

## Update of the GCF Strategic Plan

### Comments from Germany

In our view, the GCF's Strategic Plan is a living document that is updated and improved iteratively, reflecting GCF's nature as a learning institution that is reaching a more mature stage. The current update to the Strategic Plan should clarify and sharpen the GCF's medium and long-term ambitions in line with its mandate under the UNFCCC in order to support the implementation of the Paris Agreement and to keep global warming to well below 2°C above pre-industrial levels and close 1.5°C.

We aim to further strengthen the GCF's role as a global leader in providing support for high-impact, high-quality climate investments, and believe that the following key elements need to be improved as compared to the Initial Strategic Plan.

In addition to aspirations and strategy, we suggest to include specific goals and timeframes to guide the work of the GCF Board and Secretariat. Other tools to focus more on outcomes and outputs are, e.g.:

- Introduce a method/process to more rigorously select and approve projects based on the six investment criteria.
- Enhance the definition of the term "paradigm shift" as a key objective of the GCF and requirement for limiting global warming in line with the Paris Agreement.
- Strengthen stakeholders' abilities (NDAs and AEs in particular) to develop and demonstrate strong climate rationales and paradigm shifts in project design.

For the GCF to cause a paradigm shift, we think that an emphasis on *country-level* transformational planning/thinking is crucial. In this sense, a continued focus on broad country ownership and putting national actors in the driver's seat is key. This includes:

- Facilitate the strategic pre-selection of potential AEs and ambitious pipeline projects on the country level by NDAs.
- Further consider and build on NDCs, NAPs and other (domestic) climate strategies and plans.
- Further facilitate direct access, including via capacity building to turn NDCs into investment plans and bankable funding proposals.

Moreover, improving the engagement of the private sector and achieving higher leverage ratios from private sector financing are essential. In this sense, we expect the updated Strategic Plan to put forward concrete measures of how this can be achieved.

We do not support the idea of defining ex-ante allocation targets beyond the aspirational 50:50 balance between adaptation and mitigation (e.g. on country, regional or sectorial levels) because it might limit the crucial, proposed orientation of programming and funding to needs and impact. Instead, the use of RfPs could be strengthened further and include crucial topics such as low emission transport, climate-smart agriculture and reduction of land use changes, resilient cities, the role of oceans in fighting climate change and strengthening cross sectoral programmes on adaptation and mitigation and programmes to enhance resilience against extreme climate events, including via climate risk insurance.