

Annex I: Readiness and Preparatory Support work programme and budget 2022-2023

1. The Readiness and Preparatory Support Programme (Readiness Programme) work programme for 2022–2023 builds upon the programmatic and operational progress made since the twenty-second meeting of the Board (B.22) and is fully aligned with the objectives and outcomes approved by as per decision B.22/11.

2. **Grant-based readiness support:** taking into consideration the requests in the pipeline contained in annex IV, the implementation of new operational modalities, and the demand expected for 2022 and 2023, the Secretariat expects to commit an additional USD 171.10 million for the following 167 grants:

- (a) USD 57.5 million to support 115 single-year readiness requests;
- (b) USD 40 million for 20 multi-year readiness requests; and
- (c) USD 73.8 million for 32 adaptation planning requests.

3. By decision B.22/11, the Board approved the Readiness Programme strategy for 2019-2021 to address the outcomes of the evaluation carried out by the GCF Independent Evaluation Unit. The strategy incorporates several features to improve impact, including orienting the Readiness Programme to encourage a national strategic outlook aligned with a national climate action vision and increasing support for the identification and development of high-impact programming and pipeline development activities for increased access to climate finance. The Secretariat has identified a demand for readiness that can continue to be accommodated within the objectives of the strategy. The objectives and outcomes provide the flexibility for the Readiness Programme to respond to evolving nationally determined contributions (NDCs) and long-term strategies and national adaptation planning (NAP) implementation needs. In this regard, the work programme and budget for 2022-2023 proposes to maintain and extend the existing strategy until the end of the first replenishment period of the GCF (2023). The Secretariat has identified opportunities to refine its areas of focus based on lessons learned since B.22 that have been incorporated into the work programme. Building on these early lessons, the Secretariat proposes to come back to the Board with a revised strategy in line with the Updated Strategic Plan and programming for the second replenishment period of the GCF.

4. Under the revised strategy, capacity and technical gaps may be addressed in line with the priorities set out in NDCs, NAPs and other national climate change strategies. The requested readiness support may fall under one or more of the following objectives:

- (a) Objective 1: Capacity building for climate finance coordination;
- (b) Objective 2: Strategic frameworks for low-emission investment;
- (c) Objective 3: Strengthened adaptation planning;
- (d) Objective 4: Paradigm-shifting pipeline development; and
- (e) Objective 5: Knowledge sharing and learning.

I. Objective 1: Capacity building for climate finance coordination

5. Capacity-building support to national designated authorities (NDAs) and direct access entities (DAEs) continues to be a priority for countries as demonstrated by the pipeline and portfolio of readiness support requested under this objective. Guided by the principle of country ownership through this objective, the Readiness Programme emphasizes the role of NDAs to address gaps and challenges for climate finance coordination. Additionally, support under this

objective also covers support to strengthen DAEs' programming capacity, and support for the new project-specific accreditation approach from the updated accreditation framework adopted at B.31. Moreover, in response to country needs, capacity building efforts for other stakeholders including local stakeholders, private sector and civil societies will be strengthened and guided by the Private Sector Strategy adopted at B.32 and the decisions from the twenty-sixth session of the Conference of the Parties (COP 26).¹

1.1 Support to national designated authorities

6. Through the Readiness Programme, countries may access capacity-building support for NDAs that have not yet received such support or are in the process of building strong NDA offices. This is an area where standardized support can be provided and where learning and collaboration among NDAs is suitable based on results to date. Activities under this support may include:

- (a) Establishing and enabling effective NDA coordination mechanisms and capacity within the NDA;
- (b) Developing essential mechanisms to engage with GCF, including no-objection procedures and bilateral agreements through stakeholder consultations;
- (c) Enhancing complementarity and coherence between activities of the GCF and activities of other climate finance mechanisms and institutions to maximize impact,
- (d) Support national and subnational entities to develop long-term climate investment road maps, green investment plans and policies targeting private investments for climate action that maximize co-benefits between mitigation, adaptation and sustainable development and;
- (e) Training NDAs or relevant focal points and stakeholders in relevant areas including project and programme development, oversight, monitoring and evaluation, among others.

