

Readiness Proposal

**with Finanzas y Negocios Servicios Financieros Limitada (FYNSA)
for Chile**

17 March 2021



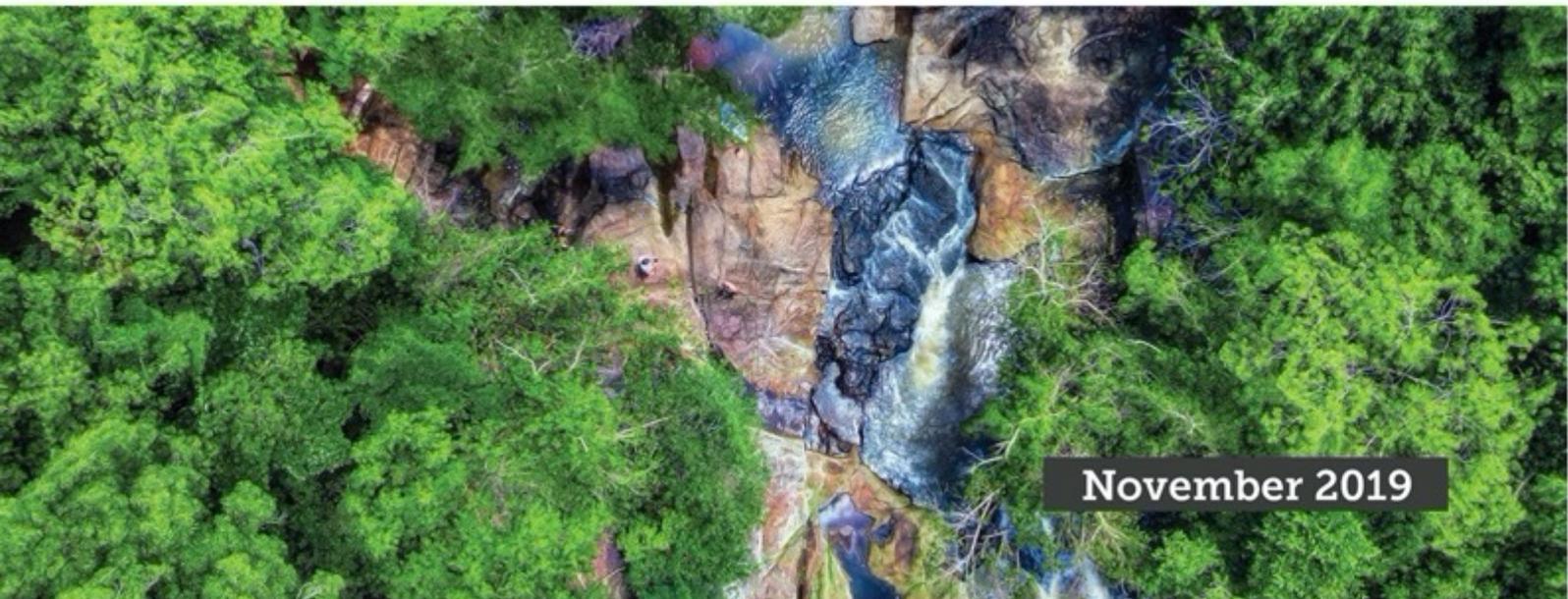
**GREEN
CLIMATE
FUND**

READINESS & PREPARATORY SUPPORT

PROPOSAL TEMPLATE



Proposal title:	Enhancing climate action environment with an updated Country Programme, strengthening DAE to develop a pipeline of projects and effectively implement GCF funded activities.
Country:	Chile
National designated authority:	Ministry of Finance.
Implementing Institution:	Finanzas y Negocios Servicios Financieros Limitada (FYNSA).
Date of first submission:	30 March 2020
Date of current submission / version number	17 February 2021 V8



November 2019

Before completing this proposal template, **please read the guidebook** and learn how to access funding under the GCF Readiness & Preparatory Support Programme.

Download the guidebook:
<https://g.cf/xxxxx>



How to complete this document?

This document should be completed by National Designated Authorities (NDA) or focal points with support from their Delivery Partners where relevant. Once completed, this document should be submitted to the GCF by the NDA or focal point via the **online submission system**, accessible through the Country Portal of the GCF website.

Please be concise. If you need to include any additional information, please attach it to the proposal.

If the Delivery Partner implementing the Readiness support is not a GCF Accredited Entity for project Funding Proposals, please complete the Financial Management Capacity Assessment (FMCA) questionnaire and submit it prior to or with this Readiness proposal. The FMCA is available for download at the [Library](#) page of the GCF website.

Where to get support?

If you are not sure how to complete this document, or require support, please send an e-mail to countries@gcfund.org.

You can also complete as much of this document as you can and then send it to countries@gcfund.org, copying both the Readiness Delivery Partner and the relevant GCF Regional Desks. Please refer to the [Country Profiles](#) page of the GCF website to identify the relevant GCF Country Dialogue Specialist and Regional Advisor.

We will get back to you within five (5) working days to acknowledge receipt of your submission and discuss the way forward.

Note: Environmental and Social Safeguards and Gender

Throughout this document, when answering questions and providing details, please make sure to pay special attention to environmental, social and gender issues, particularly to the situation of vulnerable populations, including women and men. Please be specific about proposed actions to address these issues. Consult Annex IV of the Readiness Guidebook for more information.

Please visit the Country Portal on the GCF website to submit this proposal via the **online system**.

When submitting the proposal, please name the file:
GCF Readiness -[Country]-[yymmdd]

1. SUMMARY

1.1 Country submitting the proposal	Country name: Chile	
	Name of institution representing NDA or Focal Point: Ministry of Finance	
	Name of contact person: Trinidad Lecaros	
	Contact person's position: Macroeconomic Advisor - GCF Focal Point	
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1.2 Date of initial submission	30 March 2020	
1.3 Last date of resubmission	17 February, 2021	Version number V.8
1.4 Which institution will implement the Readiness and Preparatory Support project?	<input type="checkbox"/> National designated authority <input checked="" type="checkbox"/> Accredited entity <input type="checkbox"/> Delivery partner	
	Please provide contact information if the implementing partner is not the NDA/focal point	
	Name of institution: FYNSA	
	Name of official: Germán Acuña	
	Position: Chief of Investment Banking	
	Telephone number: +56224991516	
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	Additional email addresses that need to be copied on correspondences: jbiehl@fynsa.cl , rvalenzuela@fynsa.cl	
1.5 Title of the Readiness support proposal	Enhancing the climate action environment with an updated Country Programme, strengthening DAE to develop a pipeline of projects and effectively implement GCF funded activities.	
1.6 Type of Readiness support sought	Please select the relevant GCF Readiness objective(s) below (click on the box – please refer to Annex I and II in the Guidebook):	
	<input checked="" type="checkbox"/> I. Capacity building <input checked="" type="checkbox"/> II. Strategic frameworks <input type="checkbox"/> III. Adaptation planning <input checked="" type="checkbox"/> IV. Pipeline development <input type="checkbox"/> V. Knowledge sharing and learning	

1.7 Brief summary of the request

The main objective of this document is to request and raise funds for developing a Public & Private Sector Project Pipeline. The primary purpose is to settle the structural basis for an enabling climate action environment. Therefore, both the public and private sectors must share the responsibility to address the changes required to undertake climate action in Chile.

