GCF Observer Network of Civil Society, Indigenous Peoples, and Local Communities Comments on the Update of the Green Climate Fund Strategic Plan 2024-2027, Consultation DRF.01

We commend the Secretariat on the production of this draft and are deeply appreciative of their uptake of the recommendation to streamline and simplify the strategic plan. This draft is more clearly organized than the previous version, allowing for more focus on the substance of the directions proposed in terms of programming and operational goals in the mid-term (during GCF-2), as well as highlighting the GCF's longer term vision. We also appreciate the inclusion of different resource mobilization/replenishment scenarios and how they will impact the GCF's ability to deliver over time.

Though we welcome the attention paid to gender, increased engagement with civil society and Indigenous Peoples, and locally-led solutions, we are concerned at the prioritization (both in scope and scale) of private sector financing without commensurate attention to increasing the accountability and transparency of private sector investments facilitated by the Fund. Unless this is addressed, there is a significant risk that the words on gender justice and rights-based climate action would be undermined by financing practices that do not take on board these concerns. We have already seen a number of private sector activities (especially equity financing) approved with no clarity on environmental/social risks or gender responsiveness. The just system transition that the draft strategic plan claims to support (objective 4), and for which it allocates nearly half of the intended GCF-2 resourcing, is concerning in this regard.

The proposed renewed focus on increasing devolved financing with a suggested 2-2.6% of the expected replenishment resources is way too small. We are concerned with the failure to center human rights in this draft, noting the responsibilities of GCF recipient countries and implementing partners to center human rights in implementing the Paris Agreement. Instead, the draft plan proposes a downward harmonization of 'substantial equivalence' by suggesting accredited entities in the future could apply their own systems and policies, thus undermining the GCF as a best-practice standard setter on policies and frameworks related to environmental and social safeguards (ESS), gender, Indigenous Peoples, and redress and complaints procedures. As the GCF notes in this draft, it is only one actor in the wider climate finance landscape working in partnership with others (para. 11), and the GCF should use its role to build-capacity and harmonize standards upward for more transformative and effective climate action.

Here are a few specific comments by section and paragraph:

Section I. Introduction

In paragraph 2, the mention of "reach[ing] carbon neutrality or net-zero emissions by or around mid-century to stay within the Paris Agreement goals" must be refocused to explicitly emphasize support for climate ambition and action that limits temperature rise to 1.5 degrees Celsius by 2030. This is a critical decade for addressing the climate crisis, which is already wreaking havoc and harming people and their environment. Civil society and scientists have long critiqued the approach of shifting attention to 2050 and lifting up "net-zero" commitments, many of which lack substance, as doing so undermines the imperative of urgent action. A GCF that holds up a series of plans to reach net-zero by 2050 instead of a series of projects and programmes designed to immediately reduce emissions and build resilience will not be contributing substantively to climate action.

In paragraph 3, it is jarring to see the acknowledgement of the unjust debt burden of developing countries, exacerbated by the COVID-19 pandemic, and the consequence of being beholden to debt service instead of investing in climate action, without the necessary corollary that the majority of climate finance should be provided as grants, including as full-cost finance in the context of public sector adaptation measures. This description of a problem is utterly lacking the clear, just response of confirming that grant-based finance will remain at the core of the GCF's concessional finance provision.

In paragraph 4, the GCF downplays its role--and the role it should embrace as the flagship fund associated with the UNFCCC and Paris Agreement, demonstrating the highest standard of climate action and building capacity for climate finance through readiness and direct access—by undercutting its volume of funding with the amount necessary for societal transformation. Ultimately, the catalytic impact the draft proposes does not lean upon the incredible asset of the network of accredited entities and the power of the direct access model, but instead suggests adherence to a scheme of risk and reward that glorifies high-risk private sector actors and their top-down, market-based approaches and trivializes participatory, grassroots actions. The description also fails to acknowledge that while the GCF's overall finance provision might be limited within the broader climate finance landscape, it does deliver a disproportionate share of available multilateral climate finance for specific regions and country groups, especially SIDS, LDCs and sub-Saharan African states.

