11th Board Meeting of the Green Climate Fund

11 November 2015
Livingston, Zambia

Event Report

Outcome note from the 11th meeting of the GCF

Author information

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1. Introduction

The 11th Board meeting of the GCF held in Livingston, Zambia, was perhaps the most critical given its close proximity to the Conference of the Parties (COP) 21 in Paris. The COP, established within the Governing Instrument (GI) of the Fund, welcomed the decision at its 20th sitting for the approval of the first funding proposals by the closure of this, the 11th meeting. This is expected to show to the world that the Fund is open for business, providing momentum to the all-important global climate negations in Paris.

As a result this Board meeting boasted the most ambitious agenda yet, with a record number of documents under consideration. Discussions over the approval of this agenda brought early tensions between the developed and developing country Board members, clearly with political aspirations in mind. Whereas the majority of developed states requested the agenda remain the way in which designed by the Secretariat and Co-chairs, the developing countries, led by Egypt, India, Saudi Arabia and South Africa, were adamant that discussions on the first formal replenishment of the Funds should be concluded prior to opening up discussions on the eight funding proposals. Even if commenced earlier, India and Egypt made it clear that no quick decisions would be made on these proposals. A further point of contention was the topic of the strategic plan, with several Board members stressing the importance of discussing towards the top of the agenda, given the context it provides to many other subsequent decisions. With the strategic plan remaining in its place and despite contests from the US, the replenishment was agreed to be brought forward, in the place of information disclosure.

Other important talking points which emerged throughout the four days of discussions included the recently published Intended Nationally Determined Contributions (INDCs), of which many have included the need to attain significant sources of finance from the GCF and, growing fractions between some Board members and the role of the Secretariat.

2. Readiness and preparatory programme

See Decision B.11/04, Agenda item 20: Readiness programme implementation (progress report)

The secretariat confirmed that US$4.6 million has been committed to a total of 17 countries for readiness and preparatory support under the GCF, however, it was also noted that just US$48,000 of this has been dispersed, bringing serious concerns from Board members and CSO observers. This led to calls from some Board members, including South Africa, India and France, that the secretariat should not be acting as the implementing entity of readiness support. Furthermore, CSOs identified that an even smaller fraction of this funding is going towards assisting direct access entities, with the LDC representatives expressing concerns that this is leading to NIEs falling further behind MIEs. Amongst the lessons learned from the secretariat included the leadership provided by some NDAs, however, bottlenecks such as those poorly performing, known to represent a major barrier to AEs accessing readiness support, were not discussed. This highlights wider issues with transparency on the use and accessibility of this readiness support.

The secretariat therefore requested an increase in funding of US$14 million for 2016 to help execute readiness support. However, some Board members stated that simply increasing the secretariat staffing numbers would be unlikely to solve these dispersal problems, and readiness support needs to receive more attention given its importance in achieving the aims of the GCF. Nevertheless, the Board agreed to provide the additional US$14 million for the execution of readiness and preparatory support.

On top of this additional US$14 million, the secretariat requested that a further US$2 million be made available for each country in support of their NAP preparation, separate from each countries annual readiness and preparatory support cap. Concerns were raised from several developed countries over the potential for duplication of other funds targeting NAP, but there was wider support from developing countries and the CSO observers. Consequently, the Board provided clarity that that the readiness and preparatory support may be used to support voluntary NAP, but there was no mention of the additional US$2 million in the final decision.

The wider issues of poor readiness and preparatory support funding became clear throughout the Board meeting, and enabling quick dispersal will be key to developing an improved project pipeline in 2016 and beyond. In line with the requests from the secretariat and interventions from Board members and active observers it was agreed that the secretariat will consultant with NDAs, focal points and readiness delivery partners, and present an improved and simplified process for accessing readiness and preparatory support funds, the Board will also review the readiness funding allocation, and requests the Secretariat to provide a revised allocation system for readiness and preparatory support at the 12th Board meeting.

Table 1: Summary of discourses and decisions on Readiness support

	Discourses	Country Groups
1	GCF Secretariat should not be acting as the implementing entity of readiness support	South Africa, India and France.
2	A smaller fraction of this funding is going towards assisting direct access entities.	CSO
3	concerns that this is leading to NIEs falling further behind MIEs	LDC representative
	Final decision	
1	An increase in funding of US$14 million for 2016 to help execute readiness support.	
2	US$2 million be made available for each country in support of their NAP preparation, separate from each countries annual readiness and preparatory support cap	
3	The Board will also review the readiness funding allocation, and requests the Secretariat to provide a revised allocation system for readiness and preparatory support at the 12th Board meeting.	

