

Canadian Input on the Green Climate Fund's Second Updated Strategic Plan

Consolidating the Vision

- Canada envisions for the GCF's second Updated Strategic Plan (USP-2) to reflect the organization's role as a convenor focused on catalytic impact and systems transitions and to help deliver climate change impact for developing countries in line with the Paris Agreement.
- We also see an opportunity to better clarify how the Fund's strategic vision would be translated into action, allowing links to be drawn between the GCF's desired impact, its objectives, outcomes and activities. This will allow us to tell a story that resonates with Ministers to achieve their buy-in in the lead-up to the GCF-2 pledging conference.

Advancing Inclusive Policies, Programs and Partnerships

Canada see three core pathways to help guide the GCF towards this vision including by being:

Bold in its implementation of the COP guidance to catalyze the paradigm shift for 1.5 degrees Celsius.

- Inclusion: Canada would like to see further integration of inclusion outcomes, including by strengthening gender considerations and Indigenous perspectives, across all of the GCF's policies and projects. This could include, for example, greater gender representation on the Board and its committees. This will strengthen the GCF's ability to address the disproportionate and worsening impacts of climate change and environmental degradation on people living in vulnerable situations.
- Disaster Risk Reduction: Further emphasis should also be placed on the opportunities to scale programming on information and early warning services and parametric insurance schemes to build resilience and reduce disaster risks, in line with the Sendai Framework. Consideration could be given, for example, to Accredited Entities with expertise in this area, to help the GCF further meet its adaptation goals.
- Nature Based Solutions (NbS): Protecting our forests and wetlands can help reduce our greenhouse gas emissions to net-zero by 2050, limit the rise in global temperatures, and address the degradation and loss of species habitat. The GCF has four adaptation results areas but they do not have a defined NbS approach. Canada would like to encourage the development of a system to track and report on benefits for biodiversity, aligned with the expected Post-2020 Global Biodiversity Framework.

Brave as a centre of excellence and a community hub for climate action

- Accreditation Strategy: With the USP-2, there is an opportunity to leverage the Accreditation Strategy to help strengthen the accredited entity network into a global climate community. The GCF's network is unique in nature with partners of all sizes working across multiple different sectors. The USP should encourage partners to build relationships and collaborate with each other, share knowledge, and help to build the capacity of Direct Access Entities.
- Incubators and Accelerators: Incubators and accelerators play an important and multidimensional role in supporting new climate-resilient and low-emission technologies to be developed, accepted and used by society. In addition to the *Request for proposals to support climate technology incubators and accelerators*, the GCF should further identify how it can support business model innovations that are home-grown and fit for purpose in Small Island Developing States (SIDS), Least Developed Countries (LDCs), and African States.

- Private Sector Engagement: As the world's first climate finance institution, the GCF has demonstrated significant results in engaging with the private sector and using a diversity of financial instruments. Reflecting the GCF's appetite, under the Private Sector Strategy, to accept considerable uncertainties around investment risks in return for potential impact, the USP-2 should consider an ambitious approach to catalyze additional private finance for adaptation, resilience and NbS. This could include boldly deploying grants, including for revenue-generating projects, where appropriate.

Beautiful in being a powerful drop of climate finance, leveraging partnerships at the local level, and supporting those who want to advance green investments and new innovations

- Enhanced Access for SIDS and LDCs: Many developing countries face challenges navigating the climate finance and ODA eligibility programs. Specific consideration will need to be given to direct access to climate finance, especially for SIDS and LDCs, and aligning GCF support with country needs through comprehensive planning processes and analytical tools. It will require continuous involvement of the Simplified Approval Process in order to effectively address key challenges faced by developing countries, including domestic private sector engagement. The GCF could also look to align itself with other key streams of work on access such as the Taskforce on Access to Climate Finance, as applicable.
- Partnerships for Impact: The GCF has made progress on building relationships with other organizations including the Global Environment Facility, Climate Finance Access Network, the UN Climate Technology Centre & Network, and the Multilateral Development Banks. Canada would welcome further engagement to increase coherence and complimentary on regional programming and projects in order to speed up and streamline access to development projects. This could include work to harmonize application processes across MDBs and climate funds.

Improving Board Governance

- The role of the Secretariat, Board Co-Chairs and Board Committees in the decision-making processes and delivery of the USP must be examined more deeply to make the GCF more effective, efficient and impactful.
- We must also identify ways to improve on monitoring and evaluations to learn from programming and improve project design.
- Canada welcomes the IEU's work to undertake a review of Board governance and looks forward to its findings.

Delivering More Results and Impact

- Canada would welcome the opportunity to set baselines and targets for GCF-2 based on the revised IRMF and Results Handbook under the Updated Strategic Plan for this period.
- Canada would also welcome aggregated information on ex-post progress for projects that have reached some level of completion, where available, through the Annual Progress Reports for projects. If possible, ex-ante results that are disaggregated by sex, to show the impact on women beneficiaries, would also be encouraged.