The proposal through its project pipeline, coordination mechanisms and private enhancement will address capacity and technical gaps to achieve priorities set in the updated NDCs, NAPs, and long-term climate strategies. Country demand considers fostering strategic deployment with a view for enhancing national ambition towards 2050 carbon neutrality.

Three objectives are the basis of this request, which together form a process which final goal is to develop a Public & Private Project Pipeline and settle an enabling climate action environment. These three objectives are as follows:

- Strengthening the coordination mechanisms between public entities, including National Designated Entity (NDA), and communicating the GCF to the Chilean community.
- Country Programme (CP) update, aligning it with Chile's commitments in the medium- and long-term regarding Climate Change action, reflected in documents such as the current updated NDC, Long Term Climate Strategy (LTCS), amongst others.
- Strengthening the role of the Direct Access Entity (DAE), developing a work plan included in the CP and a robust project pipeline.

The activities detailed in the Logframe of this readiness proposal were designed to be as efficient as possible while being aligned with the specific outcomes that are expected to achieve. The actual outcomes resulting from the execution or implementation of said activities will be visible through the presentation of specific deliverable documents that register the advances throughout the readiness process.

In the short term, the resources of the Readiness Programme will benefit the NDA, Technical Secretariat for GCF in Chile (TS), DAE, and other stakeholders, who will be able to strengthen their capacities and update their processes and policies. In the medium term, it will benefit project/programme originators and developers, since their actions will generate an enabling environment for climate action, which will become the implementation of projects/programmes. In the long term, it will benefit society, achieving the objectives set by the NDC, which implies reaching carbon neutrality and developing climate resilience.

1.8 Total requested amount and currency

USD 307,918

1.9 Implementation period

12 Months

1.10 Is this request a multiple-year strategic Readiness implementation request?

- Yes
- No

For more information on how a country may be eligible to access Readiness support through this modality, please refer to **Annex IV of the Readiness Guidebook**.

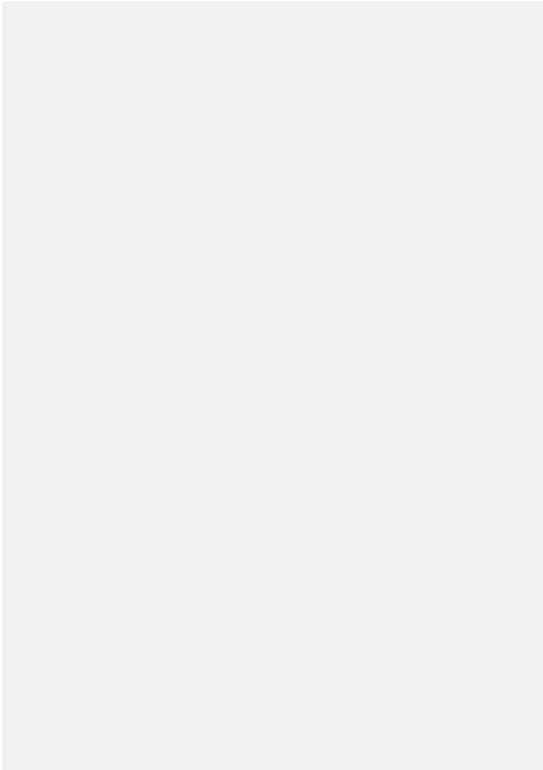
1.11 Complementarity and coherence of existing readiness support

- Yes
- No

This request readiness proposal builds upon results of previous GCF Readiness as a continuous process of national capacity building in Chile. Chile has the following approved GCF Readiness Proposals:

Table 1: Readiness grants

Readiness	Coherence with current proposal
1. RS-001: “NDA Strengthening and Country Programming support for Chile” (2016, Chilean Development Cooperation Agency), to enhance country ownership and climate finance access during the early stages of the operationalization of the Green Climate Fund in Chile.	Building national capacity of the NDA to anchor longer-term planning and decision making at the central and subnational level help the understanding of climate issues and what is needed for following readiness.
2. RS-002: “Entity Support for Chile” (2017, CAF) to support for potential accreditation and executing entities which wasn’t executed due to a change in the accredited entities strategy.	The previous support was followed by RS-002/003 that strengthened national capacity for the design of financial structuring for prioritized projects. It was a valuable process to generate coordination among stakeholders and aligned under the NDCs. The request helped to create capacities in different ministries and private sector institutions. In this regard, for the coming CN, the understanding of climate finance is better.
3. RS-003: “Strategic Frameworks and entity support for Chile” (2017, CAF), to strengthen a portfolio of prioritized projects through prefeasibility studies, financial structuring, national, social and environmental safeguards guides.	These outputs evolved (RS-004) into the national capacity for development of a coherent framework that allows for the elaboration of National Adaptation Plans.
4. RS-004: “Strategic Frameworks support for Chile” (2017, CAF), to strengthen public private planning processes at the subnational level for the development of local country programs.	We do have an ongoing project RS-005 (updating the Climate Change Adaptation Plan for the Forestry, Agriculture, and Livestock Sector) which is help to build the adaptation necessities and in consequence, it might derive in a readiness proposal for 2021 or more. Having
5. RS-005: “Update of the National Climate Change Adaptation Plan for the Forestry, Agriculture and Livestock Sector” (2019-2022, FAO), to strengthen government capacity to lead the adaptation process for the Forestry, Agricultural and Livestock Sector.	



	<p>adaptation and mitigation plans will facilitate the EDA process for the current request.</p>
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Overall, GCF support for the current proposal is helping Chile strengthen decision-making, cooperation among institutions and meaningful stakeholder engagement which will allow the country to have a robust project pipeline to submit to the GCF and continue to advance in its climate commitments.

The outputs of the current proposal will help the country to have more knowledge and capacity building on climate finance matters among different institutions both on the public and private side. It will also help the country to move forward with a strategic and collaborative vision about which is need in order to access to finance sources which will allow us to promote new innovative sectors in mitigation and adaptation at a national and subnational level. Based on a strong CP as an output of this proposal, the following readiness proposal aid to be request will have coherence and an informed reason behind it.

More details of the readiness grants received are presented in Section 2: Situation Analysis

2. SITUATION ANALYSIS

1. INTRODUCTION

Chile updated its NDC in April 2020. This update established the ambitious goal of achieving carbon neutrality by 2050 and increasing climate change resilience. Additionally, the Chilean Congress has drafted a Climate Change Law (CC Law), which is currently under assessment by both congress chambers, to bind the commitment made in the updated NDC. Said Law contemplates robust mechanisms regarding climate roles and climate affairs, incorporating public sector institutions at all levels, from Ministries to Municipalities.

