

African Board and Alternate Members Views on the Updated Strategic Plan

1. For the African Group the core purpose of the USP is to set turn the objectives, purpose and vision contained in the Governing Instrument into a strategy for the Board to a) articulate priorities b) set outcomes/results the Fund wishes to achieve over the next decade and c) align these with an action plan that can be measured.
2. The orientation for the Strategic Plan of the Fund is to significantly advance the GCF's approach to country programming (meeting urgent and immediate needs) with the dual focus of strengthening national institutions from the public (ensure access) and local private sectors (catalysing private sector resources) to access the fund and the building of high impact programmes and pipelines that can be financed.
3. The USP is a strategic document, it does not replace the approved 4 year work plan of the Board, nor should it attempt to prejudge or determined the outcome of the Board's policy review processes. It is further not the purpose of the USP to change or alter the Fund's objectives, core principles and parameters that have been agreed upon by the COP and also by the Board. The Strategic Plan should not change any of the following matters:
 - a) Change the purpose, objectives and character of the GCF;
 - b) Introduce new conditions on accessing the Funds resources;
 - c) Policy matters already mandated and included in the 4 year Board work plan;
 - d) Operational matters and priorities that are better addressed under the Secretariat administrative budget and annual work plans; and
 - e) Guidance from the COP as this must be contextualized by the Board and not randomly selected.
4. The current approach as per the ISP/USP is for the plan to cover the timespan of the GCF-2 programming period and for this to be reviewed prior to each replenishment. The plan is, therefore a 4 year cycle. The Board should revisit this timeframe in line with Governing Instrument paragraph 32, *"the Board will steer the Fund's operations so that they evolve with the Fund's scale and maturity and will exercise flexibility to allow the Fund to evolve over time and become the main global fund for climate change finance."*
5. If we are to act on this, then the Strategic Plan should be much more forward-looking and align with the NDC cycles and the global stocktake then the Strategic Plan needs to operationalize the vision and objectives of the GCF as outlined in paragraphs 1-3 of the Governing Instrument over a longer time period. For this update, the Board should ensure the articulation of the long-term vision to demonstrate how the Board will meet the GI objectives in terms that add value and clarify how the Fund will:
 - a. Make a significant and ambitious contribution
 - b. Achieve the ultimate objectives of the UNFCCC;
 - c. Promote the paradigm shift towards low-emissions and climate-resilient pathways;
 - d. Channelling new, additional, adequate and predictable financial resources; and
 - e. Catalysing climate finance, both public and private.
6. By the decisions 1/CP.26 , 1/CMA.3 and 5/CP.26, the provision of finance is required for promoting Just Transitions. As confirmed by the IPCC WGIII findings, climate finance is key to a successful transition towards low greenhouse gas emissions and climate-resilient development. Therefore, we are of the view that USP should consider strategic issues, including on how to:

- set strategic and transformative climate financing options based on equity and promotion of sustainable development;
- consider a short and long-term goal for supporting transitions of developing countries; across economic sectors and supporting transitions of resilient economies;
- provide greater access to climate finance for developing countries to facilitate the transition of their economics and sectors for both reducing emissions and building resilience;
- enhance the role of public finance in line with the existing financial commitments to support transitions of economic;
- strengthen the role of private finance, i.e. understanding and accelerating support of low-carbon transition in developing countries; and
- addresses key barriers and enablers of just transitions; i.e. Financial, technological and institutional.

7. Therefore we propose that the USP be reviewed and updated along the following:

- a) **The mid-term vision covering the NDC periods 2030-2035.** This is the missing pathways support where the GCF would set goals and targets aligned with the results areas of the Fund and linked with the efforts and ambition of developing countries as contained in their NDCs/Adaptation Communications/ other planning documents such as NAPs. This middle programming component would also enable the Board to review how GCF support is targeting national and regional level pathways to low emissions and climate resilient development.
- b) Our preferred option is to consider the setting of a set of outcome-oriented climate goals that presents a clear articulation of the climate ambitions of the GCF. Determining adequate resource levels for the Fund should not be an exercise of merely matching resources required with what developed countries are prepared to contribute. Rather the focus ought to be on what difference the Fund can/will make in the result areas over what time period.
- c) The related question is how much the GCF is in a position to commit and to disburse with what targets over what period of time. It is the linkages between funding, timing and outcome targets that are the key issues. A core feature of the GCF's resource mobilization process is the need to be responsive to the investment needs and requirements of developing countries, in consonance with the approved initial results areas. These goal will give greater clarity to programming support, particular multi-year programming and the provision of predictable funding for developing countries.
- d) On the matter of the emerging co-investment approach, we believe this significantly changes the nature and business model of the Fund, and has a direct and negative impact on country ownership and the Fund's responsiveness to the needs to developing countries. While the Fund is mandated to catalyse public and private funding, we do not support the current approach as outlined in the co-investment approach.
- e) **Operational priorities and improvements:** The Board should assess which of the current operational priorities are ongoing and should be continued into the GCF-2 programming period;
- f) **Ensure alignment between the USP and the 4 year work plan for GCF-2:** At B.36, the Board should adopt the USP alongside the next 4 year work plan for the GCF-2 period to ensure operational priorities are mandated and time to fit within the agree 4 year cycle of work. This would ensure that the operational activities are mandates from the Board to task Board committees, independent units, or the Secretariat to undertake work and present outcomes to the Board for consideration and adoption.