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PROGRESS REPORT ON THE LONG-TERM VISION ON COMPLEMENTARITY, COHERENCE AND COLLABORATION BETWEEN THE GREEN CLIMATE FUND AND THE GLOBAL ENVIRONMENT FACILITY 2023

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INTRODUCTION

- 1. The Long-term Vision on Complementarity, Coherence, and Collaboration (LTV) between the Green Climate Fund (GCF) and the Global Environment Facility (GEF) was submitted to the GEF Council as a Working Document at its 60th Meeting on June 14-18, 2021.¹
- 2. The LTV was subsequently presented to the twenty-ninth meeting of the GCF Board (B.29), on June 28, 2021, as Annex II to the "Report on the Activities of the Secretariat." The report, which was considered by the GCF Board as part of agenda item number 5 covering a number of activities in addition to the LTV, was noted by the GCF Board after extensive comments from Board Members and Alternates.
- 3. Both governing bodies welcomed the initiative and, in particular, the establishment of a joint Steering Committee to facilitate collaboration.
- 4. As articulated in the LTV working document, the two Secretariats agreed that an annual joint progress report on LTV implementation would be submitted to the GEF Council and the GCF Board, and it encourages the sharing of views and inclusion of relevant elements in the strategic and programming directions documents of the two organizations. The first progress report was presented respectively to the 62nd GEF Council on June 21-23, 2022, and to the 34th meeting of the GCF Board on October 17-20, 2022³.
- 5. This document constitutes the second such progress report, providing information on the progress the two Secretariats made on the LTV implementation and related joint programming and information-sharing activities⁴ since the first progress report.

LONG-TERM VISION

6. The LTV aims to enhance the planning, implementation, and outcomes of GEF and GCF investments — in line with their respective strategic investment plans — to support the implementation of initiatives in their programming strategies and inform the future programming periods of both funds. The LTV was developed in response to relevant guidance from the Conference of the Parties (COP) to the United Nations Framework Convention on Climate Change (UNFCCC), as both funds are operating entities of the Financial Mechanism for the UNFCCC. The COP has encouraged both entities to further articulate and build on the complementarity of their policies and programs. Through decisions 17/CP.27 and 6/CP.26,

¹ GEF, 2021, <u>Long-Term Vision on Complementarity, Coherence, and Collaboration between the Green Climate Fund</u> and the Global Environment Facility, Council Document GEF/C.60/08.

² GCF, 2021, Report on the activities of the Secretariat, Board Document GCF/B.29/Inf.07.

³ GCF, 2022, Annual Update on Complementarity and Coherence, Board Document GCF/B.34/Inf.07/Add.02.

⁴ The GCF Secretariat will present this report to the GCF Board as part of the report on activities of the Secretariat at its 37th Meeting in November 2023.

Parties to the UNFCCC, welcomed and encouraged the continued implementation of the long-term vision on complementarity, coherence, and collaboration between the GCF and GEF.

- 7. The GEF also serves the financial mechanism for the Convention on Biological Diversity (CBD), United Nations Convention to Combat Desertification (UNCCD), Minamata Convention on Mercury and the Stockholm Convention on Persistent Organic Pollutants. Parties to the CBD and UNCCD now include GCF as part of their decisions for resource mobilization as well as cooperation.
- 8. Countries have responded positively to the LTV, recognizing that shared and mutually reinforcing visions of the GEF and GCF through this initiative can amplify impact and achieve greater harmony across the climate finance landscape through coordinated efforts to advance country-driven approaches and ownership, efficiency, and effectiveness while adhering to the highest international safeguards. Building on the unique strengths of GEF and GCF, support has been expressed by countries and partners for more proactive, joint programming efforts of the two funds to help identify and pursue important common themes for climate action, including opportunities for blended, parallel, and sequenced finance.