It is important to highlight that, even as an OECD member, Chile still is a developing country that requires improving the capacities of its public institutions as well as its coordination with the private sector. Additionally, since late 2019 the country has struggled with negative economic and social shocks, starting with the social unrest and massive riots lived in the country's main cities and continuing with the partial lockdowns instated to control and mitigate the COVID-19 pandemic. Investment from both the public and private sector in different projects will be a key component to reactivate the economy and to create the infrastructure and business models needed to achieve carbon neutrality in 2050.

It is important to remark that the Minister of Environment, Carolina Schmidt, declared in the COP25, *"the carbon neutrality achievement by 2050 is not only an environmental imperative but also a social one, of transformation to sustainable development. And when the private sector works together with society and with the Government, we can achieve the great transformations the world needs, and of which everyone feels part of"*.

2. PROBLEM STATEMENT

In this context and in its role as a private institution, FYNSA together with the NDA has identified five main barriers regarding effective climate action in Chile

- (i) unawareness of the GCF within climate stakeholders and community, lack of stakeholder involvement at public and private sector level;
- (ii) bureaucracy and slow processes in project application, disbursements and implementation;
- (iii) Country Program not aligned with GCF updated guidelines and updated NDC;
- (iv) lack of robust communication scheme between NDA and DAE;
- (v) lack of sensitivity regarding gender issues in climate action

2.1. **Barrier 1: Unawareness of the GCF within climate stakeholders and community, lack of stakeholder involvement at public and private sector level**

In the past years, without the current struggles, more than 20 projects have been identified as potentially GCF fundable projects, and only three have been presented and then approved by the GCF receiving or being close to receive funding. The gap between projects identified and projects funded occurred mainly because of the lack of private investors willing to co-invest with the support of the GCF and even with other institutions such as development banks, ONG's, among others. Because of this, FYNSA, a private financial institution, was nominated and accredited by the GCF as a Direct access entity to help attract private investors. Considering that at the 24th Board meeting designated FYNSA as a new partner to propose and implement paradigm-shifting initiatives funded by GCF that reduce greenhouse gas emissions and bolster the ability of developing countries to deal with the climate crisis, the institution along with the NDA have identified the main perceived barriers that limit private investors' interest in both general climate action projects and GCF's projects, these are:

1. Lack of understanding from private investors in climate risks and business models in climate action projects;
2. A resulting overestimation of project's risks assessment and therefore non-competitive risk/return ratio;
3. Lack of knowledge from project originators/developers about de-risking financial structures to build the projects;
4. Lack of understanding from project originators/developers regarding both Chile's climate priorities and green mechanisms available to support climate projects; and
5. Uncertainty regarding the time of funds disbursement by the GCF, increasing financial costs and diminishing project's internal rates of return (IRR).

Nevertheless, the challenge to attract private investment for climate change mitigation and adaptation projects will be larger than ever, as investors due to the local context are reticent to undertake new and uncertain risks. Because of this, one of the main activities in this readiness proposal is to keep encouraging private investment in climate change projects.

2.2. Barrier 2: Bureaucracy and slow processes in project application, disbursements and implementation

The NDA or Focal Point with the GCF is the Ministry of Finance (MF), who has headed the proper development of previous Readiness Programmes requested; and in the present, provides the strategic vision on the GCF's involvement with Chile's climate objectives, shown in the CP. The MF is also in charge of the development and implementation of the Climate Change Financial Strategy (CCFS).

The Ministry of Environment (ME) is responsible for the implementation of the national climate policy, described in different documents such as the Nationally Determined Contribution (NDC), Long- Term Climate Strategy (LTCS) under development, and the Climate Change Framework Law Project (CC Law), among others.

The Ministry of Foreign Affairs (MFA), as the negotiator entity, nurtures the local strategic vision with the international progress regarding these topics.

Those ministries currently have a joint working mechanism approved by the Council of Ministers for Sustainability (CMS) in 2016, which is the Technical Secretariat for GCF in Chile (TS), which supports Chile's involvement with the GCF. The process of working together includes periodic meetings, where the MF fulfils the role of managing and presenting projects and programs in search of funds from the GCF. The ME performs the role of technical support regarding environmental matters, being also in charge of the coordination of the TS. However, the lack of a structured communication and action mechanism between the NDA, TS and DAE and public and private stakeholders often slows down the process of climate action in the country.

2.3. Barrier 3: Country Program not aligned with GCF updated guidelines and updated NDC

The updated NDC (April 2020) in its contribution mechanisms regarding climate finance states as a goal "to improve Chile's institutional framework towards the Green Climate Fund (GCF), including the improvement of the evaluation methodology and prioritization of projects to be presented, considering the current and future priorities of the country and ensuring that the projects are aligned with the Long-Term Climate Strategy and with the objectives and commitments of the NDC", and "Also, identify a public and private project portfolio that is compatible with the neutrality target by 2050".

As it was mentioned, Chile's updated 2020 NDC has more ambitious goals in every component, leading to new issues that need to be addressed. In terms of mitigation objectives for 2030, Chile set a carbon budget for the period 2020-2030 of 1,100 MtCO₂eq, a peak of emissions by 2025, and a goal of 95 MtCO₂eq by 2030, all of which are aligned with the 2050 goal of being carbon neutral. Therefore, other projects with paradigm shift potential, different from the ones that were part of the former CP, need to be developed. For example, green hydrogen is a key part towards being carbon neutral, and also, we need to raise more projects related to climate change adaptation, especially those regarding water security for Chilean communities. This proposal will advance objectives set on the updated NDC which will be reflected in a project pipeline to address the new climate challenges.

To surpass these barriers, it is important in the short-term to engage and align private sector co-investment willingness with the country's priorities addressed in the updated NDC to develop a suitable project pipeline able to be developed in the short-term. Meanwhile, the developing of an updated Country Program (CP), aligned with the current Country Program Guidelines, is needed to prioritize the most impactful projects or programmes to be funded by the GCF in the medium-term, to contribute in the achievement of the ambitious national climate change targets by 2050, contained in both the updated NDC and National Adaptation Plans and to be consistent with the goals of the UN Framework Convention on Climate Change and the Paris Agreement. The CP update will also identify approaches whereby the GCF's financing and risk-taking abilities in partnership with the DAE will mobilise higher amounts of climate investment from a wide range of financial sources.

At this time, develop robust coordination mechanisms among NDA, TS and DAE is a need and a challenge to maintain it over time in order to effectively advance funded activities.

Barrier 4: lack of robust communication scheme between NDA and DAE and key private and public climate action stakeholders.

While the main stakeholders in charge of initial appraisal, approval and prioritization of climate action projects and of submitting funding proposals to the GCF are identified. Their roles are yet to be structured in a way that facilitates the most efficient communication between said parts. Whether the communication scheme is helping to advance on the prioritization of the projects according to the Chilean NDC goals or it is reaching out and informing the general public as well as project executors, it is crucial to establish said scheme to accelerate efficient climate action in the country and possibly the region.

