

## Annex VI: Work Programme and Budget 2020-2021

1. Building upon the programmatic and operational progress made since B.22, this Annex provides an updated Work Programme for 2020-2021, which is fully aligned with the approved objectives and outcomes as per decision of B.22/11.

2. **Grant-based readiness support:** considering the requests in the pipeline as per Annex VII, the implementation of new operational modalities, and the demand expected for 2020 and 2021, the Secretariat anticipates committing an additional USD 190.6 million for the following 146 grants:

- (a) USD 40 million to support 80 single-year readiness requests,
- (b) USD 75 million for 30 multiple-year readiness requests; and
- (c) USD 75.6 million for 36 adaptation planning requests.

3. **Technical support:** the Secretariat will prioritize its technical support to the most vulnerable developing countries (including LDCs, SIDS, and countries in Africa) to access to adaptation planning support, to the countries that have not received financial support for standard NDA capacity building activities, to countries and DAEs for their strategic programming and project development efforts, and continue work through procured consulting firms to provide tailored technical support and develop new partnership with other institutions to support the programming process with a focus on the NDCs, LEDS, and Country Programmes.

4. **Rapid readiness support:** To respond to the profound impact of COVID-19 and overcome the constraints regarding large-scale stimulus packages, developing countries need to rapidly mobilize financial resources for economic stimulus and recovery, including innovative financial structuring. The GCF is positioned to respond to this urgent need in a way that helps developing countries orient ongoing and planned economic stimulus towards resilient and low emission development direction, craft green resilient recovery measures and incorporate them into NDCs and stimulus packages, explore innovative approaches to finance green recovery projects, design paradigm-shifting projects contributing to both green recovery and climate ambition, which ultimately will help to avoid unintentional but significant increase of greenhouse gas emission or near-term measures that may prove maladaptive over the longer run. The Secretariat has received expressions of such requests from NDAs during the course of 2020 as part of the Secretariat assessment of pandemic impacts on the readiness portfolio in developing countries.

5. In this context, the Readiness Programme can offer, within the scope of its approved objectives and modalities, an avenue for developing countries to rapidly access resources for green resilient recovery planning, measures and initiatives. The Secretariat confirms that the provision of such support is fully consistent with the existing mandates and decisions of the Board with respect to the Readiness Programme and follows a country-driven and country ownership principle. This would be facilitated by the Secretariat through three possible options without duplication, i.e. rapid standardized readiness support, adaptive management of the existing readiness grants, and tailored technical support to NDAs and readiness delivery partners. This support could be utilized toward the following outputs, which will contribute to the related approved objectives of the Readiness Programme:

- (a) Impact of the COVID-19 on and opportunities for country's climate change strategies & plans are elaborated and validated by NDA, contributing to Objective 2;
- (b) National strategy and measures for green resilient recovery are developed and adopted by countries, and integrated, when possible, into NDCs, stimulus packages and Country Programmes, contributing to Objective 2; and

- (c) Concept notes that contribute to both green resilient recovery and climate mitigation & adaptation actions, up to three priority projects/programmes for each country requested this support, are developed, contributing to Objective 4.
6. Similarly, as part of the GCF support to NDC enhancement efforts, notably for CoP26, the Readiness Programme can also help countries integrate NDCs into stimulus packages to secure financing for critical NDC priorities.
7. Due to the impacts of COVID-19, Structured Programming Dialogues, the Global NDA Conference and trainings for NDAs and DAEs in 2020 will be postponed or replaced by virtual dialogues, meetings and online trainings. Training and knowledge materials will be automated and made available online to support self-guided learning for NDAs, DAEs and other stakeholders. Existing lines of support can help countries to improve their ability to safely and effectively adapt to remote working while facilitating necessary adjustments in this regard for on-going grants. A plan for the major events in 2021, as a key part of the Secretariat Work Programme 2021, is under development.