INITIAL STEPS

- 9. Under the leadership of the GEF CEO and Chairperson and the GCF Executive Director, and as detailed in the first LTV progress report, the initial year of LTV implementation saw significant progress, inter alia, in the following areas: a) advancing the incorporation of the collaboration principles and objectives relating to the LTV's goals into GEF-8 and GCF strategic plans; b) setting up a joint GEF-GCF pavilion at the 26th Conference of the Parties (COP-26) to the UNFCCC in Glasgow, including organization of events, highlighting LTV and GEF-GCF collaboration; c) establishing a joint LTV Steering Committee; d) expanding joint programming initiatives of the two funds, and; e) developing terms of reference for a study to be jointly commissioned on the policies and processes of the two funds.
- 10. An in-person meeting on the LTV was held between the GCF Executive Director and the GEF CEO on the margins of COP-26 to agree on an initial program of work and its oversight. The two Secretariats agreed that the LTV Steering Committee would comprise senior representatives from each Secretariat to oversee enhanced joint planning for and generation of outcomes from GCF and GEF investments in line with their respective strategic investment plans. Through two preparatory meetings, the LTV Steering Committee drafted its Terms of Reference and laid out an initial LTV work plan.
- 11. The first formal meeting of the LTV Steering Committee was held virtually in February 2022 with an agenda covering: a) election of co-chairs; b) adoption of the Steering Committee's Terms of Reference; c) agreement on an initial LTV workplan; d) discussion of major initiatives and principles of programming; e) commissioning of support to the Steering Committee, including a study on the relevant processes and policies of the funds; and f) collaboration with other funds.

12. A second important organizational Steering Committee meeting took place virtually in April 2022, focusing on a) co-chairing arrangements; b) advancing a study on processes and policies of the funds; c) jointly facilitating the investment planning of countries for climate action; d) joint initiatives to be carried out under the LTV; e) plans for a coordinated engagement at UNCCD COP15; and f) preparing the joint annual report, among others.

PROGRESS OVER THE SECOND YEAR OF THE LTV IMPLEMENTATION

- 13. Guided by the senior leadership of the two institutions and under the oversight of the LTV Steering Committee, efforts have continued during the 2022-2023 implementation period to advance coherence and complementarity between GEF and GCF.
- 14. Furthermore, based on the robust progress made in implementing LTV during the first year, the two Secretariats have gained significant experience and wider understanding of advancing a collaborative approach. This enhanced understanding has further facilitated good progress with the implementation of the LTV, including mainstreaming LTV considerations in overall programming efforts during the second year.
- 15. Senior GEF and GCF management remained strongly engaged in LTV implementation. The Secretariats of the two funds continued to discuss concrete measures to enhance complementarity, coherence, and coordinated engagement throughout the reporting period. The GEF CEO and Chairperson, GCF Executive Director, as well as respective Secretariats, held several discussions and joint events. An in-person meeting between the GEF CEO and Chairperson and GCF Executive Director took place on the margins of the 27th Conference of the Parties (COP 27) to the UNFCCC in Sharm el-Sheikh, Egypt.
- 16. GCF and GEF had several joint engagements on the sidelines of the 15th Conference of the Parties (COP 15) to the CBD in Montreal, including the First Joint CBD-GEF-GCF Dialogue at the level of Principals and GCF participation in GEF side events to showcase and discuss LTV implementation. Meetings between members of the LTV Steering Committee have been regularly convened, although significant recent personnel changes have resulted in vacancies in the Steering Committee, requiring an update in its membership.
- 17. Cross-participation in meetings of the funds at the global, regional, and national levels has increased. For example, GEF presented on LTV efforts at the GCF Global Programming Conference held on 13-15 September 2022. The two Secretariats also held a dedicated GEF-GCF Staff Consultation to advance LTV planning and implementation hosted by the GEF in Washington, DC, on 27-28 October 2022. This consultation improved communications on and the visibility of LTV efforts within the Secretariats, explored joint programming opportunities (including with the Rwanda Environmental Management Authority, which participated virtually), identified key barriers to be overcome to achieve programming synergies, mapped plans for coordinated outreach at UNFCCC COP 27 and CBD COP 15, and explored key global climate, biodiversity and land degradation problems and solutions amenable to improved coherence and complementary of GEF and GCF financial support.

