fundamental decisions to advance the institution’s operations.

During three days of meetings, Board members agreed on several key decisions that will shape the Fund’s work streams and activities as it moves forward, including the following parameters and guidelines for allocation of resources during its initial phase:

- The Fund will aim for a 50:50 balance between mitigation and adaptation over time;
- The Fund will aim for a floor of fifty percent of the adaptation allocation for particularly vulnerable countries, including least developed countries, small island developing States and African States;
- The Fund will maximize engagement with the private sector, including through a significant allocation to the Private Sector Facility, in order to provide incentives that encourage a paradigm shift to low-carbon development;
- The Fund will be a leader on gender mainstreaming and will define its gender action plan in October 2014.

The Board also discussed additional key elements that will shape the Fund’s support for low-carbon and climate-resilient development: its result management framework, the risk management and investment frameworks, the accreditation framework and the proposal approval process.

In May, the Board aims to take key decisions on the remaining essential requirements that will allow the Fund to receive, manage, programme and disburse funds. The Board also mandated the Secretariat to develop a comprehensive work programme on readiness and preparatory support, which will stimulate developing countries to benefit from the Fund.

Speaking immediately after the Board meeting, Co-Chair Mr. Manfred Konukiewitz (Germany) stated:

“We discussed heart and bone issues for the Fund here at Bali – policies and procedures that should make the Fund a success story. We have to make sure that this institution becomes the innovative and ambitious instrument of climate finance – a significant fund that will make the difference for people in developing countries and the planet.”

Co-Chair Mr. Jose Maria Sarte Salceda (Philippines) stated:

“Decisions taken this week ensure that the Fund can help developing countries to cope with the devastating impacts of climate change and become more climate-resilient. We need to put in place the essential requirements so that the developing world can access climate finance for scalable projects and investments, with a projected floor of 50% of initial adaptation allocations being reserved for the most vulnerable countries.”

Speaking at a dinner hosted by the Indonesian government, Mr. Bambang Brodjonegoro, the Vice-Minister of Finance, stated:

“During this Board Meeting in Bali, Indonesia announces its pledge to contribute to the Fund. Indonesia also stands ready if all countries are required to contribute for the capital base of the Fund. I am hoping this contribution can support the Fund’s activities in helping developing countries to prepare and finance emissions reduction and adaptation programs, including capacity building programs under the South-South cooperation that replicate the success stories of climate change programmes in other countries. I do hope other more capable countries can consider making pledges, or adding to their pledges, or making an indication of their pledges during this Bali meeting.”

It was also decided that the Fund would manage access to resources with a view to seeking geographical balance and a reasonable and fair allocation across a broad range of countries, while maximizing the scale and transformational impact of the mitigation and adaptation activities of the Fund.

The full decisions of the sixth meeting of the Board will be available on the Fund’s website: GCFund.net, which also contains more information on the Green Climate Fund.

The Green Climate Fund (the Fund) is a new multilateral fund that was agreed by Parties at the 2010 United Nations Framework Convention on Climate Change conference held in Cancun, Mexico, and designated as an operating entity of the Convention’s financial mechanism. The Fund’s Governing Instrument was developed and approved in 2011. The Fund’s purpose is to promote, within the context of sustainable development, the paradigm shift towards low-emission and climate-resilient development pathways by providing support to developing countries to help limit or reduce their greenhouse gas emissions and to adapt to the unavoidable impacts of climate change.