August 2022

EIG Submission of draft guidance elements to the GCF and the GEF

On behalf of the Environmental Integrity Group comprising of Georgia, Liechtenstein, Mexico, Monaco, Republic of Korea and Switzerland and pursuant to paragraph 16 of decision 6/CP.26 and paragraph 19 of decision 7/CP.26 we would like to submit the following elements of guidance for the GCF and the GEF.

Annotated inputs for the draft guidance to the Green Climate Fund (GCF)

Elements	*Sub-elements*	*Proposed inputs*	*To be considered:* *(1) Commonly by the COP and the CMA or;* *(2) Specifically by the CMA.*	*Rationale for the inputs*	*Source of information / reference*
Policies	Policy gaps	*Notes with concern* the significant number of remaining policy and strategy gaps, including the accreditation strategy, the policy on programmatic approaches, completing policies related to the investment framework, as well as outstanding matters from the rules of procedure of the Board, and *urges* the Board to prioritize closing the policy gaps as a matter of urgency and to explore diversifying its selection of financial instruments for addressing climate risk;	COP/CMA	Large policy gaps remain and have to be addressed by the GCF Board	Updated from para. 12, Decision 6/CP.26
Policies	Fund wide policy framework	*Notes* the absence of a system for defining relationships between policies and requests the GCF to formalize a Fund wide policy framework to establish clear policy classifications, relationships between policy instruments and associated roles and responsibilities for approval and updates.	COP/CMA	Such a framework would enhance the comprehension and simplify the engagement of stakeholders with the GCF, currently made difficult by the confusing multitude of instruments, including decisions, policies, strategies, guidelines, standards and some non-binding operational instruments, without much clarity regarding the relationships between them.	Based on: GCF/B.33/Inf.08. Overall review of Green Climate Fund policy frameworks.
Policies	Coherence and Complementarity	*Requests* the Green Climate Fund to enhance coherence and complementarity with other climate finance support providers, with a view to enhancing the impact and effectiveness of its work and decreasing transaction costs for recipient countries, by harmonizing, where feasible and to the extent possible, its procedures and guidelines with those of other climate finance support providers, in particular other climate funds, with a view to simplify access by developing countries;	COP/CMA	Coherence and complementarity of GCF must go beyond other climate funds, reflecting the increasingly populated climate finance landscape. Harmonizing procedures and guidelines between providers, starting with climate funds, would significantly decrease transaction costs and thus increase access by developing countries.	Updated from para. 12, Decision 6/CP.26

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Policies	Accreditation Strategy	*Urges* the Board to conclude its work on the accreditation strategy, including clear strategic guidance and prioritization, with a view to facilitate efficient accreditation procedures and taking into account recipient country priorities and needs.	COP/CMA	The approval of the accreditation strategy has been delayed for many years, but its approval would be critical to have a more strategic approach to accreditation and ensure more efficient procedures	
Programme priorities	Private Sector	*Welcomes* the GCF's efforts on working with the private sector and encourages the GCF to further increase this engagement in line with its private sector strategy, including its mobilization efforts and enhanced engagement with the local private sector.	COP/CMA	This is an acknowledgement of GCF progress in its work with the private sector and further encouragement in this regard, also comprising the local private sector (see para. 15, Decision 6/CP.26).	
Programme priorities	Mitigation / Adaptation Balance	*Reiterates* the request to the Board to continue efforts to maintain the balance in the allocation of resources between adaptation and mitigation and *requests* the GCF to increase its efforts for enhanced mobilization of private resources for mitigation and adaptation.	COP/CMA	Para. 6, Decision 6/CP.26 with addition, recognizing the need for the GCF to mobilize private resources for both mitigation and adaptation.	Para. 6, Decision 6/CP.26 with addition
Programme priorities	Access and Stakeholder Engagement	*Encourages* the GCF to continue to provide simplified and improved access to funding, in particular for adaptation activities, including direct access, basing its activities on a country-driven approach, to support and involve relevant stakeholders, including vulnerable groups and to address gender aspects.	COP/CMA	Simplified and improved access is important in particular for smaller scale adaptation activities	GCF GI para. 31; GCF DECISION B.33/13
Others	Efficiency, effectiveness and board spirit	*Recognizes* the Board's efforts in speeding up the implementation of its considerably delayed updated four-year workplan and *encourages* the Board to increase its efforts to improve its efficiency, effectiveness and collegial spirit;	COP/CMA	The Board operations have been problematic in the past, which is why the COP and the CMA should encourage the Board to speed up its work and improve its spirit	