Section II. Long-term strategic vision of the GCF

Paragraph 9 assumes that all climate-investments related to NDCs, ACs, NAPs, and long-term strategies need to be 'bankable' to warrant pursuit. This assumption undermines the value of climate action, including and especially adaptation measures, where the return on investment (ROI) will not be financial, but measured in impacts on the ground. It also undermines the fact that these (as well as other) climate actions *need* grand based public sector investments. The measure of a good project is not its ability to "attract finance" but how effectively it fulfills the identified need(s). The GCF's responsibility when it comes to readiness is not to promote or reinforce a prioritization or rating of projects based on financial return on investment, within a set of actors who are not acting in alignment with the Paris Agreement, but to promote the translation of key needs into effective projects that can be effectively implemented.

This approach is further concerning given the GCF's role in channeling a considerable(?) share of new (and needed) multilateral funding for adaptation. As proposed, the language seems to be moving the GCF away from a core focus on highly concessional public sector finance, which could subvert the GCF's purpose and vision as laid out in the Governing Instrument.

Paragraph 10 doubles-down on this direction by outlining two pathways to achieve its vision with neither centering on the direct provision of finance to community-led climate action. While channeling resources to strengthen capacity is important, "mak[ing] patient investments in mainstreaming capacities and strengthening tools and enabling environments", the description here fails to recognize the importance of centering capacity-strengthening in the public sector as a core element of achieving this goal. The second pathway, which focuses on catalyzing impact through high-risk investments, abdicates the GCF's responsibility to provide direct support to climate initiatives and not to require co-investment. The types of approaches suggested by this vision of "risk appetite" do increase the risk to people and the environment in ways that investment in direct access–where funds flow directly to local communities and that more often centers human rights, traditional and indigenous knowledge, and innovation of local communities–does not. In its next iteration, this draft Strategic Plan should elaborate on the final sentence of this paragraph ("GCF puts specific focus on supporting developing countries, and their people, who are most vulnerable to the adverse effects of climate change and strives to promote gender equality and human rights.") by integrating gender-responsive, rights-centered climate action as central to the GCF's strategic vision.

In paragraph 11, the "respective strength of partners" should explicitly discuss accredited entities as key partners. These collaborations are one of the GCF's most powerful tools, and it should use them to strengthen climate action that puts people at the center. It is also highly inappropriate to highlight the role of the Climate Finance Lab on equal terms with GCF-sister funds under the UNFCCC and Paris Agreement (the GEF and the Adaptation Fund). While nimbleness and experimentation is appreciated, this is not only displayed through financial innovation but through innovative approaches in engaging and empowering stakeholders such as local communities.

Section III. Mid-term goals for climate results

In paragraph 12, it is useful to point out that there are different implementation speeds at which the GCF will be able to meet its goals depending on the scale of GCF-2 and subsequent replenishment efforts. However, the allocation of funding to different priorities as suggested in Annex I should probably be readjusted irrespective of the scale of the replenishment(s). For example, while we appreciate that the table setting forth 2027 and 2030-2035 targets/goals includes one on ensuring finance flows to vulnerable communities across at least 20 countries, there is insufficient indicative funding allocated to devolved financing and locally-led adaptation benefitting vulnerable communities, nor is there a sufficient ring-fenced amount for public sector financing.

In the table on 2030-2035 targets and goals, under the heading 'just ecosystem transition', it should be made clear (as is spelled out in Annex I) that millions of hectares of terrestrial and marine ecosystems (pristine nature areas, not just any areas) are to be conserved. The focus on just food system transition for smallholder farmers is welcome, but will likely be much more adaptation (food security) focused than the subsequent narrative proposes. Small-scale fisheries (SSFs) also play a critical role in supporting livelihoods, nutrition, and food security. We also would like to see a focus on SSFs and climate resilient fisheries included to contribute to a broader food system transition both on land and at sea. For a real paradigm shift in agricultural emissions the focus needs to be on industrial agriculture and food production systems (including those such as cattle ranching and soy production accelerating deforestation), which drive climate change and which are not addressed under this objective.

Section IV. Strategic programming objectives for 2024-2027

Objective 1: Strengthening country climate investment capacity

The focus in paragraph 14 on using the GCF RPSP to address investment capacity gaps is welcome, but too narrow. For example, objective 1B focuses on strengthening direct access entity programming capacities without including a corresponding objective with goals and targets for increasing direct access entities' share of approved programming finance elsewhere in the proposed strategic plan (such as a target percentage/doubling the amount of GCF-1 etc). The envisioned RPSP-window for direct access entities, and peer-learning mechanisms for DAEs, while relevant, are likely not enough. Instead, for example, targeted/exclusive Requests for Proposals (RfPs) and stronger PPF-support are needed.

