



**Submission on LDCs views on the
Update of the Strategic
Plan of the GCF**

30 April, 2019 | Monrovia, Liberia

General comments

The Strategic Plan with its Strategic Vision, Operational Priorities and Action Plan should be more directed towards action.

- The Strategic Plan should reflect **ambition and urgency of action** that takes into account **recent climate science**.
 - The Strategic Plan of the GCF should take into account the **IPCC 1.5°C Special Report which** tells us that urgent actions are needed. The report states that some **vulnerable regions**, including SIDS and LDCs, are projected to experience high **multiple interrelated climate risks even at global warming of 1.5°C**.
 - The IPCC 1.5°C special report has indicated that **international cooperation** is a critical enabler for developing countries and vulnerable regions to **strengthen their action for the implementation of 1.5°C-consistent climate responses**, including through **enhancing access to finance and technology and enhancing domestic capacities**, taking into account **national and local circumstances and needs**.
- In general the updated Strategic Plan should focus on **impact** and it is imperative that the **results-management framework** is fully operational at both project and portfolio level.
- The GCF should be a fund that is **willing to take more risks** and support **innovative activities** that others Funds will not support.

Strategic Vision

Promoting the paradigm shift towards low-emission and climate-resilient development pathways

- The GCF's strategic vision of promoting paradigm shift towards low-emission and climate-resilient development pathways in the context of **sustainable development** should remain to be its strategic vision.
- As the recent scientific findings indicate (IPCC 1.5 special report), there is need **for upscaling and accelerating both incremental and transformational climate mitigation and adaptation** to reduce future climate-related risks.
- The GCF has been focusing on building its pipeline and has so far approved 103 funding proposals with 82 proposals (as of end of December 2018) in the pipeline. In the coming years, the Fund should focus **on increasing quality at entry, expediting disbursement and implementation**.

Supporting the implementation of the Paris Agreement within the evolving climate finance landscape

- The GCF being one of the operating entities of the Financial Mechanism of the Convention and now serving the Paris Agreement should strengthen its support to the implementation of **NDCs, NAPAs, NAPs, TNAs, NAMAs** of developing countries.
- With implementation of NDCs to start from 2021 onwards, there will be increasing demands from developing countries. The GCF should be ready to

respond to the needs and priorities of developing countries by building the institutional capability of the Secretariat and its stakeholders.

Work on complementarity and coherence of the GCF and other climate funds should be enhanced.

Operational priorities and action plan

The Operational priorities and action plan should be further strengthened and be more concise so that impacts and results could be measured.

GCF to scale up its investments in developing countries and be responsive to developing countries' needs and priorities

- The GCF should be responsive to the needs and priorities of developing countries particularly the ones that are **most vulnerable and with limited capacity such as LDCs**.
- The GCF should demonstrate its presence in developing countries by **scaling up its investments aligned with the needs and priorities** of developing countries' as stated in the **country programmes and/or NDCs, NAPs and other national plans and strategies**.
- In order to facilitate this, the GCF should work closely with its stakeholders to expedite the **disbursement of approved funds and implementation of projects/programmes**.
- **The Readiness Programme should** be strengthened to enhance building lasting capacities of developing countries and for them to develop **Country Programmes** that are in line with their NDCs and other national climate change strategies and plans.
- **Country ownership** should remain an integral component of the Fund while ensuring that NDAs/Focal Points and other national stakeholders are involved in the design, implementation and monitoring and evaluation of projects and programmes.

Enhancing direct access

- The updated Strategic Plan should consider **additional modalities to further enhance direct access** and country ownership of projects and programmes as stated in the Governing Instrument of the Fund (para 47).
- So far there are only **6 direct access entities from LDCs with only one being medium size category while the remaining are small (3) and micro (2)**. Therefore priority should be given to **direct access entities from LDCs**. Priority should also be given to DAEs from countries without accredited DAEs.
- The focus should not only be increasing number of direct access entities accredited but also **upgrading them to higher accreditation categories and build their capacities** to develop funding proposals that meet the investment criteria of the Fund.
- Support through the readiness programme should be provided for direct access entities to strengthen their programmatic and implementation capacities.