Therefore, procedures that establish and delegate, efficiently, the responsibilities and roles for submitting, appraisal, and supervision of the GCF funded projects and programs for climate action are necessary. This involves establishing work agendas, scheduled reports amongst other administrative agreements.

2.4. Barrier 5: lack of sensitivity regarding gender issues in climate action

In general, the lack of equal representation in power position such as CEOs, state employees and so forth, leads to an overall state of lack of empathy towards women and gender related issues when implementing climate action measures. In general, most stakeholders do not perceive gender as a consideration to be taking into account when designing and executing climate change adaptation or mitigation projects and programmes.

In this sense, they are unfamiliar on how to implement a gender analysis and action plan in most projects, and particularly in climate action projects and programmes.

3. PROPOSED SOLUTION: OVERVIEW OF THE READINES PROGRAMME.

The three main objectives of the GCF Readiness Programme that this proposal addresses are Capacity Building, Strategic Frameworks and Pipeline Development. The Readiness Proposal 2020 establishes the Development of a Public & Private Sector Project Pipeline and the generation of an enabling environment for climate action as the main objective, focusing efforts on the above by improving mechanisms between government institutions, the Direct Access Entity and private sector stakeholders. The Readiness Proposal also considers updating the CP strengthening the role of the DAE and promoting Private Sector Engagement.

The activities within the Readiness Proposal are separated and organized according to the addressed objectives defined by the readiness programme strategy 2019-2022. Finally, the activities will be aligned with the related outcomes as presented in the following table and the log frame in section 3 detailed below. The central aim of this proposal is to execute a whole rounded:

- Strengthening of the coordination mechanisms between public entities, including National Designed Entity (NDA), and communicating the GCF to the community.
- CP update, aligning it with Chile's commitments in the medium- and long-term regarding Climate Change, reflected in documents such as the current updated National Determined Contribution, Long Term Climate Strategy, among others.
- Strengthening of the role of Direct Access Entity (DAE), developing a work plan included in the CP and a robust project pipeline aligned with the updated NDC.

Regarding tangible and more specific outcomes, the following table presents the outcomes and the anticipated deliverables that would contribute to filling the existing gaps and challenges detailed in the paragraphs above.

Table 2: Objectives and outcomes addressed by the readiness proposal

Objective	Outcomes and anticipated deliverables
Capacity Building	1.2.- Direct access entities (DAEs) such as FYNSA have established capacity to meet and maintain the GCF's accreditation standards; and accredited DAEs have the capacity to develop a pipeline of projects and effectively implement GCF-funded activities
	1.3.- Relevant country stakeholders (which may include executing entities, civil society organizations and private sector) have established adequate capacity, systems and networks to support the planning, programming and implementation of GCF-funded activities
Strategic Frameworks	2.1.- Chile has developed Country Programmes to guide GCF investment and programming of readiness support resources
	2.2.- Strategic frameworks are enhanced to address policy gaps in order to promote enabling environments for GCF programming in low emission investment
Pipeline Development	4.1.- An increase in the number of quality project concept notes developed and submitted

Every activity detailed in the log frame on section 3 of this proposal has been designed and selected in order to achieve the following expected outcomes:

- Country's NDAs (focal points) and the network systems that enable them to fulfil their roles, responsibilities and policy requirements are operational and effective.
- DAEs have the capacity needed to meet and maintain the GCF's accreditation standards; and have the capacity to develop a project pipeline and efficiently implement GCF-funded activities.
- Relevant country stakeholders have established adequate capacity, systems, and networks to support the planning, programming and implementation of GCF-funded activities.
- Chile has developed initial country programmes to guide GCF investment and programming of GCF Readiness and Preparatory Support resources; and has increased the number of quality project concept notes developed and submitted. It is important to highlight that the new concept notes that this readiness proposal seeks to achieve will be validated prior their actual development by the NDA through the TS and will therefore be in line with the country's commitments towards dealing with high emission or high priority sectors in our society, as outlined in our latest version of the Chilean NDCs.

The activities will lead to the following outputs regarding **capacity building** and **strategic frameworks**

- An updated CP logical framework and opportunities that are incorporated into the LTCS aligned with the current NDC
- DAE process for approval, prioritization, and execution of projects aligned with National No Objection Procedure.
- DAE institutional systems (Manuals, Policies, and Internal Procedures) are aligned with the CP.
- DAE procedures for climate action are efficient and facilitate the streaming of GCF standards to all relevant stakeholders; hence the development of a project pipeline is also an efficient and coordinated effort.

Once the national capacity and strategic frameworks are implemented, the activities will lead to:

- Robust engagement between DAE, NDA and TS.
- Stakeholder's engagement with the updated CP and the GCF's gender assessment methods to mainstream gender awareness within the life cycle of the proposed Readiness Project.
- Stakeholder's awareness about GCF as a financial mechanism for the development and implementation of mitigation and adaptation projects/programmes.
- Effective engagement with the GCF through an updated CP including new institutional systems (key policies, strategies, plans, developed to identify, design, and implement transformational climate change interventions)

Regarding the **development of a national pipeline** the expected outputs from the detailed activities are:

- National screening of mitigation and adaptation projects/programmes.
- List of potential Projects/Programmes and suitable executing entities considering updated procedures for approval, prioritization, and execution of projects.
- Development of concept notes for priority sectors for submission to the GCF, including under the EDA RfP and/or those targeted for PPF assistance.
- Public Sector and Private Sector Project Pipeline that advance national priorities and aligned with both NDC and the result management framework of the GCF. Project Pipeline will also consider existing GCF projects in the country, top emitting sectors and a balance of mitigation and adaptation focus when considering project ideas.

The process of developing new concept notes as stated in this readiness proposal comes from the need to use the GCF and private sector funding that we expect to obtain in the projects and programmes that present a high priority, whether it is because of their potential to mitigate the emissions of a particular sector in the economy, or if they have a high priority for addressing the cross-cutting and scalable projects that will lead to the most efficient way to achieve the updated NDC goals. Therefore, once a project pipeline and a CP for Chile have been established, all activities regarding the actual production of concept notes, funding proposals and their efficient submission are aimed at achieving the following outputs:

- Development of concept notes for priority sectors for submission to the GCF, including through the EDA RfP and/or others targeted for PPF Assistance. Whether they are from public and private sector projects.
- Project Pipeline that advances national priorities and is aligned with both NDC and the result management framework of the GCF. It will consider existing GCF projects in the country, high emission sectors outlined in the updated NDCs and a balance of mitigation and adaptation projects.
- Completed Technical Application Form for public and private projects.
- Incubating new business models and/or innovative financial mechanisms and schemes to increase low-emission and resilient investment
- Strengthening of the capacities of sub-national executing entities.

Each activity listed in section 3 presents concise and coherent deliverable documents to evidence the execution of the activities themselves. This will become a way of keeping track of the achievement of the corresponding outputs. Additionally, the deliverable documents will serve as a compilation of crucial guidelines, mechanisms and other important tools for the public and will serve as a transparency evidence tool if needed for all stakeholders.

