



Highlights of the Meeting between UNFCCC and GEF Secretariats 23 October 2020 (virtual)

The following is a summary prepared by the GEF Secretariat and the UNFCCC Secretariat of comments, understandings, and clarifications made during the meeting of the GEF and the UNFCCC, held on 23 October 2020.

Introduction

1. The objective of the meeting was to further enhance collaboration between the two organizations, particularly through the dialogue between the Executive Secretary and the GEF CEO to discuss the Paris Agreement implementation, expectations for the 26th Conference of the Parties (COP26) to UNFCCC and for the GEF-8 replenishment. Senior technical level discussions covered the status of programming of GEF resource and the road to COP 26 and update on priorities, including on enhanced transparency framework, mitigation, adaptation, capacity-building, technology transfer, and access.

Agenda Item 1 Opening and Self-Introduction of Participants

2. Daniele Violetti, Director, Division of Means of Implementation (MOI) of the UNFCCC Secretariat and Chizuru Aoki, Lead Environmental Specialist for the Multilateral Environmental Conventions at the GEF Secretariat, opened the meeting as co-moderators and welcomed participants. Mr. Violetti noted that the UNFCCC Secretariat recently completed an extensive organizational restructuring which created a new Department of Programs organized in four divisions: Mitigation, Adaptation, Transparency, and Means of Implementation (MOI).
3. In his opening remarks, Gustavo Fonseca, GEF's Director of Programs, outlined the main milestones of the GEF-8 replenishment negotiation process, which is expected to be formally launched by the GEF Council in December 2020. He reflected on some of the challenges posed by the COVID-19 pandemic and how they can affect the replenishment negotiations and outcomes. Mr. Fonseca thanked the UNFCCC for on the continued engagement with the GEF and for the prospective support for GEF's upcoming replenishment.

Agenda Item 2 Senior Staff Conversation

Status and scope of GEF-7 programming

4. Chizuru Aoki of the GEF Secretariat provided an update on the status and scope of programming for climate change adaptation through the Least Developed Countries Fund (LDCF) and Special Climate Change Fund (SCCF). During the first two years of GEF-7, 42 projects have been approved for LDCF support with total resources of about \$290 million, distributed across regional groups. As

of June 30, 2020, 32 out of the 47 LDCs had accessed the LDCF resources, and that 17 LDCs had fully programmed their LDCF allocation. She also highlighted some key adaptation programs and themes for GEF-7, including support to the LDC work programme, innovation, private sector mobilization, nature-based solutions and early warning systems. The discussion also touched on several ongoing projects in coordination with the Green Climate Fund (GCF). A short overview of the Challenge Program for Adaption Innovation, launched at COP 25 with nine finalists, and progress to date was provided.

5. Filippo Berardi, Senior Climate Change Specialist and Coordinator of the Climate Change Focal Area (CCM) for the GEF Secretariat, provided an update of the scope and status of the CCM programming. Having outlined the key mitigation investment areas for GEF-7, which include renewable energy, energy efficiency, e-mobility, and clean technology innovation, Mr. Berardi mentioned that about 60 percent of the \$802 million in CCM envelope have now been programmed in 77 countries, through projects which are leveraging 9.5 billion in co-financing. Mr. Berardi also mentioned that the GEF is on track to meet its overall GEF 7 target of reducing or preventing 1.5 billion tons of CO₂e, having already reached 77 percent of that figure. Before closing, Mr. Berardi briefly presented the GEF 7 Global Electric Mobility Program, as one of the flagship climate mitigation initiatives for the current GEF cycle.

