

Summary of Board consultation on the review and update of the GCF Strategic Plan Virtual session, Thursday 22 September

Introduction and general views

1. The session opened with a short introduction by Co-Chair Jean-Christophe Donnellier on behalf of the Co-Chairs. This was followed by a presentation by the Secretariat introducing the findings of the review of the Strategic Plan 2020-2023, and 'proposals for testing' on the update of the Strategic Plan, focused on the strategic vision and strategic objectives/programming goals. The presentation has been made available on the GCF website.
2. The presentation was followed by several rounds of input from Board members, alternates and advisors, and questions and answers with the Secretariat. Speakers widely thanked the Secretariat for the presentation and welcomed the approach, while commenting they would require more time to fully examine the proposals.

Strategic vision

3. There was limited feedback on the 'proposals for testing' on the strategic vision. One participant specifically welcomed the proposal to better connect the strategic vision, objectives, priorities, and operational targets, along with raising ambition for GCF-2 and moving towards a systemic approach.

Strategic objectives: mid-term goals

4. Participants generally welcomed the 'proposal for testing' to reorient the strategic objectives toward mid-term goals for climate programming.
5. A few participants touched on the importance of setting an appropriate **timeline** for the USP-2 strategic objectives. In response to a question, the Secretariat clarified that the 'proposals for testing' suggested mid-term goals for 2030, but other timeframes could be chosen by the Board. Some participants supported setting goals for 2030 as this covered the 'critical decade' for climate action; some noted shorter-term goals were needed given the urgency for climate action; others indicated a preference aligning with NDC cycles.
6. A number of participants touched on the proposed mid-term goal for **Direct Access (DAE) programming**. One queried whether the target of doubling the number of DAEs programming with GCF would be feasible; another indicated that this was not ambitious enough. Others suggested that a goal based on the volume of finance channeled through DAEs may be more appropriate. The Secretariat noted that different programming directions would be incentivized by a volume-based goal – which would drive programming toward DAEs able to manage larger-size projects and programmes – and a number-based goal – which would have a stronger effect in building programming capacity of DAEs. Meeting the proposed goal would not necessarily require the GCF to accredit a large number of additional DAEs, but could be done by supporting accredited DAEs to program.
7. Some participants also reflected on the **indicators proposed and their relationship to the integrated results management framework (IRMF)**. One participant noted a preference for the goals to be framed based on end-results, rather than support provided toward results. Another noted that a goal targeting a certain number of developing countries might not be appropriate as an indicator for resilience as it does not measure the strength or magnitude of the resilience in said country or communities. In response to questions on whether updates to the IRMF would be needed in conjunction with USP-2, the Secretariat noted that as the IRMF was just being implemented, an update was not immediately envisioned, and the 'proposals for testing' aimed to draw on existing IRMF

indicators; however the Board and Secretariat could keep alert to any emerging implications for IRMF as discussed on the Strategic Plan progressed.

8. One participant asked if **sectoral targets** could be set in alignment with the Paris Agreement. The Secretariat noted it had not fully explored this possibility, but that it would be important to recognize that GCF could not on its own support or define sectoral transition pathways, so this would need to be put in the context of wider global efforts.

Strategic objectives: programming strategy

9. Participants generally welcomed the 'proposal for testing' to shift from a narrow focus on allocation targets to a more holistic programming strategy. Reflections included that: the GCF allocation system had challenges and options to make programming more straight forward should be explored; ambitious targets are welcome, but they must also be implementable, with a programming strategy approach being helpful in establishing these.
10. A number of participants touched on the **balance of funding for adaptation and mitigation**. A few speakers favored maintaining the 50:50 balance in grant-equivalent terms; while others noted that GCF should heed the growing adaptation finance gap and had a comparative advantage in increasing financing for adaptation, especially as it had been called upon under the Cancun Agreements to channel a significant share of new multilateral funding for adaptation. Another suggestion was to increase adaptation funding allocated specifically to most vulnerable. The Secretariat noted that setting allocation targets in grant-equivalents did decrease transparency and predictability both for external stakeholders and internal pipeline management.

Strategic priorities and other comments

11. A few discrete comments touched upon the strategic priorities, though these were not discussed in depth.
12. In relation to **access**, one participant reflected on the results of consultations at the Global Programming Conference, and asked whether feedback on improving access had taken account of recent actions such streamlining accreditation and updating SAP. The Secretariat noted these measures were still in early stages of implementation and likely had not yet been felt on the ground. Another participant asked how the GCF could move further on access including through harmonization with other Funds. The Secretariat noted that policy complexity was indeed seen as a key barrier to access, and consultation inputs had also called for the GCF to examine the consistency of applying its second level model, particularly in relation to entrusting AEs once accredited.
13. In response to a question on how **loss and damage** had been factored into the update, the Secretariat noted that following guidance from the Co-Chairs, the proposal was aligned with current COP guidance/Board decisions, and would not pre-empt ongoing COP discussions.
14. One participant asked how feedback from programming experience, portfolio results and policy frameworks had been taken into account. The Secretariat noted that this feedback and the IEU evaluations informed the overall changes that were being proposed to the USP, including in: (i) informing the setting of forward-looking goals; (ii) understanding the key intervention points where developing countries most needed GCF support to successfully programme climate investments; and (iii) using learning loops to continuously improve.
15. Other views expressed included that: the focus on vulnerable countries and groups within them is welcomed; focus on gender, social inclusion, indigenous peoples and conflict sensitivity is welcomed; mountainous areas should be considered; the GCF should explore ways to enhance its contribution to article 2.1(c) and greening the financial system.