- 18. At the regional level, GCF participated in the GEF Regional Programming and Strategy Workshop for Least Developed Countries in Francophone Africa that took place place in Dakar, Senegal from 20 to 24 April, 2023. At the national level, GCF participated in GEF national dialogues, for example, in Malaysia, to demonstrate a collaboration between the two funds to enhance national-level complementarity and coherence. A GCF representative also participated in the GEF regional workshop for francophone African countries.
- 19. A key topic for ongoing dialogue between GEF and GCF has been mainstreaming attention to LTV goals into the strategic approaches of both funds. Key areas of cooperation include coordinating work on the identification and implementation of joint initiatives, support for joint investment plans development, and related outreach and capacity-building opportunities. This builds on a commitment on enhancing coherence and complementarity among multilateral climate funds included in the GEF-8 Programming Directions document, ⁵ as well as in the Programming Strategy for the Least Developed Countries Fund (LDCF) and Special Climate Change Fund (SCCF) for the GEF-8 period. ⁶
- 20. For GCF's part, the pursuit of LTV goals has been incorporated into its Updated Strategic Plan (USP)⁷, and its continued pursuit is being discussed as part of the consultation process underway to prepare GCF's Updated Strategic Plan for 2024-2027 (USP-2). GCF readiness support to countries on capacity building and harnessing linkages between GCF support and national climate strategies, including nationally determined contributions (NDCs) and technology needs assessments (TNAs) and for preparation of their National Adaptation Plans are elevating attention to the identification and coordination of multiple sources for financing climate actions, including from GEF and other international climate funds, with a view to foster greater complementarity and coherence. Ongoing USP-2 consultations provide a good opportunity for GCF to explore robust actions as part of GCF-2 to further enhance coherence and complementarity across the global climate finance architecture by capitalizing on and further advancing the LTV implementation, guided by the provisions of the GCF governing instrument and by its Board.

PROCESSES AND POLICIES

21. One of the key tasks included in the initial LTV workplan was the commissioning of a "thorough analysis of processes and policies of both funds to identify recommendations to support complementarity and coherence and assist developing countries and partners generate long-lasting results in climate change adaptation and mitigation." The findings from the study were meant to inform the consideration by the Secretariats of the two funds about examining

⁵ GEF, 2022, *GEF-8 Programming Directions*, GEF/R.08/29/Rev.01 (paras 463-465).

⁶ GEF, 2022, <u>GEF Programming Strategy on Adaptation to Climate Change for the Least Developed Countries Fund and the Special Climate Change Fund for the GEF-8 Period of July 2022 to June 2026 and Operational Improvements, Council Document GEF/LDCF.SCCF.32/04.</u>

⁷ GCF, 2020, <u>Updated Strategic Plan for the Green Climate Fund: 2020-2023</u>, GCF/B.27/21 GCF/B.27/21 (para 12).

and enhancing the performance, coherence, and impact of GEF and GCF processes and policies through simplification, streamlining and harmonization, as relevant.

- 22. The two Secretariats jointly developed Terms of Reference for the study in the spring of 2022, with the GEF Secretariat taking the lead in receiving proposals from qualified consultants. The chosen consultants carried out an in-depth review of GEF and GCF policies, frameworks, guidelines, and reports, complemented by extensive interviews with Secretariat staff of the two funds, GEF Council members and GCF Board members, GEF Focal Points and GCF National Designated Authorities, GEF Agencies, and GCF Accredited Entities as well as other key stakeholders.
- 23. Two versions of the draft report with recommendations and findings were submitted to the GEF and GCF Secretariats in mid-March and May 2023. The two Secretariats provided extensive feedback on the drafts throughout the two iterations.
- 24. Findings and recommendations from the study cover the areas of programming, country support and engagement, processes, and institutional coordination, among others. Accordingly, the LTV Steering Committee plans to convene a series of working-level discussions or workshops on the findings and recommendations to ideate concrete measures and explore ways to operationalize them for possible consideration by the Secretariats and governing bodies of the two funds, in line with existing mandates.
- 25. The summary consultant's report is also reported on and annexed to the GEF Council document on Relations with the Conventions and Other International Institutions.⁸

PROGRESS UPDATE IN ACCORDANCE WITH THE THREE PILLARS OF THE LTV

- 26. As with the progress report for the first year of implementation, this update is presented according to the three pillars of the original LTV document:
 - I. Facilitating collaborative and coordinated country programming;
 - II. Sharing information, indicators, lessons learned, and knowledge; and facilitating collaborative and coordinated country programming; and
 - III. Communications and outreach.
- 27. Progress achieved during the implementation period under each of these three elements is summarized below.