Road to COP26 and update on priorities

6. The UNFCCC Secretariat and the GEF Secretariat senior staff exchanged updates on transparency, mitigation, adaptation, capacity-building, technology transfer, and access, including a detailed discussion on the Capacity Building Initiative for Transparency and on several aspects related to the enhanced transparency framework (ETF) and the transition from Biennial Update Reports (BURs) to Biennial Transparency Reports (BTRs).
7. Daniele Violetti of the UNFCCC Secretariat mentioned that the UNFCCC will organize a series of virtual events, the Climate Dialogues 2020, from November 23 to December 4, 2020. While these events will not be formal negotiation sessions, they are aimed to continue the momentum and highlight that efforts are ongoing in all relevant areas.
8. Donald Cooper, Director of the Transparency Division for the UNFCCC Secretariat briefly reviewed the status of the negotiation process of related to transparency reporting. He mentioned that the UNFCCC process adapted extraordinarily well to current disruptions and that all operations linked to the ETF are on schedule within their original timeframes, enabled by the flexibility of parties, experts, and support organizations. Regarding the Doha Amendment, a negotiation item will need to be added on how to conclude the second commitment period. The process is running two years behind.
9. Xuehong Wang, Team Lead, BUR Unit, Transparency Division of the UNFCCC Secretariat provided an update on the status of the negotiations on transparency. The guidelines on transparency reporting under the Paris Agreement were expected to be adopted at COP 26 but will now not be finalized until the end of 2021. However, the modalities, procedure, and guidance adopted in

Katowice provide sufficient clarity for parties to start preparing transparency reports. With regards to the status of MRV reporting, Ms. Wang further mentioned that out of 154 developing countries, 60 have submitted their first BURs and that no BTRs have been submitted. She underscored that successful outcome on Article 13 at COP 26 is critical for the implementation of the transparency framework, while noting that financial and technical support are pre-requisite for such a successful outcome.

10. Jigme, Team Lead on Enhanced Transparency Framework (ETF) at the Transparency Division of the UNFCCC Secretariat emphasized the importance of the ETF to transparency reporting and the work SBSTA is doing to move the ETF into full implementation mode. He stressed the importance for the reporting policy for BTRs to be finalized and the need to clarify the relative global support program. With regards to the Capacity-Building Initiative for Transparency (CBIT), Mr. Jigme outlined it has been presented as big support to developing countries, yet there is still limited awareness on the ground about what CBIT is and is intended to deliver. Further, he stressed the importance of showcasing the results of the CBIT and for UNFCCC to resolve pending issues raised at the Subsidiary Body meetings on financial and technical support. He mentioned that the issue is getting traction with the Group of 77, which might lead to some toxicity in the process.
11. Milena Gonzalez Vasquez, Climate Change Specialist with the GEF Secretariat, presented the GEF's work on CBIT. Ms. Gonzalez Vasquez highlighted that 45 percent of non-Annex I Parties requested GEF's support to date for CBIT-related capacity building activities, for a total of 70 projects in 69 countries. Finally, Ms. Gonzalez Vasquez outlined three future steps for the GEF to further support the enhanced transparency framework, including the development of program modalities and guidelines for BTR reporting, including costing of various items, the preparation of an information document on BTR for the upcoming GEF Council meeting and the preparation for the second informal consultative workshop on modalities and guidelines by the end of 2020.
12. Massamba Thiye, Manager, Regional Development Unit, Mitigation Division of the UNFCCC Secretariat, stressed that ambition is the key issue in mitigation and outlined several important considerations related to the new and updated National Determined Contributions (NDCs). First, that national long-term low carbon emission strategies (LEDS) for the 1.5°C goal should be integrated with local and sectoral development strategies, so that the national economic development policies can be consistent with each country's NDC. Mr. Thiye also stressed the need to ensure stakeholder engagement from a variety of actors such as financiers, clean technology providers, government policymakers, customers and local communities. Furthermore, he highlighted innovation as a key topic in climate mitigation going forward. Noting that while full deployment of existing mature mitigation technologies is necessary, he said that it will likely not be sufficient to achieve the 1.5°C goal, which instead will require innovative technologies, policies, finance models and business models, and more effective partnerships among stakeholders. Lastly, Mr. Thiye mentioned that a functioning carbon market should be operationalized in line with Article 6 of the Paris Agreement.
13. Olga Pilifosova, Manager, Review Subdivision, Adaptation Division of the UNFCCC Secretariat outlined the priority areas for the UNFCCC Secretariat's work on adaption and loss and damage on