1.2 Support to direct access entities

7. In line with the DAE action plan, the Readiness Programme will provide end-to-end support to DAEs for accreditation and climate project development through to implementation and policy implementation. This includes strengthening support to DAEs at various stages across pre- and post-accreditation with a view to strengthening their capacities for programming and implementation. Countries may access readiness resources to support the identification and nomination of DAEs as well as provide capacity-building support to DAE applicants to meet accreditation requirements. The Secretariat will continue to encourage NDAs to utilize readiness for post-accreditation DAEs to strengthen project development towards a paradigm shifting portfolio and in line with strategic programming. Additionally, countries may receive technical support for the implementation of the Integrated Results Management Framework (IRMF) for DAEs, which do not form part of the existing allocation cap.² Supported activities may also include:

¹ United Nations Framework Convention on Climate Change decision 6/CP.26, paragraph 15, invited the Board to consider ways of improving access to the Fund for local non-governmental and private sector organizations.

² As per decision 29/01 (g), the Board has allocated an additional amount of up to USD 12.4 million under the RPSP as a new dedicated support component to be provided directly to DAEs, including regional DAEs to support the implementation of the integrated results management framework.

- (a) Provide support to pre-accreditation processes including gap assessments, action plans for DAEs, and resources to fulfil action plans, particularly for entities that can contribute to delivering on programming targets under the 2020-2023 Strategic Plan for the private sector and adaptation;
- (b) Provide support to address identified accreditation gaps of nominated DAEs to move to the next stage in the accreditation process;
- (c) Strengthen the institutional capacities of accredited DAEs through structured trainings and technical support for accreditation upgrades;
- (d) Strengthen the capacities of accredited DAE through training modules on GCF project development and implementation, including on environmental and social impact assessment, monitoring and evaluation and gender;
- (e) Enhance coordination between NDAs and DAEs to better align project development initiatives with national climate programming priorities, strategies and goals;
- (f) Continue extending support to DAE through the new funding window approved through decision B.29/01 on the application of the new GCF IRMF;
- (g) Encourage potential DAEs to submit projects or programmes through the project-specific assessment approach modality and provide support on any assessments or capacity building efforts needed to do so; and
- (h) Support the development of entity work programmes aligned with national priorities.

1.3 Support to other stakeholders

8. The Secretariat will continue to support and encourage countries to engage and capacitate a wide spectrum of climate finance stakeholders into the national programming processes through readiness. This may include civil society, private sector stakeholders, and subnational actors who represent overlooked or marginalized groups. This is in line private sector stakeholders and subnational actors who represent overlooked or marginalized groups. This is in line with guidance to GCF from COP 26 (see para. 5 above). In particular and aligned with the Private Sector Strategy approved at B.32, the Secretariat will encourage enhanced support to private sector engagement in developing countries at the local level. Activities supported under this may include:

- (a) Promote greater engagement between governments and the private sector and increase the private sector's contribution towards achieving national climate goals;
- (b) Provide training on GCF processes, policies and procedures including Board-approved compliance policies; and
- (c) Support ongoing engagement of stakeholders at the national and sub-national level, including government, civil society, and private sector actors through the development of stakeholder engagement strategies.

II. Objective 2: Strategic frameworks for low-emission investment

9. Several countries have announced net zero commitments, long term low emissions development strategies, and/or have submitted or updated their NDCs. Under this objective, countries can access readiness support to develop and operationalize proactive, strategic approaches to national climate planning and programming, in particular translating their national priorities as set out in NDCs and low emissions development strategies into concrete

investment plans that identify sources of public, private and blended finance for different interventions. Support under this objective can also be provided for the following:

