



3.1. Updated Strategic Plan for GCF-2

Selina Wrighter | Head of Policy and Strategy

GCF-2 First Consultation Meeting

What has changed since the GCF-1 replenishment?

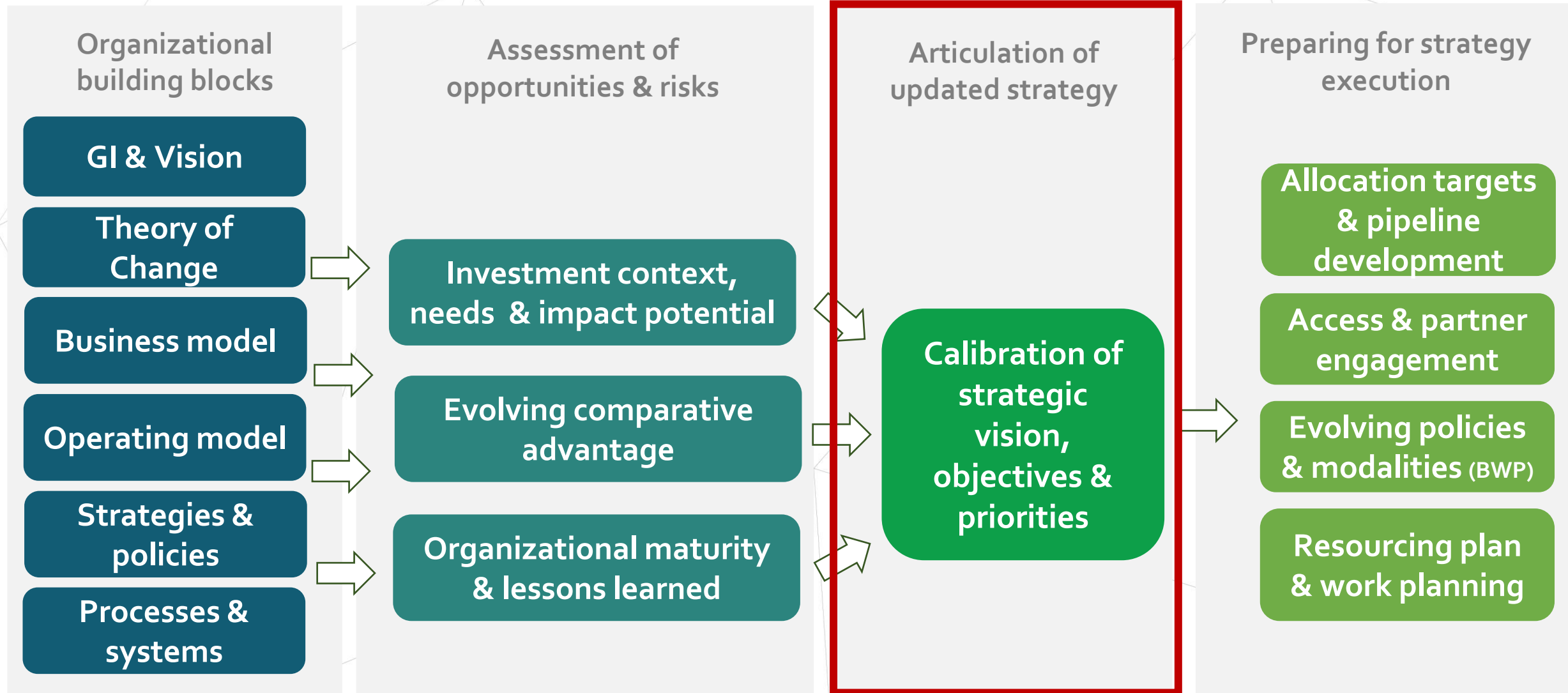


Latest science –
narrowing window of
opportunity for
mitigation AND
adaptation requires
systemic responses

Growing ambition
– from a widening set
of actors requires
enhanced finance and
greater coordination
& **complementarity**

Linked challenges
– imperative to
address economic,
energy, food, debt
crises in **conjunction**
with the **climate fight**

Approach to updating the GCF Strategic Plan



Consultation and update process

- Since B.32 | May: Open, transparent, inclusive consultation process
- B.33 & B.34 – Discussions with the Board on the review, zero draft update, findings of Second Performance Review
- 16 December – DRF.01 to be developed for Board & Active Observer consultation
- January-July 2023 – Further iteration and consultation
- B.36 | Summer 2023 – GCF Board to conclude consideration of Strategic Plan update

Consultation materials : <https://www.greenclimate.fund/about/strategic-plan/update>

Rising to the climate challenge: what next for GCF?



