



**GREEN
CLIMATE
FUND**

Meeting of the Board

13 – 16 March 2023

Songdo, Incheon, Republic of Korea

Provisional agenda item 16

GCF/B.35/16

14 March 2023

Updated Strategic Plan for the GCF 2024-2027: Co-Chairs' roadmap

Summary

This document sets out the Co-Chairs' roadmap of proposed steps toward adoption of the updated Strategic Plan for the GCF: 2024-2027 by the Board's thirty-sixth meeting. It includes in Annex I a decision for the Board's consideration and in Annex II a Co-Chairs' summary of the Board workshop held on 1 March 2023 in Paris, France.

Co-Chairs' roadmap toward approval of the updated Strategic Plan for the GCF 2024-2027

1. Through decision B.32/04, the Board decided to conduct an open, inclusive and transparent consultation process to inform the review and update of the Strategic Plan for the GCF: 2024-2027 (USP-2), with the aim of concluding the update no later than the thirty-sixth meeting of the Board (B.36). The **Co-Chairs' roadmap** below outlines proposed steps towards concluding adoption of the USP-2 by B.36. The roadmap builds on work and consultations held to date¹, especially the written consultation period held with the Board and Active Observers on DRF.01 of the Strategic Plan between 24 December 2024 – 27 January 2023.

2. **Paris workshop (1 March 2023)**

- (a) **Objective:** Clarifying the structure of USP-2 and distilling areas of emerging convergence and divergence.
- (b) **Inputs:** An informal hybrid workshop discussion based on DRF.01, the Secretariat response matrix (contained in Add.01) and in-session presentations.

3. **Thirty-fifth meeting of the Board (13-16 March 2023)**

- (a) **Objective:** A decision to hold an informal between B.35 and B.36, together with focused interventions from the Board on emerging areas of convergence and divergence. This exchange will further guide the Secretariat in preparing DRF.02 under the guidance of the Co-Chairs, prior to the proposed Board informal.
- (b) **Inputs:** Co-Chairs' roadmap including draft decision for adoption (Annex I), Co-Chairs' summary of Paris workshop (Annex II) and Secretariat response matrix (Addendum).

4. **USP-2 Informal Meeting of the Board (16-17 May 2023)**

- (a) **Objective:** Advancing textual negotiations, particularly on key remaining areas of divergence, to support development of DRF.03 for B.36 publication.
- (b) **Inputs:** DRF.02 of the Strategic Plan: 2024-2027, which the Co-Chairs will aim to release in the first week of May 2023.

5. **Thirty-sixth meeting of the Board (10-13 July 2023)**

- (a) **Objective:** Adopt the update to the GCF Strategic Plan: 2024-2027.
- (b) **Inputs:** DRF.03 of the Strategic Plan: 2024-2027, which Co-Chairs will aim to release by 19 June 2023, and draft decision for adoption.

¹ Process to date and all relevant materials are available through the GCF webpage: <https://www.greenclimate.fund/about/strategic-plan/update>

Annex I: Draft decision of the Board

The Board, having considered document GCF/B.35/16 titled “Updated Strategic Plan for the GCF 2024-2027: Co-Chairs’ roadmap”:

- (a) Takes note of the Co-Chairs’ roadmap setting a process to facilitate adoption of the updated Strategic Plan for the GCF: 2024-2027 no later than the thirty-sixth meeting of the Board;
- (b) Decides to hold an informal meeting of the Board, open to active observers, from 16 to 17 May 2023 in [location TBC], with a view to developing a final draft of the updated Strategic Plan: 2024-2027; and
- (c) Decides that the cost of the informal meeting will be covered by the budget of the Board for 2023, as approved by decision B.34/05.

Annex II: Co-Chairs' summary of the Board workshop on the updated Strategic Plan for the GCF 2024-2027

1. As part of the open, inclusive, transparent consultation process on the review and update of the Strategic Plan for the GCF: 2024-2027 (USP-2) launched at B.32, the Co-Chairs' convened a workshop of the Board in Paris, France on 1 March 2023. In-person participation of developing country Board Members remained limited due to logistical challenges.
2. Building on submissions received on DRF.01 of the USP-2², the workshop included in-depth presentations and technical Q&A with the Secretariat³, as well as an exchange among participants in smaller breakout groups.
3. This summary provides a high level round up of matters that were discussed under each section of DRF.01 of the USP-2.

