

Policy Recommendations on **Green Climate Fund**

1. Conservation International fully supports the decision and efforts to establish the Green Climate Fund (GCF) as an operating entity of the financial mechanism of the UNFCCC.
2. Adequate, predictable and sustainable sources of climate finance should be identified and mobilized in order to meet the scale of the climate challenge.
3. The Green Climate Fund should learn from experiences of existing climate and other multilateral funds, i.e. Adaptation Fund, Special Climate Change Fund, Least Developed Countries Fund, the Climate Investment Funds, Multilateral Fund for the Implementation of the Montreal Protocol, and the Global Fund to Fight AIDS, Tuberculosis and Malaria, and take advantage of expertise of relevant stakeholders, i.e. UN agencies, Global Environment Facility, World Bank, Regional Development Banks, and civil society organizations.
4. GCF Board members should not be limited to government representatives, but also comprise civil society, including representatives of indigenous peoples and local communities. Consideration should be given to endowing non-governmental Board members with voting privileges, but even non-voting status can contribute to the fund's decision making process. In addition, civil society organizations should be able to contribute to the design and operation of the GCF, through active observer status at official meetings, transparent Fund management, and regular consultation with civil society experts.
5. There should be balanced allocation between mitigation and adaptation. Since the majority of adaptation funding is expected to be channeled through the GCF, at least 50% of the GCF funding should be invested in adaptation activities. Additionally, the majority of adaptation funding should be in the form of grants, with 100% of adaptation funding for Least Developed Countries in the form of grants.
6. It is important to establish thematic funding windows, such as mitigation, adaptation, REDD+, and capacity building, as well as consolidate existing financial mechanisms under these windows. Given the special purposes and high performance of existing REDD+ funds, consideration should be given to the value of continuing some of these as stand-alone funds, which can complement funding channeled through the GCF.
7. In order to establish effective "direct access" to the Green Climate Fund, institutional capacity building in developing countries is crucial, so that developing countries can succeed as they access funding and implement actions through their national implementing entities. Non-Governmental Organizations with strong technical expertise and fiduciary standards should be able to provide assistance to national governments in this process, especially in the initial phase of the operationalization of the Green Climate Fund.
8. The Green Climate Fund should develop robust environmental and social safeguard policies to ensure environmental integrity, stakeholder participation and the protection of rights, particularly for indigenous peoples and local communities. Standards should be applied to generate social and environmental co-benefits. Gender balance should also be addressed.

9. The Transitional Committee needs to start discussing financial sources for the Green Climate Fund, including direct budget contribution and innovative sources proposed in the UN High-Level Advisory Group on Climate Financing report.
10. The Green Climate Fund should adopt a robust monitoring and evaluation mechanism, to ensure effectiveness and accountability in fund sourcing, governance, and disbursement.
11. Finances flowing through the Green Climate Fund should be measured, reported and verifiable.

Policy Recommendations on **UNFCCC Finance**

1. The COP should further define the roles and functions of the Standing Committee and expedite the process of establishing the Committee, based on the guidance in the Cancun Agreements.
2. The COP should begin now, with future assistance from the Standing Committee, to define and mobilize climate finance, especially innovative climate finance, in order to achieve, at minimum, the US\$ 100 billion per year goal by 2020. Parties should take into consideration the UN High-Level Advisory Group on Climate Financing report, *inter alia*, other internationally recognized reports and studies.
3. A strong link needs to be formed between the Green Climate Fund and the Standing Committee to guarantee sufficient funding for the fund.
4. It is important to build a robust system for measuring, reporting and verifying (MRV) finance to guarantee sufficient, predictable, “new and additional” donor funding in the Fast-Start period and in the medium- to long-term. The COP should build or request that the Standing Committee build such a system and develop relevant criteria.
5. The COP should provide guidance on coordination of donor funding and information regarding recipient countries’ funding needs. This could be achieved with a finance registry, actively managed by the Standing Committee.
6. The Standing Committee should provide guidance on fund governance, cooperation and complementarities of multilateral climate financial mechanisms.