The development of a pipeline of projects in the short-term that better enforce the country ownership principle, based on a new climate policy context and NDC priorities is a key element to achieve carbon neutrality, as well as the CP to support a sound coordination mechanism to provide a clear country vision regarding climate change and its financing in the long-term. Therefore, the role of the NDA will be to provide the guidance and the vision and to supervise its alignment with the country priorities, in close collaboration with the TS.

Regarding the main elements to be updated in the CP, first, there is the strategic vision itself based on the 2050 carbon neutrality and resilience enhancing goals that the CP should provide to project developers and to the Fund. The strategic vision will be supported by a national consensus about climate priorities that were built around the updated NDC, an effort that is being crystalized through the elaboration of a Framework Law on Climate Change and the Long-Term Climate Strategy. Secondly, it is fundamental to update the sector prioritization of the country in line with its long-term climate objectives, which will provide the focus for future projects. At this point it is important to highlight the parallel process of developing a public and private sector pipeline as an input for the overall CP, based on consultation processes and in coordination with key stakeholders that will be created for the country programme.

The stakeholder engagement strategy for the CP update starts at the beginning of the readiness process. Each one of the climate policy instruments upon which the CP vision is based (NDC, LTCS and CC Law) will be built through a participatory process with the different economic sectors and different groups of civil society, and subject to public consultation. In the process of CP updating, a stakeholder will be convened to make recommendations on key aspects such as the priority sectors, project and programs pipeline, among others to be defines. The stakeholders will include experts from the public and private sector (government, NGOs, academia, among others) with different backgrounds (economic, social, climate experts, among others). Once the CP will be in its final stages, it will be evaluated by the Technical Internal Ministerial Team of Climate Change, conformed by climate change focal points of all ministries relevant to climate action. Finally, there will instances of socialization with civil society.

Naturally, the achievement of a proper short-term project pipeline, engagement of private co-investment and an updated CP will facilitate the prioritizing of the most impactful projects or programmes to achieve the main goal 2050 carbon neutrality.

4. COUNTRY OWNERSHIP & POLICY CONTEXT

During 2020, a technical advisory is being developed by the Consortium formed by Climate Analytics, the Centre for Clean Air Policy (CCAP) and the International Institute for Applied Systems Analysis in Chile financed by the GCF, where the main objective is to obtain a strategic vision, which allows a better use of financial resources to meet the country's ambitious national goals. With a strategic vision for the financing area, it will be possible to have an institutional framework that meets the long-term objectives in terms of climate change. The Consortium service will deliver 3 products:

- Product 1 “Diagnosis and Proposals on Climate Financing in Chile”: Their objective is to identify gaps and opportunities for the financial sector, which will guide both the project developer and the decision maker through some recommendations that this product will present.
- Product 2 “Good practice guide for the banking sector”: The good practice guide is oriented to the financial sector, specifically to banking, with this it is expected that climate change risk management will be integrated into its finances and it can continue to strengthen public-private collaboration on sustainability.
- Product 3 “Definition of an institutional framework for climate finance in Chile”, the objective of this product is to provide a strategic vision on accessing and mobilizing climate finance. In addition to granting principles that help prioritize projects or programs that in themselves will also mobilize national or international financing.

The three products of this consultancy are directly linked to the content that is intended to be presented in the CP, since financing is a key element to be able to advance in climate action. On the other hand, this advice is a complement to the realization of the present readiness proposal, since it has been possible to advance in establishing relationships with key stakeholders of the financial sector, therefore it will help to be more engaged for the development of the CP and EDA Concept Note design.

In this sense, it is required to use the products delivered by CCAP as input, since they will help to provide a complete look at the elements that the CP should have. This will be used in conjunction with other public policy instruments such as the NDC, LTS and the CC Law.

Additionally, it is important to highlight other aid Chile has received regarding climate action support:

Name of Readiness	Status	Budget (USD)	AE
Entity Support for Chile through CAF	Completed	300.000	AGCID
Strategic Frameworks and entity support for Chile through CAF	Completed	700.000	CAF
Strategic Frameworks support for Chile through CAF	Completed	700.000	CAF
NDA Strengthening and Country Programming support for Chile through the Chilean Development Cooperation Agency	Completed	300.000	AGCID
Adaptation planning support for Chile through FAO	In Progress	499.695	FAO

Table 1: Chile Readiness Grants received

Regarding the Financial Sector, during 2019-2020 the MF has established the Public Private Green Finance Roundtable (PPGFR), to encourage and involve the Private and Financial Sector into Climate Financing in Chile. The roundtable is composed of the following actors:

- Ministry of Finance (MF).
- Commission for the Financial Market (Comisión para el Mercado Financiero, “CMF”).
- Central Bank of Chile (Banco Central de Chile, “BCCh”).
- National Pensions Superintendence (“Superintendencia de Pensiones, “SP”).
- State Bank of Chile (“Banco Estado”, “BE”).
- Ministry of Environment (ME).
- Santiago Stock Exchange (Bolsa de Santiago, “BS”).
- Chilean Electronic Stock Exchange (Bolsa Electrónica de Chile, “BEC”).

- Association of Pension Fund Managers (Asociación de Administradoras de Fondos de Pensiones, “AAFP”).
- Association of Banks and Financial Institutions (Asociación de Bancos e Instituciones Financieras, “ABIF”).
- Association of Insurers (Asociación de Aseguradores, “AACH”).
- Chilean Association of Investment Fund Managers (Asociación Chilena de Administradoras de Fondos de Inversión, “ACAFI”).
- Mutual Fund Management Association (Asociación Administradora de Fondos Mutuos, “AAFM”).

The PPGFR represents a clear enabling environment for climate finance mobilization, hence MF will continue enhancing this instance and will also be considered as a stakeholder for workshops and trainings that will be developed under this Readiness Proposal.

5. TRACK RECORD

The previous readiness support programs have contributed positively to set the basis for the implementation and development of GCF related activities in Chile. Chile has accomplished significant progress towards the presentation and approval of funding proposals. The current Non-Objection Process has facilitated the assessment of the different projects that have being presented through the recent years. Chile has clear rules and different instruments to do so, like for example, the Technical Background Form (TBF), which in very simplified template project developers can give a clear sense of the project’s objectives, and therefore, a quick assessment instrument for the NDA and TS. On this regard, it is intended to give continuity with the present readiness proposal, since it is necessary to strengthen both the NDA and DAE, building upon what we have already developed, enhancing NDA’s and TS’s processes in order to be more efficient and effective towards being carbon neutral and more resilient by 2050.

Nevertheless, some of the products obtained from the previous readiness will not continue as the country’s priorities have changed. Today Chile has a newly published NDC, which puts on the agenda other issues that are important to develop, such as emphasizing the development of projects at the subnational level, for which it is important to have resources for the preparation of modalities such as GCF’s Enhance Direct Access (EDA), as well as the other GCF’s access modalities for the areas of mitigation and adaptation. Therefore, the present readiness proposal is focused on closing the existing final gaps within the NDA’s, TS’s, DAE’s and Stakeholders’ capacities and coordination mechanisms to deliver a project pipeline aligned with the updated NDC and Chilean’s climate priorities.

