Part of the 100 million dollars per year that developed countries must mobilize by 2020 to meet the financing needs of developing countries will transit through the Green Climate Fund to fight climate change. The institutions and governance rules within the Green Climate Fund must guarantee equitable and effective allocation and use of these financial resources. They should take inspiration from the major principles and targets of the Paris Declaration and the Accra Agenda for Action on aid effectiveness, in particular ownership by partner developing countries, alignment of aid with their priorities, donor coordination, simplification of finance access procedures, predictability, and mutual accountability. At a time when the fourth Forum on Aid Effectiveness is opening in Busan (South Korea), the international community meeting in Durban must take into account the lessons—both best practices and failures—from several decades of development finance and propose innovative solutions for governance of the Green Climate Fund.

Our Priorities for Green Climate Fund Governance

- Improve coordination.
- Foster national ownership.
- Promote priority-based allocation of financing that is fair and depoliticized.
- Favor suitable, supervised and equitable financial instruments.
- Involve civil society in decision-making processes.
- Reproduce and step up good practices.

1. Improve coordination in financing

Lessen fragmentation of climate finance.

Climate finance is the subject of unprecedented splintering. More than 25 funds are devoted to climate change, in addition to development agencies’ climate portfolios. Recipient countries, and least developed countries (LDCs) in particular, are faced with a multitude of procedures and modalities. This fragmentation therefore impedes coherence in and efficient use of climate finance. The Green Climate Fund must aim to lessen this fragmentation in climate finance and simplify the climate finance landscape.
Allocate a large share of finance in the form of national envelopes.
In this way, financing will be more likely to respond to recipient developing countries’ national priorities and needs. These national envelopes will improve the predictability of available financial resources and the planning of actions to implement.

Establish an international platform—modeled on the Intergovernmental Panel on Climate Change—on climate finance.
It would be in charge of monitoring and assessing flows, instruments, and the allocation of international climate finance to improve coordination and avoid duplication.

Foster national ownership of climate finance

Favor developing countries’ direct access to finance.
There are many intermediary implementation agencies today. They act as substitutes for governments and generate high transaction costs. Governments and non-state actors in developing countries must be able to access the Green Climate Fund easily and directly.

Support the creation or consolidation of the national fiduciary bodies in the framework of the Adaptation Fund.
These bodies will be in charge of managing climate finance within countries and allocating financial support to actors interested in implementing actions to fight climate change, in compliance with national strategies.

Create multi-actor platforms.
Taking their inspiration from the Global Fund to Fight AIDS, Tuberculosis and Malaria, these platforms would bring together all stakeholders—NGOs, ministries, researchers, local authorities, union federations and farmers’ organizations. They would benefit from adequate resources to allow various actors to participate effectively in the design of national strategies and examine financing requests from project implementers, in conjunction with the national fiduciary body.

Devote sufficient support to building the institutional capacities of state and non-state actors.
These actions are crucial to allow these stakeholders to contribute actively to national climate strategy design and implementation. They can help improve absorption capacity in developing countries.

Promote priority-based allocation of financing that is fair and depoliticized

Establish thematic windows for financial support.
Support must be clearly identified and allocated specifically to adaptation, mitigation and reducing greenhouse gas emissions from deforestation and forest degradation (REDD+).

Finance the urgent adaptation needs of LDCs in priority.
The Fund must aim to overcome existing gaps. It must ensure that financing is re-balanced in favor of adaptation.

Depoliticize project selection.
The Green Climate Fund’s Board must be entrusted with elaborating strategic and operational guidelines, including the definition of allocation criteria for national envelopes and project monitoring and assessment. It would
be up to the technical committee, composed of experts from developed and developing countries, to validate the quality of the projects submitted by the national fiduciary bodies according to guidelines set by the Board. The secretariat would be in charge of administration.

4 Favor suitable, supervised and equitable financial instruments

- **Diversify the size of eligible finance.**
  National envelopes must make it possible to finance projects, programs and policies so as to take into account the diversity of actors involved in fighting climate change. Small-scale projects are especially necessary to support the development, testing and dissemination of innovative practices on the micro level.

- **Provide finance in the form of grants, in particular in least developed countries and for adaptation actions.**
  Least developed countries and small island developing states are the primary victims of climate change. It would be unfair and contradictory for vulnerable countries to go into debt to finance adaptation policies while they are not responsible for climate change. Accordingly, adaptation actions in developing countries should be a compensation paid in the form of grants.

- **Supervise the allocation and use of private finance.**
  Guidelines must be established to ensure that private finance contributes effectively to a post-carbon energy transition while respecting the socioeconomic needs of developing countries.

5 Involve civil society in decision-making processes

- **Include the participation of active observers from civil society on the Board.**
  The Board must give civil society a central position. Active observers from civil society must be selected in a transparent manner by their constituencies, along the lines of the Civil Society Mechanism of the FAO Committee on World Food Security.

- **Involve field experts from civil society in the technical committee.**
  These experts must be selected based on their knowledge of local realities and climate change issues, and their proximity to field actors.

- **Build the capacities of non-state actors.**
  The aim is to increase their participation in national decision-making and the implementation of actions in the field.
Reproduce and step up good practices

Ensure participatory monitoring and assessment of projects.

Monitoring and assessment have been neglected by Official Development Assistance (ODA) and climate finance. When done, they are rarely participatory. Dialogue processes must be set up within projects so that the stakeholders involved, especially the beneficiaries, can give their opinion on project actions and accomplishments.

Analyze and document experience to improve project quality and allow for innovation.

The lessons and recommendations from project assessments must be taken into account by the Green Climate Fund monitoring and assessment unit. They can be used, if needed, to revise project eligibility criteria in conjunction with the Board and the technical committee.

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Coordination SUD (Solidarity, Relief, Development) is the national platform of French development and relief NGOs. Founded in 1994, it brings together more than 130 member NGOs and 6 member networks (CLONG-Volontariat, CNAJEP, Coordination d’Agen, CRID, FORIM, Groupe Initiatives) that are active in the fields of humanitarian relief, development assistance, environmental protection, and human-right defense. Member NGOs work together in specific working groups on various issues to align their positions and build shared advocacy campaigns.

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Coordination SUD’s Climate and Development Working Group (CDWG) works on the links between development and climate change. It brings together approximately thirty development and environmental NGOs that are members of Coordination SUD and/or Climate Action Network France (CAN-F). CDWG is lead by Gret. Its objectives are: to facilitate experience and information sharing among member organizations; to raise awareness among French development and relief NGOs on climate-related issues and help them mainstream climate change issues in their projects; to help member organizations build collective positions on climate change mitigation and adaptation in developing countries; and carry out advocacy and reporting work in the international climate change negotiations.