

GCF call for inputs: review and update of the Strategic Plan for 2024-2027

Submission by Ireland

1. Does the GCF's long-term strategic vision – of promoting paradigm shift and supporting developing countries in the implementation of the Paris Agreement and UNFCCC – remain relevant and ambitious? Has the GCF set out sufficiently clearly how it will deliver its long-term strategic vision?

Ireland considers that the GCF's long-term strategic vision remains relevant and ambitious. This is particularly the position as more information comes to light about the impacts of climate change.

We believe that the GCF's activities are aligned with the priorities of developing countries, particularly through the principle of country ownership. We also consider that funded projects to date reflect this and must continue to do so.

There is still a need to update and refresh the 2020-2023 Strategic Plan in order to reflect lessons learned about the GCF's operations and climate finance and climate action more broadly. This will support the GCF's capacity to deliver on the long-term strategic vision and clarify actions to be taken.

As the GCF moves from being newly established Institution to a more mature stage in its organisational development, the preliminary results of paradigm shift and support for developing countries in implementing the Paris Agreement and the UNFCCC should demonstrate more clearly how to further deliver on this vision.

Ireland encourages a stronger link between the GCF's vision and the operational actions to achieve its ambitions. Setting appropriate milestones for 2030 and 2040 to help map out the path to 2050 more clearly should be beneficial to all stakeholders.

2. What global, regional, national and subnational developments, trends, needs and opportunities relevant to adaptation and mitigation programming in developing countries should the GCF take into account in preparing for its second replenishment period? What lessons can be learned from experience to date?

The need for greatly increased levels and accessibility of adaptation financing must be taken into account by the GCF in the second replenishment period. As the availability of adaptation finance increases out of necessity, it will be important to ensure that the correct systems and appropriate partners are in place to ensure successful implementation on the ground. The intention to build the capabilities of direct access entities will be crucial to this, as will consultation with local actors and private entities. Further efforts are necessary to involve the private sector in financing adaptation. This must be additional to public sector adaptation finance and both avenues of funding will have to continue to prioritise the needs of local beneficiaries. In this regard, explicit and well-advertised GCF leadership could further demonstrate the viability of such financing to more cautious investors.

Similarly, there is a clear need to step up financing to avert, minimise and address loss and damage from climate change, while ensuring this is above and beyond adaptation financing.

Ireland considers that the GCF should proactively ensure climate finance is available and accessible to fragile and conflict-affected states. There should be tailored mechanisms according to the needs and complexities of those areas, including with due regard for including national and local stakeholders.

It will be increasingly relevant to take trends towards changing populations and demographics into account, for example through the scalability of proposals.

The GCF must learn lessons from experience to date on challenges relating to data availability. Towards the end of this replenishment period and during the next, we must take action and develop work-arounds and proxies where necessary to prevent a lack of data acting as a block or delay to deserving proposals and for measuring the effectiveness of climate finance. This should be recognised

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both at strategic and technical levels. Taking such action is linked to increasing the funding of adaptation proposals.

Further, the importance of coherent, comparable and transparent information on climate finance is paramount to tracking our global progress in this regard, and being able to right our course where necessary. GCF should lead the way in transparently communicating its policies and activities in a highly visible way to path-find for others to follow. This will help promote the Fund's long-term strategic vision and ensure that they remain relevant and ambitious.

3. How should GCF further elaborate its role within the climate finance landscape, in light of its comparative advantages? How should GCF seek to differentiate its focus from other sources of climate finance? Where are the opportunities for complementarity, coherence and partnerships with others?

There is now a diverse variety of actors in the climate finance landscape, from Multilateral Development Banks to specific Government and private sector climate funds as well as bilateral donors and other players. This makes it more pressing for the GCF to further elaborate its role and differentiate its focus within that landscape, to improve effectiveness and complementarity.

Ireland is open to discuss further with other stakeholders how the GCF positions itself and identifies its unique offerings. We consider that some of the GCF's comparative advantages include its commitment to align with developing countries' various climate-related plans, the involvement of direct access entities and its range of financial instruments. The GCF is an appropriate size to scale up activities financed by smaller funds and bilateral donors and facilitate regional approaches, while also funding readiness and project preparation support internally. More action is needed to realise this potential on a greater scale. Ireland considers that findings in recent and ongoing evaluations, including by the Independent Evaluation Unit on the GCF's adaptation approach and the second performance review, should inform how the GCF positions itself.

