

Summary: Decisions COP 20 in Lima, Peru

This document provides short summaries of the decisions, relevant to the work of GWP, made under the 20th session of the Conference of the Parties (COP 20) which took place between 1 and 12 December 2014 in Lima, Peru. The summary focus specifically on topics of relevance for GWPs work on climate change adaptation and climate finance within the Water and Climate theme, such as the UN Convention on Climate Change (UNFCCC) work streams and committees on National Adaptation Plans (NAPs), the Nairobi Work Programme (NWP), the Adaptation Committee, and the Warsaw International Mechanism of Loss and Damage; as well as the on issues related to Climate Finance.

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1. Highlights for the GWP Water, Climate and Development Programme

1.1. Summary – COP Decisions

COP 20 agreed on two outcomes: the **Lima Call for Climate Action and the draft elements for the 2015 agreement**. Overall Lima provided a framework to start the process of reaching an agreement in COP 21 taking place in Paris, December 2015. Much focus in Lima was on the draft negotiation text, on the country commitments (Intended Nationally Determined Contributions), and on financing issues. In the negotiations not much linkages were made between the different global processes that are ongoing (SDGs, DRR, and the climate agreement).

With mitigation having a key role for the coming climate agreement, **adaptation** has now more prominent role and it was decided that any agreed outcome with legal force under the Convention applicable to all Parties shall address mitigation, adaptation, finance, technology development and transfer, and capacity-building, and transparency of action and support, in a balanced manner.

Water is not included explicitly in the negotiations and decisions, although acknowledged by parties as a key issue in relation to climate change. Currently water resources are only included formally under the Nairobi Work Programme as one of four key focus areas, together with ecosystems, human settlements and food security.

Loss and damage is present in the negotiations however still has a weaker position in comparison to mitigation and adaptation. The first two year workplan of the L&D Executive Committee was adopted and will currently focus mainly on information gathering, knowledge sharing and key modalities for implementation. The first meeting of the L&D Executive Committee will take place in March 2015, the latest.

For **NAPs**, the decision was made for Parties to prepare NAP documents, and not only keep NAPs as a process without specific outputs. Countries can then communicate their NAPs to the NAP Central¹, and GWP as well as other organisations and networks can also input into the NAP Central, for example by sharing relevant material. The expectation is that the NAPs would be funded through the GCF, yet funding for formulation of these plans remains unclear.

Under the **climate finance** negotiations², COP welcomes the pledges to the GCF and to the sixth replenishment of the GEF, as well as contributions to the LDCF, the SCCF, as well as the AF.

Key steps towards a full operationalization of the GCF in 2015 are: 1. By March 2015, Implementing Entities should be accredited; 2. By June 2015, the GCF is expecting to turn pledges into concrete contribution. A window for submission project proposals will be open at that time. 3. At COP 21, GCF aims at delivering its first programmes and showcase concrete action on the ground.

Various side events focused on the operationalization and capitalization of the GCF, expected to be finalized in 2015. GCF aims to open window for submission project proposals by June 2015 and to represent concrete programmes and activities at COP 21 in Paris. GWP will prepare its submission to the GCF climate finance readiness programme.

1.2. GWPO activities and outputs

Booth and Press briefing

- GWP Global Secretariat **Booth** from 8 - 12 December, at COP 20 venue.

¹ <http://unfccc.int/nap>

² http://unfccc.int/focus/climate_finance/items/7001.php

- GWP press briefing on ‘South-South Exchange on Water Security in a Changing Climate’ <http://www.gwp.org/en/gwp-in-action/News-and-Activities/Water-Security-and-Climate-Resilience-Two-Sides-of-Same-Coin/>

Events

- **GWPO/OSS side event on ‘Africa and Caribbean South-South Knowledge Exchange on Water Security & and Climate Resilient Development’**. The joint side event was organized with support from AMCOW, CARICOM and CDKN. Representatives from CDKN, OSS, CRRH, CARICOM, CCCCC, and GWP presented their experiences and lessons learned in implementing water security and climate resilient programmes in their respective regions <http://www.gwp.org/en/gwp-in-action/News-and-Activities/GWP-keeps-water-visible-at-COP20/>
- Two side events co-organised with the AGWA policy group on ‘**Watercourse lessons for mitigation and adaptation: towards a climate deal**’ with presentation and participation of GWP regional partners from South America.
- GWP participated in the **eighth Focal Point Forum of the Nairobi Work Programme**.

