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# Revised Readiness Strategy, 2024-2027 UPDATE

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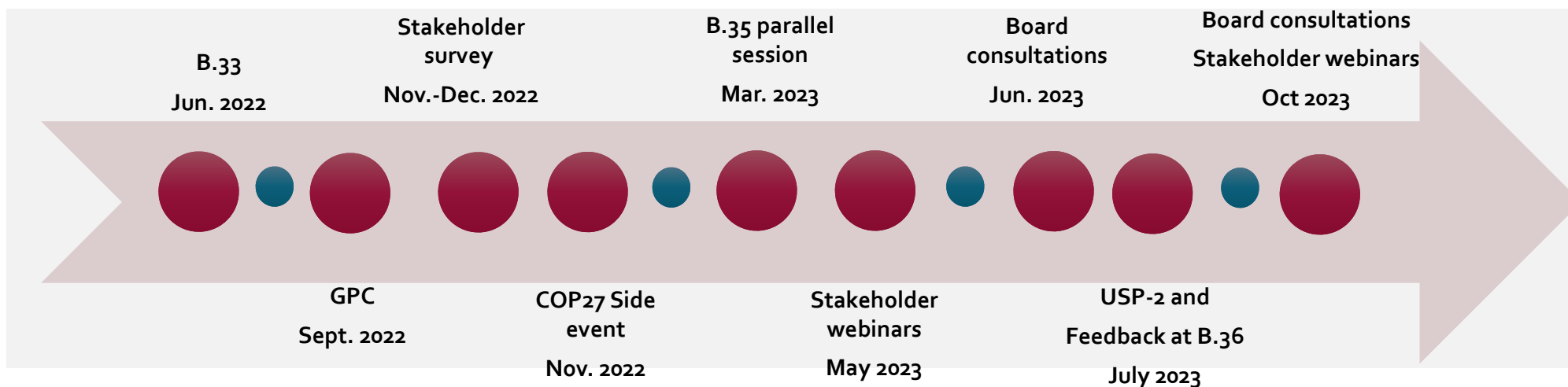


# REVISION INPUTS: CONSULTATIONS & USP-2



2022

2023



Consultations



IEU input: Second Performance Review, synthesis note, B.36 deliverable, B.37 evaluation

# REVISION INPUTS: IEU

## IEU conclusions

01	02	03	04	05	06	07
Value proposition remains insufficiently developed	Effectiveness and efficiency are challenged by <b>operational constraints</b>	Lack of continuity in transition <b>from Readiness to funded activities</b>	<b>Grant-by-grant</b> [incremental] approach prevents country-level or portfolio results	Lack of clarity around key concepts in <b>Readiness theory of change</b>	No assessment of quality of Readiness support and its final results (RRMF)	Lack of coherence between <b>Readiness strategy and tools</b>

## IEU recommendations

01	02	03	04	05	06	07
Sharpen <b>strategic intent</b> and <b>orientation</b> of Readiness	Adopt a <b>country-centric</b> approach to its operations	Intentional and targeted <b>communication</b> of <b>programmatically</b> offerings	Solidifying RRMF as a <b>learning and accountability tool</b>	Operationalize the readiness strategy in a <b>time-bound</b> and <b>timely manner</b>	Reach diverse actors and cultivate <b>national climate finance ecosystems</b>	<b>Increase access and efficiency</b> , particularly for <b>vulnerable</b> countries

# GCF STRATEGIC PLAN 2024-2027 (USP-2)



## Programming Priorities

### Eleven Targeted Results

FOOD: 190M+ adopting LECD agriculture & fisheries	ECOSYSTEMS : 120+ Mha conserved, restored, SM	50+ countries protected by new or improved early CIEWS
INFRASTRUCTURE: 45+ countries develop or secure LECD infrastructure	CLEAN ENERGY: 20+ countries expand RE access / share in energy mix	
40+ approved adaptation proposals, incl. for locally-led action	ENERGY DEMAND: 18+ countries shift to clean/efficient transport, building, industry sectors	
900+ local private sector early stage ventures & MSME with seed/ early-stage capital for innovation		
90+ national and regional financial institutions accessing GCF resources and other green finance		
Double the number of Direct Access Entities with approved FPs		
Support 100+ countries to advance implementation of NDC/NAP/LTS		

