



Agenda Item 16

UPDATED STRATEGIC PLAN FOR THE GCF 2024-2027

Thirty-fifth Meeting of the Board

13-16 March 2023 | Incheon, Republic of Korea

Progress to date



- **B.32 (May 2022):** Board initiated consultations on the review and update of the Strategic Plan
- **B.34 (October 2022):** Board discussed review and zero draft
- **24 December 2022:** Consultation DRF.01 shared with Board and AOs, inputs invited
- **27 January 2023:** Written submissions received, response matrix developed
- **1 March 2023:** Paris USP-2 workshop
- **B.35 (March 2023):** Co-Chairs roadmap and updated Secretariat response matrix shared

Consultation materials : <https://www.greenclimate.fund/about/strategic-plan/update>

Overview of DRF.01



- **Approach:** Build on B.34 guidance, signaling GCF's ambition to deliver enhanced climate impact and access, particularly through clearer mid-term goals & streamlined strategic objectives

I. INTRODUCTION

- Sets the context for USP-2, responding to global developments & GCF's organizational journey
- Describes the overall structure & logic of the draft

II. VISION

- Confirms GCF's long term vision to promote paradigm shift & UNFCCC/PA implementation
- Elaborates how GCF will help developing countries translate NDCs/ACs/ NAPs/LTS into investments, GCF's investment approach & role in the wider climate finance landscape

III. MID-TERM GOALS

- Preliminary proposals for 2027 and 2030-2035 'mid-term goals' indicating the climate results that GCF could deliver or contribute to on a pathway toward the long term vision
- Background on how proposed goals/targets were identified set out in Annex I

IV. STRATEGIC PROGRAMMING OBJECTIVES

- Streamlined set of 5 strategic programming objectives for 2024-27
- Set GCF-2 programming directions that are aligned with meeting the mid-term goals, and identify the main actions, modalities and partnerships that will support these

V. OPERATIONAL / INSTITUTIONAL PRIORITIES

- Core operational goal focused on enhancing access across 5 dimensions
- Streamlined institutional priorities, targeting remaining areas of institutional/capacity evolution

Introducing DRF.01 overall structure



LONG-TERM STRATEGIC VISION

MID-TERM GOALS (2027/2030/2035)

OBJECTIVE 1:
Strengthening
country climate
investment capacity

OBJECTIVE 2:
Accelerating
innovation of new
climate solutions

OBJECTIVE 3:
Building resilience to
urgent climate
threats

OBJECTIVE 4:
Forging coalitions for
just systems
transitions

OBJECTIVE 5:
Greening financial
systems

1A: Country capacity
for climate investment
planning

1B: Direct access
programming capacity

2A: Incubating &
accelerating climate
technologies/practices

2B: Proof of new
business models,
NB for adaptation

3A: Rapidly expanding
CIEWS +comprehensive
risk management

3B: Scaling up locally
led adaptation action
for most vulnerable

4A: Investment
collaborations for
country-led system
transitions

4B: Blended finance for
de-risking private
sector at scale

5A: Helping financial
institutions mainstream
climate risk

5B: Enhancing access to
capital markets for
climate investments

OPERATIONAL & INSTITUTIONAL PRIORITIES

DRF.01 feedback : Structure & cross-cutting



- ✓ Welcomed **shorter, more streamlined** draft and **overall four-part structure**
- ✓ Stronger focus on **climate results**

- > Still need to refine **ordering, emphasis and focus** of content with the structure
- > Elevate focus on **access**, as this crosses both programming and operational objectives
- > Opportunity to more powerfully tell the **GCF story**, how **GCF works with its partners**
- > Opportunity to better capture links to **biodiversity/NBS, gender, indigenous people, youth**
- > Clarify specific **terminology** and ensure **consistency of language**
- > Various requests for **additional information** (see Secretariat response matrix)

DRF.01 feedback : Long term vision



- ✓ Ambition to **strengthen GCF's role in meeting UNFCCC/Paris Agreement goals**
- ✓ Stronger focus on **implementation of developing countries' NDCs/ACs/NAPs/LTS**
- ✓ Maintaining balanced focus on **adaptation and mitigation**

- ! **Merits of further elaborating/regularly reviewing** the long-term vision statement
- ! Signaling on **1.5 °C / decarbonization** and GCF role in supporting **NDC updates**
- ! **'Character' of GCF**: capacitate-fund/channel-catalyze – does DRF.01 strike the right balance?