- (a) Stocktake of existing strategies, policies and needs assessments in relation to the NDCs, low-emission development strategies, and nationally appropriate mitigation actions;
 - (b) Development or updating of a country programme that translates national priorities set out in the low-emission development strategies, NDCs and NAPs into an investment plan and priorities for programming engagement with GCF and other potential investors;
 - (c) Supporting the development or strengthening of sectoral plans, policies, strategies, regulatory frameworks and/or methodologies, contributing to policy de-risking of climate investments;
 - (d) Incubation of innovative business models and/or financial mechanisms and vehicles to increase low-emission investment;
 - (e) Development of measurement, reporting and verification systems and/or monitoring and evaluation frameworks for climate finance flows;
 - (f) Enabling private sector engagement by identifying and developing private sector investment and/or engagement strategies
 - (g) Supporting country-led policy initiatives by removing barriers and strengthening investment for the private sector; and
 - (h) Identifying and prioritizing relevant climate technology solutions including assessing the feasibility of selected climate technologies for mitigation and adaptation with a view to incorporating them into national plans.
10. The Secretariat has observed an increasing focus of readiness requests targeting activities under this objective. In particular, an appetite to develop sectoral frameworks including action plans, investment strategies and improve sectoral regulations for the prioritized sectors has increased as countries focus on NDC implementation.

III. Objective 3: Strengthened adaptation planning

11. Support will continue to be provided for the formulation of NAPs and other adaptation planning processes, in response to demand from countries. To date, GCF has approved 82 adaptation planning proposals from 77 countries, with a total value of USD 184 million. This funding primarily supports the development, revision or implementation of national, subnational or sectoral adaptation plans, or the integration of climate change adaptation into existing national, subnational or sectoral development plans. It also facilitates the development and establishment of the following requirements for adaptation planning:

- (a) Inter- and intra-institutional coordination and decision-making mechanisms;
- (b) Stakeholder engagement frameworks and agreements;
- (c) Adaptation impact monitoring, evaluation and learning systems;
- (d) Climate hazard impact, vulnerability and risk studies;
- (e) Consolidation and sharing of climate studies;
- (f) Communication to relevant public, private and civil society decision-makers and other stakeholders;
- (g) Revision of related policy and regulatory frameworks;
- (h) Policy guidelines or regulations to incentivize adaptation investment;

- (i) Private sector engagement in national, sectoral and/or sub-national adaptation planning;
 - (j) Adaptation planning for climate resilience of individual businesses and supply chains;
 - (k) Matching private financiers with adaptation solutions;
 - (l) Systems for prioritising adaptation project/programme ideas;
 - (m) Project and programme concept notes;
 - (n) Adaptation financing strategies; and
 - (o) Systems for tracking adaptation finance.
12. Going forward, the opportunity exists for countries to harvest results from the first generation of NAP and adaptation planning support, particularly in relation to climate risk, vulnerability and resilience assessments, and to advance adaptation investment planning and development of bankable, evidence-driven adaptation funding proposals and integrated programmes. Support under this objective enables countries to:
- (a) Strengthen adaptation planning governance and institutional coordination;
 - (b) Strengthen the role and involvement of national and local stakeholders in the design and implementation of adaptation interventions, including private sector and non-governmental organizations;
 - (c) Produce evidence for the design of adaptation solutions for maximum impact by improving the development of a strong climate science basis to support decision-making and the development of adaptation funding proposals;
 - (d) Develop and utilize systemic resilience assessments to inform the identification and design of cross-sectoral, transformational adaptation investment programmes in response to the latest scientific advice;
 - (e) Maximize the use of available funding, including through the submission of multiple sequential adaptation planning proposals that respond to iterative adaptation needs; and
 - (f) Catalyse private sector engagement in adaptation, crowd in climate finance flows, and increase mobilization of adaptation finance.
13. Countries are signalling the need for further adaptation planning support after accessing the USD 3 million allocation.³ Support for adaptation investment planning, climate risk and vulnerability analysis, enhancement of the enabling environment for adaptation through policy review and institutional development, and devolution of adaptation planning to subnational and sectoral levels can be considered under Readiness Programme objective 2.
14. An emerging area of interest is the development of investment plans for NAP implementation, including costed adaptation projects and programmes. This links closely with Readiness Programme objective 4 and can be considered under the same.

