

## **Green Climate Fund 6<sup>th</sup> Board Meeting and GCF Civil Society Consultations (Bali- Indonesia, 16 – 21 February 2014)**

Ms. Manu Shrivastava and Mrs. Ritu Tiwari were present in Bali to attend the Green Climate Fund (GCF) 6<sup>th</sup> Board Meeting and the preceding civil society consultations of various groups from the global south and global north. The GCF was established during COP 16 (Cancun), decision 1/CP.16, as an operating entity of the financial mechanism of the UNFCCC and a center piece of its long term financing. Given the urgency and seriousness of climate change, the purpose of the Fund is to make a significant and ambitious contribution to the global efforts towards attaining the goals set by the international community to combat climate change.”

To fulfill its commitment on sustainable development, the Fund will “promote the paradigm shift towards low-emission and climate-resilient development pathways by providing support to developing countries to limit or reduce their greenhouse gas emissions and to adapt to the impacts of climate change, taking into account the needs of those developing countries particularly vulnerable to the adverse effects of climate change.”

This 6<sup>th</sup> Board Meeting of the Green Climate Fund was crucial in many aspects because it was meant to facilitate negotiations on some critical issues such as finalize basic framework and initial modalities of the Fund’s operations, administration, etc. that will have repercussions on the developing world that is already facing the brunt of climate change. The Board proceedings included discussions on initial modalities for the operation of the proposed windows of adaptation, mitigation, and the Private Sector Facility (PSF); result areas and indicators for adaptation activities; negotiations on country ownership; initial results management framework; initial allocation of fund’s resources; independent integrity unit and a redress mechanism; initial approval process for proposals; environmental and social safeguards; frameworks for accrediting national, regional and international implementing entities, intermediaries, risk management, investment, terms and conditions for grants and concessional loans; and discussing options for a Fund-wide gender-sensitive approach.

The main role of CECOEDECON delegation was to actively participate in the preceding CSO Consultations and contribute in building a stronger position and strategy for the CSOs, more so because they have largely been ignored and their role diminished by the Fund and its Board. It must be noted here that only one active observer each from the global south and global north CSOs is allowed to participate in the actual Board proceedings, where a space for intervention is not guaranteed and largely lies at the mercy of the Chairs of the session.

The first day of CSO Consultations started on 16<sup>th</sup> February with South-South CSO Caucus. This meeting was planned as a coordination meeting to discuss joint position and strategy for CSOs of the global south. Common and individual agenda were explored, general understanding of the group on various issues surrounding the GCF was analyzed,

strategy and avenues of engagement in the upcoming days were scrutinized including reviewing different modalities of GCF and planning a unified voice on the Fund's mechanisms and operations. About 20 participants attended the meeting including groups from Indonesia (AKSI), Philippines (Jubilee South), Korea (Transparency International), India (CECOEDECON).

A joint South-North CSO Strategy Meeting marked the second day of CSO consultations and witnessed around 30 participants representing CSOs from global north and south. Rigorous discussions that featured in all sessions wheeled around initial GCF modalities, reviewing goals and agenda, expectations from GCF, and other sporadic discussions for common understanding and clarity of the larger group. Late afternoon sessions discussed, in detail, every document released by GCF Secretariat around major themes to raise talking points for Active Observers to speak during the Board Meeting. Discussion brought out important features, red lines, concerns, suggestions, and avenues of engagement.

Ms. Manu Shrivastava was part of two working groups that were formed on the second day to review these heavily debated sessions and churn out and consolidate major take away points with references from the text for use by the active observers during informal meeting with the Board the following day. She also contributed in a thorough review of the document on Country Ownership to aid a discussion on it and bring out key issues of concern for the group. Later, the delegation from CECOEDECON attended the informal meeting with the Board, followed the interventions given by various country delegates, and gave talking points and suggestions, along with other CSO representatives, to the two active observers – Meena Raman and Brandon Wu.

Parallel to the CSO meetings was a workshop organized by Asian Development Bank and World Resources Institute in collaboration with GCF Secretariat on 17 Feb. 2014 on the GCF's Readiness and Preparatory Support. Ms. Ritu Tiwari attended the workshop. The workshop was aimed to provide an opportunity for GCF Board members and alternates and other stakeholders to exchange views and insights that can inform a discussion on the GCF's readiness and preparatory support to developing countries. In a decision at its last meeting, GCF recognized the importance of supporting countries to achieve "readiness" and set aside an initial \$30 million for this purpose. In the 6th Board Meeting, GCF was expected to decide on a readiness program based fairly narrowly on four sets of activities that will help developing countries gain access to the Fund. The GCF Secretariat presented the proposed work and a series of panel discussions were organized to explore the perspectives of a range of experts including from developing country governments, bilateral and multilateral climate and development agencies and institutions, financial institutions, civil society and the private sector.

Coming back to the CSO consultations - major issues voiced by participants during the 2-day consultation were corporate capture of GCF; no clear guidelines to clean energy projects under Private Sector Facility; transparency and accountability (accreditation and safeguards, standards and rules for decision-making, compliance with rules and

monitoring, composition of bodies, in situations of corruptions and fraud); limited and diminished space for CSOs participation; a serious need to increase awareness, participation and capacity building of CSOs in the global south, particularly South-Asian region and put up a much stronger CSO front. A few cross cutting concerns that emerged were – safeguards, role of the secretariat, gender approach, private sector exclusion and positive vision for PSF, country-ownership (specifically role of the National Designated Authority) and going beyond governments, etc.

The issues red flagged by the civil society and forwarded to the Board included:

- Lack of commitment and provision for meaningful and effective involvement of civil society in GCF meetings and activities including absence of assistance for logistical requirements.
- No respect for civil society processes of selecting its designated representatives to GCF committees and bodies such as the Private Sector Advisory Group, transparently.
- Ambiguity on the core principle of the Fund by shifting focus on loans as a financing instrument that dwarfs the obligatory aspect financing by developed nations.
- Lack of commitment and delivery of funds in the near future. The pledge of “\$100 billion dollars annually by the year 2020” remains ambiguous and uncertain after three years.
- Disappointing alteration in the language from commitment to mobilization of funds.
- Dilution of the principle of country ownership (in favor of a more powerful Secretariat), especially on issues of Access, Eligibility, Approval Process, etc.
- Existing bias among some Board members from developed countries, for structuring the Private Sector Facility (PSF) of the GCF. Private sector financing is the preferred solution to climate change problems as reflected in the papers prepared for Board approval.
- Speculation of use of public funds by the PSF to finance private sector involvement in climate programs based on the rationale that public funds are limited and therefore it is best used for encouraging the private sector to invest in climate programs.
- Lack of stringent provisions for Socioeconomic, Gender and Environmental Safeguards, for Transparency and Accountability, for Multi-stakeholder Involvement contained in the papers for approval.

At the end of the meet, strong demands were collected and compiled and a “Southern CSO Statement on the Green Climate Fund” was drafted and released by the CSOs calling for greater accountability measures in the GCF, respect for human rights over profit making entities, country ownership with more inclusive peoples’ participations, and ensuring responsibility and financial commitments from the developed nations

thorough means conducive to the poor.