Not either-or... but how to strike the right balance?



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CATALYZE

Shift larger overall volumes of finance toward needs...
but with less direct public sector control

CAPACITATE

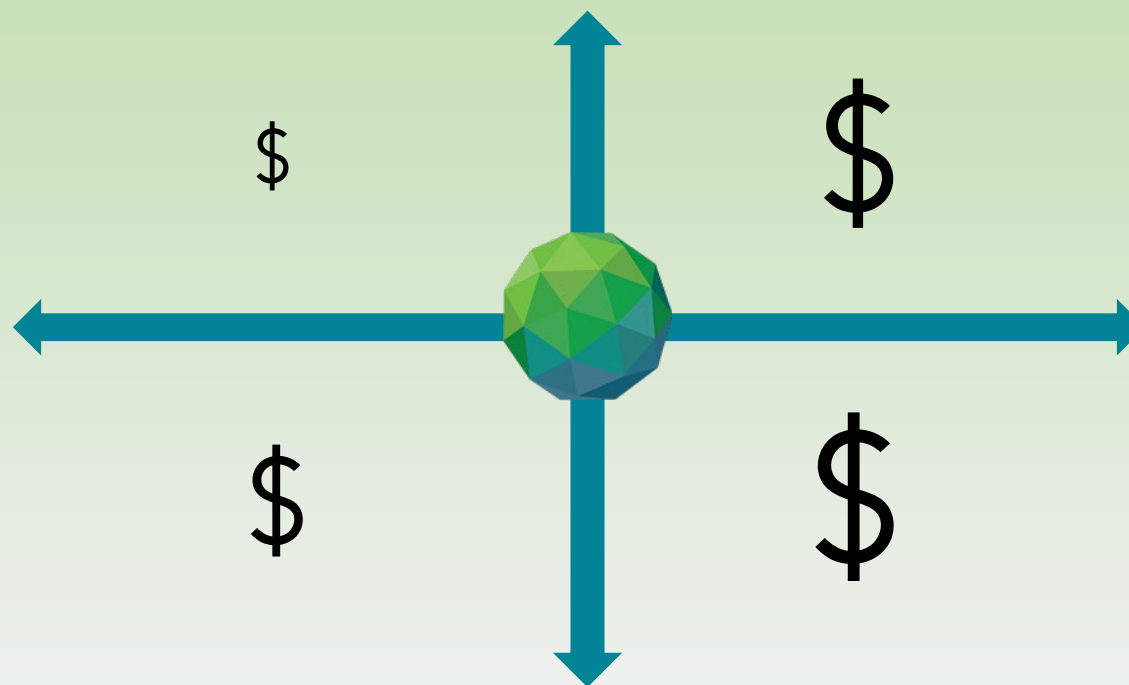
Condition of success for
country ownership, direct
access, systemic impact...
but may be slower speed

FUND

Respond to urgency of
climate change with more
rapid funding delivery... but
may preference 'ready to go'
programming & partners

CHANNEL

More direct alignment with public sector priorities...
but limited funding relative to scale of need



DRF.01 feedback : Mid-term goals



- > More work needed to refine the **choice of timelines, goals and targets**
- > Clarify differences between **'mid-term' goals/pathways (2030/35)** and **GCF-2 goals (2027)**
- > More **transparent methodology and assumptions** behind choosing goals and targets
- > Clarify **links to resourcing, capacity implications, feasibility & trade-offs**
- > Clarify impact on **prioritization/pipeline management** and **results management**
- ✓ Goals should **balance adaptation and mitigation**; strike the **'right balance' of programming**
- ✓ Reflect **developing country needs and priorities**
- ✓ Direct access goal should focus on **DAE programming**, not just DAE accreditation
- ! Should goals reference **global pathways** or only how GCF supports **nationally agreed targets?**

Mid-term goals: Indicative resourcing hypothesis



Approach: Goal and targets levels are calculated based on indicative resource distributions across five programming objectives

OBJECTIVE 1: Strengthening country climate investment capacity

~ 500-600m via RPSP

OBJECTIVE 4: Forging coalitions for just systems transitions (cross-cutting, public and private)

~ 50% of funds available for FP programming, split across energy, infrastructure, food, ecosystems and 'other'

OBJECTIVE 2: Accelerating innovation of new climate solutions (cross-cutting, private and public)