IV. Objective 4: Paradigm-shifting pipeline development

15. The Secretariat encourages countries to utilize readiness for paradigm-shifting pipeline development in line with countries' long-term priorities and with the GCF programming targets, through the development of concept notes, pipeline identification and prioritization and support for accessing the various GCF funding windows including the updated simplified

³ In accordance with decision B.13/09, paragraph (e).

approval process (SAP) approved by the Board at B.32. This support is provided to address demand from countries with emphasis on addressing programming gaps on adaptation, DAEs and the private sector. Additional support includes:

- (a) Strengthening pipeline identification and prioritization metrics and tools that advance national priorities delineated in the NDCs, NAPs and low-emission and climate-resilient strategies, and enabling a focus on project ideas for GCF that are aligned with the GCF investment framework and results management framework;
- (b) Performing investment assessments through mitigation potential assessments and pre-feasibility assessments to build a strong pipeline of climate projects and/or to scale up successful models;
- (c) Supporting the development of concept notes for priority sectors for submission to GCF for the various GCF financing windows, in alignment with GCF programming targets and investment criteria; and
- (d) Supporting the development of concept notes and funding proposal preparation under SAP⁴ and under the project-specific accreditation approach.⁵

16. Since B.22 when the Readiness strategy was adopted, the Secretariat has seen a growth in expected results for concept note development and submission to GCF. The implementation of these grants has been delayed as a result of coronavirus disease 19 (COVID-19) and the concept notes have yet to materialize in the GCF project pipeline. To strengthen this process, the Secretariat is proposing to establish an interdivisional group to manage concept notes produced through readiness. Moreover, the Secretariat will also continue to work closely with countries to ensure that deliverables under this objective can be carried forward to an impactful pipeline in line with the GCF investment criteria at an early stage and with country priorities.

V. Objective 5: Knowledge-sharing and learning

17. GCF has become a hub of the climate finance architecture with 113 accredited entities and 151 delivery partners. This network of partners together with the experience gathered with the approval and implementation of 590 readiness grants to date, places GCF in a unique position for generating and sharing knowledge. There is also an increased demand for GCF to act as a convener of stakeholders with varied climate expertise. In response and in recognizing the contribution of science-based decision making in responding to climate change, the World Meteorological Organization (WMO) and GCF have partnered to provide the global community with access to new climate information, tools, and guidance to develop the scientific basis to support climate action decisions.

18. In addition to utilizing the role of GCF as a climate hub, the Secretariat will encourage support under this objective with a view to ensuring that knowledge and lessons learned are shared and retained with NDAs, accredited entities and other national stakeholders, including civil society, the private sector and underrepresented groups. Such support may include:

- (a) Developing knowledge products based on lessons learned and/or best practices, including training for NDAs, DAEs and other key national stakeholders on policies, processes and plans relevant to climate finance programming;
- (b) Facilitating South-South learning exchanges to increase cross-country collaboration to apply innovative and/or long-term sustainable approaches to capacity-building and technical assistance;

⁴ As requested by decision B.32/05.

⁵ In accordance with decision B.31/06

- (c) Establishing knowledge-sharing platforms that are readily available to stakeholders on relevant topics and information;
- (d) Supporting the provision of climate data and information to strengthen climate rationale of projects for NDAs, DAEs and other stakeholders; and
- (e) Developing targeted and relevant learning seminars and awareness-raising campaigns.

19. Under this objective, the Secretariat has ensured through the proposal co-development and review processes that knowledge and lessons learned during grant implementation are sustained through the exit strategy, in order to ensure that there is proper retention and dissemination within the country and beyond the grant cycle.

20. **Technical assistance:** based on existing demand, the Secretariat will continue to provide technical assistance to all developing countries including those particularly vulnerable to the adverse effects of climate change, including small island developing States, the least developed countries and African States, in gaining access to adaptation planning support; to the countries that have not received financial support for NDA capacity-building activities; and to NDAs for their strategic programming and project pipeline development, including in relation to support for DAEs and private sector actors. The Secretariat will also continue to work through procured consulting firms to provide tailored technical assistance, and develop new partnerships with other institutions to support programming in line with the NDCs, long-term strategies, NAPs and country programmes, including support for accessingSAP.⁶ Finally, the Secretariat will provide support and capacity building to the NDAs and delivery partners on the implementation of readiness grants to improve the effectiveness of readiness grant implementation.