Future collaborations

- As an outcome from the side event above, GWP and CARICOM agreed on developing an ‘**Africa/Caribbean Knowledge Exchange Programme**’ to support AU/AMCOW and CARICOM on water security and climate resilience. Project proposal for fundraising will be developed and potentially submitted to EU-ACP window. GWP CAM expressed their interest to joint this initiative.
- **Potential cooperation between GWP/WACDEP Africa and UNITAR** was initiated to join the WACDEP Africa Capacity Development Initiative.
- Future collaboration with UNFCCC and other organizations on an integration framework for NAPs was discussed with the UNFCCC.

Outputs

- Maika Mueller wrote an article on “Water needs to be put on the Climate Finance Agenda” which is published in the Stakeholder forum magazine ‘Outreach’ <http://www.stakeholderforum.org/sf/outreach/index.php/previous-editions/cop-20/cop20-day9-mountains-water-oceans/11846-cop20-day9-water-global-climate-finance-agenda>
- Maika Mueller talked about water progress in relation to the outcomes of COP 20 in an interview by circle of blue <http://www.circleofblue.org/waternews/2014/world/water-left-lima-climate-negotiations>
- GWP work on national adaptation planning is mentioned in some reports and papers developed for the decisions of the COP in Lima:
 - In the *Report on the 26th meeting of the Least Developed Countries Expert Group*³ GWP is mentioned in relation to a meeting on the supplementary materials for the NAP Technical Guidelines, August 2014, where GWP presented the work on the Water Supplement, and UNDP-GEF presented the work done through the NAP-Global Support Programme;
 - In the *Information paper on the national adaptation plan process*⁴ the support from GWP to the NAP process is mentioned including the Water Supplement, based on a submission to the SBI in August 2014;

³ FCCC/SBI/2014/13 <http://unfccc.int/resource/docs/2014/sbi/eng/13.pdf>

⁴ FCCC/SBI/2014/INF.25 <http://unfccc.int/resource/docs/2014/sbi/eng/inf25.pdf>

- The *Information paper on experiences, good practices, lessons learned, gaps, and needs in the process to formulate and implement national adaptation plans*⁵ prepared by the SBI for the COP in Lima, based on the above mentioned submission;
- In the Nairobi Work Programme *Synthesis report on methods and tools for, and good practices and lessons learned relating to, adaptation planning processes addressing ecosystems, human settlements, water resources and health, and good practices and lessons learned related to processes and structures for linking national and local adaptation planning*⁶, GWPs work is included based on a submission to the NWP in August 2014;
- The above mentioned submission is also published in its full format, in the paper *Good practices in and lessons learned from national adaptation planning*⁷ which consist of the collated submissions from parties and organisations.

2. The agreement: Lima Call for Climate Action

COP 20 agreed on two outcomes: the Lima Call for Climate Action and the draft elements for the 2015 agreement. The substantive contents of the 2015 agreement will need to be ironed out in Paris, but there is an expectation that the draft negotiation text for the 2015 agreement will be prepared before May 2015. In the Lima Call for Climate Action, adaptation is included in addition to mitigation, loss and damage is also included although less prominently.