In previous years, Chile, through its National Designated Authority (NDA), has requested GCF funds to strengthen the NDA’s internal capacities, to suitably manage the opportunities arising through projects linked to climate change action by creating the capacities in the Ministry of Finance (MF) as NDA to effectively create procedures to present projects to the GCF and update the Country Programme, as presented in section 1.11.

In 2016 and 2017, the NDA submitted Readiness Proposals, a vehicle through which GCF funds are delivered for capacity strengthening, according to the GCF Readiness Program. The activities financed with the funds from these previous Readiness Proposals were:

- Strengthening of the procedures associated with support by the NDA for the submission of Concept Notes to the GCF.
- Development of Concept Notes to the GCF:
 - *Vivienda Sustentable*
 - *Comuna Energética*
 - *Reutilización de Aguas Residuales en Chile*
 - *Calefacción Sostenible*
- Strengthening the financial analysis of the NDA in order to better prioritize the applications.
- Strengthening the relationship between Chile and Latin America to identify opportunities associated with climate financing.
- Preliminary Country Programme Development:
 - Institutions, actors, and roles.
 - Local procedures for evaluation and prioritization of projects.
 - A pipeline of medium-term projects.
 - No Objection Letters Procedure.
- Focus on developing Country Programme in four priority sub-national regions:
 - Atacama.
 - O’Higgins.

- Los Ríos.
- Los Lagos.

3. LOGICAL FRAMEWORK

Outcomes	Baseline ¹	Targets	Outputs	Activities (brief description)	Deliverables ²
Outcome 1.2 Direct access applicants and accredited entities (DAEs) have the capacity needed to meet and maintain the GCF's accreditation standards; and accredited DAEs have the capacity to develop a	Baseline DAE is in the process of strengthening their capacities and knowledge.	Target DAE has a clear work mechanism with the TS and NDA, and has established internal processes for approval, prioritization, and execution of projects. All the processes listed above are aligned with Chile's long-term objectives and CP.	Output 1.2.1 DAE process for approval, prioritization, and execution of projects as well as other relevant internal processes are aligned with No Objection Procedure, the CP, facilitating the streaming of GCF standards to all relevant stakeholders.	Activity 1.2.1 a Analyze the updated NoL and the CP in Activity 2.1.1 to identify gaps and/or inconsistencies with FYNSA manuals, policies and procedures. It is important to note that NoL is a mechanism the NDA has begun to update.	Deliverable 1.2.1 a Report on the comparative analysis of the NoL, CP and FYNSA processes
				Activity 1.2.1 b Align FYNSA manuals, policies and procedures for GCF Projects with the updated No Objection Procedure and CP	Deliverable 1.2.1 b Updated FYNSA Management Manual for GCF Projects, available to the main climate action stakeholders

¹ Please briefly elaborate on current baselines on which the proposed activities can be built on, processes that are in place that the current Readiness proposal can strengthen, or any gaps that the proposed activities would fill in. If more space is needed, please elaborate this in Section 4.

² Please include tangible and specific deliverables for each activity proposed. Please note that during implementation all deliverables should be included within the implementation reports for GCF consideration.

Outcomes	Baseline ¹	Targets	Outputs	Activities (brief description)	Deliverables ²
<p>project pipeline and efficiently implement GCF-funded activities.</p>			<p>Output 1.2.2</p> <p>DAE work plan developed and formal coordination with national programming process/TS established</p>	<p>Activity 1.2.2a</p> <p>Develop DAE work plan to engage with the climate finance programming process and the TS, including:</p> <ul style="list-style-type: none"> - Meetings, trainings, and instances of discussion and planning to exchange knowledge about climate action. - Sharing potential new adaptation and/or mitigation projects/initiatives. 	<p>Deliverable 1.2.2a</p> <ul style="list-style-type: none"> - TOR for TS-DAE coordination and DAE work plan with milestones - Work Schedule. - Meeting Materials and Power Points. - Meeting minutes between DAE and TS.
				<p>Activity 1.2.2 b</p> <p>Implement work plan and support engagement of DAE with TS.</p>	<p>Deliverable 1.2.2 b</p> <ul style="list-style-type: none"> - Work Schedule. - Meeting Materials and Power Points. - Minutes of TS-DAE coordination monthly meetings

Outcome 1.3	Baseline	Target	Output 1.3.1	Activity 1.3.1	Deliverable 1.3.1
<p>Relevant country stakeholders (which may include executing entities, civil society organizations and the private sector) have established adequate capacity, systems, and networks to support the planning, programming, and implementation of GCF-funded activities.</p>	<p>Critical executing entities and relevant stakeholders lack basic knowledge and technical capacity to contribute to mainstream project development and gender issues in climate action as guided by the GCF.</p>	<p>The stakeholders targeted are those related to the stages of planning, coordination, and implementation of climate action and to NDC 2020 prioritized sectors, which are:</p> <ul style="list-style-type: none"> -Mitigation: hydrogen, sustainable transport, energy efficiency, sustainable housing, etc. -Adaptation: water resource management and disaster risk management. -Integration: Circular economy, Oceans, LULUCF, etc. <p>The private sector targets are companies and production associations.</p> <p>The target aims at engaging participants, improving their general capacity level and to fostering collaboration among organizations and groups.</p>	<p>Stakeholder's engagement and increased capacity regarding GCF's gender policy and assessment methods to mainstream gender awareness within the Readiness Proposal and critical executing entities, relevant stakeholders and financial intermediaries.</p>	<p>Establish and moderate two workshops to generate learning, share knowledge, foster collaboration and discussion on how to incorporate gender issues in all initiatives developed within the framework of the Readiness Proposal. The activity seeks to deepen in the topics to provide more advanced knowledge on GCF Gender Policy and how to address Gender on Funding Proposals, the Country Program, EDA and Concept Notes.</p> <p>Note: <i>The workshops are directed at relevant public stakeholders, private executing entities and civil society organizations involved in the Readiness Proposal Activities.</i></p>	<p>Training/workshop materials. Training/workshop report that includes a pre- and post-training survey of participants. The Report will also include a description of the inputs that resulted of the discussion on how to integrate gender issues in the initiatives under the Readiness Proposal. Audio-visual Material for diffusion and communication documenting the workshop execution and its topics. Material will be available in NDA and DAE websites in order they can be consulted after the event.</p>

