

Embargo:

Release Date: October 24, 2024

Contact Information: Kim, Tae Hoon (044-215-8750/ Green Climate Policy Division)

OUTCOME OF THE 40TH GREEN CLIMATE FUND BOARD MEETING

- The GCF is reviewing improvements to its project operation methods to ensure more active and rapid execution of its duties -

The 40th Green Climate Fund (GCF) Board Meeting was held from October 21 to 24 in Songdo, Incheon. As the international community increasingly demands more proactive and swift actions from the GCF in response to the climate crisis, this board meeting focused on improving project operations and introducing new project types.

The approval process for the GCF's accredited entities has long been pointed out for being complex and time-consuming. In order to address this issue, the Board discussed streamlining internal procedures while enhancing post-approval monitoring. In addition, the Board approved a proposal under the pilot initiative Project-Specific Assessment Approach*, which allows non-accredited private entities to implement projects. In order to encourage more active investment by the GCF, the Board also decided to raise the risk tolerance for equity investments. Furthermore, in a move to strengthen the efficiency of GCF's operations from a long-term perspective, the GCF adopted its first-ever multi-year Secretariat work programme and administrative budget (three-year) ** this year.

* This approach allows non-accredited entities to carry out GCF-funded projects. The first project approved under this approach in the Board meeting is aimed at enhancing climate resilience for small-scale farmers in Burundi, with a budget of \$35 million.

** A three-year budget covering the period from 2025 to 2027 was established, taking into account anticipated needs.

Also, the Board officially approved the Reducing Emissions from Deforestation and Forest Degradation Plus (REDD+)* programme as a recognized project type within the GCF framework. Under this programme, individual developing countries will be able to implement projects with a cap of 15 million REDD+ results, and they will receive \$8 per tonne of carbon dioxide equivalent of reduced emissions.

* A project designed to prevent deforestation and forest degradation in developing countries while reinforcing the role of forests as carbon sinks to reduce carbon emissions.

The Ministry of Economy and Finance signed a \$300 million contribution agreement on July 9, 2024, to provide full support to the GCF. The Ministry expressed its hope that Korean companies and institutions will actively participate in GCF projects, leveraging opportunities such as the improvement of project operation procedures and the official recognition of the REDD+ programme.