We see many opportunities for complementarity, coherence and partnership with others. For example, the Fund can work with the Global Environment Facility and Adaptation Fund to align processes and objectives and begin joint programming, and through MDBs being accredited to the GCF. In addition, we note that the GCF Readiness Programme has supported the formulation of National Adaptation Plans through institutional capacity building, allowing for implementation of NAPs to be supported by the LDCF/SCCF. It would be useful to see examples of funding interventions highlighting the distinct role of various funds from inception to implementation of climate programmes. As a mid-size actor in the climate finance landscape with a focus on countries' plans and ownership, the GCF is well-placed to drive partnerships. In the context of sustainable capacity-building, Ireland considers peer-to-peer learning on project development and implementation to be crucial, and would like the GCF, in coordination with other funds, to further explore facilitating such exchanges with a view to learning quickly and moving forward with what works.

Ireland encourages the GCF to continue and enhance work with other funds to harmonise and improve the coherence and complementarity of processes between funds, particularly in the accreditation process. It is essential to minimise the administrative burden of partnering with several similar funds and ensure it is not prohibitive. The GEF and GCF Long-Term Vision should be incorporated into the updated strategic plan, and activities in this area should be reported to the Board regularly.

4. Do the GCF's strategic objectives and portfolio targets capture appropriate ambition for the second replenishment period? How could GCF evolve these in a way that sets clear, actionable, measurable programming goals aligned with its strategic vision?

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The GCF's strategic objectives and portfolio targets remain relevant for the second replenishment period. While progress has been made (e.g. in increased adaptation, direct access and private sector financing), Ireland believes it is clear that these efforts must continue and intensify. Also relevant are the strategic priorities such as strengthening country ownership and improving access to GCF resources.

In order to ensure appropriate ambition is captured by the GCF's strategic objectives, priorities and portfolio targets, Ireland is open to including measurable targets and milestones, to aid accountability and to assist the promotion of the ambitions in the 2020-2023 Strategic Plan.

The GCF's strategic objectives to improve speed, predictability, efficiency, effectiveness and transparency can and should be actionable and measurable through metrics. These would include, *inter alia*, reduced time in application stages for funding proposals and accreditation applications (with a particular focus on smaller and direct access entities) and overall, and increased numbers of documents made available to stakeholders and the public.

5. How can the GCF better respond to developing countries mitigation and adaptation needs and ensure country-ownership of programming? What role should the readiness and preparatory support programme, support for national adaptation planning, and country programmes play?

Linked to the strategic vision to support developing countries in implementing the Paris Agreement and the UNFCCC, Ireland considers it paramount to ensure country ownership of programming, in particular through alignment with developing countries' nationally determined contributions, national adaptation plans, and other relevant national climate plans. This should be taken into account in regular and targeted programming as well as in relevant GCF policies. National and sub-national direct access entities are also relevant to meaningful country ownership and capacity building, and the accreditation process must be responsive to their particularities.

Differentiated levels of support in developing funding proposals are required in accordance with countries' and entities' capacities and needs. Ireland considers that we should ensure the readiness programme remains adequately resourced and retains a strong focus on local and sustained capacity building, covering national and local governance and support for local private sector actors. Ireland views the role of concessional and grant-based financing to be essential in responding to developing countries' mitigation and adaptation needs. This is particularly pertinent given the growing debt crises facing many developing countries.

In the second replenishment period, particular attention should be given to those countries that are underrepresented in GCF programming in order to improve access and recognise and address barriers.

Ireland is keen to listen to the experiences of developing countries relating to country ownership of GCF programming and for the Secretariat and the Board to give these due attention and action.

6. How should GCF continue to build its paradigm shifting portfolio through its next programming period? What opportunities for adaptation and mitigation programming, and opportunities to improve the funds programming processes, can the GCF capture?

As the GCF moves into a more mature phase in its organisational development, Ireland hopes that evidence of paradigm shifts begins to come to light, alongside evidence of barriers to paradigm shifts – both will be useful to learn lessons. Ireland considers that we should incorporate emerging good practices in future funding proposal development.

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Within adaptation and mitigation programming, there are opportunities to integrate a more holistic approach with environmental issues, bearing in mind that these can be strongly interlinked with and contribute to both adaptation and mitigation. The GCF should also look at how to avert, minimise and address climate change-related loss and damage in its programming.

Programmatic and regional approaches are also key to transformational change and paradigm shifts and should continue to be incorporated into the GCF's programming.

The Independent Evaluation Unit's growing catalogue of studies identify useful opportunities for the GCF to improve across the Board, including in policy implementation and programming processes. The comprehensive and inclusive processes followed by the IEU add to the value of their outputs.