3. Status of the Initial Resource Mobilisation

See Decision B.11/05, Agenda item 08: Status of the Initial Resource Mobilization (IRM)

As of November 2nd 38 Governments have made pledges to the GCF, including eight from developing countries, totally US$10.2 billion. However, only 29 countries have converted their pledges into contribution agreements, equating to a much smaller US$5.9 billion (see Figure 1). The United States (US) and Canada combined have announced over US$3.5 billion to be pledged into the fund. However, despite sitting on the Board, neither have yet signed any contribution agreements. Both states argued that this was due to political reasons, with problems convincing congress and a change in administration respectively, although they provided hope that there would be some movement by the end of 2015. Both countries, supported by the Private Sector Observers (PSOs), clearly supported efforts to attract alternative sources of capital, including from the private sector and through philanthropic sources (see section 4). However, there were concerns raised from several transitional economies, notably Saudi Arabia and China, that attempts may be being made to replace their public sources of finance, and that their credibility is reduced when they are yet to commit to their funding pledges. Attempts were made by these developing countries to implement a date into the IRM decision, however, after much deliberation the wording of “as soon as possible” was settled upon to urge countries to confirm their pledges. Whilst, it was decided that the secretariat would prepare a document on understanding and defining alternative sources of finance to the GCF by the 15th Board meeting, and policies and procedures for philanthropic and private contributions, that are importantly “alternative” to the IRM, by the 14th Board Meeting.

Other notable developments on contributions progress included France, who are still in the process of finalising their US$381.3 loan contribution, whilst Spain are finalising their first contribution, hoped to be completed within the coming months.

The other topic of discussion on the IRM was the impact of variations in the foreign exchange rate. The Secretariat reported that due to these variations the total pledges of US$10.2 billion (see Figure 1) has in fact depreciated to US$9.1 billion. Calls were made from the PSOs to create hedging policies to protect against these effects, but it was overall deemed to be too costly.

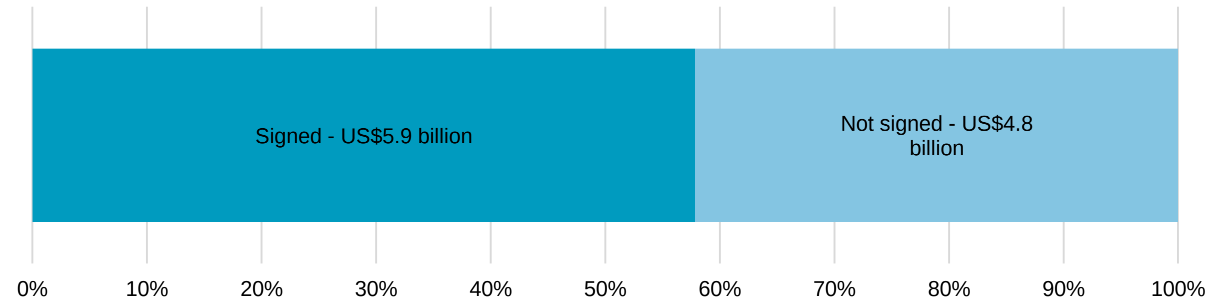

Figure 1. Status of approved contributions to the GCF, that signed (dark blue) and not signed (light blue), i.e. only pledged.

4. Funding proposals

See Decision B.11/11, Agenda item 11: Consideration of funding proposals

To date a total of 37 funding proposals, requesting US$1.5 billion from the GCF, and demonstrating the potential to leverage an additional US$2.8 billion in co-financing have been considered by the Secretariat and the Independent Technical Advisory Panel (ITAP). Of these, just eight have been deemed sufficient to be submitted to the Board for final approval (see Box 1), requesting US$167.825 million.