I. Overall structure and cross-cutting feedback

4. Discussions indicated support for the shorter, more streamlined structure comprising four main sections (long term vision, mid-term goals, strategic programming objectives and operational and institutional priorities) among participants, while noting further refinements to ordering, emphasis and focus could be made.

II. Long-term strategic vision

5. Participants discussed USP-2 expressing ambition to strengthen GCF's role in meeting the objective of the UNFCCC and the goals of the Paris Agreement.
6. Participants discussed the key matter of the character of the Fund, with reference to where GCF was 'situated' on a capacitate-fund/channel-catalyze matrix and how to strike the right balance through its programming.
7. Attendees discussed the role of vision statements and the merits of reviewing the long-term strategic vision of the GCF over such short timeframes.

III. Mid-term goals and GCF-2 targets

8. Overall, participants agreed more work was needed to refine the choice of timelines, goals and targets, including:
 - (a) **Clarifying differences between 'mid-term' goals/pathways (2030/35) and GCF-2 goals (2027):** Some were only comfortable setting goals for GCF-2 since resourcing would be known. Others considered it important to signal ambition over a pathway beyond one programming cycle aligned with NDCs; it was also suggested qualitative rather than quantitative goals may be more appropriate over the 'mid-term' period.
 - (b) **Developing a transparent methodology for choosing the goals and targets:** Participants broadly agreed the goals should balance mitigation and adaptation, reflect developing country needs and priorities, consider resourcing implications and strike the 'right balance' of programming. A direct access goal should focus on enhancing DAE

² Detail of the consultation process, including copies of all submissions received, can be found at: <https://www.greenclimate.fund/about/strategic-plan/update>

³ Detailed responses to comments received, focusing on clarifications of a technical nature are included in the Secretariat response matrix at: <https://www.greenclimate.fund/document/gcf-b35-16-add01>

programming, not just DAE accreditation. There was divergence on whether the goals should reference global pathways, or be more confined to how GCF supports nationally agreed targets and NDCs.

9. Participants registered needing more time to digest the revised analysis on the mid-term goals introduced in the Secretariat's presentations, and requested the Secretariat to unpack the assumptions behind the goals/targets to aid the Board's deliberations.

IV. Strategic programming objectives

10. Participants were broadly willing to work with five objectives, but emphasized the imperative of 'striking the right programming balance' across the objectives, further refining their framing and content, and prioritizing as needed:

- (a) A more concise, strategic statement of GCF's role under each objective was seen as desirable, linking GCF's value add to countries' priorities, expected impact and ability to deliver.
- (b) **Objective 1:** strengthening the use of readiness and introducing a more actionable proposition on direct access programming was welcomed.
- (c) **Objective 2:** GCF was seen as having a role in innovation, but with differing views on the types of innovation and modalities.
- (d) **Objective 3:** resilience to urgent climate threats was widely welcomed, with some suggesting to further prioritize the most vulnerable.
- (e) **Objective 4:** discussion centred on the definition and scope of 'just transitions' across sectors, GCF's comparative advantage under each, and the role and nature of GCF-driven coalitions.
- (f) **Objective 5:** participants diverged on the scope, form and role of GCF in greening financial systems.
- (g) Participants were keen to ensure GCF is equipped to deliver against the strategic programming objectives, echoing a call for greater precision on what actions are required to meet the outcomes under each objective; asking if GCF had the right capacity, resourcing, tools, and overall expertise to support the five objectives

V. Operational and institutional priorities

11. On the operational and institutional priorities participants discussed:

- (a) Focus on the multiple dimensions of access, with accreditation being a key but not the only factor, and with desire to elevate the focus on access in the draft overall;
- (b) Improving predictability and transparency of GCF processes
- (c) Improving the predictability of the accreditation process and clarifying aims on DAE accreditation
- (d) Keeping GCF organizational capacity under review in light of the USP to ensure it is equipped to deliver

12. Participants had divergent views over harmonization with other funds, improving governance structures through enhancing delegation of authority, GCF's role as a thought leader, seeing it as outside of the GCF's mandate and diverting resources from higher priority activities, and the merits of various approaches to regional presence.