21. The Secretariat's regional desks will continue to provide, through individual consultants, specialized technical assistance for NDAs and DAEs to:

- (a) Identify their national readiness needs, taking into consideration countries' long-term planning instruments and national and local stakeholders;
- (b) Identify action plans to address these needs through the Readiness Programme, including using the multi-year readiness modality; and
- (c) Develop readiness proposals that meet GCF review standards and are well aligned to the priorities of the 2020–2023 Strategic Plan.

22. Tailored technical advisory services for the preparation of country programmes and related processes will also continue to be provided through procured consulting firms, supporting 14 additional countries until 2023 (the Secretariat provided such support to 25 countries between 2019 and 2021). Collaboration with the NDAs of these 14 countries is under way to identify their specific needs, which may include: the collection, cataloguing and processing of a variety of datasets to provide coherent and harmonized analyses feeding into the preparation of a country programme; climate-risk profiling; economic risk profiling; emissions scenario development and analysis to help governments to identify and prioritize actions; climate vulnerability assessments specifically designed to the context of the country; identification of key policy and institutional gaps at the national level; high-level assessments of the systemic financing landscape of a country; and supporting the prioritization process for identifying project/programme priorities to be included in the country programme.

23. Additionally, tailored technical advisory services for NDAs will be provided through a procured roster of firms to strengthen identified project ideas, concept notes and pre-feasibility studies requiring specific technical expertise. Countries have signalled the need for technical assistance for targeted support to project development upstream. NDAs may access this

⁶ Decision B.32/05, paragraph (d)

technical support to evolve and advance project ideas and/or concept notes. The Secretariat will continue to work with NDAs to engage and support technical support requested by countries in this regard.

24. The Division of Portfolio Management will design trainings sessions and organize webinars and capacity-building events during regional dialogues to support NDAs and delivery partners in implementation of readiness grants, and on the application of the GCF readiness results management framework.

VI. Operational priorities of the Readiness and Preparatory Support Programme

25. The Secretariat continues to identify and implement improvements to the operations of the Readiness Programme through country feedback, relevant Independent Evaluation Unit evaluations, an internal audit concluding in June 2022, and a review of the key performance indicators set out in the Secretariat work programme. The Secretariat has advanced the operational priorities for 2020-2021 through increased outreach, including dedicated seminars for the least developed countries on adaptation planning, translation of the readiness guidebook in 2021, development of a readiness results management framework that was later finalized in early 2022, and continued close collaboration with NDAs and delivery partners on moving proposals in the pipeline to approval. Further information on the operational improvements made for 2020-2021 can be found the Readiness Programme annual report for 2021 contained in annex III. Building on the actions taken in 2020-2021 and in response to country feedback, the Secretariat has further recognized the need to take a closer look and implement necessary reforms to enhance Readiness Programme operations. As a result, in March 2022, the Senior Management Team held a retreat dedicated to identifying the areas for improvement and recommendations for the Readiness Programme. This pulled together Readiness Programme pipeline and portfolio processing, lessons learned, recurring challenges and potential recommendations that the Secretariat can diagnose. Additionally, the lessons learned and feedback received from NDAs and delivery partners over the past two years, resulted in the development of a readiness action plan that the Secretariat will focus on implementing during 2022-2023, comprised of three main operational priorities: increase efficiency, strengthen effectiveness and enhance long-term, strategic alignment. These are discussed in detail below.

6.1 Efficiency – improving delivery of the readiness cycle

26. **Operational efficiency measures:** through this pillar, the Secretariat has taken steps to review and streamline the internal readiness cycle processes. The measures needed to increase efficiency in the delivery of the Readiness Programme are being taken in response to the feedback received from countries on the need to streamline the readiness grant cycle, including in relation to review times. These measures also respond to recommendations from the Dalberg study⁷ and findings from the 2022 internal audit. Based on these findings and recommendations some tasks have been identified that can be relatively quickly and easily accomplished to address the efficiency challenges across the readiness approval cycle. This includes streamlining the readiness review and approval processes based on updated standard operating procedures to reduce the number of steps and reviewers involved. The Secretariat is also developing a readiness review handbook that will contain common review standards to ensure consistent feedback. Moreover, in response to lengthy legal processing periods that have

⁷ The Dalberg Global Development Advisers conducted a review of the Secretariat's capabilities to deliver the Strategic Plan for 2020-2023, as contained in GCF/B.30/08, annex VII.

stalled project implementation, engagement with the NDAs and delivery partners will be taken up at an earlier stage of the process.