In the Lima Call for Climate Action⁸ with regards to adaptation, the Conference of the Parties (COP):

- Affirms its determination to strengthen adaptation action through the protocol, another legal instrument or agreed outcome with legal force under the convention to be adopted at COP 21.
- Recalls Decision 2/CP.19 and X/CP.20 and welcomes the progress made in Lima, Peru, towards the implementation of the Warsaw International Mechanism for Loss and Damage.
- Decides that the protocol, another legal instrument or agreed outcome with legal force under the Convention applicable to all Parties shall address in a balanced manner, inter alia, mitigation, adaptation, finance, technology development and transfer, and capacity-building, and transparency of action and support.
- Urges developed country Parties to provide and mobilize enhanced financial support to developing country Parties for ambitious mitigation and adaptation actions, especially to Parties that are particularly vulnerable to the adverse effects of climate change; and recognizes complementary support by other Parties.
- Invites all Parties to consider communicating their undertakings in adaptation planning or consider including an adaptation component in their intended nationally determined contributions.

3. Adaptation under the Convention

COP 20 took decisions to progress the work on National Adaptation Plans and the Adaptation Committee. The negotiations covered the idea of a global adaptation goal, the need to link mitigation with the associated adaptation needs (including financial support), adaptation finance, institutional arrangements, and monitoring of adaptation efforts. Countries can also now use the communication

⁵ FCCC/SBI/2014/INF.14 <http://unfccc.int/resource/docs/2014/sbi/eng/inf14.pdf>

⁶ FCCC/SBSTA/2014/4 <http://unfccc.int/resource/docs/2014/sbsta/eng/04.pdf>

⁷ <http://unfccc.int/resource/docs/2014/sbsta/eng/misc08.pdf>

⁸ https://unfccc.int/files/meetings/lima_dec_2014/application/pdf/auv_cop20_lima_call_for_climate_action.pdf

of the Intended Nationally Determined Contributions (INDCs) (Country post-2020 mitigation pledges) to inform about planned adaptation activities.

3.1. National Adaptation Plans (NAPs)

In its decision, the COP⁹:

- Decides that there will be no revision of the NAP guidelines at this time.
- Recognizes that the process to formulate and implement NAPs is fundamental for building adaptive capacity and reducing vulnerability to the impacts of climate change.
- Decides there is a need to enhance the reporting on the process to formulate and implement NAPs.
- Invites Least Developed Country (LDC) parties and others, to forward outputs, including NAP documents, and outcomes related to the process to formulate and implement NAPs, to the NAP Central (online tool).
- Requests the Adaptation Committee and the Least Developed Countries Expert Group (LEG) in collaboration with the Green Climate Fund (GCF), as an operating entity of the financial mechanism, to consider how to best support developing country parties in accessing funding from the GCF for the process to formulate and implement NAPs, and report to SBI 42 (June 2015).
- Under matters relating to the LDCs, the SBI welcomes launch of regional training workshops on NAPs for LDCs for 2014-2015.

In the conclusions of the Subsidiary Body for Implementation (SBI)¹⁰ the SBI welcomes information submitted by parties, inter alia, on their experiences with the application of the initial guidelines for the formulation of NAPs and recommends a draft decision on NAPs.

GWP work on national adaptation planning is mentioned in some reports and papers developed for the decisions of the COP in Lima, for example in the *Report on the 26th meeting of the Least Developed Countries Expert Group*¹¹ through the participation in a meeting on the supplementary materials for the NAP Technical Guidelines which was held in connection to the 26th LEG meeting in Bonn, Germany, August 2014, where GWP presented the work on the Water Supplement, and UNDP presented the work done through the NAP-Global Support Programme.

GWP also contributed, through submissions to the SBI in August 2014, to the *Information paper on the national adaptation plan process*¹² in which the support to the NAP process is mentioned together with the Water Supplement; and to the *Information paper on experiences, good practices, lessons learned, gaps, and needs in the process to formulate and implement national adaptation plans*¹³ prepared by the SBI for the COP in Lima.

3.2. Adaptation Committee

In its decisions, the COP¹⁴:

- Welcomes the report of the Adaptation Committee¹⁵
- The NAP Task Force will continue working as a panel within the Adaptation Committee looking at NAPs in both LDCs and non-LDCs.

