

USP2 for GCF2 – UK inputs

We welcome the opportunity to provide inputs at this initial stage of developing GCF's Updated Strategic Plan (USP2) for the GCF2 replenishment period. Our overall objective is to enhance access to GCF finance, increase the impact of GCF's investments, and increase the mobilisation of other finance (public and private). UK priorities are set out below.

Access

- Maintain 50:50 balance between adaptation and mitigation funding
- Aim to match IRM outcome (and GCF1 target) of at least 69% of adaptation funding allocated to particularly vulnerable countries (LDCs, SIDS, Africa)
- Consider further changes to GCF's business model and decision-making procedures, including further delegation of authority to the Secretariat, greater use of decisions between meetings (BBMs)
- Increase funding channelled through Direct Access Entities (DAEs)
 - Strengthen country programming alignment & capacity building
 - Strategic approach to accreditation
- Develop a regional presence to bring GCF staff closer to countries seeking to access the Fund; potential to coordinate and align with other Funds at regional level
- Readiness – strengthen readiness support focused on in-country strategic frameworks and adaptation planning aid that aligns with NDCs and NAPs.
 - Improve access to multi -year readiness funding.

Impact

- Strengthen procedures for prioritisation of projects in order to support highest impact/VFM and paradigm-shifting projects
- Strengthen GCF's use of strategic programmatic approaches
- Strengthen the guidance on concessionality, taking into account country context/needs and characteristics
- Consider additional requests for proposals to target emerging opportunities (eg. where there is high need and a gap in funding availability)
- Further deploy GCF's diverse range of instruments, in line with country needs and risk profile
- Targets for mitigation and adaptation results to exceed the averages achieved during IRM (and GCF1 target)

Mobilisation

- Increase funding channelled through Private Sector Facility (PSF) and increased mobilisation of private sector finance utilising a diverse suite of financial instruments and modalities (that correspond to the needs and preferences of developing countries/DAE's)
- Increase engagement of domestic private sector actors
- Consider optimal delivery/operational structure and capability to deliver private sector mobilisation objectives

Nature

- Increase ambition on nature, including the use of nature-based solutions (NBS) – noting just 7.4% of funding committed to date is allocated to the 'Ecosystem & ecosystem services' results area
- [Further] develop clear metrics to track GCF's support through nature-related activities.
- Support new REDD+ RFP