⁸ GEF, 2023, *Relations with the Conventions and Other International Institutions*, Council Document GEF/C.64/08.

I. Collaborative and coordinated country programming

- 28. Efforts to develop models for joint programming continued, both to seek country opportunities for blended, parallel and sequenced financing and to identify and jointly pursue important common themes for climate action. Consistent with LTV goals, all such collaboration efforts seek to streamline access, minimize potential duplication of funding, and facilitate country-driven consultation processes. Specific examples undertaken during the 2022-2023 LTV implementation period included:
 - (a) Joint Programming in Rwanda. A partnership was formed with the Task Force on Access to Climate Finance to explore measures for joint programming in an initial set of five pilot countries, namely Bangladesh, Fiji, Jamaica, Rwanda and Uganda. The first such effort, a Joint Programming Consultation, was held in Rwanda on 15 December 2022, in conjunction with the GEF National Dialogue (see Box 1), organized by the Rwanda Environmental Management Authority (REMA) in collaboration with the GEF and GCF Secretariats. As an outcome of the consultations, Rwanda decided to use most of its available GEF-8 STAR allocation to fund the first phase of a large ecosystem restoration program in its South Province, with the expectation that GCF and other partners could consider supporting Rwanda in financing complementary building blocks of the same program, contributing to its subsequent phases.
 - (b) Great Green Wall. The collaboration continued among GEF, GCF, participating countries of the Sahel region, and regional institutions in support of the Great Green Wall (GGW) Initiative. The latest phase of support was further defined with respective roles for GEF and GCF, especially regional activities to complement national investments. For example, following the Board approval of the GCF GGW projects, such as FP183 IGREENFIN I, the two Secretariats are currently undertaking technical discussions to establish a strong linkage between the GCF projects and the new GEF GGW projects under GEF-8.
 - (c) E-Mobility. GEF and GCF Secretariats continued to engage on this topic through several exchanges over the reporting period, including in the context of the preparation of the GEF-8 Global Programme to Support Countries to Upscale Integrated Electric Mobility Systems and light of the recent approval of several regional initiatives by the GCF in this sector, including FP195 E-Motion: E-Mobility and Low Carbon Transportation and FP189 E-Mobility Program for Sustainable Cities in Latin America and the Caribbean, among others. Additional work is being carried out in coordination with relevant GEF Agencies and GCF Accredited Entities, with the view of identifying specific opportunities for national-level joint programming as well as global and regional collaboration through knowledge and support hubs.
 - (d) Simplified Approval Process (SAP). The SAP is a GCF application process for projects or programs expected to possess significant climate impact potential requiring up to USD 25 million from GCF, based on the scaling up of successful solutions to low-emission and climate-resilient development with minimal environmental and social risks. During the October 2022 LTV consultations, particular attention was given to exploring further options for the coordinated use of GCF SAP and GEF funding. GCF secretariat is currently

undertaking an internal assessment to better utilize SAP modalities in order to enhance synergy with projects financed by essential partners, such as GEF.

II. Sharing information, indicators, lessons learned, and knowledge

- 29. Both GEF and GCF remain engaged under the Climate Funds Collaboration Platform on Results, which began its work in 2021 on improving mutual understanding of the respective processes and results monitoring practices of key participants in the global climate finance architecture. This dialogue has included the Adaptation Fund, the Climate Investment Funds, and the Mitigation Action Facility (formerly, the NAMA Facility). Following the conclusion of its first phase workplan in 2021, the GEF and GCF were strongly involved in the second phase, which started in 2022, co-chairing the first workshop focused on specific topics of relevance for the climate funds' monitoring practices, including mitigation results and tracking (greenhouse gas measurement and reporting methodologies), results management in the AFOLU sector and tracking of co-benefits.
- 30. The third cycle of the Platform on Results workplan started in May 2023, with its first workshop focusing on gender-related indicators and methodologies to track gender results in climate projects. Two more workshops are expected to take place in 2023, one focusing on monitoring and evaluation policies and guidelines for measuring adaptation results and seeking opportunities for harmonization of methodologies and the second on building learning loops from the findings of project and program evaluations. This is to be organized by the climate funds with the involvement of their respective evaluation offices. The GEF and the GCF will continue to be strongly involved in preparing these events and implementing the 2023 workplan.