⁹ https://unfccc.int/files/meetings/lima_dec_2014/decisions/application/pdf/auv_cop20_naps.pdf

¹⁰ FCCC/SBI/2014/L.42 <http://unfccc.int/resource/docs/2014/sbi/eng/l42.pdf>

¹¹ FCCC/SBI/2014/13 <http://unfccc.int/resource/docs/2014/sbi/eng/13.pdf>

¹² FCCC/SBI/2014/INF.25 <http://unfccc.int/resource/docs/2014/sbi/eng/inf25.pdf>

¹³ FCCC/SBI/2014/INF.14 <http://unfccc.int/resource/docs/2014/sbi/eng/inf14.pdf>

¹⁴ FCCC/SB/2014/L.7 <http://unfccc.int/resource/docs/2014/sb/eng/l07.pdf>

¹⁵ FCCC/SB/2014/2 <http://unfccc.int/resource/docs/2014/sb/eng/02.pdf>

- Request parties, operating entities of the Financial Mechanism and other relevant entities working on adaptation to take into account the recommendations contained in Chapter V of the report of the Adaptation Committee (see below), based on the outcomes of the meeting of the task force on NAPs.
- Welcomes the initiation of consideration by the Adaptation Committee of its next workplan, starting in 2016.

Following are some recommendations from the Adaptation Committee to the COP, related to NAPs from the above mentioned report:

- Recognizing the importance of raising awareness and buy-in for the NAP process by all stakeholders
- Improving coordination, collaboration and coherence among: Bilateral and multilateral agencies and institutions, including the operating entities of the Financial Mechanism; Various national ministries; and Parties and regions.
- Fostering coherence in the provision of support, including by better matching needs with support, involving more financial institutions in the NAP process and helping countries to prepare for accessing funding, including from the GCF.
- Enhancing learning as stakeholders increasingly engage in the NAP process, particularly around aspects such as the role of institutional arrangements and monitoring and evaluation.
- Regarding the operating entities of the Financial Mechanism, the Adaptation Committee recommends the COP to:
 - Invite the Board of the GCF to engage with institutions that have started initiatives on countries' readiness to access GCF funding and exploring how more countries can benefit from such initiatives;
 - Invite the Global Environment Facility (GEF), in supporting the NAP process and when implementing its new programming strategy on adaptation for the Least Developed Countries Fund and the Special Climate Change Fund for the period 2014–2018, to consider the findings arising from the meeting of the NAP task force.
- In addition the Adaptation Committee recommends to improve the collaboration between the Adaptation Committee and the NAP-GSP, along with the LEG, to aid the design of the next steps for engagement with non-LDC developing countries.

3.3. Loss and Damage

The establishment of the Warsaw International Mechanism at COP 19 in Warsaw 2013, marked a milestone in the process of addressing the issue of loss and damage. In its decision in Lima, the COP¹⁶:

- Approves the initial two-year workplan of the Executive Committee of the Warsaw International Mechanism for Loss and Damage¹⁷
- Decides that the Executive Committee shall be composed of 10 members from Annex 1 parties and 10 members from non-Annex 1 parties, comprising two members each from the African, Asia-Pacific, and the Latin American and Caribbean States, one member from SIDS, one member from LDCs, and two additional non-Annex 1 members – to be decided
- Decides that the Executive Committee may establish expert groups, subcommittees, panels, thematic advisory groups or task-focused ad hoc working groups, to help execute the implementation of the Warsaw International Mechanism as appropriate.
- Decides that the Executive Committee shall meet at least twice per year and that it shall convene its first meeting after the election of its members but no later than March 2015.

