

Dear Secretariat,

Please find below comments on behalf of the French Board member.

First of all, we would like to thank you for all your work on this clear and concise document and for your presentation last Thursday.

As requested, please find below France's comments on GCF USP2 draft:

On the format:

- The text is clear and well-constructed with a real effort to elaborate a structuring vision for the GCF;
- The articulation between USP-2 and GCF-2 does not appear clearly enough, if at all. Mixing 2027 goals with 2030/35 targets that go beyond the replenishment cycle is confusing enough. Relying on a single replenishment scenario of USD 15 bn, without alternative scenario, sensitivity analysis nor discussion of the underlying assumptions, is simply not acceptable. We need at the very least 3 pledging scenarios (13bn / 15 bn / 17 bn for example) with different objectives according to the chosen financial ambition. On the basis of what is done for GEF replenishment, could the Secretariat create a table defining the targets and goals according to the amount of pledges?

On priorities put forward:

- The prioritization strategy for the projects' pipeline should be included in the document (e.g., priority sectors, target geographies (especially a strategy on targeting vulnerable countries), project type...). The Secretariat needs more delegated authority to prioritize FPs according to impact. Also, prioritization relies on better coherence and harmony between policies.
- On objective 2, the gender-responsiveness of innovation should be mentioned when addressing its equity aspect (§17.h).
- On objective 3, paragraph §19.a refers to a collaboration with CREWS (Climate Risk and Early Warning System), which we fully support and encourage the GCF to pursue further. We would encourage that the USP mentions this cooperation.
- Regarding Objective 5, we strongly support this ambition and the sub-objectives to mobilize the GCF around the alignment of financial flows (art2.1c), while clarifying mainstreaming methods, as well as the sub-objective on incentivizing AEs to evolve their overall portfolios through its re/accreditation process. The document could also mention the role and impact of platform creation and capacity building programs or the private sector strategy in achieving the objectives;
- The title of objective 4 (coalition for systems transitions) could be clarified to better highlight the implementation of long-term cooperation/integration/mainstreaming with other sectors, beyond the "coalition" approach which is more ad-hoc;
- Building on this need for collaboration, the document could include the fund's positioning and objectives regarding cooperation with local development banks and multilateral banks. Public development banks and IAE could also be mentioned more;
- The position on the climate-biodiversity nexus could be strengthened, particularly in a transversal manner.
 - It could highlight co-benefits and mention key biodiversity related topics (e.g., mentioning NBS - Nature-based solutions as defined by UNEA-5.2 ; mentioning ecosystem based approaches).

- A commitment to align the GCF portfolio with the Kunming-Montreal Global Biodiversity Framework could also be made, as well as a reporting to the Board against biodiversity and desertification Rio markers.
- France does strongly support the inclusion of the "implementation of the Kunming-Montreal biodiversity framework" among the mid-term goals, but cannot adhere to the proposed wording of "just ecosystems transition", which can hardly be defined as a concept or principle. France suggests to explicitly refer to the gist of the goal, either by mentioning the "implementation of the climate related targets of the Kunming-Montreal biodiversity framework" or the "protection and management of all ecosystems". France would like to point out that the areas targeted as a mid-term goal (3 million km²) clearly fall short of this goal.
- GCF will be a key actor, among others, to support the implementation of this Global Biodiversity Framework, which highlights the link between climate change and biodiversity (in particular through its TARGET 8 - "Minimize the impact of climate change and ocean acidification on biodiversity and increase its resilience through mitigation, adaptation, and disaster risk reduction actions, including through nature-based solution and/or ecosystem-based approaches, while minimizing negative and fostering positive impacts of climate action on biodiversity").

On mid-term goals:

- In general, clarifications on the role of the Green Fund in the achievement of the selected objectives could better highlight the direct contributions of the GCF. In other words, it would be useful to differentiate the mid-term and long-term objective between the direct outcomes of the GCF operations and the global results to which the GCF operations contribute (e.g. "every developing country will be protected by basic EWS" while the GCF is not the only structure financing deployment of EWS in developing countries – we would favor the GCF strengthening entities active in this area, such as CREWS, Climate risk and early warning systems);
- On the objective "50 new green finance structures", it would also be necessary to specify how to strengthen cooperation between existing entities and address the financial system more generally to meet the scope of the objective;
- Having percentage targets for asset allocations (e.g., for adaptation projects) with differentiated scenarios depending on the outcome of the replenishment could better specify funding ambitions and priorities;
- Having global targets (e.g., all countries equipped with capacity to implement their NDCs) demonstrates an ambitious and structuring position, but might be difficult to assess in terms of the GCF's concrete impact. It could be accompanied by dedicated and systematic impact measurement (e.g., avoided CO₂ emissions).

On operational and governance priorities:

- "Enhancing access" is indeed a key organizational priority, and it could be strengthened by putting forward decentralization action plans and strategies. The regional presence of the fund is a crucial issue of accessibility and direct impact of financial flows;
- In the same perspective, improved access of the vulnerable countries to the GCF will not happen as long as multilingualism has not become the norm, both (i) in the working meetings of the Board (including its strategic documents) and (ii) during project design and implementation in order to have inclusive discussions with all countries, and especially French-speaking African countries and developing states in South America. Language barrier must be addressed in a more direct and

effective way. In that view, we request the Secretariat to translate the USP draft versions to come, in order to engage more with these countries during this crucial phase of definition of strategic priorities for the years to come ;

- As for governance, we would like to see more ambition on expanding Between Board Meetings decisions on policy matters and delegated authority, as well as the systematic “One-Board-Approach” process for joint work across constituencies. The Secretariat’s empowerment must be increased as well, by clarifying the role of each governance body : Co-chairs, Board and Secretariat and avoid any form of micromanagement.
- Coherence and complementarity between funds – and not only the GEF – must be developed (joint programs? Joint meetings?). The GCF has an unique position in the climate finance architecture and must be identified not only as “one of the fund”. To that end, better communication on GCF achievements, especially on the ground, is needed;
- Finally, the document should give more tangible elements on the means and mechanisms for climate mainstreaming through the whole funding actions of the GCF.

We look forward to seeing how the construction of this key document evolves,

Best Regards,

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