

June 22, 2017

Dear Members and Alternate Members of the Board of the Green Climate Fund,

As civil society groups following the Green Climate Fund (GCF) closely, we are writing to urge you to improve the way crucial questions are discussed by the Board and to prioritize at the upcoming 17th Board meeting decisions on policy gaps that need to be addressed to ensure the Fund's successful operation.

We are worried about the tendency to discuss crucial issues in informal sessions or in small working groups only, which are non-public and off the record. This takes the GCF very far from international best practice on transparency, which the Fund is supposed to embody and which it expects from partner institutions. While we recognize that in some circumstances those settings can be helpful to advance a better understanding, important issues must also be discussed in the open and transparent forum of a formal Board meeting. If issues are debated in small informal groups and only brought to the Board for formal adoption once a consensus has been reached behind closed doors, this reduces the opportunities for all Board members to express opinions and virtually eliminates the possibilities for civil society perspectives to be included. While informal Board meetings include all members, they lack transparency and make it impossible for concerns by Board members or civil society to be reflected in the public record. The formal Board meeting setting, on the other hand, entails clear rules of procedure, a higher degree of transparency, and an opportunity for all views - from all Board members and the active observers - to be heard and reflected on the record.

We are also concerned that the Board has repeatedly failed through deferral of respective agenda items to address crucial policy gaps that urgently need to be tackled to ensure successful operation of the Fund and which have already hampered the GCF's ability to effectively fulfil its mandate. On all of these, civil society has submitted detailed recommendations and proposals for policy improvements.

These worrisome policy gaps include, amongst others:

- a revised proposal approval process that includes a simplified procedure for small-scale activities and fosters the development of high-quality projects and programmes ([CSOs provided detailed recommendations in 2016](#));
- meaningful country ownership guidelines that ensure that any engagement with the GCF is the result of a truly country-driven process with comprehensive and meaningful stakeholder engagement, including from affected communities and marginalized groups

such as women and Indigenous Peoples ([CSOs provided text edits on draft guidelines in 2017](#));

- a bold accreditation strategy and framework that prioritizes and takes into account the circumstances and needs of direct access entities ([CSOs provided detailed recommendations in 2016](#));
- a robust Environmental and Social Management System, including the approval of a best-practice Environment and Social Policy (ESP) as well as the overdue development of the GCF's own environmental and social safeguards grounded in a human rights based approach, that prevents harm from emanating from any GCF-funded activities ([CSOs provided detailed recommendations in 2017](#));
- revised terms of reference for the Independent Redress Mechanism, so that it can effectively respond to concerns raised in connection with approved proposals ([CSOs provided detailed recommendations in 2017](#));
- the approval without further delays of a stand-alone Indigenous Peoples Policy ([IP groups and CSOs provided detailed recommendations in 2017](#)); and
- the review of observer participation in Board proceedings to remedy existing serious limits on CSO observer engagement ([CSOs provided detailed recommendations in 2016](#)).

The lack of guidance to the GCF Secretariat and the fact that the Board has approved proposals in a policy vacuum have led to setting of precedents with far reaching ramifications for future debates in the GCF. As the Fund is becoming a more mature institution, "building the plane while flying it" and putting off these important decisions again and again, is not the right approach.

For the upcoming GCF Board meeting, we therefore urge the Board to prioritize addressing the existing policy gaps in a formal, transparent setting with ample time allocated for thorough discussion. We are fearing that the proposed set-up for B.17 of two days of informal Board meetings followed by only two days of formal Board meetings will not accomplish this. While we appreciate that the Board decided to set aside approvals of funding proposals, we are concerned that certain issues that deserve priority Board attention are not on the proposed agenda for B.17, such as the environmental and social policy (ESP), the review of observer participation in Board proceedings, and the next steps in making the accountability mechanisms fully functional.

In order to elaborate potential options and develop necessary solutions on these issues, the Board needs to engage in timely actual policy discussions in an open and transparent way with robust consideration of inputs from not only Board members, but also accredited observers.

As civil society observers we remain committed to working with the Board to develop these solutions and improving existing policies.

Sincerely,

Accountability Counsel, U.S.

Asian-Pacific Resource and Research Centre for Women (ARROW), Malaysia

Asociación Interamericana para la Defensa del Ambiente (AIDA)

Both ENDS, the Netherlands

Center for International Environmental Law (CIEL), U.S.

Friends of the Earth U.S.

Forest Peoples Programme

Germanwatch, Germany

Green Development Advocates, Cameroon

Heinrich Böll Stiftung North America, U.S.

HELVETAS Swiss Intercooperation, Switzerland

Institute for Essential Services Reform (IESR), Indonesia

Institute for Policy Studies, U.S.

Labour, Health and Human Rights Development Centre

Nepal Federation of Indigenous Nationalities (NEFIN), Nepal

Oxfam

Tebtebba (Indigenous Peoples' International Centre for Policy Research and Education)

Transparency International-Korea

Ulu Foundation, U.S.

International Climate Development Institute (ICDI), Taiwan

Taiwan Youth Climate Coalition (TWYCC), Taiwan