¹⁶ http://unfccc.int/files/meetings/lima_dec_2014/decisions/application/pdf/auv_cop20_lossanddamage.pdf

¹⁷ FCCC/SB/2014/4, Annex II <http://unfccc.int/resource/docs/2014/sb/eng/04.pdf>

- Decides that the meeting of the Executive Committee shall be open to attendance by admitted observer organizations, except where otherwise decided by the Executive Committee.
- Decides that the decisions and outputs of the Executive Committee shall be made publicly available on the UNFCCC website unless decided otherwise by the Executive Committee.

3.4. Nairobi Work Programme

Since COP 19 in Warsaw 2013, water is identified as one of four key areas under the Nairobi Work Programme, together with ecosystems, human settlements, and health. In its conclusions¹⁸, the Subsidiary Body for Scientific and Technological Advice (SBSTA):

- Decided to consider and elaborate, at SBSTA 44 (May 2016), relevant activities under the NWP that support the process to formulate and implement national adaptation plans.
- The SBSTA noted with appreciation the valuable information on a diverse range of adaptation practices shared by Parties and NWP partner organizations in their submissions to the NWP.
 - GWP's work on addressing water resources in climate change is, based on a submission made in August 2014, included in the NWP *Synthesis report on methods and tools for, and good practices and lessons learned relating to, adaptation planning processes addressing ecosystems, human settlements, water resources and health, and good practices and lessons learned related to processes and structures for linking national and local adaptation planning*¹⁹.
 - The GWP submission is also published in its full format, in the paper *Good practices in and lessons learned from national adaptation planning*²⁰ which consist of the collated submissions from parties and organisations.
- Noted the valuable information exchange among Parties and partner organizations during the eighth Focal Point Forum organized in conjunction with the session. GWP participated in the session which took place on 3rd December 2014 in conjunction with the COP 20.
- Welcomed the adaptation knowledge initiative and its Andean sub-regional pilot, launched by UNEP as its action pledge under the NWP, for prioritizing and catalysing responses to subregion- and theme-specific adaptation knowledge needs, and encouraged the replication of this initiative in other subregions, particularly in vulnerable developing countries such as the least developed countries, small island developing States and in Africa.

4. Climate Finance

Key Messages

- COP welcomes the pledges to the Green Climate Fund (GCF) and to the sixth replenishment of the GEF, as well as contributions to the Least Developed Country (LDC) Fund (LDCF), the Special Climate Change Fund (SCCF), and the Adaptation Fund (AF).
- Total **resource mobilization to the GCF** close to USD 10.2 billion by 27 contributing countries.
- **Key steps towards a full operationalization of the GCF in 2015:** 1. By March 2015, Implementing Entities should be accredited; 2. By June 2015, the GCF is expecting to turn pledges into concrete contribution. A window for submission project proposals will be open at that time. 3. At COP 21, GCF aims at delivering its first programmes and showcase concrete action on the ground.

¹⁸ FCCC/SBSTA/2014/L.23 <http://unfccc.int/resource/docs/2014/sbsta/eng/l23.pdf>

¹⁹ FCCC/SBSTA/2014/4 <http://unfccc.int/resource/docs/2014/sbsta/eng/04.pdf>

²⁰ <http://unfccc.int/resource/docs/2014/sbsta/eng/misc08.pdf>

- **Private Sector Facility** will be one of the key features and the GCF Board plans to finally set up the modalities in its next board meeting in March 2015 in order to successfully mobilize funds from the private sector.
- Access to funding, preparation of bankable projects and meeting the requirements of being accredited to the GCF are identified as key challenges. Countries are requested to identify and to appoint their National Focal Points/ NDA designated to the GCF and establish well-capacities institutions who are able to act as IE to receive funding and to implement programmes.
- Amount of funding available for the climate change focal area was reduced in the **GEF's sixth replenishment period**, and the allocation of some countries, including some LDCs, SIDS, and African states, has decreased as a consequence.
- Pledges have surpassed the initial **AF Board** fundraising target of USD 100 million for 2012-2013.

