

## GIZ feedback: GCF's review and update of the Strategic Plan for 2024-27

No	GCF guiding questions	GIZ feedback
1	<ul style="list-style-type: none"> <li>Does the GCF's long-term strategic vision – of promoting paradigm shift and supporting developing countries in the implementation of the Paris Agreement and UNFCCC – remain relevant and ambitious? Has the GCF set out sufficiently clearly how it will deliver its long-term strategic vision?</li> </ul>	<p><u>GCF strategic vision</u></p> <ul style="list-style-type: none"> <li>The long-term objective of the Fund <b>remains relevant and ambitious</b></li> </ul> <p><u>Delivery of the long-term, strategic vision</u></p> <ul style="list-style-type: none"> <li>Programming through AEs with dedicated capacity vs. capacitating institutions that are not yet ready to deliver: <b>it can be challenging to reach ambitious climate targets at speed and scale</b> when the Fund needs to play a hybrid role in AE engagement</li> <li>Urgency for climate action vs. lengthy processes: project development processes usually take way to long (2-3 yrs) to address climate challenges; hence, procedural and operational improvements and efficiencies are vital</li> <li>Programming: <ul style="list-style-type: none"> <li>Country programmes are often not in alignment with GCF's four-year programming cycle. It could be effective to <b>use NDCs, NAPs etc. as a programming/origination vehicle.</b></li> <li>More trust in AEs in programming and implementation (demand-driven vs. top-down approach whereby GCF sets a course)</li> <li>Clear guidance for multi-country projects / programmes <ul style="list-style-type: none"> <li>Facility-type - minimum allocation per country should be clear</li> <li>NoL – early / meaningful engagement throughout the project design (not top-down approach)</li> </ul> </li> <li>Despite the expected high impact and scale, multi-country projects/programmes can be very costly for AEs and often not in the best interest of countries / NDAs (GCF prioritization vs. country drivenness)</li> </ul> </li> </ul>

		<ul style="list-style-type: none"> <li>• Very positive (as indicated in IRMF): GCF projects <u>contribute</u> to paradigm shift in a sector, rather than a sectoral transformation through a single GCF project</li> <li>• Very positive: institutional development to increase capacities to deliver climate action; mobilizing action at larger scale by pooling funds, encouraging institutions to work in partnership</li> </ul>
2	<p>What global, regional, national and subnational developments, trends, needs and opportunities relevant to adaptation and mitigation programming in developing countries should the GCF take into account in preparing for its second replenishment period? What lessons can be learned from experience to date?</p>	<ul style="list-style-type: none"> <li>• Trends: war / regional instability, food insecurity, drought, floods, fires etc. are impacting on climate finance availability and priorities for action → this shows the interdependence of all systems &amp; need for strong commitments <ul style="list-style-type: none"> <li>○ Considering the lengthy project / programme development &amp; review processes, GCF may be best placed to address longer-term interventions that support, e.g., stabilization, carbon storage, and adaptation than immediately pressing challenges</li> </ul> </li> <li>• Lessons-learnt: <b>speed is key</b> for the implementation of the Paris Agreement <ul style="list-style-type: none"> <li>○ Mobilization of GCF funding is lengthy &amp; complicated</li> </ul> </li> <li>• Opportunities: make use of/ <b>upscale promising opportunities &amp; existing / proven initiatives</b>, e.g., Nitric Acid Climate Action Group &amp; Global Methane Pledge. GCF could also make funding available for areas where MDB do not step in due to reasons, e.g., scale, risks, &amp; need for capacity development</li> <li>• Topics for consideration: ecosystem sinks, carbon storage, just transition</li> </ul>
3	<p>How should GCF further elaborate its role within the climate finance landscape, in light of its comparative advantages? How should GCF seek to differentiate its focus from other sources of climate finance? Where are the opportunities for complementarity, coherence and partnerships with others?</p>	<ul style="list-style-type: none"> <li>• Opportunities for complementarity: in addition to the operating entities of the UNFCCC financial mechanisms, the Fund could build on / upscale projects of <b>other funding lines</b>, e.g., NAMA facility, Germany's International Climate Initiative (IKI), Norway's International Climate and Forest Initiative (NICFI), LEAF Coalition and the European Climate Initiative (EUKI)</li> <li>• Coherence &amp; partnerships: initiatives by philanthropists / foundations</li> <li>• GCF role within the global climate finance landscape:</li> </ul>

		<ul style="list-style-type: none"> <li>○ Differentiation is not so relevant, rather cooperation for higher impact is desirable</li> <li>○ GCF’s specific role (differentiated from others): convening, strategizing, organize large round tables in countries, NDAs and AEs to identify climate action to scale &amp; crowding in of finances</li> <li>○ Strengthen GCF role as <b>convener and facilitator</b> that promotes partnership between different institutions (e.g., IAE – DAE) for climate action</li> </ul>
4	<p>Do the CGF’s strategic objectives and <a href="#">portfolio targets</a> capture appropriate ambition for the second replenishment period? How could GCF evolve these in a way that sets clear, actionable, measurable programming goals aligned with its strategic vision?</p>	<p>For consideration:</p> <ul style="list-style-type: none"> <li>● Portfolio level targets can be formulated by using SMART parameters (specific, measurable, achievable, relevant, and timebound), whereas operationalization measures should be nationally appropriate.</li> </ul>
5	<p>How can the GCF better respond to developing countries mitigation and adaptation needs and ensure country-ownership of programming? What role should the readiness and preparatory support programme, support for national adaptation planning, and country programmes play?</p>	<p><u>Further support country programming:</u></p> <ul style="list-style-type: none"> <li>● Link readiness &amp; programming more strongly, prerequisite for Readiness funds for CN development if it is clear which AE will later facilitate implementation of project and the AE is involved from the start</li> <li>● Timing: aligned with GCF programming periods and with UNFCCC processes for NDC revision and implementation</li> <li>● Transparency in programming / pipelines: Disclosure of country programmes and early ideas / CN under development</li> <li>● Capacitate NDAs to manage country programming through Readiness</li> <li>● Share good practices on <b>processes and tools for stakeholder engagement</b> to ensure ownership throughout all levels of governance (national, regional, local level) and among all affected and benefitting stakeholders</li> <li>● AEs cannot take up so called ‘orphaned concepts’ easily due to their accreditation scope, specific arrangements etc.</li> </ul>