In paragraph 15(b), the emphasis on differentiation to prioritize access for developing countries who have not yet accessed resources or are generally challenged in doing so is appreciated.

In paragraph 15(c), the NAP Global Network should be identified alongside the NDC Partnership as a key institutional partner to support development of climate plans and policies.

In paragraph 15(e), climate risk and vulnerability assessments must include considerations of intersectional risk that arises from identities associated with gender, race, ethnicity, class, disability, education, and geography, inter alia.

A focus in paragraphs 15(g) and (h) to more inclusively define country-ownership and support inclusive and participatory proposal development and implementation processes as well as use RPSP funding for improving gender equality and rights-based approaches into climate investments (quality-at-entry) is welcome, but it seems this focus is not carried over in programming and implementation priorities outlined in other objectives (quality-in implementation and of impacts). Specifically, a results tracking tool (RTT) for GCF-2 impacts must track gender equality and human rights outcomes of activities funded during GCF-2, something that has been entirely lacking during GCF-1.

Objective 2: Accelerating innovation of new climate solutions

While this draft is far clearer than the previous iteration of the strategic plan, there are a number of places where jargon obscures the meaning. For example, in paragraph 16, in discussing where capital has flowed, it is not clear what “93% of climate venture capital flowing mostly to 10 hubs” refers to. If these “hubs” are actually 10 countries (or 10 cities, or 10 sub-regions), it should say so to ensure that there is a clear understanding as that will help in guiding GCF planning and being realistic about the contribution the GCF can make in this landscape.

The framing of this objective throughout paragraph 17 seems to overwhelmingly equate innovation as mainly happening in the private sector and its related financing approaches [paragraphs 17(b), 17(c), 17(f)]. In doing so, this framing fails to highlight innovation in the use of public funding approaches, such as preemptive direct cash transfers to individuals or communities as a way to build resilience or anticipate climate losses and damages. This should be corrected in subsequent drafts.

Paragraph 17 should better focus on scaling up proven, effective solutions especially from indigenous peoples and local communities based on local and traditional knowledge. It should not allow for the funding of unproven technologies or technologies that serve primarily to prolong the fossil fuel economy.

There should be more explicit mention of women and gender in this objective. Paragraph 17(e) fails to mention structured engagement with women. Additionally, while paragraph 17(h) mentions the equity dimensions of innovation, it should explicitly prioritize gender and socioeconomic impacts, rather than merely commenting that there are differentiated impacts.

In paragraphs 17(f) and (g), the draft again prioritizes a certain type of risk and a certain definition of innovation instead of truly appreciating the potential of direct access and grant-based finance flowing to local communities as the innovation currently necessary. Insurance is not an appropriate investment for the vast majority of communities the GCF does and should serve and there is a high risk that it only fosters further indebtedness for vulnerable groups without building resilience, while allowing profits to flow away from communities. To put such suggestions directly below paragraph 17(e) does not suggest the recommendations of the IPAG will be given due consideration; the IPAG role indeed seems relegated to identifying individual solutions rather than being able to comment on the systemic directions proposed by the GCF in prioritizing "novel approaches" and "educated risks." Limiting the context in which the IPAG can comment, and prioritizing approaches that are not aligned with Indigneous demands will only result in the continued under-valuing, under-funding, and under-mining of these solutions from Indigenous Peoples and local communities. See also paragraph 21(f) for the same misguided emphasis on risk appetite.

Objective 3: Building resilience to urgent climate threats

In paragraph 19(c), the proposed significant expansion of the Enhanced Direct Access (EDA) modality and other devolved financing approaches with a focus on locally-led adaptation options and prioritizing last mile beneficiaries is welcome, although devolving climate finance to local communities should not be restricted to locally-led adaptation only. For example, distributed energy access mitigation efforts can also benefit from such approaches.

Paragraph 19(d) fails to explicitly mention women, in addition to Indigenous Peoples, civil society and youth, as a group of local actors specifically to engage in locally-led adaptation. This is surprising given the outsize role women play in local environmental stewardship, food security, and the provision of care for people and communities.

Our earlier comment on insurance in paragraph 17(f) also applies to paragraph 19(f), which highlights the role of parametric insurance.