FLAGSHIP FUND FOR IMPLEMENTING THE PARIS AGREEMENT / UNFCCC

DEPLOYING CLIMATE EXPERTISE THROUGH PARTNERSHIPS TO TRANSLATE NDCs/NAPs/LTS INTO INVESTMENTS & SYSTEMS CHANGE



PATIENT SUPPORT TO BUILD CLIMATE INVESTMENT CAPACITIES

DEVELOPING COUNTRIES 'PARTNER OF CHOICE' TO BUILD IN-COUNTRY INSTITUTIONAL KNOW-HOW FOR CLIMATE INVESTMENT – NDAs, DAEs, & OTHER FINANCIAL ACTORS



ACCELERATING & AMPLIFYING IMPACT WHERE GCF CAN ADD THE MOST

ENHANCED FOCUS ON ADAPTATION AND SOLUTIONS FOR URGENT VULNERABILITIES, AND CATALYTIC INVESTMENT COLLABORATIONS TO SHIFT WIDER FINANCE FLOWS



MISSION-DRIVEN TO ENHANCE ACCESS AND DELIVER RESULTS

AN ORGANIZATION THAT HAS MATURED RAPIDLY AND SEEKS TO CONSTANTLY IMPROVE ACCESS, EFFICIENCY & EFFECTIVENESS

GCF-2 Updated Strategic Plan

Example: IV. Strategic Objectives for 2024-2027

Table of Contents

- I. Introduction
- II. Long-term Strategic Vision
- III. Mid-term goals for climate results
- IV. Strategic Objectives for 2024-2027*
- V. Operational goals and priorities

01

Strengthening
country climate
investment
capacity

02

Supporting new
climate
solutions

03

Building resilience
to cope with urgent
climate threats

04

Developing
coalitions for just
system transition

05

Greening national
financial systems

I. Long term Strategic Vision

Consultation inputs: Maintain the Board's strategic vision but clarify how it translates to action & links to the UNFCCC/PA goals and cycle; better define approach to paradigm shift

(a) Promote the paradigm shift towards low-emissions and climate-resilient development pathways in the context of sustainable development

+

(b) Support developing countries in the implementation of the Paris Agreement and UNFCCC within the evolving climate finance landscape

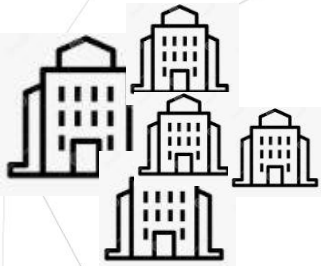
Every developing country will be equipped to translate their NDCs/ACs/NAPs/LTS into country-owned, impactful, bankable climate investments

able to attract an increasing flow of finance for, and remove barriers to, a just transition of energy, industry, infrastructure, ecosystems, societal and financial systems in line with 2050 pathways to meet the UNFCCC and Paris Agreement goals.

I. Long term Strategic vision



In actionable terms, GCF promotes paradigm shift through both **channeling & catalyzing resources**, acting in partnerships with others to serve as an **accelerator and amplifier for climate action**.