27. These operational actions will be reflected in the revised and expanded readiness guidebook that is currently under development. The updated guidebook will provide stronger guidance to NDAs and delivery partners on the Readiness Programme grant cycle, proposal development, readiness needs assessments and multi-year readiness support. It will also reflect the streamlining reforms made as well as guidance on the review standards developed for improved quality of readiness proposals at entry. The revised guidebook is planned to be published in time for COP27.

28. In parallel, these efforts will go hand-in-hand with strengthening the digital agenda for readiness-related systems and data. The Secretariat has begun consultations internally to stocktake the systems and data gaps and with external information technology vendors on the feasibility of the execution of these identified improvements. Close collaboration within the Division of Country Programming, Division of Portfolio Management and Information and Communications Technology team will be required to ensure that the systems being utilized are optimized for the needs of the Secretariat and for external-facing partners. This will be key in allowing an integrated, systematic approach to cater to the entire readiness cycle from proposal submission to grant completion.

29. **Reassessment of the allocation cap on readiness commitments:** In decision B.22/11, paragraph (j)(i), the Board requested the Secretariat to assess the per-year, per-country readiness commitments to individual member countries as set forth in decision B.08/11, paragraph (f). This decision places a maximum of USD 1 million on the total funding the Secretariat can commit to a single developing country for readiness support in a calendar year. Additionally, in decision B.22/11, paragraph (i), the Board decided that the Secretariat may accept multiple-year readiness requests, allocating up to USD 3 million for three years, while committing no more than USD 1 million per country per year. This allocation is in addition to the national adaptation and/or other adaptation planning processes allocation of USD 3 million per country in accordance with decision B.13/09, paragraph (f). In accordance with these decisions, the Secretariat performed and presented an assessment of the allocation cap at B.26, highlighting the average and median commitments and countries with multiple approvals under the annual cap over the years in operation.

30. Moreover, the Readiness Programme portfolio has grown immensely from 35 grants valued at USD 7.74 million in 2015, when decision B.08/11, paragraph (f) on the per country annual allocation cap was adopted, to 590 grants valued at USD 413.97 million as at 31 May 2022, which includes the multi-year readiness and adaptation planning modalities implemented since. Throughout these seven years of operations, there have been challenges and concerns raised by NDAs, delivery partners and Secretariat staff regarding the impact of the allocation cap on not only the development of high-quality proposals under the rush for approval at the end of the year, but also the impact it has had on the relationship between the Secretariat and NDAs, as well as the well-being of Secretariat personnel. Despite the attempts to alleviate the crowd of proposals towards the end of the year by trialling of various deadlines for official submission at different points of the year including not setting a deadline, the Secretariat has found that year after year, the pressure to comprehensively review, appraise and approve proposals has been concentrated at the end of the year. In effect, bottlenecks have persisted, and potential benefits from reforms for enhanced operational efficiencies have been strained. Downstream, this could also pose challenges and risks to sound implementation at later stages of the grant cycle.

31. With this rationale, the Secretariat plans to the allocation cap decisions, to propose a more strategic approach for countries accessing readiness, which may include recommendations to the Board to reform the allocation cap. This revised approach intends to

encourage countries to focus on longer-term strategic climate planning in terms of NDC implementation and ensure that the Readiness Programme is also better aligned with the GCF programming strategy and Strategic Plan cycles.

