

# COLLECTIVE CSO INPUTS FOR THE GCF STRATEGIC PLAN

## Purpose / definition of a Strategic plan

The strategic plan should be a living document that is based on a shared understanding of the Fund's desired **long-term impacts**. It should set out the intended **medium-term outcomes** of aggregate GCF's allocations and investments, and define a strategic framework for action that includes a 3-5 year action plan with specific goals and indicators to be synchronized with the replenishment process and the Post-Paris review process. The strategic plan should set out the long term ambition of the Fund and describe what needs to be achieved in the medium term to make progress towards the long term ambition of the Fund.

## Scope and Content of the Strategic Plan

The strategic plan should specifically:

- 1) Further operationalize the guiding principles of the Governing Instrument toward the overarching objective – strategic support for developing countries to promote the paradigm shift toward low emission and climate resilient development in the context of sustainable development with a multiple benefits and gender-responsive approach;
- 2) Define the unique role and value-added of the GCF in the overall climate finance regime by articulating the contribution it seeks to make to the implementation of the UNFCCC/Paris Agreement including the Funds relationship to the broader climate finance regime.
- 3) Articulate what the GCF needs to do and how it will do it, to advance its mission to support the implementation of country-led strategies to address climate change.

## Strengthen the Value-Added of the GCF in the overall climate finance regime

The strategic plan should focus on opportunities that distinguish the GCF from other climate finance institutions to strengthen its role as a global leader in providing high-impact, high-quality climate finance. It should:

- **Fully operationalize country-ownership.** This includes (a) strengthening NDAs/focal points as strategic partners of the Fund, (b) building up the capacity of and responding to the needs of country-level stakeholders, in particular vulnerable communities, women, Indigenous Peoples and the local private sector, and (c) supporting domestic accountability processes through **strengthened and iterative/long-term readiness and preparatory support**. The GCF must make it clear that building in-country capabilities is essential to its mission.
- **Help developing countries prepare or strengthen domestic climate change strategies, INDCS, and plans, translate them into financeable investment strategies, and provide funding for the implementation.** Such strategies should be built upon nationally determined low-emission development strategies or plans, nationally appropriate mitigation actions (NAMAs), national adaptation plans of action (NAPAs), national adaptation plans (NAPs) and other related planning exercises.
- **Focus on programmatic approaches** that can support multiple micro- and small-scale activities. Such activities should directly address the needs of communities and local actors, including Indigenous Peoples and women's groups through devolution of decision-making to accredited intermediaries, including through standardized approaches, such as national small grants facilities (to reach scale through replication in many countries).
- **Over time, make Enhanced Direct Access (EDA) the primary access modality** for both public and private sector activities (to reach 50% by 2030) by upscaling the EDA pilot program and by prioritizing the accreditation of (sub-) national and regional entities (especially those that can deliver at scale).
- **Focus its private sector approach on support for national/local actors, especially MSMEs** in shifting toward low-carbon, climate-resilient investments by improving their access to financing (to reach 50% of all private sector activities by 2030). And, recognize that the Fund's private sector approach also requires changes in the private sector that will require changes in government policy and support.

- **Exclude funding for fossil-fuel and other harmful technologies** incompatible with the temperature goals of the Paris Agreement (well-below 2°C/1.5°C). With respect to accreditation, assess the fossil-fuel record of applicant entities for accreditation and the commitment to a portfolio-wide shift away from fossil fuels, and make a measurable progression of such a shift (15% year-on-year) a condition for GCF accreditation and re-accreditation.
- **Commit to the highest levels of transparency** through proactive information disclosure, comprehensive communication (including in multiple languages and media) and fully funded and operational independent accountability mechanisms.
- **Set new best-practise in environmental and social management** through a human-rights based approach to promote positive impacts (not just prevent harm) in support of gender equality, Indigenous Peoples' rights, and the rights of local communities.
- **Enhance complementarity and a strategic division of labour with other funds** serving the financial mechanism of the Paris Agreement (e.g. through sharing disbursement functions with the Adaptation Fund or the LDCF)
- **Design and strengthen mechanisms for effective stakeholder engagement** in the design, development and implementation of projects and programs funded by the GCF.

#### **Potential Priorities for a 3-5 year Action Plan with illustrative goals and indicators**

The following is a non-exhaustive, indicative list of goals that could be included in a 3-5 year action plan of the GCF:

- By 2017, develop, through a consultative process, clear guidelines for meaningful participatory engagement of stakeholders at the Board, Fund and country levels, and establish funding support for the engagement of Southern civil society with the Fund under the Secretariat's administrative budget.
- By 2017, establish a full information disclosure policy and implement proactive disclosure practises.
- By 2017, at least \$20 Million has been disbursed in readiness support
- By 2017, formulate a separate Indigenous Peoples policy that clearly specifies that the Fund will only support projects/programmes that are consistent with the rights and responsibilities set forth in the UN Declaration on the Rights of Indigenous Peoples, ILO 169 and other applicable international instruments relating to indigenous peoples.
- By July 31, 2017, commit \$6 billion in line with allocation criteria of the Fund, and specifically allocate:
  - At least 30% of mitigation funding to increase energy access and address energy poverty through clean, distributed (off-grid, mini- and small-grid) renewable energy solutions
  - At least 30 % of mitigation funding for energy efficiency measures as low-hanging fruits
  - At least 25% of adaptation funding to build the resilience of small scale farmers and support agro-ecology approaches employing traditional techniques and knowledge
- By 2018, establish a comprehensive Environmental and Social Management System which includes the development of the GCF's own best practice environmental and social safeguards with a human-rights-based approach.
- By 2018, fully operationalize the accountability mechanisms and systems of the Fund
- By 2018, achieve the GI commitment to gender balance in the Board and the Fund and fully implement the GCF gender action plan, thereby moving the GCF from gender-sensitivity toward gender-responsiveness.
- By 2018, the percentage of Fund projects and programmes which include budgeting for gender-responsive measures reaches 50%
- By 2018, 60 (xx?) NDAs will have established strategic frameworks/country programmes for engagement with the GCF
- By 2018, at least 3 national small grants facilities have been established under the EDA pilot program
- By 2019, double the amount pledged to the Fund in the IRM through the replenishment process (in line with country needs)