Annotated inputs for the draft guidance to the Global Environment Facility (GEF)

Elements	*Sub-elements*	*Proposed inputs*	*To be considered:* *(1) Commonly by the COP and the CMA or;* *(1) Specifically by the CMA.*	*Rationale for the inputs*	*Source of information / reference*
Policies	GEF-8 Replenishment	*Welcomes* with great appreciation the conclusion of the GEF-8 replenishment with an overall volume USD 5.33 bn, which represents a significant increase compared to all previous replenishments.	COP/CMA	Very high replenishment was concluded and should be appreciated by the Parties	GEF Replenishment Resolution
Policies	GEF-8 Replenishment	*Welcomes with appreciation* the contributions made to the GEF-8 replenishment by developed and developing countries.	COP/CMA	Appreciate the significant contributions from all contributors	GEF Replenishment Resolution
Policies	Implementing Agencies	*Requests* the GEF to continue to foster greater diversity between implementing agencies, building on the comparative advantages of the various agencies and taking into account recipient country priorities.	COP/CMA	There is still the issue of agency concentration in the GEF, which needs to be addressed	
Policies	Standards	*Recalls* its request to the GEF to continue to improve the governance framework for its agencies and the standards to which the implementing partners are accountable.	COP/CMA	Recalling and building on para 10 decision 7/CP.26 as this work is not yet completed	Building on Para 10, decision 7/CP.26
Policies	Coherence and Complementarity	*Requests* the GEF to enhance coherence and complementarity with other climate finance support providers, with a view to enhancing the impact and effectiveness of its work and decreasing transaction costs for recipient countries, by harmonizing, where feasible and to the extent possible, its procedures and guidelines with those of other climate finance support providers, in particular other climate funds, with a view to simplify access by developing countries;	COP/CMA	Procedures and guidelines, in particular related to application procedures and safeguards, should be harmonized as far as possible between the various climate finance support providers, not just the GEF and the GCF, because it would make it significantly easier to access funds for recipient countries	Building on para 17 of decision 7/CP.26

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Programme priorities	Impact Programs	*Requests* the GEF to maximize the global environmental benefits, while considering the priorities and needs of developing countries, in particular the most vulnerable, when implementing the Impact Programs.	COP/CMA	Ensure a balanced implementation of the Impact Programs	
Policies	STAR Flexibility	*Welcomes* the full flexibility in the STAR Allocation as it strengthens country ownership and *encourages* developing country Parties, when programming their STAR allocation, to ensure an adequate balance between climate change, biodiversity and desertification with a view to maximize the global environmental benefits.	COP/CMA	Full flexibility of the STAR is great from a country ownership perspective, but from a COP/CMA perspective it is important that we request Parties to programme their allocation in a balanced manner	
Policies	LDCF/SCCF 4-year strategy	*Welcomes with great appreciation* the new strategy for the LDCF and the SCCF, in particular its focus on adaptation, private sector engagement and the needs and priorities of the most vulnerable countries.	COP/CMA	The new strategy should be appreciated	LDCF/SCCF strategy
Others	LDCF/SCCF	Placeholder for pledges to the LDCF and the SCCF	COP/CMA	Any pledges to the LDCF and the SCCF, which will be announced between COP26 and the conclusion of COP27, should be appreciated in the decision	