

**GCF First Replenishment (GCF-1)**  
**First consultation meeting**  
4 – 5 April 2019  
Oslo, Norway

Document RC-1/4  
21 March 2019

**MINIMUM CONTRIBUTION APPLICABLE FOR PARTICIPATION  
IN THE FIRST REPLENISHMENT OF THE  
GREEN CLIMATE FUND:  
CONSIDERATIONS FOR CONTRIBUTING PARTICIPANTS  
(PREPARED BY THE TRUSTEE)**

## **I. Minimum Contribution**

A number of participants at the Initial Organizational Meeting held on 22 - 23 November 2018 in Bonn, Germany expressed their interest in setting a threshold of minimum indicative pledge for participation in the replenishment consultation meetings and requested the Secretariat and the Trustee to undertake further analysis of the pros and cons. This is distinct from a minimum contribution to the GCF, independent of the replenishment process. In other funds, the purpose and motivation behind a minimum contribution has generally been to encourage efficiency in the replenishment process by providing that only contributors prepared to commit at least the minimum financial support to the fund are granted rights to take decisions regarding the programming of such support. In addition, for cases where a burden sharing approach is followed, a minimum contribution level ensures that each contributor shares the minimum level of burden share as implied by the minimum contribution level. The tradeoff is that the requirement for a minimum contribution might act as a potential deterrent for some current and potential future contributors from pledging financial support to the GCF.

## **II. Implications of establishing a minimum contribution level:**

As of the end of the Initial Resource Mobilisation (IRM) period, 43 sovereign governments had pledged contributions to the GCF, in addition to 4 subnational governments (including 1 city), for a total of 47 potential contributors.

As indicated in Annex 1, establishing a minimum contribution level of USD 6 million (level similar to the recent GEF-7 Replenishment) would result in participation by 21 countries/parties, if past GCF pledging levels were maintained. Such a minimum level would then potentially exclude 23 current GCF-pledged contributors from the process, if past pledging levels were maintained. A minimum of USD 10 million would exclude an additional 3 contributors, under similar assumptions.

As context, the Initial Organizational Meeting (IOM) for the GCF Replenishment held in November 2018 was attended by potential contributors from 25 countries.

## **III. Convention in other multilateral fund replenishments:**

### **1. The International Development Association (IDA):**

- No minimum contribution required for participation in IDA replenishment discussions, albeit limited to member countries of the World Bank.
- All contributors, regardless of size, can participate in replenishment discussions.

### **2. The African Development Fund (AfDF):**

- Minimum contribution established in ADF-14 replenishment.
- All donors were required to maintain a minimum baseline burden share comprising two components: i) a minimum contribution in the form of grants (90% of ADF-13 grant subscriptions); and ii) at least meet their ADF-13 burden share on a grant equivalent basis.

### **3. Asian Development Fund (ADF):**

- No minimum contribution amount required for participation in ADF replenishment discussions

#### 4. Global Environment Facility (GEF)

- Minimum contribution of SDR 4 million (approx. USD 5.7mn) maintained for participation in the GEF-7 replenishment negotiations.

#### 5. Climate Investment Funds (CIFs):

- No minimum contribution amount (voluntary contributions; no established replenishment process)

#### 6. Adaptation Fund (AF):

- No minimum contribution amount (voluntary contributions; no established replenishment process)

### **IV. *Issues for Consideration:***

Contributing Participants should strike a balance between: i) inclusiveness and maximizing the potential for contributions from participants, with ii) the practical considerations for holding meetings and the requirements of all contributors.

It should also be noted that some contributing participants will not be able to participate at all if they are required to formally announce their intention to contribute (even with a condition of “subject to parliamentary approval”), as the announcement of intention itself would also require a parliamentary approval. Contributions from these participants during IRM were well above the proposed minimum threshold.

If a burden sharing approach is adopted, a minimum level of contribution would be beneficial to promote meaningful participation by contributors.

In this context, it is recommended that contributing participants not require a minimum contribution to participate in the replenishment meetings.

## Annex 1 – Initial Resource Mobilisation Pledges to date

	Pledged (USD mn)*
1 United States	3,000.0
2 Japan	1,500.0
3 United Kingdom	1,211.0
4 France	1,035.0
5 Germany	1,003.0
6 Sweden	581.0
7 Italy	334.0
8 Canada	277.0
9 Norway	271.0
10 Australia	187.0
11 Spain	161.0
12 Netherlands	134.0
13 Finland	107.0
14 Republic of Korea	100.0
15 Switzerland	100.0
16 Denmark	71.8
17 Belgium	66.9
18 Luxembourg	46.8
19 Austria	34.8
20 Wallonia (Belgium)	10.9
21 Mexico	10.0
22 Flanders (Belgium)	9.8
23 Colombia	6.0
24 Peru	6.0
25 Czech Republic	5.3
26 Cyprus	4.7
27 Hungary	4.3
28 Brussels Cap. Reg. (Belgium)	3.6
29 Ireland	2.7
30 Portugal	2.7
31 New Zealand	2.6
32 Estonia	1.3
33 Paris (City of, France)	1.3
34 Monaco	1.1
35 Iceland	1.0
36 Panama	1.0
37 Vietnam	1.0
38 Latvia	0.5
39 Malta	0.3
40 Chile	0.3
41 Indonesia	0.3
42 Poland	0.1
43 Bulgaria	0.1
44 Lithuania	0.1
45 Romania	0.1
46 Lichtenstein	0.1
47 Mongolia	0.1
<b>Total</b>	<b>10,298.3</b>

\*through IRM period, rounded.