Objective 4: Forging coalitions for just systems transformation

In paragraph 20, the assumption that just systems transformation is only possible by using scarce public funding to leverage a shift in trillions of dollars in private financing through public-private investment co-investment collaborations is reductionist. This assumption negates, for one, the importance of also focusing on shifting harmful public financing flows, such as fossil fuel subsidies towards low-carbon and climate resilient investments domestically, as well as looking at generating higher public resources for example through taxation (such as taxing polluters or through appropriate corporate tax structures).

While the headline speaks of "just transitions," it should be noted that to achieve the "just transition goals" outlined in the mid-term goals section in the table (for just energy transition, just infrastructure transition, just food transition, and just ecosystem transitions) and the GCF's climate and broader social/environmental goals (as an essential component of "just transitions"), direct fiscal spending supported largely by grant financing is often more effective than "de-risking" private investment, since it works to directly strengthen social support systems and core service provision. Direct public financing, when well governed and adequately supported, can ensure that the costs and benefits of systems transformations are equitably shared, and that the lives and livelihoods of the most vulnerable and marginalized peoples and communities are improved as a result of those transitions.

Private financing also comes in very different flavors, and there is an unresolved tension between the emphasis on direct access, early-stage capital, and micro, small, and medium sized enterprises (MSMEs) (e.g. in the table on page 5) and the stated aim in paragraph 20 of "shifting the trillions in private sector flows." These large-scale private sector flows from international banks, pension funds, and other institutional investors have a very different risk-return profile to the type of financing needed to support local enterprise and MSMEs. GCF financing would be better suited to enabling "patient" capital that supports replicable impacts for local actors, including MSMEs and local intermediaries (as per its Governing Instrument) rather than leveraging large scale co-financing for non-transformative activities.

This tension is also apparent in paragraph 21(b) where the focus on equity financing in particular may be incompatible with developing climate-resilient agriculture that can enhance the livelihoods of smallholders and develop a more just food system. Equity investors (such as GCF-accredited Acumen) have reported the difficulty of "exiting" sustainable agriculture investments, especially at a smaller scale, given that such enterprises tend not to scale up significantly, making them too small and/or unprofitable to attract buyers once the original investors seeks an exit.

Paragraph 21 does not use the adjective "just" once in describing planned actions. Instead paragraph 21(a) focuses on potentially "unjust" technological approaches (green hydrogen potentially prioritized for export, not for addressing domestic energy poverty); paragraph 21(b) focuses on instruments (equity, guarantees) over equitable outcomes; and paragraph 21(c) focuses on looking at establishing new markets and asset classes (for example for resilient infrastructure) instead of building and strengthening social support systems and public capacity to deliver basic services to increase resilience and help communities to adapt to systems changes. The "just" element of the just transition is essential and the GCF should make sure it is being prioritized.

Paragraph 21 also includes a number of ambiguous references that should be explained, e.g. the reference to "the pilot in Jamaica" in paragraph 21(d) and what is meant by "novel asset classes" in paragraph 21(f), which could benefit from the inclusion of specific examples.

As highlighted in Annex I, at least 45% of programming resources under GCF-2 are intended to be focused on this objective, including an anticipated USD 500 million for green hydrogen projects alone, and up to USD 800 million to "demonstrate resilient infrastructure as an investable asset class." While it is welcome that a significantly larger amount under this objective is targeted at "just food systems transitions" promoting smallholder farmer households, agroecology, and reconfigured food systems (such as decreasing food loss), it is important that appropriate financing instruments and partnerships ensure that this financing is not merely diverted towards reinforcing agribusiness value-chains. With respect to "just ecosystem transitions", which assume the largest programming share of allocated financing for objective 4, a number of mitigation-focused forest approaches (including monoculture private sector reforestation efforts and GCF financing provided under the REDD+ RBF pilot) are not compatible with an ecosystems-based approach. Thus, clear definitions for what restoration and sustainable management approaches supported by the GCF under GCF-2 are going to be allowable, especially for forests, are needed.

Objective 5: Greening financial systems

In paragraph 23, the focus on national/domestic and regional financial institutions in developing countries is welcome, especially in engaging with them to enhance their provision of credit lines for local MSMEs for climate-related investments (paragraph 23(b)).

The focus on capacity building to enhance access to capital markets for climate investments (paragraph 23(c)) should be qualified with a recognition that existing standards regarding what count as "green bonds" and "green asset-backed securities" are inadequate and provide considerable room for greenwashing. As such, GCF engagement in capacity development in this area should prioritize the creation and application of high and consistent environmental and social standards.