III. Communications and outreach

- 31. As in the previous reporting period, the most significant communications and outreach efforts were connected to the organization of the jointly branded GCF-GEF Pavilion at COP 27 in Sharm el-Sheikh, Egypt, and its associated events. Particular attention was given to highlighting examples of GEF-GCF collaboration, including a session providing an update on LTV implementation and its benefits with the participation of country partners as well as the GEF CEO and GCF Executive Director. A joint COP 27 engagement website was designed, launched, and comanaged by the GEF and the GCF, which hosted the Program of the joint Pavilion, live streams of events, and live news feeds about the two funds' activities over the two weeks of the Conference.⁹
- 32. Efforts were made to use the venue of CBD COP 15, particularly to explore the complementarity between GEF biodiversity programming and GCF nature-based climate mitigation and adaptation programming. A joint event entitled "GEF-GCF Complementarity in Financing Climate and Biodiversity Action" was held on 13 December 2022, at the GEF COP 15 Pavilion. Its purpose was to discuss and help identify opportunities for GEF and GCF co-

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⁹ https://www.thegef.org/events/gef-unfccc-cop27

investment in the climate-biodiversity nexus, following the LTV principles. With representatives from Kenya and Papua New Guinea participating alongside GEF and GCF secretariat staff, approaches were explored for linking GEF-8 country dialogues with ongoing and upcoming GCF programming efforts, including for the GCF-2 period. In addition, GCF and GEF coordinated their joint engagement at various speaking opportunities to illustrate LTV vision, particularly during the CBD-GEF-GCF First Joint Dialogue at the level of Principals, GEF side events "Financing 30X30: Debt for Nature, Climate, and People" and "GEF Inclusive Conservation Initiative," in addition to several bilateral meetings held on the margins of COP 15.

Box 1: Testing a Joint Programming Model in Rwanda, in Partnership with the Task Force on Access to Climate Finance

With the goal of advancing collaborative and coordinated programming between GEF and GCF, and consistent with guidance from COP 26 on improving climate finance access, a partnership was formed with the Task Force on Access to Climate Finance to explore measures for joint programming in an initial set of five pilot countries, namely, Bangladesh, Fiji, Jamaica, Rwanda and Uganda.

This collaboration was announced at COP 27 during an initial meeting between GEF, GCF and representatives of the five countries as well as from the United Kingdom, serving as the Secretariat for the Task Force. It was agreed that a *Joint Programming Consultation* would be held in Rwanda as the first pilot country engagement, and this was carried out in conjunction with the GEF National Dialogue on 15 December 2022. The consultation was organized by the Rwanda Environmental Management Authority (REMA), in collaboration with the GEF and GCF secretariats, with the following objectives:

- 1. To provide a platform to introduce and discuss the goals of the LTV;
- 2. Share experience and lessons learnt from early fruits of GCF-GEF collaboration;
- 3. Discuss on potential for collaboration on major initiatives in Rwanda; and
- 4. To advance coordinated engagement between GEF and GCF, with Task Force support for investment planning with clear actions and deliverables.

Participants included key Rwandan agencies as well as international partners, and the preferred approach quickly turned to using predictable GEF resources to support and anchor a national investment plan and specific project investments, which GCF and other multilateral and bilateral partners could help fund. With this in mind, Rwanda decided to use most of its GEF-8 STAR allocation to fund the first phase of a large ecosystem restoration program in its relatively underdeveloped South Province, with the expectation that GCF and other partners would contribute to subsequent stages.

Given the positive feedback on this first engagement received from Rwanda and other partners, GEF and GCF have begun discussions with the Task Force about replicating the model in Uganda in 2023, with similar efforts to follow later in Bangladesh, Fiji, and Jamaica.