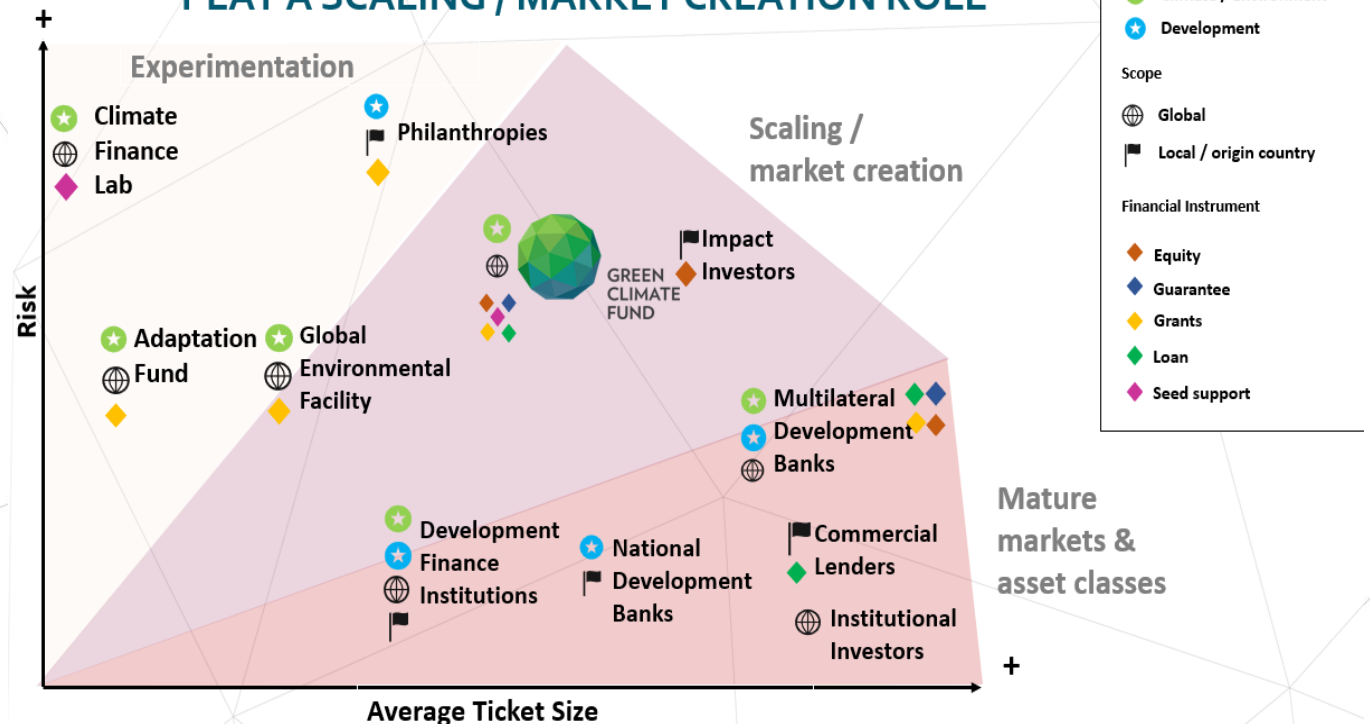


Patient investment in strengthening capacities, tools and enabling environments for climate investment



Exercise risk appetite and deploy concessional finance for paradigm shifting mitigation/adaptation investments, catalyzing wider finance flows

GCF'S SIZE AND RISK APPETITE POSITION IT TO PLAY A SCALING / MARKET CREATION ROLE



II: Mid-term programming goals



Consultation inputs: Set climate-results based mid-term goals; make strategic choices to prioritize and focus programming directions

“By 2027: 5-year/GCF-2 goals”

- Every developing country with basic capacities to translate their NDC, AC, NAP, LTS into a climate investment plan and pipeline of climate investments
- Every developing country covered by early warning systems (UN/WMO)
- Increase in # DAEs actively programming and implementing GCF funding

“By 2030: NDC/critical decade goals”

- # developing countries supported to mature markets for RE & plan for just energy transition
- # countries (NB. SIDS/LDCs/Africa) supported to build resilience of critical infrastructure
- #countries vulnerable communities (NB SIDS/ LDCs/Africa) supported via EDA/locally-led action
- \$ enhanced access to finance for MSMEs and smallholders for LECR crops, products, services
- % increase in area covered by ecosystem conservation, restoration & supply chain initiatives
- At least # developing countries supported to mainstream climate into national financial systems, including establishing green banks