Outcomes	Baseline ¹	Targets	Outputs	Activities (brief description)	Deliverables ²
			<p>Output 1.3.2</p> <p>Improved capacity and technical skills of the stakeholders regarding the GCF and other potential sources as financial mechanisms for the development and implementation of mitigation and adaptation projects/programmes, mainstreaming green finance among public and private stakeholders.</p>	<p>Activity 1.3.2a</p> <p>Design and develop dynamics and material for training sessions (workshops) in order to generate discussion, share knowledge and foster collaboration regarding GCF and other climate oriented financial sources. Deepen in the topics to provide more advanced knowledge, including a section about how to align capital towards green projects and which barriers needs to be solved in order to achieve it.</p> <p><i>Note:</i> The training sessions will follow a dynamic approach to the dissemination of all the GCF's financial instruments, legal framework, and paradigm shift concepts. Additionally, the training sessions will offer the analysis of the use of other green financing sources, the review of lessons learned, and assessing problems that may arise with the involvement of more than one financing source. In short, the design of the training sessions should lead to a solid understanding of the GCF processes and opportunities that will be evaluated through pre- and post-training surveys.</p>	<p>Deliverable 1.3.2a</p> <p>Training/workshop materials. Audio-visual Material for diffusion and communication. Audiovisual material will include animations explaining GCF 101 and GCF Programming Manual in Spanish. Material will be available in NDA and DAE websites in order they can be consulted after the event.</p>

				<p>Activity 1.3.2b</p> <p>Conduct 3 trainings for target stakeholders on GCF processes, policies and procedures, financial mechanisms and other financial sources and instruments as vehicles to financing green projects. Training will include description of processes, timeframes, requirements, among others.</p>	<p>Deliverable 1.3.2b</p> <p>Training reports with pre- and post-training surveys which can assess and demonstrate the impact of the training on the participants.</p> <p>Audio-visual Material documenting the workshop execution and its topics. Material will be available in NDA and DAE websites in order they can be consulted after the event.</p>
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Outcomes	Baseline ¹	Targets	Outputs	Activities (brief description)	Deliverables ²
<p>Outcome 2.1</p> <p>GCF recipient countries have developed initial country programmes to guide GCF investment and programming of GCF Readiness and Preparatory Support resources.</p>	<p>Baseline</p> <p>Country programme draft and not aligned with current GCF guidelines, new laws and institutions related to climate matters.</p>	<p>Target</p> <p>Country Programme updated and aligned with new laws and institutions in charge of climate affairs in Chile.</p>	<p>Output 2.1.1.</p> <p>A Country Program has been developed with the aim of guiding GCF investment.</p>	<p>Activity 2.1.1a</p> <p>Conduct 2 consultations with relevant stakeholders and CSOs to obtain technical inputs to update the CP.</p>	<p>Deliverable 2.1.1a</p> <p>Report on the relevant stakeholders and CSO consultations and their technical inputs on the CP.</p>
				<p>Activity 2.1.1b</p> <p>Develop an updated Country Program, incorporating all the steps describe in Situation Analysis section, which includes strategic vision, diagnosis, and validation. Also, incorporating project pipeline developed in outcome 4.1. In addition to the permanent coordination with public sector institutions, CSOs and private sector stakeholders. Also considering validation process (Activity 2.1.1c).</p>	<p>Deliverable 2.1.1b</p> <p>An updated and validated country program.</p>
				<p>Activity 2.1.1c</p> <p>Conduct validation workshop with stakeholders.</p>	<p>Deliverable 2.1.1c</p> <p>Report on the results of the validation workshop with stakeholders.</p>

Outcomes	Baseline ¹	Targets	Outputs	Activities (brief description)	Deliverables ²
<p>Outcome 2.2</p> <p>GCF recipient countries have developed or enhanced strategic frameworks to address policy gaps, improve sectorial expertise, and enhance enabling environments for GCF programming in low emission investment</p>	<p>Baseline</p> <p>Enhanced strategic frameworks to address policy gaps, such as guidelines for improving sectorial expertise and their involvement with the GCF enabling environments have started but are not full in scope nor content yet</p>	<p>Target</p> <p>Strategic frameworks that close policy gaps with the use of GCF enabling environments are executed and in revision.</p>	<p>Output 2.2.1</p> <p>Alignment of current climate change national policies and strategies under review and development such as NDC, LTCS, carbon budget among others in order to enhance an enabling environment for GCF Programming.</p>	<p>Activity 2.2.1</p> <p>Participate, transparently and on a frequent basis, in the coordination of climate change policy and strategies under development in Chile, to consider GCF initiatives and other climate action multilateral aid options, enhancing enabling environments for GCF programming.</p> <p>Note: Coordination instances include regular meetings with consultants at work on said services, workshops and reviewing the deliverables of the consultancies under development.</p>	<p>Deliverable 2.2.1</p> <p>Monthly report including a summary of the progress of current mechanisms and strategies under development with focus on the inclusion of GCF initiatives and opportunities to enhance enabling environments for GCF programming and climate investment.</p>

Outcomes	Baseline ¹	Targets	Outputs	Activities (brief description)	Deliverables ²
<p>Outcome 4.1</p> <p>An increase in the number of quality project concept notes developed and submitted.</p>	<p>Baseline</p> <p>Few concept notes (3 in different levels of execution and approval) have been sent to the GCF for review. There is no organized project pipeline.</p>	<p>Target</p> <p>Increase (at least by 5 CN) in the development and application of Concept Notes through a project pipeline derived from a planning process and previously defined criteria.</p>	<p>Output 4.1.1</p> <p>National project pipeline developed from assessed and prioritized investment ideas.</p>	<p>Activity 4.1.1a</p> <p>Identify potential project ideas for the project pipeline</p>	<p>Deliverable 4.1.1a</p> <p>Monthly Report including potential list of Projects/Programmes Projects/Programmes profiles. Meeting agenda Meeting minutes</p>
				<p>Activity 4.1.1b</p> <p>Develop project prioritization criteria, methodology, and process</p>	<p>Deliverable 4.1.1b</p> <p>Process for prioritization among the potential projects and concept notes. Project prioritization Report Public Sector Project Pipeline.</p>
				<p>Activity 4.1.1c</p> <p>Assess and prioritize a list of projects/programmes from 4.1.1a, in line with the climate priorities as outlined in NDCs, NAPs, and other national strategies.</p>	<p>Deliverable 4.1.1c</p> <p>Private Project Pipeline. Project Profiles</p>

Outcomes	Baseline ¹	Targets	Outputs	Activities (brief description)	Deliverables ²
			<p>Output 4.1.2</p> <p>Generation of at least four Technical Background Forms TBF's, two for public projects and two for private projects; it is important to note that the completed TBFs are developed and matched to appropriate AEs.</p>	<p>Activity 4.1.2a</p> <p>Provide advisory to executing entities/ project developers into completing the Technical Background Form (TBF) for public sector projects/programmes to be presented to GCF, including:</p> <ul style="list-style-type: none"> - Project appraisal eligible to TBFs - Review of TBF's drafts - Financial and climate rational advisory to enhance GCF's priorities. - Complete the Technical Background Form (TBF) for public sector projects/programmes that will be presented to the GCF <p>Note: It is important to state that the project developers include executing entities, and other public institutions sector that are key for the achievement of the national NDCs in the public sector.</p>	<p>Deliverable 4.1.2a</p> <p>Completed TBFs for public sector projects.</p>