While the mention of accreditation/re-accreditation as an incentive for the evolution of AEs overall portfolio in paragraph 23(f) is appreciated, it is not clear why this is limited to this objective and to national and regional financial institutions, which it seems to be given the wording of paragraph 22. This incentive should be for *all* AEs. Further, one would assume and actually demand that the same should be asked of AEs involved in Objective 4 related activities on 'just systems transformation' (to the extent that they are not 'exempt' from such scrutiny through engagement through the PSAA, which one would fear will be prioritizing large-scale investments under Objective 4).

Lastly, local currency lending as a way to enhance access for climate related investments, especially for MSMEs, channeled through domestic/regional financial intermediaries (FIs), should be mentioned here.

Section V. Operational goals and institutional priorities for 2024-2027

5.1 Enhancing access to GCF resources, key operational goals

While it is useful that paragraph 24 outlines a key focus on enhancing access to GCF financial resources, a clear commitment/goal for increasing DIRECT access to GCF resources, including through a commensurate programming goal, is missing. While paragraph 24(e)(ii) talks about increasing the share of DAEs in the AE network, it does not commit to increasing the share of GCF programming by DAEs. As DAEs already outnumber IAEs in the GCF, it seems that this goal should focus on increasing the actual number of projects and programmes and therefore financing that goes to DAEs, not just the overall number of DAEs.

In paragraph 24(a), reducing times in the review cycle needs to align with providing more public information on the review cycle. Greater transparency on the proposals put forth, along with a standardization of the review cycle, will serve the GCF well. This process is not only about overall time, but about the time and effort involved in the process on all sides when there may be dozens of review cycles. A clear 5-10 rounds of review with specific goalposts will better serve an institution of this size than the ad hoc cycles that accredited entities encounter, varying largely depending on the individuals with whom they are working in the Secretariat. It is also unclear how the projected "pipeline prioritization' will be managed and what test project proposals will have to pass to meet "GCF programming goals." Would public sector full cost proposals fail on financial grounds even if they engage in targeted sectors such as locally-led adaptation or food security measures? Setting up clear, transparent, and efficient systems is an opportunity to better leverage the GCF Secretariat's capacity and ensure the GCF is accountable for the expectations it sets in terms of both programming substance and process.

It is not clear what "other devolved financing approaches" are referred to in paragraph 24(b)(ii), and it would be useful to spell this out.

We appreciate increasing language accessibility as captured in paragraph 24(b)(iv). Again, though, this approach must be paired with increased attention to public information disclosure and transparency.

The reference in paragraph 24(c)(ii) focusing on the potential for AEs to apply their own systems and policies is worrisome. Instead of highlighting compliance with best practice policies and safeguards on environmental and social issues, gender, Indigenous Peoples, transparency and disclosure as a way to enhance access to GCF resources, this proposes a lowest common denominator approach of "substantial equivalence." This continues a further undermining of such standards in the name of efficiency and access that is already apparent in the PSAA approach. Instead of undermining these standards, the GCF should see that ensuring compliance with these standards and building AEs' capacities to comply with these standards is one of its most powerful transformational and paradigm-shifting tools, and should treat the standards as such.

5.2 Institutional priorities: consolidating capacity for delivery

The explicit reference in paragraph 25(b)(iii) on the continuous advancement of best practice standards on ESSs, Indigenous Peoples and gender policies and integrity beyond "do no harm" to improve outcomes ("do good") is appreciated. However, the list is missing – as institutional priorities to be strengthened during GCF-2 – a mention of transparency/information disclosure standards, as well as the long overdue development of observer participation and stakeholder engagement guidelines. Increased transparency and accountability, including accountability to the wider public, is needed especially with respect to the envisioned expanded engagement with and programming through and for the private sector during GCF-2.

Paragraph 25(c)(ii) should explicitly mention women as a highlighted group whose insights on affected communities should be sought through better participatory approaches during GCF-2.

Paragraph 25(d)(v): The adherence to a ceiling of administrative costs at 0.7 percent of assets unnecessarily constrains the GCF and will ultimately hinder projects' and programmes' achievement of the highest standard of climate action. This measure should be dismissed in favor of a more qualitative examination of whether the Secretariat and independent units are achieving their goals efficiently. We need effective administration for effective climate finance, which means determining what capacity is needed now that the majority of the GCF portfolio is under implementation. Ensuring adherence to the ESS, IP, and gender policies must be a priority, especially as the GCF is expecting accredited entities to push their standard of implementation higher. Monitoring, capacity-strengthening, and robust, flexible responses to challenges (e.g., the Covid pandemic) are necessary functions of the Secretariat that require investment so the full returns can be realized. Staff, moreover, deserve to be able to achieve a sense of well-being while doing excellent work because their workloads are appropriate and their systems fair and transparent.