6.2 Effectiveness – understanding results and lessons learned

32. The Readiness Programme has demonstrated significant portfolio growth since its inception in 2015. The Secretariat will prioritize understanding the results from the growing portfolio to establish strong feedback loops in this next phase of maturity of the Programme. This will include operationalizing the readiness results management framework which is aligned with the objectives and outcomes of Board decision B.22/11, and developing and disseminating readiness results guidance for NDAs and delivery partners on proposal development against this framework. Guided by the framework, the Secretariat has integrated the objectives, outcomes and output-level indicators into the readiness proposal management system (Fluxx), to systematize and track the expected results for proposals in the pipeline. This integration will also connect with the Portfolio Performance Management System, which will facilitate output-level indicator tracking for grants under implementation. To ensure a seamless user experience, the Secretariat has conducted user acceptance tests with selected accredited entities and delivery partners to test the functionalities of the PPMS disbursement module and the Readiness Reports module. Feedback based on the UAT results will be reflected in the modules in preparation for their official launches later this year. The Secretariat will also provide focused trainings and capacity building activities to support the implementation of readiness grants.

33. Furthermore, the Secretariat will continue to improve and maximize readiness impact through establishing learning loops from readiness into the programming pipeline. Although the portfolio under the revised strategy approved at B.22 has faced significant implementation delays and challenges as a result of COVID-19, the Secretariat expects a significant growth of concept notes and pipeline development results delivered upon grant closure. For example, through the climate-resilient recovery readiness modality launched in 2020, 22 countries have accessed readiness for rapid mobilization of financial resources in response to COVID-19. Under this modality, support to the development of national policies and strategies as well as sectoral strategies and action plans in the light of the impacts of the pandemic have been deployed. Through climate-resilient recovery grants alone, the development of 40 concept notes and 31 pre-feasibility studies are expected to be delivered. To ensure that these results, challenges and lessons learned are captured and retained, the Secretariat has established an origination task force, which is analysing how to enhance the effectiveness of readiness programming and better align it with country programming and entity work programming in order to support the origination of high-quality projects. So far, the task force has identified a need to include in the Readiness Programme grant cycle standard operating procedures additional steps to ensure that significant deliverables are passed on to relevant GCF divisions for further development with the NDA. Recommendations have also been made on enhancing NAP implementation and the role of country programming in pipeline development. Supporting the implementation of the recommendations of the task force will be also a key element of the focus of this workplan.

34. **Enhancing project origination through readiness and adaptation planning:** the Secretariat has compiled all concept notes and funding proposals received as readiness grant deliverables. An interdivisional working group has been constituted to take stock of these and identify concept notes and funding proposals that are well aligned, based on country priorities, current GCF programming targets and investment criteria, to move into the project pipeline. These concept notes and funding proposals are under discussion with the NDAs to determine which are of priority and promising to move forward into the GCF pipeline, based on their climate impact potential and fitness for GCF financing. Once project concept alignment is

confirmed, the regional desk will provide matchmaking support, where needed, to identify a suitable accredited entity, and technical assistance to further develop the concept note or funding proposal until it is ready for submission into the GCF project pipeline, including for SAP.

35. The Secretariat is also encouraging NDAs to undertake investment planning, either as a component of the country programme or as a deliverable of adaptation planning grants. This is to help countries to move forward from prioritization of mitigation and adaptation actions, to costing of those actions and identification of sources of financing for them.

36. Finally, the Secretariat will continue supporting DAEs in applying the new IRMF through a dedicated new funding window approved by the Board through decision B.29/01. This provision enables each DAE to access up to 200,000 USD for capacity building on the IRMF and to revise existing or develop new funding proposals that apply the IRMF.

6.3 Alignment – enhancing readiness programming in line with countries’ long term strategic planning

37. This final pillar focuses on the strategic value of the Readiness Programme. Taking into consideration the reforms and lessons learned from the efficiency and effectiveness improvements, the Secretariat will look at advancing the Programme’s value to strategically align with long-term planning, including NDCs and long-term strategies of the recipient countries. Over 2022–2023, the Secretariat will conduct a calibration exercise of the Readiness Programme’s alignment with NDCs and long-term strategy development and implementation and further determine how the Readiness Programme strategy could be updated to ensure that countries are able to continue accessing readiness resources in line with national climate priorities. The Secretariat will also assess ways to strengthen Readiness Programme alignment with the 2020–2023 Strategic Plan and programming cycles. In view of the portfolio’s current level of maturity, a reassessment of the budget annual allocation cap and the USD 3 million adaptation planning cap per country would be appropriate. Such findings and reforms will ultimately feed into the Readiness Programme’s revised strategy to be presented to the Board in 2023.