the road to COP 26. The first is to demonstrate that the work on all work streams progressed as planned, that mandates given to the adaptation constituted bodies, the Adaptation committee (AC), Least Developed Country Expert Group (LEG) and ExCom of the Loss and Damage Mechanism, have been and are being implemented in spite of the challenges posed by COVID-19. While no contentious adaptation issue is expected to be negotiated at the COP 26, climate adaptation finance remains a key cross-cutting issue, it should continue to receive central attention at COP. Ms. Pilifosova also mentioned the need to fund the implementation of National Adaptation Plans (NAPs) and that the GEF can complement the GCF in this area. Ms. Pilifosova welcomed support by the GEF to the LDCF Work Program. She also underscored the importance of continuing to support LDCs with low capacity in accessing funding, of renewing the LEG mandate at COP 26 and of ensuring a continued collaboration between LDCF and LEG.

14. Alejandro Kilpatrick, Team Lead, Capacity Building, MOI Division of the UNFCCC Secretariat briefly reviewed the work of Paris Committee on Capacity-Building (PCCB) at COP 25, whose mandate was extended for five more years and which now serves also the Paris Agreement. He noted that while there is no major capacity building item to be negotiated at COP 26, the Committee developed a four-year work plan to be considered by the COP in Glasgow. He also noted how the review of capacity building frameworks for economies in transition is relevant to the GEF since the negotiation such framework is linked to the provision of financial support. Mr. Kilpatrick also underlined the UNFCCC Secretariat's appreciation for the GEF's participation to the PCCB meetings and COP process, and looked forward to further engaging the GEF in supporting the PCCB. As potential UNFCCC-GEF collaboration areas on PCCB Mr. Kilpatrick mentioned a network bringing together events and initiatives, the PCCB-mandated capacity-building hubs and a capacity-building Toolkit to assess needs and gaps, which will be a reference document or policy guidance. The scope of this toolkit is being discussed and the GEF will be asked for inputs.
15. Wanna Tanunchaiwatana, Manager, Technology, MOI Division of the UNFCCC Secretariat indicated that it is likely that all the issues agreed in the technology transfer work program will be fully delivered to COP 26. A review of the work of the Climate Technology Center and Network (CTCN), carried out every four years, will be due at COP 26. Ms. Tanunchaiwatana mentioned that, with GEF's support, the UNFCCC has built significant capacity in developing country parties through technology needs assessments (TNAs) and technology transfer, particularly in LDCs in Africa, and that while the future of TNAs is to be decided, the UNFCCC Secretariat's intention is to support its continuation. She welcomed the recently approved GEF project that supports TNAs in the last group of 17 LDC Parties to access resources for TNAs, recognizing the additional role of TNAs and their support to help create a conducive environment for successful negotiations. With regards to sharing of knowledge and experiences in technology transfer, Ms. Tanunchaiwatana mentioned that a CTCN Dialogue will take place on 4 November 2020. Expecting the GEF to share experience in CTCN collaboration and support at the event, the UNFCCC Secretariat will use the knowledge generated from the Dialogue to prepare information on CTCN for COP 26, in line with the relative COP request.

16. Yolando Velasco, Manager, Climate Finance, MOI Division of the UNFCCC Secretariat presented the key issues related to access to climate finance for developing countries. Highlighting the transition from the pre-2020 to the post-2020 regime, Mr. Velasco noted a number of topics to be addressed at COP 26 with regards to access to climate finance, including the provision of the \$100 billion climate finance target, the review of the guidance on the financial mechanism, the launching the post-2020 climate finance regime according to Article 9.5 of Paris Agreement and of the long-term climate finance goal. Mr. Velasco also touched on the issue of access to GEF support by developing countries, noting concerns raised by some Parties on this matter. In the last three meetings, the COP has emphasized the request to the GEF in terms of access to resources by developing country Parties. This is expected to be raised again at COP 26. As a minimum, countries will expect communication with the GEF secretariat. At the maximum they expect access to resources.
17. Having joined the meeting in advance of the Executive segment (agenda item 3), Carlos Manuel Rodriguez, GEF CEO, highlighted the importance of tracking resources mobilization efforts and the need to strengthen capacities and generate data and enable effective tracking. The CEO further stressed the importance of tracking to enable visibility of all mobilized climate resources, not only from international donors but also from domestic sources, since the latter often constitute the largest component of the climate financing made available for the implementation of the Paris Agreement. The GEF CEO invited the UNFCCC Secretariat's colleagues to share information on the current methodologies and tools for tracking resources mobilization.
18. Donald Cooper, Director, Transparency Division responded that several climate finance tracking systems exists. He mentioned that developed country parties include such information, on voluntary basis, in their BURs and that the UNFCCC Secretariat collects such information from the BURs to assess or estimate the overall flow or resources from developed country parties to developing country parties. Mr. Cooper shared that the most recent UNFCCC assessment (2016) provided an aggregated figure in terms of climate finance resource mobilization between \$55 and \$60 billion. Tracking currently mostly relies on reporting by developed countries. It lacks balancing regarding what was actually received by developing countries. For better balance a more comprehensive report would be needed.