7. Building on its private sector strategy, what actions and partnerships should GCF pursue to catalyse private sector finance at scale?

Due to the immense global needs for climate finance in order to achieve the aims of the Paris Agreement, it is essential to attract international private capital to facilitate the net zero transition. At the same time, involvement and capacity building of domestic and local private sector actors and financial institutions are also paramount to achieve the necessary transformation and help GCF investments to permeate local economies. The actions needed to achieve appropriate levels of participation of both will require common and differing elements. Ireland considers that the private sector strategy agreed at B32 lays the groundwork for better catalysing private sector finance at scale.

The GCF should further pursue engagement and partnerships with private sector actors and networks, and other impact investors, in order to better understand challenges and opportunities and improve how they can operate in tandem, while ensuring that the needs of beneficiary communities remain at the heart of the GCF's operations regardless of operating partners. It is clear that lengthy and complicated approval processes can serve as a barrier to applications for some actors. The adoption of certain GCF policies, including on accreditation and the project-specific assessment approach, go some way to addressing this and should be implemented as a matter of priority, with further efforts to improve efficiency and approve applications more quickly.

The GCF is well placed to spur investments in innovation and technology, through bringing public and private, and international and local together in continued collaboration with the UNFCCC Technology Executive Committee. It should pay particular attention to supporting domestic innovation in developing countries and to communicating this widely.

Ireland believes that the GCF can truly add value through using its investments to reduce risks for private sector actors, and should take corresponding actions in selecting funding proposals.

8. What steps can GCF take, in collaboration with its country partners, accredited entities and delivery partners, to ease and accelerate access to GCF resources, as well as strengthen the role of Direct Access entities?

Ireland is keen to take all appropriate steps to ease and accelerate access to GCF resources – this is at the core of the reputation and effectiveness of the GCF. We consider that critical to this aim are a coherent suite of policy guidance from the Board and standardised, clear processes managed by the Secretariat. It is essential that the GCF is responsive to challenges articulated by country partners, accredited entities (particularly DAEs) and delivery partners.

A variety of systems are in place to support these efforts directly and indirectly, including the Simplified Approvals Process, the Updated Accreditation Framework, and project preparation and

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readiness support. These and other relevant mechanisms should be monitored and adjusted where improvement is needed.

Collaboration and coherence with other funds' processes is also relevant in this regard to ease and reduce the burden on delivery partners.

9. What enhancements or adjustments to operational modalities, policies or institutional capacities might be required to support successful execution of the GCF's strategic vision and programming priorities?

Ireland considers that effective and efficient operational modalities and policies, and appropriate institutional capacities, are essential to the success of the GCF. These should be reviewed and updated by the Board and Secretariat in close consultation with key stakeholders such as civil society and operational partners – these stakeholders have essential experience of what adjustments are needed. Undue operational delays should be avoided as far as possible, including through appropriate delegation of duties to the Secretariat.

Ireland strongly believes that the GCF should continue to close existing policy gaps, in line with guidance received from COP26.

Ireland encourages action where operational modalities or policies are due an update and/or have been recently evaluated. For example, we believe that the Board and Secretariat should prioritise updating the environmental and social safeguards and management system, including, *inter alia* to better mainstream gender and human rights, including indigenous peoples' rights, and civil society engagement across the GCF's operations.

Regarding policies that have been adopted or updated recently, Ireland considers these need sufficient time to be implemented and take root before enhancements or adjustments should be made. Still, we consider it necessary to monitor their implementation so that potential adjustments can be recognised in good time. Further, we hope that independent reviews shall be undertaken of these policies, and longer-standing ones, at suitable intervals, using a comprehensive and inclusive approach.

Ireland considers that the same logic should apply to operational modalities, while newly introduced approaches need sufficient time to bed in, they should be monitored and necessary adjustments identified and made swiftly with due deference to the importance of stable and predictable procedures.

10. Are the measures for measuring, monitoring and reporting progress towards the GCF's strategic vision, objectives and priorities sufficient, or how could these be strengthened?

Ireland welcomes the improvements made to date in the reporting of progress, but nevertheless wishes to see further improvement in transparency of results, and in the methods of evaluating the Fund's impact, effectiveness and operational performance in order to fulfil its mandates. We look forward to seeing the effects of the Integrated Results Management Framework as it beds in, and making necessary updates as appropriate. Ireland also welcomes the Independent Evaluation Unit's continued efforts to track the GCF's progress against its strategic vision, objectives and priorities.