

CSO UPDATE: GCF BOARD MEETING 24

14 NOVEMBER 2019 | SONGDO, SOUTH KOREA



Day 3 started with co-chairs giving a brief presentation of the status of ongoing consultations and preparation of revised documents for opened agenda items.

One of the key items discussed in the morning session was the **Updated Gender Policy and Action Plan** for years 2020-2023. The draft document was circulated since B19, but was deferred several times to elicit more inputs and comments from the Board and stakeholders. However, the version presented at B24, although incorporated language valuable to the African group on women's access to resources, is not stronger than the current Gender Policy. The term "gender responsive" was removed in the Gender Action Plan, and it indicated weaker requirements in terms of monitoring, reporting and accountability. National contextualization and alignment with national gender policies and priorities rather than alignment with international treaties (i.e. Beijing Platform of Action and CEDAW) was also included in this version of the policy.

When the draft was presented in the morning session, several BMs gave their interventions which mostly are positive. BM from Canada thought it was not the perfect update, but she was happy with the progress of consultations done to shape the policy. She however noted the fact that almost half of the AEs and majority of the NDAs remain to have limited capacity to fulfill the gender requirements and implement the action plan, thus the Fund needs to allocate more resources to capacitate both the AEs and NDAs.

The African constituency was very supportive of the document and even highlighted how women and girls from Africa in their special circumstances would benefit from the balanced approach of the Policy, especially as this version indicated how DAEs will be able to get support from the Project Preparation Facility in establishing its respective gender mechanisms and action plan.

BM from Tanzania echoed the intervention, but noted a very important point. Paragraph 16 of the policy states how the Gender Policy is guided by Article 7.5 of the Paris Agreement which states "*Parties acknowledge that adaptation action should follow a country-driven gender-responsive participatory and fully transparent approach, taking into consideration vulnerable groups, communities and ecosystems...*" He noted that some elements of the Paris Agreement were integrated in the policy, but some important elements were taken out. He urged the Board to make sure that all elements of Article 7.5 be integrated into the Gender Policy, not only some parts of it.

Several of our CSO colleagues have worked hard to integrate key gender elements into the GCF Gender Policy since it was adopted in B9. We have submitted a number of extensive inputs and have participated in several dialogues with the GCF Gender Specialist and secretariat. This explains our dismay when the Board considered the Policy presented at this Board Meeting. Liane Schalateck, in our CSO intervention raised our disappointment as to how the GCF have given up in making gender equality and women empowerment part of the paradigm shift towards low-emission and climate-resilient development pathway that the Fund aims. We strongly urged the Board not to adopt the version of the policy presented at B24 than to have one that has been extremely watered down and one that does not show any ambition in forwarding women's rights.

After several clarificatory interventions from other BMs and revisions on some parts of the policy, particularly on – (1) accessing support for capacity building of NDAs and DAEs via the Readiness and Preparatory Support, (2) the reference for national circumstances, (3) the additional footnote clarifying that not all parties to the UNFCCC are parties to international treaties related to gender (i.e. CEDAW and Beijing Platform of Action) and

that some parties have reservations, (4) and another footnote that defines who are the vulnerable groups that will be prioritized in the Policy – the Board approved the Updated Gender Policy.

The next agenda item deliberated was the **Update to the Strategic Plan**, to which the Board has taken steps to develop a zero draft that will be further discussed early next year. BM from Tanzania raised the need to continue building the capacity of DAEs and to ensure that their efforts are aligned with the implementation of their respective NDCs, NAPs and NAMAs. He also raised the recurring challenge of balancing mitigation and adaptation and that increase in allocation for adaptation should not only be based on the number of projects, but on the amount of Funds disbursed as well.

BM from Saudi Arabia reminded the Board to develop a strategic plan that will ensure that the GCF remains to be a public fund, that is primarily disbursing grants. He echoed the need to increase support for adaptation and enhance resilience of developing countries, and that GCF remains to be the mechanisms for developed countries to honor their historical responsibility.

Our CSO Intervention delivered by Helen Magata, we noted the opportunity given to us to submit substantive inputs, but we raised the fact that many of our core recommendations have not been incorporated. We expressed our concerns about the shift to downgrade the commitment to address gender and the needs of vulnerable people, indigenous peoples and local communities to one only deserving of the Fund's operational sensitivity, but not its responsiveness. We also noted the plan to intervene with the "selection of active observers," which we feel might undermine the existing internal and self-determining processes among CSOs.

Finally, Helen pointed out how the Strategic Plan is being used to advance the Private Sector Strategy and our opposition to strengthen the GCF's role as a direct equity investor, and the co-investment approaches proposed in the Strategic Plan. We feel that these are not suitable for a fund serving the UNFCCC and the Paris Agreement.

B24 was also historic as it is the first time that the Board, due to absence of consensus, decided to vote on the approval of the first **Funding Proposal from China – FP082 China Shandong Green Development Fund**. For a quick recap, FP082 was first presented at B21 in Bahrain and some developed country BMs, particularly the US and Japan opposed the approval of the Project for several reasons one of which is the project's potential issues around intellectual property rights. At this Board meeting, many developing countries argued for China's eligibility and urged BMs to set aside political matters and look at the proposal based on its merits.