Annex I: Mid-term goals – Analysis to inform Board consultations

While it is helpful to have such an indicative resource allocation for GCF-2 programming resources, as it showcases the Secretariat's assessment of what it sees as (financial resources) prioritized objectives and engagements, we do not agree with the proposed distribution. For example, it allocates too few resources to EDA/devolved financing modalities for locally-led adaption, which should command a significantly larger share as a priority under GCF-2, under Objective 3 (only about USD 400 million), and fails to set a clear promise for ringfencing public sector funding, including grant-financing.

According to this, the following amounts are currently proposed as indicative shares:

- Objective 1: Climate investment capacity – USD 500-700 million until 2027 via the RPSP
- Objective 2: Innovating climate solutions – up to 10% of expected programming for GCF-2 (listed there up to USD 300 million for incubators; up to USD 700 million for early-stage mechanisms for MSMEs)
- Objective 3: Resilience to urgent climate threats – at least 20% of expected programming (listed here up to USD 2.1 billion for CIEWS; USD 400 million for EDA/devolved financing for locally-led adaptation
- Objective 4 : Just system transformations – at least 45% of programming for GCF-2 – an expected USD 11 billion to 2030, divided by:
    - Just energy transitions – up to USD 2 billion for derisking energy transitions or expanding energy access; suggested USD 500 million for green hydrogen
    - Just infrastructure transitions –up to USD 800 million by 2030 to "demonstrate resilient infrastructure as an investable asset class"
    - Just food transitions - up to USD 2.5 billion to reach an additional 100 million smallholder farmer households
    - Just ecosystem transitions – up to USD 5 billion, including:
        - USD 1.25 billion for conservation
        - Up to USD 2.6 billion for nature regeneration and restoration
        - USD 1.2 billion for sustainable management
- Objective 5: greening finance –up to 20% of programming or USD 5 billion by 2030

We are concerned with the allocation prioritization here and concerned that in some areas the proposed funding is too low. For example, more money should be provided via the RPSP as it is critical for capacity-strengthening and as such can have a high return on investment and would benefit from increased funding. Additionally, EDA financing should eclipse $400 million, taking up a share of the funds at least double as proposed, given the import placed on locally led solutions. Distributed among the 20 countries set as the target by 2027 for having devolved financing for locally-led adaptation, the $400 million is on par with Adaptation Fund funding levels, which is not the bar for the transformative change the GCF can achieve. The EDA envelope should at least match the $700 million for MSMEs under objective 2. Reducing the CIEWS distribution, recognizing that resilience is as much about investment in community-identified needs as it is investments in top-down technology, could achieve a better balance of these priorities. Likewise, the size of the just food transitions envelope is indicative of funding that could be allocated through EDA instead, given the significance of locally-led agroecological solutions for promoting resilience and food sovereignty.

Further, we have several proposed changes in the table as highlighted in red below.

Several of these reflect that FAO's Blue Transformation Roadmap recognizes aquaculture is THE method to increase available protein for climate-vulnerable and -impacted and under-nourished African and Asian countries. They propose a massive increase in aquaculture production for small scale producers - at least 35% growth in global sustainable aquaculture production by 2030 (p. 16), in order to help meet food security and nutrition needs as well as employment and decent work needs 'for all women and men' by 2030 in those regions.

One edit reflects that “30% of areas of degraded terrestrial, inland water, and coastal and marine ecosystems to be under effective restoration” is language that aligns with the CBD.

We also suggest that the NDC breakdown of needs, such as “countries identified 346 needs on forestry, the majority for mitigation, with costed needs at USD 52B,” be complemented by similar background numbers for ocean related activities.