Following presentations on the funding proposals from the Secretariat and ITAP divergent views materialised from the start of discussions. All developed, and some developing countries including the SIDs and DR Congo, were supportive and aimed to approve all eight funding proposals, lauding their geographical and thematic balance, as well as their utilization of a various financial instruments, also supported by the PSOs. Conversely, developing countries, primarily South Africa, India, Egypt, Saudi Arabia, Zambia and to a lesser extent China, made it clear that they were disappointed in the grand total of funding proposals submitted to the Board. Concerns were raised over the quality of proposals, and lack of direct access entities. On questioning the Secretariat and ITAP it became clear that a combination of time constraints and

BOX 1. Approved FPs subject to the fulfilment of conditions and consideration of recommendations within Decision B.11/11

FP001: Building the Resilience of Wetlands in the Province of Datem del Maranon in Peru, by Profonanpe – US$6.24 million in grants.

FP002: Scaling Up the Use of Modernized Climate Information and Early Warning Systems in Malawi, by UNDP – US$12.295 million in grants.

FP003: Increasing the Resilience of Ecosystems and Communities through the Restoration of the Productive Bases of Salinized Lands in Senegal, by CSE – US$7.61 million in grants.

FP004: Climate Resilient Infrastructure Mainstreaming in Bangladesh, by KfW – US$40 million in grants.

FP005: KawiSafi Ventures Fund in Eastern Africa, by Acumen – for US$20 million in equity and US$5 million in grants.

FP006: Energy Efficiency Green Bond in Latin America and the Caribbean, by IADB – US$20 million guarantee for pilot and US$2 million grant for programme development; US$195 million for next phases in tranches over five years subject to board approval.

FP007: Supporting Vulnerable Communities in Maldives to Manage Climate Change-Induced Water Shortages, by UNDP – US$23.64 million in grants.

FP008: Urban Water Supply and Wastewater Management Project in Fiji, by ADB – for US$31.04 million in grants.

inadequate resources hindered optimal proposal appraisal, with only 2.5 months available to publication, also limiting the time available for Board, CSO and PSO review. The Secretariat confirmed that given more time these proposals would likely have been better developed.

Given the time shortage, the ITAP of just three experts, was unable to perform site visits. There was common concern amongst all Board members and active observers that communication between the ITAP and AEs was severely lacking, and the inaccessibility of ITAP reports reduced this transparency further.

The performance of proposal reviews was also hindered by the lack of Board oversight, highlighted by South Africa and India in the form of missing policies and procedures, including: project eligibility criteria, calculation of incremental costs and risk investment criteria. Furthermore, FP007 and FP008 specifically highlighted the need for the Board to articulate an eligibility definition for adaptation projects under the GCF. Consequently, these two projects were deemed to be not acceptable by the ITAP, finding little evidence of climate effects, viewed rather as general development projects, in stark contrast to the views of the Board. FP003 also received some damming conclusions from the ITAP, stating a lack of ambition and low value for money, a surprise even to the CSO observers who viewed this project favourably.

However, all developed and several developing countries remained defiant in support for approval, which may deliver a dangerous precedent, going against the ITAPs recommendations in just the first round of funding proposals.

Whereas, Egypt and India took a strong stance of deferring these funding proposals until the 12th Board meeting where AEs would have ample time to correct conditionality's and the Board could fill policy gaps. Saudi Arabia, despite supporting all projects, also backed Egypt's proposal for deferral. Zambia also exhibited opposition to several projects, notably FP002 in Malawi and FP005 in east Africa, seemingly against the support of their own constituencies.

To understand these stances on project approvals, from both the developed and developing states must be viewed in light of the outcomes of the formal replenishment (see section 4), and the proximity and importance of these funding decisions with respect to COP 21. It can be hypothesised that in attempts to create momentum leading up to COP 21, countries strongly in favour of approval were seemingly overlooking concerns expressed by the ITAP. Furthermore, the CSO group made a plea for FP001 to be deferred on the basis of major shortfalls in evidence of indigenous community consultations, whilst Acumen, in FP005, is not presently accredited for the grant allocation it is seeking to conduct. Conversely, Egypt, India and Saudi Arabia, on failure to secure formal replenishment, appeared set on stalling proceedings. Despite how programmatic their approach may appear, they used concerns on several projects in attempts to defer all funding decisions to the 12th Board meeting. The stance of Zambia remains confusing, and suggests that they were swayed by Egypt and/or India to prevent the approvals progressing. Also surprising was the collaboration displayed by China, whilst Georgia perhaps displayed the most honest approach, summarising the messy discussion by stating "why would the Secretariat table a project that they are not going to stand by", which suggests that the Secretariat could have avoided the potential difficulties by more carefully considering the ITAPs conclusions before submitting the projects to the Board, a sentiment echoed by an ITAP member.

