



March 28, 2023

Dear Ms. Duarte,

Please accept our sincere congratulations on your appointment as the new executive director of the Green Climate Fund (GCF, a.k.a. the Fund). As a Readiness Delivery Partner of the GCF, RMI celebrates the Fund's commitment to bold leadership at this critical time.

The year 2023 represents a crucial moment in our fight against climate change. The latest IPCC report leaves no ambiguity that all climate indicators are flashing red. The devastating extreme weather events that increasingly decimate lands, communities, and economies will become the new normal if we don't take immediate and significant action. At COP28, all nations will collectively take stock of their efforts — or lack thereof — in mitigating climate change, adapting to its impacts, and providing the necessary means of implementation. The Global Stocktake will likely tell us how far off track we are to stay below 1.5°C of warming, putting millions at risk and bringing natural systems closer to dangerous tipping points. This will be our future if we don't radically change course, particularly when it comes to how we produce and use energy.

At RMI, we aim to move beyond the dire predictions to the positive economic and technological tipping points within our grasp. Guided by the words of our founder, Amory Lovins, **“We stir and strive in the spirit of applied hope. [W]e’re practitioners, not theorists. We do solutions, not problems. We do transformation, not incrementalism.”** It is in this spirit that we welcome you to the helm of the world's largest climate fund dedicated to assisting developing countries in implementing innovative climate solutions at scale and speed required to address the climate crisis.

The GCF has established itself as a critical player that nevertheless has yet to show its full catalytical potential. Several processes are at play this year that you will have the opportunity to make successful. The second formal replenishment of the GCF by end of the year is top of mind, as an ambitious replenishment would allow the Fund to significantly increase, balance, and accelerate its annual programming of both large-scale projects in emerging economies and smaller scale projects in the most vulnerable countries. We trust that the update of GCF's Strategic Plan under your leadership will be truly responsive to the needs of all developing countries.

Many of GCF's recipients are still in the process of building the systems needed to go beyond a project-by-project approach and transform their economies toward a low-carbon and resilient future. It's critical to holistically address all of the elements of the transformation ecosystem including institutional capacity, data accessibility, coordination mechanisms, absorptive capacity, regulatory frameworks, and workforce upskilling.



Specifically, developing countries face two persistent challenges in accessing and deploying climate finance that we consider the most urgent to address by the Fund and other financial institutions:

First, **capacity constraints in many developing countries remain a systemic barrier to convert priorities and needs into bankable project portfolios.** In complementarity with readiness efforts, the Climate Finance Access Network, coordinated by RMI, supports Small Island Developing States and LDCs by supplementing and building capacity by embedding expert climate finance advisors in ministries and Direct Access Entities. These advisors, hired locally and trained, have already opened significant funding pipelines representing \$70.9 million in the Pacific (and an additional \$196 million under development). Their results demonstrate the phenomenal impact of investing in human capital in the Global South, and we call on the GCF to sustain and support efforts in service of this aim.

Second, the greatest barrier to high-quality projects and bankability — particularly for low-capacity countries, that we urge the Fund to address is the **deficit of support for project preparation in the regions that the GCF supports.** Although the GCF Project Preparation Facility has supported the formulation of high-impact projects, approval time and access modalities remain prohibitive. We believe decentralizing project preparation and de-risking support to regional initiatives and institutions through delegation or partnerships could drastically improve the number and quality of projects entering the GCF pipeline and accelerate their processing and approval. RMI and its partners have been mobilizing support and working on establishing such preparation support initiatives in different geographies including the Caribbean, sub-Saharan Africa, and Southeast Asia. We would welcome collaboration with the Fund across these regions.

I'd like to reiterate our congratulations on your appointment and pledge our support and partnership to accelerating the energy transition in the Global South. We stand at a moment ripe for opportunity, and we are excited to see the impact of your leadership.

Sincerely,

A handwritten signature in black ink, appearing to read 'Laetitia', written in a cursive style.

Laetitia De Marez