Just food systems transition – more than a quarter of the world's 500+ million smallholder farmers will be able to adopt low-emission climate-resilient agricultural practices and nearly 60 million small-scale fisheries will be able to adopt to climate resilient fishery practices.	Around three quarters (77%) of countries' NDCs identify agriculture (many expressly including fisheries) as a priority for mitigation and 84% for adaptation, with 86% prioritizing measures for adapting food systems and ensuring food security. Countries identified a total of 603 needs on agriculture, the majority in adaptation space, for a costing of USD 114B.	The SDGs, Food Systems Summit & Systems Change Lab identify food systems goals for 2030 including: (1) doubling the productivity and incomes of small-scale food producers (2) ensuring sustainable food production, implementing resilient agricultural practices, and boosting nature-positive production (3) decreasing food loss by 50% (4) reducing global GHG from agricultural production 22%. FAO estimates there are over 500 million smallholder farmers and 58 million small-scale fishers and fish farmers globally	GCF has already invested over USD 1B in agriculture and food security projects in 72 developing countries, reaching 140m total beneficiaries/~35m smallholder households. The active current pipeline is around USD 1.5B oriented predominantly toward promoting resilient agro-ecology and reconfiguring food systems. 90% of interventions under all agricultural sector pathways would be expected to contribute to this goal. Continuing to scale up programming in this area would allow GCF to contribute to one of the top priority adaptation areas identified in developing countries NDCs, with cross-cutting benefits. Progress would be measured using the IRMF beneficiaries indicator aggregated to smallholder household level.	For just food systems transition: USD 2-2.5 billion to reach an additional 400m beneficiaries / 100m smallholder farmer households/15m small-scale fishers and fish farmers, cumulatively reaching around 25% of global need, 50+ FPs Assumes FPs are of significantly larger scale than IRM/GCF-1 average (20m), and GCF can partner with wider range of entities able to programme at scale

Just ecosystems transition – Over 100 million hectares (Mha) of terrestrial and marine ecosystems conserved and over 200 Mha restored or brought under sustainable management	Around 80% of countries identified LULUCF as a priority for mitigation as well as adaptation, listing efforts to protect terrestrial ecosystems and forests. Some 32% listed ocean ecosystem sustainability as a priority for adaptation. The numbers of needs identified for adaptation on ecosystems and biodiversity was 149, with costed needs of USD 48B. Countries identified 346 needs on forestry, the majority for mitigation, with costed needs at USD 52B. Data in NDCs shows that needs related to reforestation are the largest in financial terms.	The 30 by 30 challenge set a goal of at least 30% of areas of degraded terrestrial, inland water, and coastal and marine ecosystems to be under effective restoration.the earth's land, sea and freshwater ecosystems by 2030 The Bonn Challenge and New York declaration of forests set a goal of restoring 350 Mha of degraded and deforested landscapes by 2030 The OECD's 2020 report underlines the fact that there has been significant under investment in ocean sustainability. The Kunming-Montreal Global Biodiversity Framework adopted 2030 goals of, among others, effective conservation and management of at least 30% of the world's lands, inland waters, coastal areas and oceans; having restoration completed or underway on at least 30% of degraded ecosystems; and reducing to near zero loss of areas of high biodiversity importance	GCF has already invested over USD 1B in ecosystems and ecosystem services FPs in 79 countries, and over USD 1.5B in forests and land use in 80 countries, restoring over 13 Mha and bring over 26 Mha under improved management. The ecosystems and forests programming areas grew from 8% and 10% of programming respectively during the IRM, to 12% and 17% of programming during GCF-1, reflecting the growing emphasis and potential of ecosystem-based approaches in providing cross-cutting climate solutions, and the criticality of forests to mitigation efforts in developing countries. The active current pipeline is over USD 3B covering conservation, restoration and improved sustainable management (the latter predominates targeted pipeline results), demonstrating the potential for programming growth. Progress for this goal would be measured using IRMF hectares, beneficiaries and GHG indicators.	For just ecosystems transition: USD 1.25B for conservation (\$25/ha), USD 2.2-2.6B for natural regeneration & restoration (\$100-1500/ha), USD 1.2B for sustainable management (\$12/ha), assuming 1:1 co-financing, 50+ FPs Assumes FPs are of significantly larger scale than IRM/GCF-1 average (20-30m), and GCF can partner with entities able to programme at scale

Organizational Endorsements

Center for International Environmental Law (CIEL)
Centro para la Autonomía y Desarrollo de Pueblos Indígenas (CADPI)
Heinrich-Böll-Stiftung Washington, DC
Women's Environment and Development Organization (WEDO)
Transparency International-Korea
Tebtebba (Indigenous Peoples' International Centre for Policy Research and Education)
Environmental Defense Fund, EDF