## **I. Objective 1: Capacity-building**

### **1.1 Support for NDAs**

8. The Readiness Programme will prioritize NDA capacity building support for countries that have not yet received such support or that are still building strong NDA offices. As highlighted in the revised readiness program strategy this may include support to, among others:
- (a) Establish and lead effective national coordination mechanisms;
- (b) Ensure consistency of funding proposals from national, subnational, regional and international accredited entities with national plans and strategies, including NDCs and NAPs, and;
- (c) Enhance complementarity and coherence between the activities of the GCF and the activities of other relevant climate finance mechanisms and institutions, to better mobilize the full range of financial and technical capacities.
9. Building on the NDA training series in 2019, the Secretariat will also develop a standard online training package and provide online or in-person standard trainings to enhance the capacity of NDAs to engage with the GCF. These training materials will be available in English, French, Spanish and Arabic, as well as with Russian translation in response to increasing requests by countries to respond to linguistic specificities.

### **1.2 Support for DAEs**

10. The Secretariat plans to strengthen readiness support to DAEs in both pre-accreditation and post-accreditation stages, so as to contribute to priorities on strategic programming, paradigm shifting portfolio development, and enhancing direct access through collaboration with NDAs and DAEs:
- (a) Support for pre-accreditation (e.g. gap assessments and action plans) assistance to DAEs, expanding to an additional 11 direct access entities to receive support;
- (b) Support accredited DAEs to strengthen their institutional and technical capacities in identifying, developing and implementing innovative and paradigm shifting projects through:

- (i) Strategic engagement and onboarding trainings of new DAEs;
- (ii) Mentor support by experts via onsite or remote service;
- (iii) South-South exchanges, peer-to-peer learning between DAEs, in coordination with other partners; and
- (iv) Technical assistance through a roster of sectoral consultants and ESS/gender experts; and

11. The Secretariat will also seek to synergize, where appropriate, the support for DAEs and NDAs. Noting that NDAs play the critical role of identifying and nominating DAEs while also convening national climate finance consultation to define investment priorities, this coordinated support will allow for greater alignment of Country and Entity Work Programmes that respond to national mitigation and adaptation priorities.

### 1.3 Support for other stakeholders

12. Finally, to address a new support stream under the Readiness Programme, the Secretariat will advise and support countries to develop requests to ensure the wider spectrum of climate finance stakeholders are engaged, capacitated and involved in the national programming process. This includes civil society, private sector entities and subnational actors who represent overlooked or marginalized groups. Lessons learned to date indicate that DAEs require strong local executing entities to ensure GCF investment implementation is effective, efficient and transparently monitored and reported. This may include:

- (a) Training on GCF processes, policies and procedures, including Board-approved compliance policies;
- (b) Increased involvement at the national level to support NDAs in programming high-quality climate investment ideas, particularly relevant for adaptation and resilience, and;
- (c) Support to encourage country-driven coordination and planning, including through South-South cooperation, such as demonstrated by the pilot Community of Practice of DAEs.

## II. Objective 2: Strategic frameworks

13. The GCF Secretariat has set itself to continuously develop and operationalize the procedures to ensure a proactive and strategic approach to national climate planning, including through:

- (a) Providing support towards the development of Country Programmes, ensuring alignment with country programming guidelines provided by the GCF, with national priorities defined in the LEDS, NDCs, and NAP;
- (b) Supporting the development of long-term LEDS and linking the iterative NDC process to the long-term LEDS and mid-century goals;
- (c) Supporting the update of NDCs and ensure they consist of implementable financial strategies and pipelines, and synergize with the green stimulus and other development plans;
- (d) Enhancing collaboration with other funds through the implementation of the operational framework on complementarity and coherence for aligning programming at the national level;

- (e) Providing support for the development of MRV systems for climate finance flows including by adapting public financial management systems to develop and deploy climate-relevant tagging in national budgets, and;
  - (f) Supporting development and/or transfer of climate technology, through the identification and prioritization of appropriate climate technology solutions and strengthening the enabling environment for technology deployment.
14. The Secretariat will continue work through procured consulting firms to provide tailored technical support and develop new partnership with other institutions to support the programming process with a focus on the NDCs and LEDS.