## Operational priorities

### Six Principles to Improve Access to GCF Resources

Predictability	Addressing the critical need for predictability of funding [readiness] resources, through multi-year readiness programming modalities and associated funding
Speed	Targeting reductions in application processes by eliminating budget caps per year and the annual grant application cycle
Simplicity	Deploying a streamlined approach to readiness objectives and modalities, simplifying the commissioning of readiness resources
Complementarity	Adding value within wider efforts by climate finance actors, to leverage, facilitate cross-fertilization, and optimize use of readiness support
Volume	Introducing and strengthening the link between readiness and programming, for volume
Partnerships	Increasing share of DAEs in the AE network; engaging local & reg. expertise that provides first-hand knowledge of local needs & contexts

# SUMMARY OF ISSUES AND SOLUTIONS



## *Programming & Operational*

### *Issues identified*

- Annual cycle and incremental nature of requests for support
- Programming capacities of developing countries and direct access entities
- Access and speed of delivery owed to structure that evolved via decisions throughout eight years

### *Solutions proposed*

- Systems thinking through medium-term planning
- Results orientation – NDC/NAP/LTS and USP-2 targeted results
- Increased effectiveness and efficiency through streamlined objectives & modalities

# SYSTEMS THINKING



A PROGRESSION PATH TO READINESS *to enable multi-year planning and systemic approach*



## Foundations

Building the necessary foundations  
Institutional set-up: human resources/vision/strategy  
Stakeholder engagement and coordination



## Development

Equipping with implementation policies and tools, incl. NDC, NAP, LTS  
Sectoral planning  
Enabling environments for greening the SME sector and the finance sector



## Programming

Climate financing needs identification & prioritisation  
Financial planning and mobilisation  
Climate project and pipeline design / concept note and funding proposal development



## Execution

Building capabilities to oversee climate project implementation to ensure impact  
Risk and resource management  
Measurement, Reporting, and Verification



## Optimization

Learning and utilising resources to the optimum  
Capturing barriers and opportunities to inform further development and delivery of climate commitments / climate action

# REVISED READINESS

## Approach

- **Crystallising purpose:** to lay the ground for the GCF-2
- **Ensuring attributable success:** clear causal links between requested support and GCF-2 results
- **Calling for sustainable results,** through credible plans for institutionalization of capacity



## IEU

To sharpen **strategic intent** and **orientation** of Readiness  
 To address lack of **continuity from Readiness to funded activities**  
 To address effectiveness and efficiency challenged by operational constraints

## Actions

- **Strategic, medium-term proposal** with clear progression along the 'pathway', with built-in flexibility
- **Country Programming** to be the origination point for GCF climate pipeline development
- **Simplifying and streamlining** to action USP-2 six operational priorities



To enable clearly attributable assessment of quality of Readiness support and its results

