

## **Submission by Argentina on behalf of Developing country Parties from the Latin American and the Caribbean States members of the Board (Argentina, Bahamas, Brazil, Chile, Costa Rica, Cuba, Dominican Republic, Ecuador, Honduras, Nicaragua y Uruguay)**

### **General Comments:**

Argentina on Behalf of Argentina, Bahamas, Brazil, Chile, Costa Rica, Cuba, Dominican Republic, Ecuador, Honduras, Nicaragua and Uruguay, are pleased to share our views on the 1<sup>st</sup> Draft of the Updated Strategic Plan for 2024-2027. Nonetheless, we would like to avail our right to present further comments as the discussions on the matter evolve.

From our perspective, USP-2 should:

- a) be established to match the urgency of climate change and position the GCF to make a significant and ambitious contribution to the objectives of the UNFCCC and its Paris Agreement. This must include an approach regarding Loss and Damage and eventually the relation with its new fund, and take into account as well with the recently adopted Kunming-Montreal Global Biodiversity Framework. In this sense, the UPS-2 should use agreed language from the COP, the Fund's Governing Instrument and do not use language that is not agreed multilaterally at the intergovernmental level. It is of paramount importance that USP-2 is based on previous COP guidance to the Fund;
- b) advance the GCF's mandate in promoting a paradigm shift towards low-emission and climate-resilient development pathways by providing support to all developing countries, particularly LDCs and SIDS, ensuring their access and maintaining the focus on country appropriation. It should also further enhance sustainable development in all sectors (including the bioeconomy, bolster clear energy development) and strengthen adaptation action at scale in all developing countries in the milestones to be set in 2027 and 2030;
- c) strengthen and build the capacities of developing countries to better access funds through an increase in direct access of DAEs;
- d) consider an approach to prioritize the accreditation of national DAEs from countries that still do not have one. This should not impede that countries that present more than one DAE, given that it may respond to their need, to access different programs of the Fund;
- e) contemplate windows of finance that are more sustainable and predictable , not only for design, but also for the revision and update of national adaptation plans and Results-Based Payments for the reduction of emissions related to deforestation and forest degradation (REDD+);
- f) accelerate efforts on regional presence, exploring how the GCF could enhance more direct relationships with eligible countries including through regional offices, technical native speaking staff to address countries' needs, facilitate and expedite information and procedures to access funding and start the implementation of projects, as well as to identify the gaps and improve the communication between the GCF and the NDA, considering the different national circumstances and to strengthen the Fund's capabilities and support the achievement of its strategic vision;
- f) further refine Objective 2: "Accelerating innovation of new climate solutions" in view of the latest IPCC findings on Innovation, technology development and transfer enhancing financial support for international technology cooperation, by strengthening cooperative approaches, and by helping build suitable capacity in developing countries across all technological innovation system functions.

It will be essential for the new Strategic Plan to:

- a) support the speeding up of accreditation processes for local agencies, to respond effectively to particular domestic needs. In this sense, it should support the relevance of the Project Specific Assessment Approach (PSAA) and that projects should consider all developing countries;
- b) seep supporting programs such as the Readiness Program, given that their resources help build and

strengthen the capacities of countries to access GCF resources, through their preparation to plan, administer, disburse and monitor climate finance;

c) refine and update existing modalities and policies to enhance access, efficiency and impact of the fund, while streamlining and accelerating processes to promote expediency and simplicity, thereby increasing the overall effectiveness of the fund;

d) maintain the current balance of distribution of resources mandate, of 50:50 between adaptation and mitigation; and work speedily toward achieving this mandated balance;

e) search for policies that enhance the regional presence of the GCF;

f) in relation to Objective 5 “Greening Financial Systems”, we support the need to evaluate the effectiveness of this objective and if it is appropriate for the GCF;

g) the program capacity and project development of the GCF should be guided by a prioritization promoted by countries, taking into consideration respective national and regional contexts, their areas for high mitigation potential, their adaptation needs, especially for vulnerable people and communities within developing countries;

h) include references to the need for more grant-based resources to avoid exacerbating the levels of indebtedness of developing countries<sup>1</sup>;

i) include Latin America and the Caribbean , along the references to other developing countries (i.e as in "SIDS, LDCs, African"), in light of the IPCC AR6 report<sup>2</sup>.

j) further include gender consideration in its operation, in line with the updated Lima Work Programme on Gender and its Gender Action Plan and UNFCCC recommendations.

k) strengthen synergies and complementarity with existing bodies and mechanisms under the UN Framework Convention and its Paris Agreement, encompassing enhanced coordination of NDA with other national focal points of the UNFCCC;

l) contemplate the update and execution of all planning instruments under the UNFCCC and its Paris Agreement, including Technology Needs Assessments and their resulting Technology Action Plans (TNA).

m) integrate pipeline development seamlessly with UNFCCC mechanisms that offer technical assistance under the UNFCCC, such as the Climate Technology Centre and Network and the Santiago Network.

n) increase transparency to help manage expectations and facilitate collaboration and research. Maintain a public and up to date metrics to monitor the aforementioned points.

---

<sup>1</sup> In 2020, Latin America and the Caribbean faced the sharpest economic contraction within the developing world (-7.7% and -20.0% in GDP and investment growth, respectively). Without exception, all countries in the region have experienced a deterioration in their fiscal situation and an increase in general debt levels. As things stand, the debt of the general government at the regional level is expected to rise from 68.9% in 2019 to 79.3% of GDP in 2020, making Latin America and the Caribbean the most indebted region in the developing world, and the region with the highest external debt service relative to exports of goods and services. (From AILAC submission based on ECLAC, 2021, Financing for development in the era of COVID-19 and beyond. Priorities of Latin America and the Caribbean in relation to the financing for development global policy agenda. Retrieved from: [https://www.cepal.org/sites/default/files/publication/files/46711/S2100063\\_en.pdf](https://www.cepal.org/sites/default/files/publication/files/46711/S2100063_en.pdf))

<sup>2</sup> “Without rapid, deep and sustained mitigation and accelerated adaptation actions, losses and damages will continue to increase, including projected adverse impacts in Africa, LDCs, SIDS, Central and South America, Asia and the Arctic, and will disproportionately affect the most vulnerable populations (high confidence)”