Importantly, many positives were outlined for the funding proposals. FP001 was found to be highly innovative in nature by the Secretariat and commended for following a community based approach. FP002 was praised for benefiting the most vulnerable communities, building capacity and training of communities with gender sensitive participation. FP003 was lauded for being highly community led, with well integrated gender considerations and the potential to be up-scaled. FP004 was promoted for its institutional mainstreaming with significant amounts of co-financing coming from the Bangladesh government. FP005 was found to be highly unique and innovative with the potential to have a significant impact on people at the bottom of the economic pyramid, displaying an ambitious risk appetite allowing it create transformational change. FP006 was also found to be unique and highly innovative in the way its aims to leverage additional finance to overcome market failures within the energy efficiency market. Finally FP007 and FP008 were stated by the Board as being clearly adaptation projects, which are benefiting at risk communities from future climate impacts.

Overall, just hours before the close of the 12th Board meeting, all eight projects were approved, following several revised decisions and small working groups to come to consensus with Egypt and India. This led to the final decision, which included many conditionality's and recommendations before disbursement of funds, acknowledgments of the policy gaps, attempts to simply the approval process and improve ITAP and AEs communication, clearer communication on requests from project proposals in light of climate change links and national priorities, all to be worked on by the Board during 2016[1]. The recognition of the need to up-scale the amount of approved finance now the Fund is operational came with the aspiration of US$2.5 billion in approved funding from the GCF during 2016.

Ultimately, taking into consideration the reviews of the funding proposals from the Secretariat and the ITAP, and concerns outlined by the CSO observers, the pragmatic approach would have probably been to approve five conditional funding proposals, which exhibited few flaws, whilst deferring FP001, FP007 and FP008. This would have taken into consideration the serious CSO concerns, and the decision making of the ITAP, which was jeopardised by poor Secretariat decision making and a lack of strategic oversight from the Board. However, now there is a worry given the ITAPs mandate has been overridden this early in the life of the Fund, most likely driven by polarising political objectives rather than informed decision making.

Table 2: Summary of discourses and decisions on Funding Proposals

	Discourses	**Country Groups**
1	Supportive of the proposals and aimed to approve all eight funding proposals, lauding their geographical and thematic balance, as well as their utilization of a various financial instruments.	SIDs, DR Congo and Private sector observers
2	Disappointed in the grand total of funding proposals submitted to the Board. Concerns were raised over the quality of proposals, and lack of direct access entities	South Africa, India, Egypt, Saudi Arabia, Zambia and to a lesser extent China,
3	Combination of time constraints and inadequate resources hindered optimal proposal appraisal. Given more time these proposals would likely have been better developed. Given the time shortage, the ITAP of just three experts, was unable to perform site visits.	GCF Secretariat and Independent Technical Advisory Panel (ITAP)
4	The performance of proposal reviews was also hindered by the lack of Board oversight, in the form of missing policies and procedures, including: project eligibility criteria, calculation of incremental costs and risk investment criteria.	S. Africa and India
5	A strong stance of deferring these funding proposals until the 12th Board meeting where AEs would have ample time to correct conditionality's and the Board could fill policy gaps. Zambia also exhibited opposition to several projects, notably FP002 in Malawi and FP005 in east Africa, seemingly against the support of their own constituencies.	Egypt, India. S. Arabia Zambia
6	• FP001 to be deferred on the basis of major shortfalls in evidence of indigenous community consultations • whilst Acumen, in FP005, is not presently accredited for the grant allocation it is seeking to conduct	CSOs
	Final decision	
1	All eight projects were approved, following several revised decisions and small working groups to come to consensus with Egypt and India.	
2	Final decision, included many conditionality's and recommendations before disbursement of funds, acknowledgments of the policy gaps, attempts to simplify the approval process and	

[1] See Decision B.11/11 for the full decision, conditionality's and recommendations: http://tinyurl.com/npambo6

improve ITAP and AEs communication, clearer communication on requests from project proposals in light of climate change links and national priorities, all to be worked on by the Board during 2016.