4.1. Long-Term Finance

In its decision (FCCC/CP/2014/L.13)²¹, the COP welcomes the pledges to the Green Climate Fund (GCF) and to the sixth replenishment of the GEF, as well as contributions to the Least Developed Country (LDC) Fund (LDCF), the Special Climate Change Fund (SCCF), and the Adaptation Fund (AF). The biennial submissions received to date from developed country parties on updated strategies and approaches for scaling up climate finance from 2014 to 2020 and urges those developed countries that have not yet done so, to do so.

- The COP calls on developed countries to channel a substantial share of public climate funds to adaptation activities.
- Country parties are requested to continue to enhance their enabling environments and policy frameworks to facilitate the mobilization and effective deployment of climate finance.
- It is recognized that developed countries commit, in the contest of meaningful mitigation actions and transparency on implementation, to a goal of mobilization jointly USD 100 billion per year by 2020 to address the needs of developing countries.

A planned In-session workshops in Bonn 2015 will focus on the issues of adaptation finance, needs for support to developing countries, and cooperation on enhanced enabling environments and support for readiness activities.

4.2. Green Climate Fund (GCF)

In its decision (FCCC/CP/2014/L.12)²², the COP welcomes the successful and timely initial resource mobilization process of the GCF that led to the mobilization of USD 10.2 billion by contributing parties, enabling the GCF to start its activities to support developing country parties to the Convention, and making it the largest dedicated climate fund.

- The COP requests the GCF to ensure that the ongoing resource mobilization efforts are commensurate with the ambitions of the Fund, and calls for contributions by other developed countries, and invites financial inputs from a variety of other sources, public and private, including alternative sources, throughout the initial resource mobilization process.

²¹ http://unfccc.int/files/meetings/lima_dec_2014/decisions/application/pdf/auv_cop20_ltf.pdf

²² http://unfccc.int/files/meetings/lima_dec_2014/decisions/application/pdf/auv_cop20_gcf.pdf

- The COP urges the GCF, the Interim Trustee, and contributors to confirm the pledges in the form of fully executed contribution agreements/arrangements, taking note that the commitment authority of the GCF will become effective when 50% of the contributions pledged by the November 2014 pledging session are reflected in fully executed contribution agreements/arrangements received by the Secretariat no later than 30 April 2015.
- The GCF Board is requested to accelerate the operationalization of the adaptation and mitigation windows, and to ensure adequate resources for capacity building and technology development and transfer.
- In addition to accelerate the operationalization of the private sector facility by aiming to ensure that private sector entities and public entities with relevant experience in working with the private sector are accredited in 2015, expediting action to engage local private sector actors in developing countries, including small- and medium-sized enterprises in the LDCs, small island developing states (SIDS) and African states, emphasizing a country-driven approach, expediting action to mobilize resources at scale, and developing a strategic approach to engaging with the private sector;
- The implementation of its 2015 workplan work related to policies and procedures shall be completed to accept financial inputs from non-public and alternative sources, the investment and risk management frameworks of the GCF, the impact analysis on its initial results areas, including options for determining the Board-level investment portfolios across the structure of the Fund, and the approval process of the Fund, including methodologies for selecting programmes and projects that best achieve its objectives.
- GCF is urged to accelerate the implementation of its work programme in readiness and preparatory support, ensuring that adequate resources are provided for its execution, including from the initial resource mobilization process, providing urgent support to developing countries, in particular LDCs, SIDS and African states, led by their national designated authorities or focal points to build institutional capacities;
- GCF should strengthen its engagement with other relevant bodies under the Convention, other relevant international institutions and enhance the participation of all stakeholders in terms of sharing information and lessons learned when deciding its policies and programme priorities.
- Developing countries are urged to enter into bilateral agreements with the GCF.