“By 2035: GCF-4 + NDC 2035 goals”

- 2035 is the next time GCF replenishment cycles and NDC cycles are aligned, however there are few NDCS currently targeted for 2035 and more limited analysis of global pathways for this year

(a) Promote
paradigm shift to
LECR development

(b) Support
UNFCCC & PA
implementation



II. Mid-term programming goals

'Test-group' of mid-term goals included zero draft to be further calibrated with reference to :

- Commitments expressed by developing countries in their NDCs and other climate plans, as updated through the Paris Agreement ambition cycle;
- Measurability based on GCF's results frameworks;
- Achievability based on GCF organizational capabilities/the capabilities of its partnership, and informed by portfolio programming to date;
- Just system transitions and sectoral pathways toward UNFCCC/Paris Agreement goals

Analysis being done to present refined set of goals with implications related to feasibility, trade-offs, risk and resourcing implications.

III. Strategic Objectives 2024-2027



Consultation inputs: Streamline strategic objectives & priorities to clarify prioritized programming directions for GCF-2

Mid-term goals (TBD)

Programming strategy that resolves trade-offs

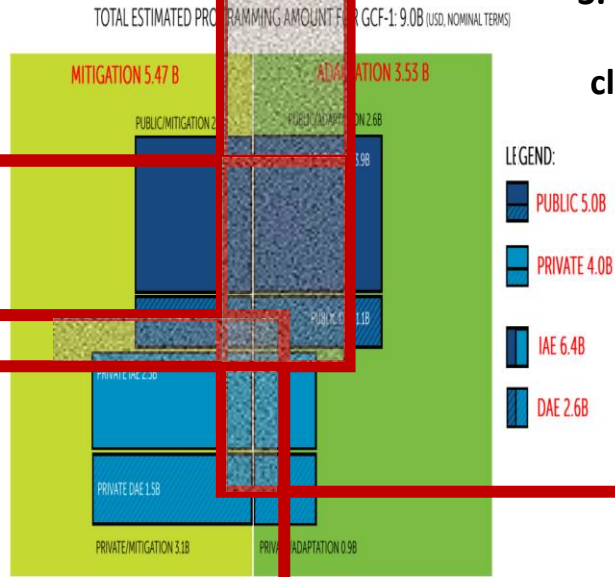
1. Investing in institutional capacity, enabling environments and pipeline

2. Unlocking potential for scale in high-impact areas (public)

4. Taking chances on innovation

5. De-risking to catalyze private sector investment at scale by establishing new markets & assets classes

3. Addressing urgent vulnerabilities to climate change, incl. EWS & locally led action



Possible strategic objectives

- Strengthening capacities for climate investment planning & DAE programming (RPSP)
- Expanding coverage of EWS and supporting measures to avert, minimize, address loss & damage (SAP, pipeline)
- Innovation to unlock new climate solutions (RfPs)
- Scaling up locally led adaptation & no regrets measures to address urgent vulnerabilities (EDA, SAP, pipeline)
- Advancing high-impact, cross-cutting, country-led initiatives across sectoral/system transition areas (prog)
- De-risking private sector investment to mobilize finance at scale, where potential to expand markets (PSF)
- Supporting greening of financial systems (RPSP, accred)

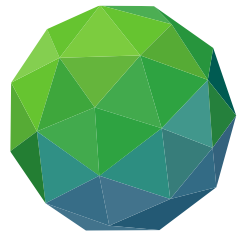


III. Strategic objectives & Operational priorities 2024-2027

- Embed under each strategic objective *how* GCF would need to refine its operating model, including partnerships and institutional settings, to support delivery
- *High level* operational goals to cover cross-cutting institutional targets/priorities (eg on access) – more detailed implementation actions elaborated through work planning
- Accompanying analysis of feasibility, trade-offs, risk and resourcing implications.



Q&A



GREEN
CLIMATE
FUND

**Raising
ambition.**
**Empowering
action.**