5. First formal replenishment

Leading on from discussions on the IRM was the first formal replenishment, which as noted, was the main mover in the approved meeting agenda. This replenishment was agreed previously to commence when 60 per cent of signed contributions from the IRM have been approved, termed the “trigger”. However, a background paper provided by the Secretariat suggested that the “trigger” needed to be clarified, providing two options, when 60 per cent of pledged contributions are signed, or at the end of June 2017. It can be hypothesised that the outcome of this agenda item played an important role in determining attitudes towards the all-important funding proposals, with the Secretariats proposals subsequently creating divergent views.

The developing countries, led by South Africa, emphasised the importance of the Fund providing predictable and scaled up resources for assurances during the planning processes of projects, and therefore were clearly in favour of the unambiguous date of end of June 2017. It was further emphasised by China, India and Ecuador that a decision on the formal replenishment was needed as soon as possible, given the importance of climate finance to the outcome of the UNFCCC process.

Whereas, the developed countries took a clear stance that discussions on replenishment should not be had before the “trigger” was activated, and that any attempts to glean more pledges from ministers back home would reduce the appetite for up scaling GCF funding. They therefore stressed the importance of using the 60 per cent threshold rather than the date, as they required concrete results from funded projects before requesting further funding contributions. To note, Australia took a more programmatic view, realising the importance of improved predictability on funding availability, but equally the importance of funding results.

In response to the stance by the developed countries, Saudi Arabia responded with a series of reactionary statements, referring to loss and damage and common but differentiated responsibilities, that money was not owned by developed but owed to developing countries. An insight into the importance of replenishment for wider proceedings followed, stressing the unlikelihood of a successful negotiations at COP 21 without further commitments to the GCF.

Following the inability to come to an agreement the secretariat was therefore requested to produce a new paper for the 12th Board meeting incorporating the issues raised.

6. The strategic plan of the GCF

See Decision B.11/03, Agenda item 09: Strategic plan for the Green Climate Fund (Progress report)

Following an unsatisfactory presentation from the Secretariat, the Board, led by inputs from South Africa, decided that the final approval of the strategic plan for the GCF would be made at the 12th Board meeting, following submitted comments from Board members (and alternates), active observers and observer organisations by 1st December 2015, also to be discussed at an informal Board meeting in January 2016. Based on the initial thoughts from South Africa, the terms of reference for the strategic plan are an amalgamation of inputs from most board members (see Box 2), both developed and developing, and produced perhaps the most progressive discussions of the Board meeting.

It appears the importance of the strategic plan was somewhat underestimated prior to the Board meeting, but it became clear that it will represent a pivotal document to demonstrate the vision of the Governing Instrument (GI) to projects implemented on the ground, demonstrating how the Fund will be able to move away from business as usual (BAU) practice.

BOX 2. Snapshot of the terms of reference for the Strategic Plan of the GCF, as in paragraph (c) of Decision B.11/03

- *"Be a living document reviewed and updated regularly;"*
- *"Clearly articulate to the world the vision and operational priorities of the GCF;"*
- *"…to strengthen the GCF as the distinctly transformational, high-impact, country-owned, dedicated climate fund, operating at scale;"*
- *"…scale up investments in developing countries…tapping its full potential to promote urgent and ambitious actions enhancing climate change adaptation and mitigation in the context of sustainable development;*
- *…maximise engagement with the private sector;"*
- *"…striving to maximise the impacts of its funding for adaptation and mitigation, and seek to balance between the two;"*

This was supported by the PSOs, who highlighted the importance of ensuring the GCF remains unique within a crowded climate finance landscape, continuing to promote private sector participation through the flexibility of financial instruments through a wide range of implementing entities. Whilst, the CSO group additionally requested that the strategic plan include reference to aims of preventing global warming in excess of 1.5ºC.

The US and France noted that it was important that the strategic plan recognise the tensions between delivering finance urgently and rapidly, whilst maintaining high quality and transformational projects. Ultimately, that there will have to be trade-offs, but the strategic plan should emphasise what the ideal products should be, and even creating standardized "off the shelf" products that promote the Funds objectives. However, this exhibits some contradiction to the idea of country ownership, and as can be seen within Box 2, the importance of country ownership remains.

Despite these rich discussions, some board members expressed serious concern that the strategic plan is still a work in progress, and the difficulty in communicating the desired project pipelines to AEs and those assessing them when the Board has been unable to communicate its aims.

Throughout further decisions during the board meeting, the importance of the strategic plan become clearer, with many inherent difficulties from the culture within the Secretariat to the project review procedures of the Independent Technical Advisory Committee (ITAP), fundamentally dependant on the vision of the Fund.