To address **grant-by-grant [incremental]** approach

To adopt a **country-centric approach** to its operations

## USP-2

Predictability

Speed

Simplicity

Complementarity

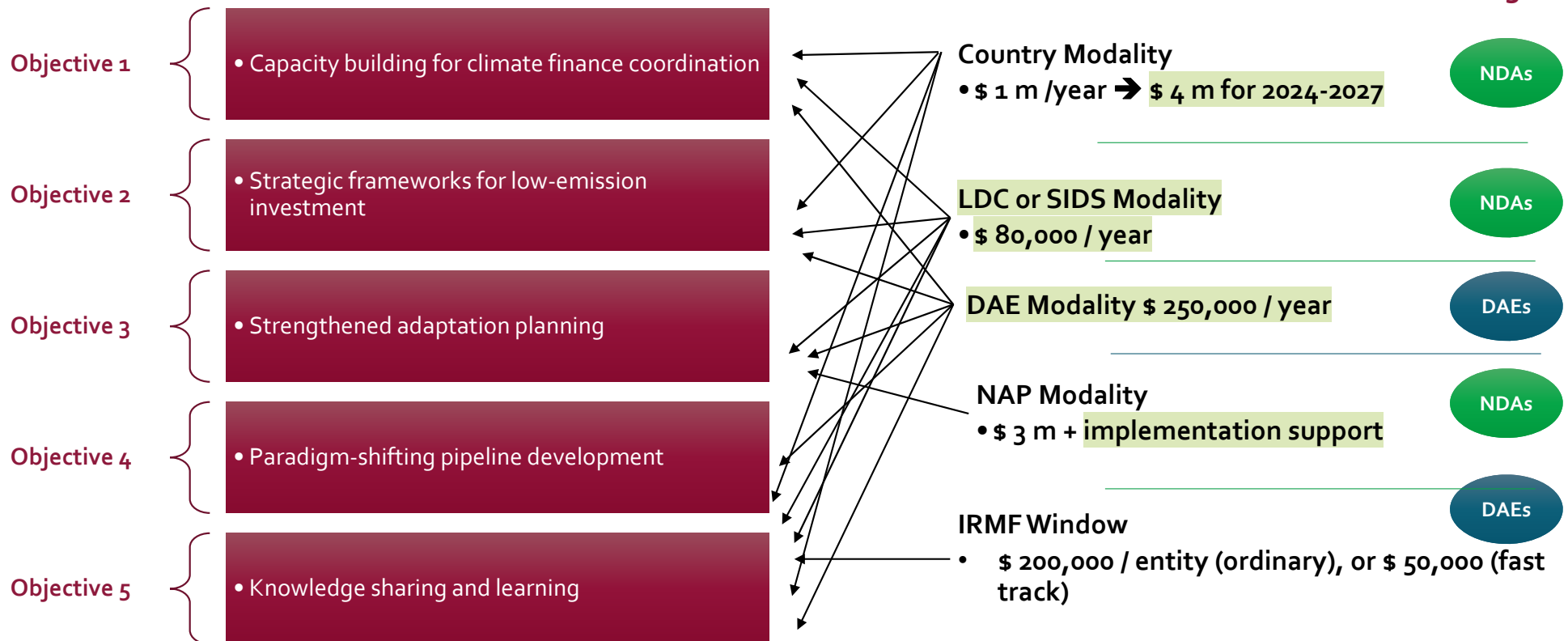
Volume

Partnerships

# READINESS SUPPORT: B.36

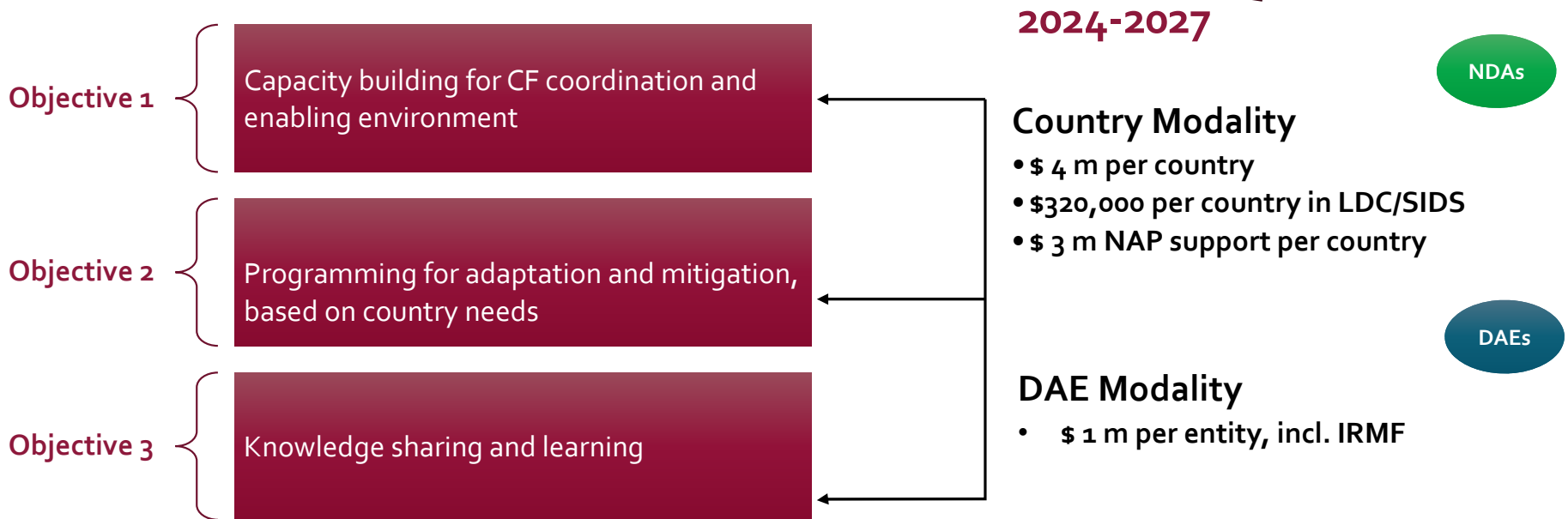
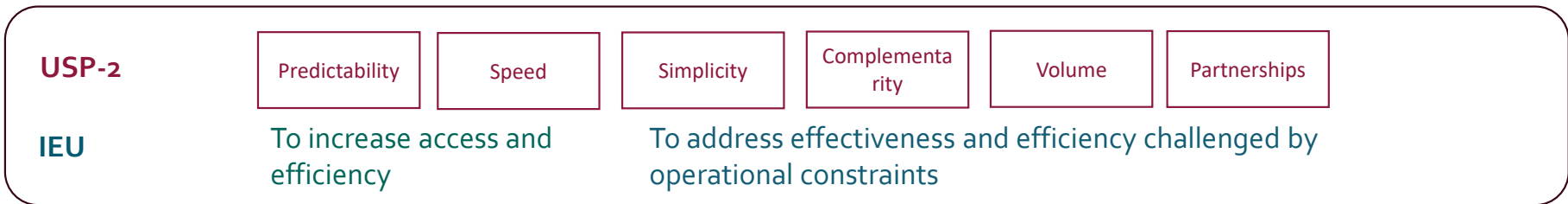


## FUNDING WINDOWS & PROPOSAL AT B.36





# ALIGNING with USP-2 & IEU: *operational update*



# ALIGNING with USP-2 & IEU: *programming update*



## PARADIGM SHIFT & IMPLEMENTATION OF UNFCCC & PARIS AGREEMENT

Mitigation of 1.5 to 2.4 gigatonnes of CO<sub>2</sub> equivalent

Enhanced resilience of 570 to 900 million people

FOOD: 190M+ adopting LECR agriculture & fisheries

ECOSYSTEMS : 120+ Mha conserved, restored, sust. managed

INFRASTRUCTURE: 45+ countries develop or secure LECR infrastructure

CLEAN ENERGY: 20+ countries expand RE access / share in energy mix

ENERGY DEMAND: 18+ countries shift to clean/efficient transport, building, industry sectors

50+ particularly vulnerable countries protected by new or improved CIEWS

40+ approved adaptation proposals, incl. for locally-led action

900+ local private sector early stage ventures & MSME with seed/ early-stage capital for innovation

90+ national and regional financial institutions accessing GCF resources and other green finance

Support 100+ countries to advance implementation of NDC/NAP/LTS

Double the number of Direct Access Entities with approved FPs

## READINESS OBJECTIVES

Capacity building for climate finance coordination and setting up the enabling environment

Paradigm-shifting pipeline development & implementation for adaptation and mitigation, based on country needs

Knowledge sharing and learning

## NEXT STEPS



**B.37** 9-13 October 2023

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- Publication deadline for finalised readiness strategy

**B.37** 23-26 October 2023

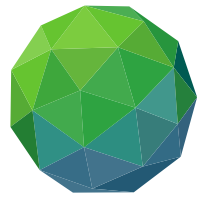
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- Board consideration. Subject to approval, the revised readiness strategy will be effective 1 Jan 2024; modalities - effective 1 April 2024

**B.38** March 2024

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- Readiness work programme and budget



GREEN  
CLIMATE  
FUND

**Raising  
ambition.**  
**Empowering  
action.**