Agenda Item 3 Discussion with the Executive Secretary and the CEO

19. The UNFCCC Executive Secretary opened this segment by congratulating the new GEF CEO on his appointment and reiterating the UNFCCC Secretariat's commitment to continue to support the GEF CEO and Secretariat in fulfilling all challenging tasks related to the implementation of the Paris Agreement. In reviewing the key areas of collaborations between the two institutions, the Executive Secretary stressed how the provision of climate finance remains the key issue in climate action for building trust and ambition. As such, finance also represents both a prerequisite and an enabling factor for achieving good outcomes at COP 26 and beyond. The GEF is a central element for this topic. The Executive Secretary looked forward to working with the GEF to achieve such good outcomes at COP 26.

20. The Executive Secretary also outlined how COP 26 needs to send a clear message that donor countries are ready to stand by their Paris Agreement commitments and to enhance the provision of support to developing countries on finance and capacity building. The Executive Secretary further noted that such commitment by developed countries is directly linked to the GEF-8 replenishment and expressed her hope for a strong GEF-8 replenishment, with a larger allocation for climate. While acknowledging the challenges to move forward on the climate agenda in current international political environment, the Executive Secretary noted that she remained hopeful that a strong GEF replenishment would signal that climate change remains the biggest issue for humanity to tackle.
21. The Executive Secretary further stressed the importance of supporting developing country parties on capacity building related to the implementation of the enhanced transparency framework, which poses additional challenges for developing countries and for which the GEF's support is key.
22. In concluding, the Executive Secretary underlined the importance of access to climate finance by all developing country parties. Recognizing the multiple challenges of the current environment, she mentioned that this is an issue that will not go away unless resolved and she expressed her willingness to work with the GEF to explore possible solutions to overcome the challenges we face on this. She noted in closing that COP 26 will be a moment to show unity of purpose for of us and that the GEF can count on the support of the UNFCCC.
23. Having thanked the Executive Secretary for her warm greetings and best wishes, The GEF CEO addressed several topics and areas that are related to COP 26 and the GEF-8 replenishment. The CEO started his remarks by agreeing with the Executive Secretary that good outcomes for COP 26 are linked to improved chances of a successful GEF-8 replenishment outcome. He mentioned the recent long-term climate-neutrality target announcements by China and Japan and other parties as a reason to be optimistic regarding the COP 26 outcomes.
24. The GEF CEO also positively acknowledged achievements by the GEF Partnership in several areas including capacity building, transparency, engagement with the private sector, resources mobilization and with meeting its climate mitigation and adaptation goals and targets.
25. He noted that despite these successes, the impact of the GEF on climate change mitigation and adaptation is still relatively small compared to needs identified by science. He highlighted two issues for the GEF to address in the next few years. The first issue relates to the need to support countries to develop effective national policies and institutional frameworks for the 1.5°C goal, and particularly to the need to ensure consistency across economic, development and environmental policies at national level, which are often at odds, preventing an effective alignment with the objectives of the Paris Agreement.
26. With regards to the second issue, provision of climate finance, the CEO noted that while 70 to 80 percent of the overall financing for climate action comes from domestic sources, the climate negotiations focus on the 20 to 30 percent of resources provided by international donor countries. The GEF CEO further noted that this warrant support to developing countries to track their

domestic investments in climate finance to adequately assess the overall climate finance flows and corresponding needs. The CEO reiterated that domestic climate resource tracking and mobilization is an area on which the GEF is keen to working with the UNFCCC and with the Parties.