7. Initial monitoring and accountability framework for AEs

See, Decision B.11/10, Agenda item 15: Initial monitoring and accountability framework for accredited entities

The initial monitoring and accountability (M&A) framework was approved with a relatively small amount of revisions compared to previous decisions, however, additional discussions on the proposed fees structure for AEs raised more intense discussions. Although calls were made from several nations, including Egypt, Zambia and even Australia, to consider deferring these decisions, the initial M&A framework was approved along with an interim decision on the fees structure to be reviewed in one year.

Following initial concerns that the M&A framework may be too burdensome for small AEs, a revised decision was approved, containing the most comprehensive decisions along with the funding proposals. In brief, to ensure the compliance of the AEs with their accreditation standards and conditions, the decision:

- Requests for the Secretariat to internalise and operationalise the framework, with standardised templates reflecting the range in AE capacities;
- Annual self-assessment requirements for AEs, with international AEs required to further demonstrate their support to building capacity for direct access AEs, and annual performance reports during project/programme implementation;
- Participatory monitoring involving local communities, stakeholders and CSO for projects/programmes, importantly in local languages if necessary;
- Light touch mid-term reviews to be conducted by the Secretariat, and additional ad hoc reviews if necessary;
- A risk based monitoring approach to enable the Secretariat to raise red flags on projects/programmes or the overall performance of AEs, this includes issues with outstanding accreditation conditions which will be important for FP004. These red flags will be followed by incentives and remedial action;
- Re-accreditation is required after a maximum of five years, and AEs can submit for re-accreditation or to upgrade (downgrade) applications six months prior to the end of the accreditation period. The Secretariat and the Accreditation Panel will review the AEs performance related to GCF activities, but also importantly, over the AEs wider portfolio of activities beyond the GCF during the period of accreditation.

Many of these revised M&A framework decisions were lauded by the CSO group, and included many of their inputs to the Secretariat, especially the review of an AEs wider project/programme portfolios and the requirement to provide stakeholder engagement in local languages.

7.1 Interim decision on fees structure

The discussions on the fees structure for AEs, as stated, brought much more intense discussions between countries, with a wide variety of proposals. The initial document supplied by the Secretariat proposed fees for public sector projects between 5-8 per cent of GCF funding depending on the project size, with fees agreed on a case by case basis for those from the private sector.

South Africa commenced (a common theme throughout the Board meeting), calling for a flat 10 per cent fee, to be reviewed after one year. They also questioned the need to benchmark against other climate funds, given that the GCF is trying to be unique. This was supported by Barbados, India, China, with a need to be more generous that initially proposed as to prevent side-lining small AEs, whilst Germany and Australia also supported the interim approach. Conversely, Japan called for similar fees to UN programmes, of 8 per cent, whilst the UK requested that the fees should signal value for money compared to BAU, with fees lower than 8 per cent. The need to differentiate based on project size and location was also highlighted by DR Congo, supported by most states.

A trade-off based on a rise in the Secretariats original proposal by 1 per cent with a review in one year was eventually agreed, tabled by the US and Canada, with differentiation remaining based on the project size (see Table 1). Despite concerns on benchmarking to other climate funds, it was agreed that the Secretariat would look at the fess structures of other funds, with the intent of identifying that most appropriate to direct access AEs.

Project Size	Fee cap % of GCF funding
Micro (<US$10 million)	10%
Small (US$10-50 million)	9%
Medium (US$50-250 million)	8%
Large (>US$250 million)	7%

Table 1. Interim fees structure for AEs in the GCF.

8. Structure and budget for the GCF

See Decision B.11/08, Agenda item 23 (c): Administrative budget of the Green Climate Fund for 2016-2018

Many issues throughout the Board meeting, including the lack of readiness support disbursed and the performance of the funding proposal reviews can be inherently linked to the lack of resources available to the Secretariat. Thus, the proposal of restructuring the Fund and increasing the staffing of the Secretariat two fold would have been expected to receive support across the Board. However, fractions had developed between some Board members and the Secretariat, notably Egypt and Cuba who accused the Secretariat of miss-representing facts, acting on their own mandate, and acting in a non-transparent manner. Such concerns were brought to a head with heated interactions between Egypt and the Executive Director of the GCF.