PLANS FOR THE 2023-2024 IMPLEMENTATION PERIOD

33. The two funds have an active LTV implementation agenda for the year ahead, covering joint country programming, the follow-up to the study on policies and processes, identification of joint initiatives, and enhanced communications.

- 34. Joint Programming. The partnership formed with the United Kingdom-initiated Task Force on Access to Climate Finance led to a successful Joint Programming Consultation in Rwanda. Follow-up will be required there to design the ecosystem restoration program in South Province with GEF resources and to explore the opportunities for potential subsequent GCF financing. Discussions are ongoing between the GEF and GCF secretariats and the Secretariat of the Task Force to advance the work of all five pilot countries. This includes following up on the Rwanda consultation to further facilitate the implementation of the work plan. As for the other countries, initial discussions have taken place with Uganda to identify a suitable date to host their Joint Programming Consultation, which is likely to take place in the third quarter of 2023. Similar consultations are expected to be scheduled during the 2023-2024 implementation period in the remaining countries (Bangladesh, Fiji, and Jamaica) where possible. Other opportunities for enhanced programming coordination at the country level will also be pursued. This includes exploring joint engagement at GEF National Dialogues and collaborating on the formulation of GCF Country Programs and national climate plans. Additionally, continued technical discussions will be held with GCF Accredited Entities and GEF Agencies who may be interested in exploring synergies between their GEF and GCF portfolios and pipelines. The aim is to promote greater harmony and coordination between the two funds in their programming efforts.
- 35. Policies and Processes. The findings and recommendations of the study commissioned by the two funds offer several promising avenues for developing practical, actionable measures to improve coherence and complementarity. The LTV Steering Committee plans to convene a series of discussions on these topics to further refine policy and process proposals into a set of practical, actionable measures for potential consideration of the Secretariats and governing bodies of the two funds. This may involve the Secretariats organizing a series of focused technical workshops on programming, country support and engagement, processes and institutional coordination. The purpose of these workshops is to assess feasible measures for streamlining operations and seeking synergies at the operational level. The outcomes of these workshops could inform the future work plans of the LTV Steering Committee. For GCF, the results of these targeted dialogues may serve as a solid foundation for developing options to enhance complementarity and coherence. These options may also be presented to the GCF Board for consideration at its thirty-seventh meeting in response to the mandates from COP 27 and B.35, which requested the GCF Secretariat to explore possibilities for further enhancing coherence and complementarity with other relevant bilateral, regional and global funding mechanisms and institutions.
- 36. **Major Initiatives and Joint Investments.** Potential geographically or thematically based joint initiatives have been discussed between the two funds, with ongoing cooperation under the GGW Initiative. Topics for joint investments will be further defined as the programming priorities are finalized via USP-2 discussion and informed by GEF-8, including, for instance, its integrated programs. Currently, areas under exploration include coastal and marine resources management for blue carbon and climate resilience benefits; expansion of e-mobility (given that each fund already has programming experience in this area); arresting tropical deforestation or promoting forest restoration; fostering an integrated approach to contributing to the global biodiversity targets set at COP-15; and collaborating on private sector engagement; promoting synergies

between GEF and GCF support for technology needs assessment and uptake of technology solutions as illustrated in the technology action plans, among others.

37. **Communications.** The organization of a joint pavilion at UNFCCC COPs has created a venue for the exchange of information on climate change problems and solutions of interest to the shared constituencies of the two funds. Discussions are underway on how to improve this model to better connect bilateral discussions and support negotiations while still offering an upto-date and practical exchange of information to support successful climate action. Opportunities for joint publications and other communications outreach will also continue to be sought. The communication teams of the two funds are currently in discussion with their counterparts at the Adaptation Fund and Climate Investment funds to explore the possibility of a joint presence at COP 28 in Dubai, building upon the successes of the GEF and GCF in previous UNFCCC COPs. These discussions involve considering the establishment of a joint pavilion for the four funds and the development of tailored outreach and communication strategies. Additionally, GCF and GEF are assessing the feasibility of organizing a joint event on the LTV progress at the Seventh GEF Assembly in Vancouver, Canada in August 2023.