Key notes taken from several side events addressing the GCF:

Mr. Ousseynou Nakoulima, Director of Country Programming at GCF (onakoulima@gcfund.org) stressed out that GCF aims at fostering country-ownership in the light of its full operationalization the. GCF aims at taking **steps to support countries accessing funds** provided as follows:

- Providing support through Capacity Building linked to the outcomes of GCF.
- Prioritizing South-South Exchange Learning among countries and Implementing Entities (IE) under the GCF.
- Capacity Development has to go beyond the normal climate finance readiness approach. It should also incorporate feedback from countries to maintain lasting results.
- Capacity of IE needs to be strengthened in line with the GCF objectives; the best IE in countries needs to be identified and strengthen their cooperation with the fund.
- Preparation of good bankable project proposals are identified as a key challenge for all countries.

- GCF has set up a Private Sector Facility as a dedicated SME programme as well as a “fit-for-purpose-approach”. It is recommended to link potential project proposal to these facility.

2. Ms. Hela Cheikhrouhou, Executive Director, and Mr. Tao Wang, Director of Mitigation and Adaptation (twang@gcfund.org) at the GCF, presented how the GCF plans to **move towards its full operationalization in 2015** and key milestones implemented within this approach:

- By March 2015, IE should be accredited.
- By June 2015, the GCF is expecting to turn pledges into concrete contribution. A window for submission project proposals will be open at that time.
- GCF aims at delivering its first programmes and showcase concrete action on the ground at COP 21 in Paris.
- This approach requires a close cooperation with countries/ National Designated Authority (NDA) and country Focal Points under the climate finance readiness programme.
- The target paradigm shift, approached by the GCF, will build on existing strategies and plans, which are already identified by countries to tackle climate change impact. Countries should not “reinvent the wheels”.
- Countries are urgently requested to identify and to appoint their National Focal Points/ NDA designated to the GCF.
- In addition, countries are requested to establish well-qualified institutions who are able to act as IE to receive funding and to implement programmes.
- Those institutions can be from the government, private sector or civil society (country leadership).

Direct access modalities under the GCF:

At the current stage direct access plays a minor role under the overall climate finance landscape and very little of funds are channeled through NIE. GCF targets to strongly engage NIE through its direct access modality in order to ensure increased ownership, to strengthen increased awareness.

- Direct access have to be included into national planning processes to gain more effectiveness.
- Climate Change has to be mainstreamed in the national financial system.
- Better coordination among institution dealing with climate change impacts needs to be envisaged.

3. Henrik Harboe, Co-Chair of GCF Board, explained potential **success factors for Climate Finance Readiness** under the GCF as follows:

1. Country-driven approach: needs of developing countries have to be take into consideration and expressed.
2. Close cooperation among line ministries at national level - climate change should be mainstreamed in all sectors.
3. Strengthening public awareness at country level.
4. Country ownership have to go beyond the well-known stakeholders and also target stakeholder involvement at across-sectoral approach including the public sector.
5. Direct access requires capable institutions which need to be strengthen, identified and accredited to the Fund.
6. Donors have to take their coordination role seriously.
7. Climate Finance Readiness also addresses middle income countries.

8. Understanding of how to unlock Climate Finance is seen as a key bottleneck and countries need to be supported to overcome that barrier.
9. Meeting the requirements of being accredited to the GCF, could be a key challenge for countries.

What is missing at the current stage and what needs to be addressed in the near future?:

1. Better coordination among key stakeholders and of existing strategic frameworks at national level.
2. Enhancing strong leadership through capacity building activities, which also encourage the public and private sector.
3. Existing programmes, activities and national plans need to be align into a long-term vision.

How the GCF aims at **mobilizing private sector contribution**?

1. The Private Sector Facility will be one of the key features and the GCF Board plans to finally set up the modalities in its next board meeting in March 2015.
2. In this efforts, a Private Sector Advisory Group will be established to provide further guidance and strengthen the cooperation to mobilize further funds.

3.2. Global Environment Facility (GEF)

In its decision (FCCC/CP/2014/L.11)²³, the COP welcomes the sixth replenishment of the GEF, while urging countries that have not fulfilled their pledges for the fifth replenishment to do so as soon as possible. The pledges and contributions made to the LDCF and the SCCF are recognized, calling for continued support to these funds; and the GEF's gender mainstreaming policy.

