

This refers to the request for inputs on the **Initial Strategic Plan of the Green Climate Fund (GCF)**, communicated by the Secretary to the Board on 11 March 2019.

On behalf of Senator Loren Legarda and her Advisers, below are comments/ inputs on the Strategic Plan:

1. Based on Decision B.22/06, the Board requested the Secretariat to present an update of the GCF's initial Strategic Plan to the Board at the 24th Meeting of the GCF Board, taking into consideration consultations with Board and Alternate Members and their submissions, engagement with GCF stakeholders and findings from the performance review of the GCF and the outcome of the Board's consideration of that review.

2. The Secretariat is seeking ideas and recommendations on setting the GCF's overall strategic directions and priorities of action that:

- 2.1. Reflect our country's strategic directions, approaches, and plans;
- 2.2. Respond to our country's needs on preparation and implementation of actions to address climate change, including projects geared towards seeking resources from the GCF; and
- 2.3. Lead to the improvement and enhancement of the GCF's overall operations.

3. The Advisers were given a month to review and provide inputs on the following GCF reference documents:

- 3.1. Initial strategic plan for the GCF;
- 3.2. Report on the implementation of the initial Strategic Plan of the GCF: 2015–2018;
- 3.3. Synthesis of Board submissions on the update of the Strategic Plan of the Green Climate Fund; and
- 3.4. Strategic Programming for the Green Climate Fund First Replenishment

4. In general, the **Philippines agrees with many of the findings and recommendations contained in the *Report on the Implementation of the Initial Strategic Plan of the GCF: 2015–2018*** (GCF/B.22/Inf.13, 1 February 2019), as well as, related documents like the 2018 report of the GCF Independent Evaluation Unit, entitled, "*Independent Review of the Green Climate Fund's Results Management Framework*".

5. However, the Philippines would like to additionally make the following observations and recommendations which are expected to be addressed in the Updated Strategic Plan:

5.1. Firstly, after more than three (3) years of implementation, the GCF should no longer be simply reacting to submitted proposals but instead **proactively catalyzing proposals that address the climate change problem**, based on compiled empirical data and a set of "narrowed down" indicators for the elements embodied in the set of decision support tools, primarily the Investment Criteria and Results Management Framework, among others.

The GCF must move from the "menu selection" mode of proposal preparation and decision making to a **more "prescriptive approach" using a carefully selected set of indicators** that would be able to truly reflect the movement of GCF eligible countries toward the common global targets, i.e. keeping total greenhouse gases (GHG) to the 1.5° C global temperature increase target (for mitigation) and progressive and steady reduction, eventual avoidance and resilience attainment (for climate change adaptation).

5.2. The GCF, as a main operating entity of the Financial Mechanism of the UNFCCC and the Paris Agreement, cannot afford to be simply reactive but endeavor to **put in place a due diligence process that is objective, reproducible and capable of incentivizing**

quantifiable results that provide clarity on the global community's movement towards attainment of its climate change mitigation and adaptation goals.

5.3. The GCF must, therefore, be able to now **distill and narrow down the critical indicators** used for preparing and assessing proposals and their contribution to the global targets, i.e. GHGs mitigated (avoided, reduced) and the contribution to the notional global target, and loss mitigation (human and economic losses avoided, reduced & transformed into growth opportunities) in the case of adaptation proposals.

5.4. Further clarification and standardization of key indicators of the elements comprising key decision tools such as the Results Management Framework (e.g. paradigm shifting and impact potential) and quantifying them would allow for a more consistent, objective and reproducible review and decision making on proposals.

5.5. As more and more countries are going into risk analysis as a basis for their National Adaptation Plans (NAPs), the indicators can be standardized and made more coherent and aggregated from outcome to impact level. **Multi-decadal mitigation targets in the Nationally Determined Contribution(s) can also guide GCF in its assessment of mitigation proposals**, towards optimum resource allocation.

5.6. The GCF should now have an empirical basis in the form of mitigation and adaptation needs of eligible developing country Parties, including opportunities for regional/group complementation and synergies, for programming and decision making on proposals. For this purpose, **a comprehensive assessment**, based on an acceptable **Analytical Framework**, should be undertaken by the GCF to deliver more efficiently and effectively on its mandates.

5.7. The data from the comprehensive assessment can specifically guide GCF's multi-year programmatic resource planning, facilitating optimized resource use through avoided wasted opportunities because of lack of information. The USD15 billion worth of projects pipelined by end of 2018^[1] can be re-examined according to the results of the assessment and reprioritized with some kind of notional national and/or regional allocation. Of course, the countries' proposals will still have to be subjected to the standard GCF screening and evaluation procedures but the availability of information on needs and priorities, including their indicative cost, would increase efficiency (and hopefully effectiveness) of the Board's decision making.

Said information can also increase predictability in country planning, access and programming of climate finance, including GCF timely availability of resources. Unlike other allocation processes, this should not signify entitlement for countries but only earmarking primarily for efficient and effective planning & use of available resources, to be updated yearly if possible.^[2]

5.8. The results of the assessment can also be a more concrete basis for timely GCF replenishment(s) and eventually, a more regular planning and programming process of GCF access and use by eligible countries, especially in their capacity building through Readiness Activities.

5.9. On the quality of the projects themselves, the Philippines would like to make the observation that of the more than one hundred projects currently approved by the GCF Board, many adaptation projects appear to be business as usual, dependent on ecosystems management as the primary adaptation strategy, without clearly addressing the potential incremental impact from climate change. This goes to the heart of how certain review criteria like Paradigm Shifting Potential is interpreted in the context of climate change. This translates to problems on global aggregation and creating the desired global impact (primarily for adaptation). Hence, there might be significant differences in the way the globally aggregated indicators for mitigation and adaptation may be constructed. For example, paradigm shifting manifests differently at national level for adaptation. Hence, there might be a **need for additional indicators to outcome and impact in the form of process indicators which**

might vary nationally and could be used by individual countries in a way that would be meaningful for them. Overall, of course, the ultimate set of indicators for climate change adaptation directly relevant to GCF decision making would be losses from climate related events averted, reduced or residual impacts addressed in the context of resiliency.

5.10. Other similar re-examination of the elements of the relevant decision support instrument could be undertaken in the process of updating the Strategic Plan to make the work of the GCF efficient and the results relevant and useful for countries.

Thank you very much.

-