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## Conference of the Parties

### Twenty-eighth session

United Arab Emirates, 30 November to 12 December 2023

Agenda item 8(d)

### Matters relating to finance

### Report of the Global Environment Facility to the Conference of the Parties and guidance to the Global Environment Facility

## Matters relating to finance

### Proposal by the President

### Draft decision -/CP.28

## Report of the Global Environment Facility to the Conference of the Parties and guidance to the Global Environment Facility

### *The Conference of the Parties*

1. Welcomes the report of the Global Environment Facility to the Conference of the Parties at its twenty-eighth session and its addendum,<sup>1</sup> including the response of the Global Environment Facility to the guidance received from the Conference of the Parties;
2. Notes the work undertaken by the Global Environment Facility during its reporting period (1 July 2022 to 30 June 2023), including:
  - (a) Approval of 34 climate change projects and programmes during the reporting period under the Global Environment Facility Trust Fund, the Least Developed Countries Fund and the Special Climate Change Fund;
  - (b) Continued integration of climate change priorities into its other focal areas and integrated programmes and the expected avoidance or sequestration of 1,007.4 megatonnes of carbon dioxide equivalent achieved through such integration;
  - (c) Continued implementation of the long-term vision on complementarity, coherence and collaboration with the Green Climate Fund;
  - (d) Actions undertaken by the Global Environment Facility following cases of mismanagement of funding from the Global Environment Facility in projects managed by one of its implementing agencies;
  - (e) Continued work to implement the recommendations in decision 24/2020 of the Council of the Global Environment Facility;

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<sup>1</sup> FCCC/CP/2023/6 and Add.1.



3. *Welcomes* the successful start of the implementation of the eighth replenishment cycle, including the 11 integrated programmes, and *encourages* the Global Environment Facility to continue to track and regularly report to the Conference of the Parties the climate-related benefits of the integrated programmes;
4. *Also encourages* the Global Environment Facility to maximize global environmental benefits through its projects and programmes with a focus on the co-benefits relating to climate change;
5. *Requests* the Global Environment Facility to continue its support to developing countries in implementing the reporting requirements under the Convention, consistent with its current mandates;
6. *Encourages* the Global Environment Facility to consider ways to better serve different regions, including by taking into account the needs of and challenges faced by developing countries in implementing the transparency requirements under the Convention;
7. *Also encourages* the Global Environment Facility to continue to strengthen its Small Grants Programme to provide better support for youth, women and girls, local communities and Indigenous Peoples;
8. *Welcomes with appreciation* the financial pledges to the Least Developed Countries Fund and the Special Climate Change Fund made by Belgium, Canada, France, Germany, Ireland, Norway, Spain, Sweden and the United Kingdom of Great Britain and Northern Ireland, equivalent to USD 179.06 million;
9. *Commends* the Least Developed Countries Fund and the Special Climate Change Fund for their enhanced support to developing countries and in particular the least developed countries and small island developing States for addressing the adverse impacts of climate change;
10. *Requests* the Global Environment Facility, in administering the Least Developed Countries Fund and the Special Climate Change Fund, to continue to support the least developed countries and small island developing States to utilize programmatic approaches to implement policies, programmes and projects identified in their national adaptation plans and adaptation components of nationally determined contributions;
11. *Invites* the Global Environment Facility to encourage its implementing agencies to facilitate more active engagement of women, youth, local communities and Indigenous Peoples in the formulation and implementation of its projects and programmes;
12. *Welcomes* the continued support by the Global Environment Facility for climate-friendly innovation, and technology development and transfer and related capacity-building, including in partnership with private sector actors and others and *requests* the Global Environment Facility to continue to provide such support, in particular for technology needs assessments, and technology action plans and their implementation;
13. *Also requests* the Global Environment Facility to consider ways to enhance its ongoing work to fund activities relevant to averting, minimizing and addressing loss and damage, consistent with its current mandates;
14. *Encourages* the Global Environment Facility to continue its efforts to further streamline, consolidate and increase the efficiency of its operations, including by simplifying the information requirements for designing and implementing its projects and programmes;
15. *Welcomes* the ongoing efforts of the Global Environment Facility to improve its fiduciary standards, to which its implementing agencies are accountable;
16. *Also welcomes* the ongoing efforts of the Global Environment Facility to continue assessing and addressing the risks induced by the current level of funding concentration among some of its implementing agencies;
17. *Encourages* the Global Environment Facility to continue to show appropriate flexibility with respect to geographical restrictions in implementing agencies to reduce

agency concentration and enable wider geographical reach of its projects, in a country-driven manner;<sup>2</sup>

18. *Also encourages* the Global Environment Facility to open a targeted round of implementing agency expansion within the Global Environment Facility partnership with a focus on underserved regions, with regard to implementing agency coverage, in line with existing policies and procedures;

19. *Further encourages* the Global Environment Facility to enhance the coherence and complementarity with other climate finance delivery channels with a view to enhancing the impact and effectiveness of its work and decreasing transaction costs, inter alia through streamlining and simplifying, where feasible and to the extent possible, its procedures and guidelines and *takes note* of these ongoing efforts;

20. *Notes* the adoption of the private sector engagement strategy<sup>3</sup> of the Global Environment Facility at the 59<sup>th</sup> meeting of the Council of the Global Environment Facility and *encourages* the Global Environment Facility to reinforce its efforts to mobilize and engage with private sector actors during its eighth replenishment;

21. *Requests* the Global Environment Facility, from existing allocations in the Blended Finance Global Programme, to further explore risk-taking and to foster innovation in the context of its programming in order to use its concessional financing more effectively and mobilize additional private funds;

22. *Welcomes* the policy on gender equality adopted by the Council of the Global Environment Facility<sup>4</sup> and *encourages* the Global Environment Facility to ensure that all its implementing agencies apply this policy;

23. *Also encourages* the Global Environment Facility to further explore ways to provide support for assessing the needs and priorities of developing countries<sup>5</sup> in a country-driven manner, including technology and capacity-building needs, and for translating climate finance needs into action;

24. *Invites* Parties to submit to the secretariat their views and recommendations on elements of guidance for the Global Environment Facility via the submission portal<sup>6</sup> no later than 12 weeks prior to the twenty-ninth session of the Conference of the Parties (November 2024);

25. *Requests* the Standing Committee on Finance to take into consideration the submissions referred to in paragraph 24 above in preparing its draft guidance for the Global Environment Facility and to include in its annual report to the Conference of the Parties information on the steps it has taken to implement the guidance provided in this decision;

26. *Takes note* of decision -/CMA.5<sup>7</sup> and *decides* to transmit to the Global Environment Facility the guidance from the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement contained in paragraphs 2–12 of that decision.<sup>8</sup>

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<sup>2</sup> See Global Environment Facility document GEF/C.64/10.

<sup>3</sup> Global Environment Facility document GEF/C.59/07/Rev.1.

<sup>4</sup> Global Environment Facility document SD/PL/02.

<sup>5</sup> With reference to Global Environment Facility. 2019. *Instrument for the Establishment of the Restructured Global Environment Facility*. Washington, D.C.: Global Environment Facility. Available at <https://www.thegef.org/documents/instrument-establishment-restructured-gef>.

<sup>6</sup> <https://www4.unfccc.int/sites/submissionsstaging/Pages/Home.aspx>.

<sup>7</sup> Draft decision entitled “Guidance to the Global Environment Facility” proposed under agenda item 10(c) of the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement at its fifth session.

<sup>8</sup> In accordance with decision 1/CP.21, para. 61.