The Board had a voting procedure by show of hands, which noted majority of BMs voting in favor of the project approval. As expected, BMs from US and Japan voted NO, while BM from Australia abstained.

Agenda items that were opened in Days 1 and 2 were then revisited by the Board. Some have been adopted easily, some have been deferred, while some elicited debates, but were later adopted.

On the **Performance Review of the GCF**, while the document prepared by the IEU received positive feedback from developed country BMs saying that the recommendations will be helpful once the Strategic Plan is further developed, BM from Saudi Arabia strongly opposed the term "Forward-Looking" in the Performance Review. He said the review should instead build on lessons and challenges experienced by the Fund in the past, and expressed how the review in general was too technical. He then urged the Board to further deliberate the recommendations of the review.

On the **Work Programme of Secretariat and Administrative Budget for 2020**, the Board adopted the document with the necessary changes particularly on the issuance of ALL Board documents 21 days prior to Board Meetings, and the need to provide information in various UN languages as some consider English as only their second language.

On the **Work Programme and Budget of the Independent Evaluation Unit (IEU)**, the Board furthered the discussions made in Day 2. Some BMs clarified what the evaluation particularly on SIDS is about and the reason behind prioritization of SIDS among other vulnerable groups (i.e. LDCs and Africa), to which the head of the IEU clarified and said that the SIDS evaluation is the first of the many that they plan to implement, and assured the Board that the evaluation to LDCs and Africa will roll out next. The document was eventually adopted after including the explanation.

On the **Policy on Co-Financing**, there were no major comments from the Board since the item was opened in Day 1. Although BM from Saud Arabia expressed his concern regarding the policy language that says reporting of mobilized finance should be submitted to the Organization for Economic Cooperation and Development (OECD). He questioned the need to report to the OCED and reminded the Board that under the Paris Agreement, the GCF is accountable to the COP and that its work should be guided by the Standing Committee on Finance (SCF).

After a textual changes to document, the Policy was adopted.

In terms of the **Outcomes of the first replenishment process**, there were no major comments from the Board except BM from Saudi Arabia who was not comfortable with the decision text that says the Board "takes up and considers the recommendations of the Replenishment Summary Report. He urged the Board to use the right language that will not imply the endorsement of the recommendations. After a few back and forths, the Board adopted the agenda item with amendments that clearly states the "Board agrees that it will consider the recommendations" of the report.

The Board has also adopted the **Updated Strategic Plan**, which outlined the schedules for (1) deadline of inputs set on 20 December 2019, and (2) schedule for the Informal Board Meeting to develop the Strategic Plan on 5-7 February 2020 in Liberia. The said meeting is also open for Active Observers (AOs).

Building on the deliberations from Day 1, the Board had a number of back and forth textual revisions to the decision text under **Matters Related to Accreditation**, particularly on the Project Specific Assessment Approach (PSAA) that was meant to be adopted by the Board. Significant changes include deletion of paragraph that tasks the IEU to conduct a review on the Accredited Entities, inclusion of the indigenous peoples as part of the Environment and Social Standards (instead of having a separate reference), no mention of REDD+ Results Based Payments and its restriction and no reference to the financial limit of the PSAA.

Many developed country BMs reacted to the fact that the document omitted the time-bound review and the fact that the Board can anytime decide to suspend the PSAA. Others echoed the concerns we raised in our intervention particularly on the need to include a separate reference to the IP Policy as part of the basic assessment requirement. BM from Tanzania was willing to adopt the document, but BM from Saudi Arabia suggested to defer the item to the next Board Meeting, to which the Secretariat clarified may have implications to the entities that needed reaccreditation.

The co-chair decided to temporarily suspend the item and conduct offline consultations. During the consultations a small group was tasked to consolidate varying views on the matter, which were primarily about pushing for a more in-debt analysis versus adopting only a portion of the document particularly the overview of the accreditation framework and portfolio of the AEs. Because there was no consensus among BMs, the item was deferred to B25.

The **Independent Evaluation of Country Ownership** was also deferred due to lack of time. The item was never opened since Day 1 and seeing that there are other more important pending items to be deliberated, co-chair Josceline Wheatley suggested to defer the item to B25, to which the Board agreed.

At some point during the last day of B24, Executive Director Yannick Glemarec confirmed that the government of **Indonesia agreed contribute USD 500,000**, which is twice of their contribution under the Initial Resource Mobilization period of the GCF. This was very much welcomed by the Board especially because

Indonesia is part of the developing country constituency demanding developed country BMs to scale up their financial commitments.

The Board also touched on the **Election of 2020 Co-chairs**. A brief explanation was presented about the process of selecting new co-chairs from both constituencies. The process is ongoing until end of the year, or until the constituency has selected their co-chair. BM from Saudi Arabia confirmed that the developing country BMs agreed to appoint Nauman Bashir Bahtti of Pakistan as their co-chair for 2020.

B24 is also historic as the agenda item that usually takes significant time of debate from the Board, was quickly resolved. The Board agreed on the **Dates and Venue for B25**, which was scheduled in less than 5 minutes on 10-12 March 2020 at the GCF Headquarters in Songdo, South Korea.