- The COP notes that the amount of funding available for the climate change focal area was reduced in the GEF's sixth replenishment period, and that the allocation of some countries, including some LDCs, SIDS, and African states, has decreased as a consequence.
- The GEF is encouraged to continue working on improving its project cycle, increase the overall transparency and openness of its operations, and improve the communication of its co-financing policy.
- GEF should ensure that gender mainstreaming is implemented both within its portfolio and its structure.
- GEF is requested to continue working with its implementing agencies to further simplify its procedures, and improve the effectiveness and efficiency of the process.
- It is noted that LDCs and SIDS still experience challenges in accessing GEF resources.

3.3. Least Developed Countries Fund (LDCF)

In its decision (FCCC/SBI/2014/L.38)²⁴, the COP, inter alia, welcomes increased allocation and disbursement of funds to LDC parties under the LDCF and notes the additional contributions by parties to the LDCF.

- Developed country parties and other parties are encouraged to continue contributing on a voluntary basis to the LDCF in order to support the implementation of the LDC work programme.

²³ http://unfccc.int/files/meetings/lima_dec_2014/decisions/application/pdf/auv_cop20_gef.pdf

²⁴ http://unfccc.int/files/meetings/lima_dec_2014/decisions/application/pdf/auv_cop20_ldcfund.pdf

- Requests the GEF is requested to share lessons learned and progress made in its pilot accreditation of the GEF national project agencies.
- GEF should include information on specific actions that it has undertaken to implement the remaining elements of the LDC work programme, including updating and implementation of National Adaptation Programmes of Action (NAPAs), with a view to COP 21 determining appropriate further guidance to be provided to the GEF.
- Requests the GEF to enhance communication with its implementing agencies and to encourage its implementing agencies to enhance their communication with countries to facilitate a timely implementation of other elements of the LDC work programme including NAPAs.

3.4. Adaptation Fund (AF)

In its decision (FCCC/KP/CMP/2014/L.5)²⁵ and (FCCC/SBI/2014/L.39)²⁶, the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol (CMP) welcomes the report of the Adaptation Funds Board (AFB), noting with concern the level of market prices for Certified Emission Reductions (CERs) and their impact on funding from the Adaptation Fund.

- The CMP notes that pledges have surpassed the initial AFB fundraising target of USD 100 million for 2012-2013, and urges those developed countries that responded to the initial AFB fundraising target but have not completed the process to do so;
- The CMP welcomes the AFB resources mobilization strategy targeting of USD 80 million per year in 2014 and 2015, which needs to be implemented urgently, and continues to encourage parties to provide funding to support this target, and to scale up funding from additional sources;
- Further support for the AFB readiness programme for direct access to climate finance is invited in accordance with the decision on the second review of the Adaptation Fund;
- The AFB is requested to consider, under its readiness programme, targeted institutional strengthening strategies to assist developing countries to accredit more national or regional implementing entities to the Adaptation Fund and ensuring the accredited national implementing entities have increased and facilitated access to the Adaptation Fund, in order to enhance the access modalities of the Adaptation Fund;
- The CMP requests the AFB, in its future reports to the CMP, to provide further clarity on the effect of the fluctuation of CERs, including on the resources available to the Fund, and to continue its work on options for permanent institutional arrangements for the secretariat and trustee.
- Country parties called for a review of the process requirements of accrediting national implementing entities to make them simpler, yet robust.
- Country parties stressed out that the AF is the only effective fund for adaptation finance and should not be overshadowed by new mechanisms.

²⁵ http://unfccc.int/files/meetings/lima_dec_2014/decisions/application/pdf/auv_cmp10_afb.pdf

²⁶ http://unfccc.int/files/meetings/lima_dec_2014/decisions/application/pdf/auv_cmp10_2reviewaf.pdf