### **III. Objective 3: National Adaptation Plans and adaptation planning processes**

15. Support for the adaptation planning process contributes to strengthened national adaptation governance and coordination, solid climate science and knowledge base, transformational plans and strategies to catalyze action and investment, and adaptation project pipelines, including through:
- (a) Providing further guidance on proposal formulation based on the lessons learned and the good practices of the current portfolio including through working with partner organizations of the Community of Practice;
  - (b) Enhancing private sector engagement in adaptation which would enable the use of a strategic diversity of financing instruments in developing adaptation concept notes and funding proposals;
  - (c) Improving the development of strong climate science to support decision-making through adaptation planning in order to strengthen the GCF programming cycle, including country programming, development of concept notes, and subsequent development of funding proposals;
  - (d) Supporting countries to maximize the use of available funding, including through the submission of multiple sequential adaptation planning proposals that respond to the iterative nature of adaptation and strengthens technical and human systems in a progressive and responsive manner;
  - (e) Supporting NDAs upon their request who wish to use national or regional delivery partners to develop and implement their adaptation planning proposals, including by providing coordinated technical assistance to the most vulnerable developing countries on the development of their proposals, and;
  - (f) Prioritizing the technical assistance to the most vulnerable developing countries (including LDCs, SIDS, and countries in Africa) that have not yet accessed adaptation planning resources in order to support their efforts to deliver at least a National Adaptation Plan (NAP) by the end of 2021.
16. During 2020-2021, the Secretariat intends to work with countries and their delivery partners to approve proposals currently in the pipeline, valued at USD 80 million. In addition, the Secretariat continues to work with partners to develop knowledge products on good adaptation planning practices, promote and mainstream them through platforms such as the NAP Expo.

#### **IV. Objective 4: Pipeline development**

17. Based on the Board decision B.22/11, the Readiness Programme strategy places added emphasis on paradigm shifting pipelines of projects and programmes following the principle of country ownership. In this regard, the Secretariat will look to support countries to enhance pipelines by:

- (a) Supporting the uptake of the GCF Sectoral Programming Guidelines through trainings, programming dialogues, and standard knowledge products and dissemination;
- (b) Sharing best practices and encouraging countries to prioritize concept notes developed under the readiness support;
- (c) Supporting countries and DAEs to develop innovative projects and financing arrangements that promote green stimulus and ambitious climate actions;
- (d) Supporting processes to identify and prioritize interventions to strengthen a project/programme pipeline and identify potential financing for each, through training, south-south exchange and best practice approaches;
- (e) Deploying independent technical experts from an established roster to support NDAs and accredited DAEs in a short timeframe on core aspects of PPF applications, CN and FP development, including for SAP;
- (f) Providing tailored support to different groups of countries to accelerate readiness to access resources by those with least capacities with the understanding that some countries, including LDCs and SIDS, require more foundational support, with SAP-specific technical support as a pilot, and;
- (g) Enhancing collaboration with other funds through increased coherence at the activity level to expedite the process of identifying opportunities for sequencing finance or scaling-up successful interventions.

#### **V. Objective 5: Knowledge sharing and learning**

18. The continuous development of related policies, guidance, and procedures in the GCF presents the imperative for the Readiness Programme to prioritize resources to disseminate that information, as well as knowledge and learnings, in a timely manner to NDAs, AEs, and other country stakeholders including the private sector, so as to ensure the implementation of and compliance with those policies and guidance, and improve the collaboration efficiency between the GCF and the partners. Key activities in this area include:

- (a) Supporting the dissemination of the further guidance on country programmes building on the initial general guidelines for country programmes provided for by the Board in decision B.08/11, annex XVII; the GCF Sectoral Programming Guidelines and other related programming guidance to the NDAs and DAEs in the most effective manner;
- (b) Supporting the structured programming dialogues and (sub-)regional programming dialogues, to be organized virtually or in-person, to develop transformation pipelines for the GCF-1;
- (c) Strengthening Secretariat's capacity to review, analyze implementation reports and deliverables to inform adaptive management measures and improve portfolio performance and results;
- (d) Supporting the development of knowledge products and training materials for NDAs and DAEs capacity building; and

## VI. Readiness Programme operations

19. The Secretariat will pursue the following operational priorities for 2020-2021. These priorities aim to address the key findings of the Readiness Programme review and evaluation by the IEU in 2018 and guidance by the Board through the Decision B.22/11. These operational changes target bottlenecks and barriers to effective and efficient access to and implementation of readiness resources, address both external factors (e.g., poor quality at entry of readiness proposals, lack of strategic approach to readiness support) as well as internal issues within the Secretariat (e.g., more efficient grant cycle processing, results monitoring and reporting of the Programme).