<p><b>6</b></p>	<p>How should GCF continue to build its paradigm shifting portfolio through its next programming period? What opportunities for adaptation and mitigation programming, and opportunities to improve the funds programming processes, can the GCF capture?</p>	<ul style="list-style-type: none"> <li>• Support partnerships, act as convenor (see above), facilitate corporate collaboration between institutions (AEs &amp; others)</li> <li>• Incentivize different roles of AEs &amp; other institutions working in partnership with AEs &amp; GCF</li> <li>• Institutional accreditation &amp; project development (programming via AEs vs. PSAA): institutional target of GCF for min. 2 proposals per AE per funding cycle can be counterproductive as it may lead to an implicit cap on number of projects per AE (quantity vs. volume)             <ul style="list-style-type: none"> <li>○ Predictability of framework set by GCF is essential for AEs, e.g., not to be limited through implicit caps after setting up “dedicated capacity for programming”</li> </ul> </li> <li>• <b>Flexibility on pipeline prioritization</b> &amp; update of EWP and CP can help GCF partners react to emerging needs &amp; opportunities</li> </ul>
<p><b>7</b></p>	<p>Building on its private sector strategy, what actions and partnerships should GCF pursue to catalyze private sector finance at scale?</p>	<ul style="list-style-type: none"> <li>• Private sector involvement and contribution is very important, but not the silver bullet for each sector in all countries             <ul style="list-style-type: none"> <li>○ Flexibility on requests for private sector involvement depending on circumstances in country / sector</li> </ul> </li> <li>• Pursue efforts that will increase private sector engagement in adaptation-related measures with MSMEs as well as explore use of other innovative financial instruments tailored to the private sector (e.g. microfinance, facilitating PPPs &amp; blended finance)</li> <li>• Identify ways to overcome barriers related to the accreditation process which may be a key barrier for private sector engagement with GCF. Option could be an introduction of a <b>fast-track modality for certain types of private sector entities particularly those specialized in LDC markets</b></li> <li>• Support the development of an enabling regulatory and financial environment including through the readiness programme – for ease of doing business</li> </ul>

		(especially at local level) and to drive private investment to meet country priorities/needs
8	What steps can GCF take, in collaboration with its country partners, accredited entities and delivery partners, to ease and accelerate access to GCF resources, as well as strengthen the role of Direct Access entities?	<ul style="list-style-type: none"> <li>• High standards and thorough assessment at each step of both accreditation and for each project by Secretariat slows processes and is a hurdle especially for (D)AEs with less capacity – <b>lighten assessment during each project development</b> for accredited entities (e.g. GCF SEAH policy comparison to AE’s own policy for each project, rather than once for the AE; same questions on AE’s budget calculations and specificities for each project, even though AE approach same as agreed in AMA) - <b>increase efficiency by trusting</b> already assessed AE</li> <li>• Assign an <b>official role to AEs with GCF experience and capacity building expertise</b> to support DAEs (e.g., “triple E” - enhanced executing entity)</li> <li>• Systematically facilitate <b>peer-to-peer exchange and collaboration between/among DAEs</b>: raise awareness on existing networks such as the CPDAE (or the Peer-to-Peer Alliance on Climate Finance Integrity); encourage entities to engage in peer exchanges, e.g. as part of their Readiness activities</li> <li>• Encourage / suggest <b>exchange formats between NDA and (D)AEs</b> (candidates) for more strategic accreditation and coordinated programming. This could encounter tendencies of DAEs with overlapping accreditation and sectoral scope on the one side, while coordinating and easing access on the other side.</li> </ul>
9	What enhancements or adjustments to operational modalities, policies or institutional capacities might be required to support successful execution of the GCF’s strategic vision and programming priorities?	<ul style="list-style-type: none"> <li>• <u>Operational modalities</u>: Overall no changes required to AEs developing and implementing projects; additional role of experienced AEs to support DAEs to be considered (including incentives and official role). <ul style="list-style-type: none"> <li>○ <b>More flexibility, trust and decision-making freedom for AEs during project implementation are desirable and needed for adaptive management</b> (ESS, OM, other).</li> </ul> </li> </ul>

		<ul style="list-style-type: none"> <li>• <u>Policies &amp; guidelines</u>: <b>address gaps</b>, incl. programmatic approaches, concessionality &amp; further guidance, and clarity on major / minor changes, esp. ones that should be approved by the Board. Moreover, an implementation guideline could be useful.</li> <li>• <u>Institutional capacities</u>: sufficient if assessment time for individual projects of AEs reduced through increased trust in AEs in line with AMA agreements. Institutional efficiencies can be achieved through more agility / faster decisions within the GCF secretariat (e.g. FAA amendments).</li> </ul>
10	<p>Are the measures for measuring, monitoring and reporting progress towards the GCF's strategic vision, objectives and priorities sufficient, or how could these be strengthened?</p>	<ul style="list-style-type: none"> <li>• Yes, no need to further increase complexity of the IRMF</li> </ul>