Other Board members recognised that the Secretariat lacks the resources for what the Board is requesting of them, and that it is unethical and unsustainable to be putting the Secretariat under this amount of strain. Led by the US, most states supported the rise in staffing of the Secretariat and the increase in its budget, and also welcomes its restructuring. However, deeper routed concerns over the retention of staff and inability to fill even present vacancies, with 13 remaining, were highlighted, led by the UK and Switzerland. It was agreed that identifying the reasons for poor retention and attracting new staff is essential, but ironically requested that the Secretariat produce a paper to identify such issues.

Part of this staffing concern is the high number of consultants, which presently outnumber the permanently employed Secretariat, and South Africa was very concerned about the significant overspends on these external consultants. In light of this, South Africa set a clear stance that they were against any further increases in the Secretariat and new positions until informed by the approved strategic plan. Stating that it is impossible to approve new procurement without knowing who needs to be hired in relation to the goal of the GCF, and this same sentiment resonated for the budget.

Further concerns were raised by many developed states and the PSO that the Private Sector Facility (PSF) appears to have disappeared from the newly proposed structure of the Fund. The PSOs stated that this provides the perception that the PSF is being diluted, and it is essential that is kept wide open.

Overall, the discussions on the structure of the Fund and Secretariat, and the Funds budget, were incredibly messy, and highlighted potential boundaries between the Board and Secretariat. Despite concerns over doing so, the GCF administrative budget for 2016-2018 was approved, but this, and the structure of the Secretariat is to be discussed further at the 13th Board meeting following further work by the Secretariat.

9. Other Matters

Other decisions made during the 11th Board meeting include:

- On the performance review of the Executive Director by the 12th Board meeting (**see Decision B.11/06**);
- Extending the period of application of corporate procurement guidelines on the use of consultants, with a further review at the 12th Board meeting (**see Decision B.11/07**);
- The appointment of members to the Investment, Risk Management, Ethics and Audit, Private Sector Advisory Group and the Accreditation Committee of the Board (**see Decision B.11/14**);
- The election of Mr. Zaheer Fakir (South Africa) and Ewen McDonald (Australia) as co-chairs for one year (**see Decision B.11/09**);
- The comparison of salary levels to other global funds and the procurement for the Heads of Accountability units (**see Decision B.11/01**);
- Approval of the 2014/15 financial statement for the GCF (**see Decision B.11/02**);

- Updated administrative guidelines on human resources (**see Decision B.11/12**); and importantly
- The decision for the 2016 Board meetings, with each meeting provisionally agreed only for the week beginning the 7th March, 28th June and 18th October, as there were numerous concerns that the Board meetings are presently too short, not giving enough time to complete the agenda and leading to many important decisions being decided in an unhealthy manner (**see Decision B.11/13**).

Given this lack of time, and the political motivations from some to stall many agenda items, there was no time to perform accreditations, meaning none of the nine proposed entities left Livingston with any progression on their ability to access the GCF funds. This would have been a severe blow to the several national African entities seeking accreditation, but perhaps welcome to some, as HSBC and Credit Agricole had brought significant criticism given their investment track records. Numerous off record discussions were held throughout the Board meeting with CSOs, PSOs and Board members, and it is clear that the accreditation of such large financial entities is very problematic. However, it is important to remember the scale of finance required to produce the low carbon transition, and it would perhaps not be wise to lock these major funding institutions out from this important source of climate finance altogether. Nevertheless, these accreditation proposals are to be held at the 12th Board meeting in Songdo.

The 11th Board meeting came to a close with a plea from Samoa, a SIDS, on the need to consider simplified approval processes for small scale activities at the 12th Board meeting. Despite attempts in numerous preceding Board meetings, this topic had continuously been a missed agenda item, despite its importance for scaling up climate finance to countries where it is needed most. It was agreed across the Board that members would submit their views to the Secretariat on this issue before 2016 in order to develop a progressive decision at the next Board meeting.

The 11th Board meeting of the GCF held in Livingston, Zambia, was perhaps the most critical given its close proximity to the Conference of the Parties (COP) 21 in Paris. The COP, established within the Governing Instrument (GI) of the Fund, welcomed the decision at its 20th sitting for the approval of the first funding proposals by the closure of this, the 11th meeting. This is expected to show to the world that the Fund is open for business, providing momentum to the all-important global climate negations in Paris.

Event Materials

Theme

Keywords:
Green Climate Fund (GCF), climate finance

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