

Korean ABM's submission of inputs on the review and update of the Strategic Plan for 2024-2027

Korea welcomes the opportunity to submit its inputs on the review and update of the Strategic Plan for 2024-2027. In this document, Korea intends to provide general comments on the Strategic Plan and specific comments in response to some of the questions prepared by the secretariat.

General comments:

Since its establishment of permanent headquarters in Songdo in 2013 and its first approval of project funding in 2015, the GCF has grown to become the world's largest climate fund, supporting funding for 200 climate projects in developing countries. Given the GCF's accomplishments in such a short period of time, we believe that the GCF has a lot of potential to become a more effective and efficient fund and that the process of reviewing and updating the Strategic Plan will serve as an important milestone to this end. Thus, Korea expects the whole consultation process to be open, inclusive and transparent with active participation of various stakeholders, including local community, civil society, private sector, academia and international organizations, and hopes to stress the importance of listening to their views on the Strategic Plan for 2024-2027 by holding a series of events and promoting outreach activities.

Specific comments:

The GCF's long-term vision in the Updated Strategic Plan seems to be in line with its mandate and operational guidelines from the UNFCCC. In order to further improve and update the Strategic Plan for 2024-2027, Korea suggests the following:

Strengthening support for Direct Access Entities (DAEs). Compared to the International Access Entities (IAEs), developing country DAEs have had substantially low access to GCF funding. More support should be provided to build DAE capacity for stronger country ownership and higher effectiveness of GCF support. During GCF-2, **collaboration between the AEs**, notably between IAEs and the DAEs, should be fostered through the update of programming or operational modalities. As the Fund matures in its operations, it will be critical for the fund to take innovative approaches that support the cooperation between entities. For instance, the Board could consider resuming the discussion on the **'programmatic approach'**, which would allow more flexibility in programme coordination between the AEs. The Fund could also consider enhancing its financial and technical support on the DAEs' preparation of funding proposals, especially through the **Project Preparation Facility (PPF)**. Given the complex nature of developing proposals for the PPF under the current operational modality, however, the PPF does not fully meet the DAEs' expectations and actual needs. The Board has noted that only 11 funding proposals that received PPF support were approved as of B.33. In this regard, Korea suggests that the Board identifies the main challenges, and discusses ways for further improvement. It is desirable to see more funding proposals developed through the PPF and brought to the Board throughout GCF-2. In addition, launching an **online knowledge-sharing platform or agora** will also be helpful for the AEs and NDAs to share information, experience, and challenges in the accreditation or funding processes.

Enhancing speed and predictability of the accreditation and approval processes.

Continuing and finalizing the discussion on the ‘**Accreditation Strategy**’ within GCF-1 will be of priority, and complementing the modalities throughout GCF-2 would be required to improve the overall efficiency and predictability of the GCF’s accreditation system. Regarding the approval of funding proposals, despite various efforts including the Simplified Approval Process (SAP), the **processes on project approval** and implementation are still complicated and not efficient enough. More work needs to be done to further simplify the steps and the documents required for GCF funding.

Increasing adaptation support. The GCF should continue to strive for the 50-50 ratio between adaptation and mitigation in line with the objective under GCF-1. As of B.33, mitigation made up 62% at USD 6.5 billion and adaptation 38% at USD 3.9 billion (nominal). Adaption support needs to be expanded to reflect the developing country needs and priorities. The growing adaptation needs of developing countries should be addressed through **additional grants and public funding** rather than through private sector resources or loans which lead to the burden of debt repayment. In this context, we could give a higher priority to the funding proposals for adaptation activities with greater grant portion.

Employing various financial instruments. The use of various and flexible financial instruments – grants, concessional loans, equity investments and guarantees – in funding climate projects has been the key feature and the strength of the GCF. However, so far, the focus has been mostly on grants (41%) and loans (43%). In order to leverage blended finance and facilitate private investments, the use of **equity investments and guarantees** needs to be expanded further.

Collaborating with the Technology Mechanism of the UNFCCC. The GCF needs to strengthen its partnership with the **Climate Technology Centre and Network (CTCN)** to promote climate technology development. In this context, Korea suggests considering specific Board mandates on it under GCF-2, including additional details on cooperation areas based on an assessment of the current partnership. Korea also would also like to note that the CTCN has opened its office in Songdo in July 2022 with the support of the Korean government. The Office will support cooperation between the CTCN and the GCF on climate mitigation and adaptation technology projects in developing countries.

Strengthening partnership with other multilateral climate funds. The GCF should also strengthen its partnership with other multilateral climate funds such as the **Adaptation Fund** through project development and other activities. For example, the GCF could consider identifying effective projects that have been carried out by the Adaptation Fund and develop them as follow-up projects for GCF support.

Strengthening outreach. Korea would also like to take this opportunity to stress the importance of outreach. In our view, the GCF is not as widely recognized as it should be, being the largest climate fund in the world. Thus, the GCF should expand its outreach programs, promoting and sharing its achievements and engaging more actively with various stakeholders. We suggest that it develops a more comprehensive **Outreach Strategy**.