- To increase the pipeline of proposals from direct access entities, **priority should be given to direct access entities in their request for PPF support** and continue exploring modalities such as use of **dedicated RFPs for direct access entities and expand Enhanced Direct Access (EDA)**.
- Additionally consider having a **targeted percentage** (for instance 30%) of **funding proposals** presented to the Board annually **submitted by direct access entities**.

Maximizing the engagement of private sector

- The underdeveloped capital markets, lack of appropriate and clear banking regulations and high political risks are some of the major reasons that discourages the private sector from investing in LDCs.
- There are outstanding issues in relation to the engagement of private sector that are critical to LDCs and these are:
 - maximizing the engagement of private sector in LDCs and SIDS and
 - increasing the engagement of private sector in adaptation activities.
- Concrete recommendations such as **developing funding proposals targeting LDCs and SIDS** that involve **innovative financing structures** and **request for proposals targeting LDCs and SIDS and adaptation** should be considered.
- Furthermore the **simplification and streamlining of the accreditation framework** is critical for maximizing the engagement of the private sector.

Balance between mitigation and adaptation

- The Fund should work towards achieving the **50:50 balance between adaptation and mitigation** as stated in decision B.06/06. Furthermore, language stating at least **50% of adaptation funding** goes to particularly vulnerable countries, including **LDCs, SIDS and African States** should be reflected in the updated Strategic Plan.

Enhancing Accessibility and Predictability

Simplified Approval Process

- The review of the pilot phase of the simplified approval process (SAP) should be used to **further streamline** and expand the simplified approval process.
- The SAP programme could further be streamlined for instance by **approval decision in between Board meetings**.

Project Approval Cycle

- The project approval cycle should be further simplified and streamlined on **the basis of lessons that have been learnt through the SAP process**.
- The Board should also consider **two-step approval process**.
- **As stated in Article 9.9 of the Paris Agreement**, the institutions serving the Agreement, including the operating entities of the FM of the Convention, shall aim to ensure efficient access to financial resources through **simplified approval procedures** and enhanced readiness support for developing country

Parties, in particular for **LDCs and SIDS**, in the context of their national climate strategies and plans. This **prioritization for LDCs and SIDS** should be reflected in the updated Strategic Plan.

Accreditation

- The accreditation framework should be revised to make it more efficient, **simplified and streamlined** with **prioritization of direct access entities particularly from LDCs and SIDS**.

Regional advisers

- It is important that the GCF has regional presence and the use of **regional advisers should be further strengthened** to work more closely with NDAs/FPs.

Language

- With many LDCs being francophone and lusophone countries, language is another barrier for accessing information and funding from the GCF. The Secretariat should improve its operation by making important **documents, policies, guidelines and decisions available in different UN languages**.

Pipeline development and strengthening the pipeline

- **Pipeline development** from countries with limited capacities such as **LDCs and direct access entities** must be given higher importance and prioritized.
- The Fund at the same time should **strengthen the pipeline** by focusing on how the pipeline that is developed will **promote paradigm shift towards low-emission and climate resilient pathways**.
- Greater emphasis should be given to **expedited disbursement** of funds and **implementation** of projects and programmes that are already approved.
- **Policy gaps** that have been identified should **be closed** at the earliest possible to avoid lack of clarity and inconsistencies in designing, review and consideration of funding proposals. Providing greater clarity on what type of projects the GCF will support will ensure increased **quality at entry, balanced portfolio and efficient review and approval of funding proposals**.

Building adequate institutional capabilities

- Building **lasting capacities of NDAs/FPs and direct access entities particularly from LDCs** should be prioritized.
- **Institutional capacities of the Secretariat** should be further enhanced.
- The capacities of other stakeholders that work closely with the Fund particularly the **Accreditation Panel and the TAP** should further be enhanced for an **efficient and expedited** approval and accreditation processes.