~ up to 10% of funds available for FP programming

OBJECTIVE 3: Building resilience to urgent climate threats (adaptation, majority public)

~ 20% of funds available for FP programming

OBJECTIVE 5: Greening financial systems (cross-cutting, private and public)

~ up to 20% of funds available for FP programming

DRF.01 feedback : Strategic programming objectives

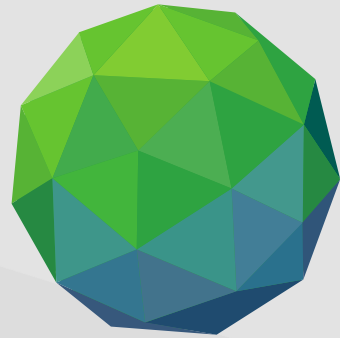


- ✓ Willing to work with five objectives, but need **reframing & right balance across objectives**
- ✓ Support **strengthening developing countries' capacities** and **DAE programming (O1)**
- ✓ Support for helping build **resilience to urgent climate threats** and **locally-led action (O3)**
- > Clarify what **types of innovation** GCF supports and **modalities** for this (O2)
- > Better define **scope of 'just transitions'** and **GCF vs country role in coalition-building (O4)**
- > More **concise, strategic statement of GCF role and value add** under each objective
- > More precision on **actions needed to meet the outcomes** and **GCF's capacity to deliver**
- ! Scope, form and role of GCF in **greening financial systems (O5)**
- ! Further **differentiation and prioritization** for particularly vulnerable countries/communities?
- ! Approach to **loss and damage** and **fragile and conflict affected states?**

DRF.01 feedback : Operational & Institutional



- ✓ Welcome focus on the **multiple dimensions of access**; elevate access overall
- ✓ Improve **predictability and transparency of GCF processes**, particularly accreditation
- ✓ Build ability to **operate in multiple languages**
- ✓ Keep **organizational capacity** under review in light of the USP-2
 - > Strengthen focus on **outreach, risk and results management**
 - > Examine **review mechanism** and frequency with which USP sections should be updated
- ! Harmonization, improving governance structures, role as a thought leader
- ! Merits of various approaches to regional presence



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USP-2 approval at B.36 – Co-Chairs proposed roadmap



	Paris workshop 1 March 2023	B.35 13-16 March 2023	USP Informal May 2023	B.36 10-13 July 2023
Base documents	<ul style="list-style-type: none"> DRF.01 Secretariat response matrix Co-Chairs' roadmap 	<ul style="list-style-type: none"> Co-Chairs' summary from Paris workshop Updated Secretariat response matrix Draft decision text 	<ul style="list-style-type: none"> DRF.02 	<ul style="list-style-type: none"> DRF.03
Intended outcome	<p>Breakouts to discuss:</p> <ul style="list-style-type: none"> Structure of USP-2 Areas of convergence Areas of divergence 	<p>Focused interventions covering areas of convergence and divergence</p> <p>Mandate to hold an informal before B.36</p>	<p>Textual negotiation on areas of divergence</p>	<p>Adoption of USP-2</p>
Outcome document	<p>Co-Chairs' summary</p>	<p>DRF.02</p> <p>Approved decision</p>	<p>DRF.03</p>	<p>Decision on adoption of USP-2</p>

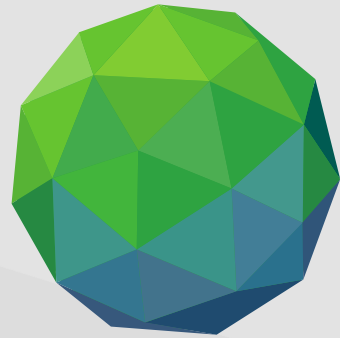
Draft decision text



Annex I: Draft decision of the Board

The Board, having considered document GCF/B.35/16 titled “Updated Strategic Plan for the GCF 2024-2027: Co-Chairs’ roadmap”:

- (a) Takes note of the Co-Chairs’ roadmap setting a process to facilitate adoption of the updated Strategic Plan for the GCF: 2024-2027 no later than the thirty-sixth meeting of the Board;
- (b) Decides to hold an informal meeting of the Board, open to active observers, from 16 to 17 May 2023 in [location TBC], with a view to developing a final draft of the updated Strategic Plan: 2024-2027; and
- (c) Decides that the cost of the informal meeting will be covered by the budget of the Board for 2023, as approved by decision B.34/05.



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