38. **Revised Readiness Programme strategy:** the findings from the reassessment will serve as a key informant for the revision of the Readiness Programme strategy, to be presented to the Board at B.36 for consideration and adoption. The Secretariat will provide a recommendation to the Board and propose a revised strategy that will consider the lessons learned from the reassessment of the allocation cap as well as the findings from the implementation of the operational priorities set out for 2022-2023.

VII. Resource planning

39. Given that the transition out of the COVID-19 pandemic period differs across regions and is typically slower in Readiness recipient countries, the Secretariat has taken a hybrid approach to resource planning for 2022-2023. The number of grant approvals likely for adaptation planning are expected to be the same across the two years as several countries have already accessed the USD 3 million allocation. Single-year readiness requests are expected to grow with increased uptake and improved guidance of the revised strategy and modalities. Based on the challenges faced by NDAs and delivery partners over the last two years to undertaking needs assessments and developing strategic readiness plans for a multiple-year strategic readiness implementation request, the estimation remains constant and conservative over 2022-2023. The Secretariat will continue to provide support and guidance to encourage a shift towards the use of this modality. On the implementation side, the legacy challenges

resulting from the pandemic are expected to continue to require adaptive measures, to reduce implementation disruptions and/or adjustments because of the changing contexts. Lessons learned shows that there is need for continued guidance and support to NDAs, delivery partners and countries on implementation issues as part of the operational efficiency measures.

40. As at 31 May 2022, the total funding request for the entire pipeline was USD 126.67 million (see annex IV).

41. The Secretariat has prepared a forecast of requests to be approved in 2022-2023 in three categories: adaptation planning requests, single-year other readiness requests, and multiple-year other readiness requests, with the associated budget for each category. Consistent with previous years' practice, suggested budget allocations for professional services, technical support, and events support by the Readiness Programme are also included. The total projected budget for 2022-2023 is USD 193.60 million.

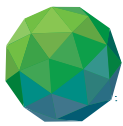
Table 2: Estimated grant approvals 2022-2023 and associated budget (USD million) ⁸

	2022		2023	
	Number of grants to be approved	Total Funding	Number of grants to be approved	Total Funding
Adaptation planning	16	36.80	16	36.80
Single-year readiness	55	27.50	60	30.00
Multi-year readiness	10	20.00	10	20.00
Professional services	N/A	3.50	N/A	5.50
Technical assistance	N/A	2.50	N/A	2.50
Events	N/A	2.50	N/A	2.0
Contingency	N/A	2.00	N/A	2.00
Sub-total	81	94.80	86	98.80

Notes: For Adaptation Planning requests, the average value is estimated at USD 2.3 million; for single-year readiness requests, the average value is estimated at USD 500,000 and that of multi-year readiness requests estimated at USD 2.0 million.

42. As at 31 May 2022, with USD 413.97 million committed, the total budget remaining stood at USD 26.66 million. Based on the pipeline of requests and the pace of review, the remaining funds are likely be exhausted by the end of July 2022. In addition to the USD 26.66 million, and as per decision B.29/01, paragraph (g), the Board has allocated an additional amount of up to USD 12.4 million under the Readiness Programme as a new dedicated window for DAEs to support the implementation of the IRMF. As yet no requests have been approved under this new window, but two requests are currently in the pipeline. The Secretariat will continue to track and monitor this support and will report its progress to the Board in the Readiness Programme annual report.

⁸ Professional services include procured firms for technical assistance support, readiness grant management services, and translation services as needed



43. To ensure uninterrupted support to developing countries during the first replenishment period of the GCF and to advance the ambitious work programme for 2022-23, an allocation of additional resources of USD 166.94 million by the Board is required.