20. **Disseminating standard operating procedures and policies for the Readiness Programme:** With the new Readiness Guidebook issued in March 2020, Administrative Instruction (AI) and standard operating procedures (SOP) developed for the Programme, the Secretariat will translate and release the Guidebook in other languages. Further outreach to NDAs and delivery partners will be undertaken via webinars, including in languages other than English. The AI and SOPs include cross-divisional and inter-divisional policies to guide the review of readiness proposals, expedite feedback to NDAs and delivery partners in consistent and effective manners, and clarify the entire readiness grant cycle from proposal development, submission, review, approval to implementation and completion.

21. **Increasing NDA and delivery partner understanding of readiness proposal development:** Based on the IEU recommendations and Board Decision B.22/11, the Secretariat will accept multiple-year strategic readiness implementation requests. The Secretariat will also facilitate learning and promote the best practices of preparing readiness requests among NDAs and delivery partners. Improved Secretariat human resource allocation and division of labor will allow the Secretariat to provide upstream guidance and advice to NDAs and delivery partners as they develop and submit readiness requests. Upon official submission of a request, a dedicated team in the secretariat will lead the technical review and appraisal process. This will ensure NDAs and delivery partners receive clear, consistent and actionable feedback to improve resubmitted proposals and shorten the timeframe from submission to approval.

22. **Improving adaptive management of grants under implementation:** To further guide and support the implementation of readiness grants by NDAs and delivery partners, standardized policies on issues such as no-cost extension, timing of reporting, cancellation, restructuring, change of delivery partner during implementation, refunding GCF after completion, among others, will be developed in 2020. Templates for communicating these changes will allow for lower paperwork demands to ensure NDAs and delivery partners can focus on implementation rather than administrative tasks.

## VII. Resource planning

23. The Secretariat is taking a conservative approach to resource planning during 2020-2021, given the uncertainty surrounding impacts related to the COVID-19 pandemic and NDA uptake of revised readiness proposals and modalities. On the implementation side, the challenges resulting from the COVID-19 pandemic and consequently the need for adaptive measures to reduce the impact of implementation disruptions and/or adjust to the changed context, will require a stronger Secretariat capacity to quickly and appropriately guide and respond to DPs and NDAs. As NDAs and delivery partners undertake needs assessments, develop strategic readiness plans and submit multiple-year strategic readiness implementation requests, the volume of submitted proposals in 2020 is expected to be relatively low, with a potential increase in 2021.



24. As presented in Annex VII, as at 31 May, the total funding request of the entire pipeline is USD 125.07 million.

25. The Secretariat has prepared a forecast of requests to be approved in 2020-2021 in three categories: adaption planning requests, single-year other readiness requests, and multiple-year other readiness requests, with associated budget for each category. Consistent with previous years' practice, suggested budget allocations for professional services, technical support, and events supported by Readiness Programme are also included. The total projected budget for 2020-2021 is USD 224.23 million.

**Table: Estimated grant approvals 2020-2021 and associated budget (USD million)**

	2020		2021	
	Number of grants to be approved	Total Funding	Number of grants to be approved	Total Funding
Adaptation Planning	18	39.60	18	36.00
Single Year Other Readiness	45	22.50	35	17.50
Multi-Year Other Readiness	10	25.00	20	50.00
Professional services	N/A	5.46	N/A	13.26
Technical support	N/A	2.86	N/A	4.00
Events	N/A	0.50	N/A	4.00
Contingency	N/A	1.55	N/A	2.00
<b>Sub-total</b>	<b>73</b>	<b>97.47</b>	<b>73</b>	<b>126.76</b>

Note:

- (1) For Adaptation Planning requests, the average value is expected to decrease through time from USD 2.5 million (2019) to USD 2.2 million (2020) and USD 2 million (2021).
- (2) For single-year other readiness request, the average value is expected at USD 500,000, and that of the multi-year readiness request is expected at USD 2.5 million.

26. As at 31 May 2020, with USD 22.77 million committed in 2020, the total budget remaining stands at USD 39.07 million, of which USD 16.97 million has been endorsed but not yet committed. Therefore USD 22.10 million remains available for new requests. Based on the pipeline of requests and the pace of review, the remaining funds would likely be exhausted by the end of July 2020.

27. To ensure uninterrupted support to developing countries in the GCF-1 and to advance the ambitious work programme for 2020-21, an allocation of additional resources of USD 162.39 million by the Board is required.