27. The GEF CEO noted that countries should be disciplined in keeping track of their emission reduction progresses towards decarbonization plans as a prerequisite to be able to access financial support from multilateral organizations such as the IMF. Finally, the CEO expressed appreciation to the Executive Secretary for the engagement through this meeting and renewed his strong willingness to work with her and with the UNFCCC Secretariat in the years to come to help countries achieve their NDCs.

December 2020 Council and UNFCCC engagement

28. Chizuru Aoki updated the participants on the forthcoming GEF Council Meeting, which will take place on the week of December 7, 2020. The agenda item on Relations with Conventions will take place from 8:30am to 10:00am (ET) or 2:30pm to 4:00pm (CEST) time on Wednesday, December 9, 2020. Noting the opportunity for Executive Secretaries of the Conventions to address the Council during the agenda item on the Relations with Conventions, she extended an invitation to the Executive Secretary to participate.
29. Marenglen Gjonaj, Team Lead, Policy and Analysis, MOI Division offered additional insights on tracking of climate finance. Mr. Gjonaj explained that UNFCCC has a regime on national reporting, capacity building, and data collection to track and report financial resources flows. He explained that UNFCCC also oversee the preparation, through the Standing Committee on Finance, of the Biennial Assessment and Overview of Climate Finance Flows Reports, which provide a good data collection and highlights important capacity issues in tracking of data on financial flows. It covers global developing countries, provider vs. recipient perspective. Finally, Mr. Gjonaj mentioned that UNFCCC keeps a web-based climate finance portal where all such information are stored and offered to the public, including the resources mobilized by the GEF.

Conclusions and Next Steps

30. Daniele Violetti of the UNFCCC Secretariat thanked the communication colleagues and underlined the importance of getting the right narrative out approaching the next COP, especially regarding messaging on climate finance, which is a difficult issue for the layman to understand and needs to be translated into accessible language.
31. Reflecting on the discussion, the Executive Secretary said she highly valued the personal experiences and knowledge the GEF CEO gained as the Environment and Energy Minister in Costa Rica. She agreed about the importance of climate risks and climate mitigation being central considerations and components in the national planning and policymaking at a country level. She referred to the Coalition of Finance Ministers for Climate Action as an important group that can be leveraged to support the advancement of the climate mainstreaming at domestic level.

32. The Executive Secretary also commented that central banks all over the world are increasingly considering climate risks in policymaking and planning. Direct engagements with Finance Ministers, rather than solely individual line Ministers such as environment or energy, will have a much higher impact in mainstreaming climate policy at national level.
33. The Executive Secretary agreed with the CEO on the issue of resources mobilization tracking as a crucial element to build trust among parties and invited the CEO's inputs in supporting the UNFCCC to build a working definition of what would qualify as climate finance vis-à-vis the \$100 billion target. She looked forward to working with the CEO and the UNFCCC and GEF Secretariat teams to advance on the crucial agenda on finance.
34. Gustavo Fonseca, GEF Director of Programs, took the floor to express appreciation to the Executive Secretary and the CEO for the constructive and informative dialogue and to the UNFCCC and GEF teams for organizing the meeting and for sharing their views on the topics discussed.
35. Mr. Fonseca noted that the GEF-7 replenishment outcomes for climate change mitigation fell short of expectations compared to the GEF-6 levels. He noted how this needs to be reversed in GEF-8 and that positive replenishment results will depend not only on what the merits of the new investment strategy proposed by the GEF, but also on the strength of the entire GEF Partnership, and particularly on a strong relationship with the UNFCCC Secretariat.
36. In his closing remarks, Daniele Violetti of the UNFCCC Secretariat also expressed appreciation for the fruitful discussions and active participation of the staff from the two Secretariats. He suggested to have similar meetings regularly, taking advantage of the virtual format and of a number of other upcoming climate dialogues. He proposed to have the next UNFCCC and GEF Secretariats meeting in January 2021