Outcomes	Baseline ¹	Targets	Outputs	Activities (brief description)	Deliverables ²
				<p>Activity 4.1.2b</p> <p>Match the country's priorities and projects/programmes with the capabilities and track records of the most suitable AEs to implement the public projects/programmes.</p>	<p>Deliverable 4.1.2b</p> <p>List of AEs and Match Report.</p>

Outcomes	Baseline ¹	Targets	Outputs	Activities (brief description)	Deliverables ²
				<p>Activity 4.1.2c</p> <p>Provide advisory to executing entities/DAE into completing the Technical Background Form (TBF) for private sector projects/programmes to be presented to GCF, including:</p> <ul style="list-style-type: none"> - Project appraisal for eligibility to TBFs - Review of TBF's drafts - Financial and climate rational advisory to enhance GCF's priorities. - Complete the Technical Background Form (TBF) for private sector projects/programmes that will be presented to GCF. 	<p>Deliverable 4.1.2c</p> <p>Completed TBFs for private sector projects.</p>
			<p>Output 4.1.3</p> <p>Development and application of Concept Notes for public and private sector projects resulting from a balanced pipeline regarding the number of</p>	<p>Activity 4.1.3a</p> <p>Develop concept notes for public sector fund mobilization for submission to the GCF, including those targeted for PPF assistance.</p>	<p>Deliverable 4.1.3a</p> <p>Two Concept Notes from Public Sector Project Pipeline aligned with the current updated NDC. (Included in CP).</p>

Outcomes	Baseline ¹	Targets	Outputs	Activities (brief description)	Deliverables ²
			mitigation and adaptation projects/programmes and aligned with the sectors/industries outlined in the updated NDC.	Activity 4.1.3b Define and design the project/programme and develop two Concept Notes to present to the GCF for private sector projects/programmes	Deliverable 4.1.3b Two Concept Notes from Private Sector Project Pipeline aligned with the current updated NDC. (Included in CP).
				Activity 4.1.3c Implement validation of the concept notes as a process.	Deliverable 4.1.3c Validation material (surveys, meeting minutes, list of attending stakeholders in charge of validation, amongst other fitting documents)
			Output 4.1.4 Development and application of Concept Note for the EDA Programme, incubating new business models and/or innovative financial mechanisms and schemes to increase low-emission and resilient investment	Activity 4.1.4a Define the EDA Program Governance structure (e.g., Steering Committee) for the decision-making process.	Deliverable 4.1.4a The deliverable is the TOR and work plan for this structure.
				Activity 4.1.4b Design and implement coordination mechanisms to assess the scale up potential of the EDA pilot projects. For this, the consultancy firm will need to: <ul style="list-style-type: none"> Study and understand the new objectives and guidelines of the latest Chilean NDC published in 2020 at sub-national level. Also, 	Deliverable 4.1.4b Report of the assessment process.

Outcomes	Baseline ¹	Targets	Outputs	Activities (brief description)	Deliverables ²
				<p>analyze other climate policy instruments that currently being developed by the Chilean Government, such as the Regional Climate Change Plans, the Long-Term Climate Strategy, and the Climate Change Financial Strategy.</p> <ul style="list-style-type: none"> Analyze the Mitigation Measures (MM) and Adaptation Actions (AA) proposed to address the new NDC's objectives at sub-national level, understanding actions that are already undertaken and pending to address the specific goals of each MM and AA. <p><i>Note</i> ¹ The EDA will respond to subnational level small scale climate investment needs under the access modality. The needs have been identified throughout previous efforts of the NDA and DAE and other potential project entities that are in high priority regarding Chile's subnational small scale climate action needs.</p>	

Outcomes	Baseline ¹	Targets	Outputs	Activities (brief description)	Deliverables ²
				<p>Activity 4.1.4c</p> <p>Develop the EDA CN and financial structuring necessary to implement it.</p> <p><i>Note</i></p> <p><i>¹ This concept note is not included in the development of CNs processes established before since is an identified need by the NDA and TS aligned with the NDC needs of climate finance for at sub-national level and small-scale projects.</i></p>	<p>Deliverable 4.1.4c</p> <p>One Concept Note for EDA access window to channel climate financing Programme aligned with the current updated NDC. (Included in CP) and a PFS.</p>

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4. THEORY OF CHANGE

The updated CP, which will result from this readiness proposal's activities, will incorporate all the strategic and operational definitions included in the current NDC, LTCS, CC Law, among other mechanisms for coordination, execution, and monitoring of GCF funded projects and programmes.

The changes that are expected to result from a new CP are the state's perspective towards achieving its nationally designated contribution within its unique sustainable development environment as well as mobilizing investment from the Chilean private sector into climate action programmes and projects. Therefore, the CP will more directly promote national climate action priorities through its activities and ultimately through its definitive project pipeline.

It is important to highlight that one of this Readiness Proposal's goals is to develop a Public & Private sector project/programme pipeline within an enabling environment for the mobilization of private sector funding. To achieve this purpose, some prior activities are to be settled; the main ones being activities revolving the strengthening of the main Chilean stakeholder's coordination mechanisms, updating the CP and the strengthening of the DAE's role in climate action.

Therefore, the activities detailed in the logical framework in Section 3 alongside with the inputs listed in the figure below will result in tangible outputs that will change and improve efficient climate action within Chile's particular mix of private and public sector funding potential for mitigation and adaptation programmes. The Theory of Change diagram below illustrates the links between the project's goals and the proposed project's outputs and outcomes. It also shows how the chosen project's structure contributes towards overcoming the current barriers to the implementation of the readiness proposal and work on identified risks and assumptions. In short, how the intervention presented in *Section 3: logical framework* will solve the problem and address the barriers in Section 2/Situation Analysis.

The ultimate outcomes are to establish the best way the country can implement climate action, to lead by example in the mobilization of private funding in green projects, and as a result of this, to lead the implementation of climate action within Latin America; a still developing region and one that needs to increase its adaptation and climate resilience infrastructures in the following years and that has still untapped funding mobilization potential in certain sectors.

This leads to the thinking of the main barriers that exist for the execution of long term climate change action in Chile such as lack of knowledge and incentives for private sector investors and financial institutions to mobilize funds for climate action through the GCF, overall lack of stakeholder involvement at the public and private sector level, the current CP is not aligned with GCF updated guidelines and the latest NDC probably because of the lack of a truly robust communication scheme between NDA and DAE, amongst others.

In the short term, the resources from the proposed Readiness Programme will benefit the NDA, Technical Secretariat for GCF in Chile (TS), DAE, and other stakeholders, who will be able to quickly strengthen their technical capacities and update their processes and policies. In the medium term, the Readiness Programme will benefit project/programme originators and developers, since their actions will generate the enabling environment for climate action, which we consider to be a paradigm shift for Chile's environmental stance. These medium-term actions will ultimately result in the execution of mitigation and adaptation projects or programmes. In the long term, it will benefit society, achieving the objectives set by the NDC, which imply reaching carbon neutrality and developing climate resilience. The following schemes are graphic explanations of this Readiness proposal and its relation to short medium and long term expected achievements or outcomes conceived within a ToC.

Figure 1: Theory of change proposal

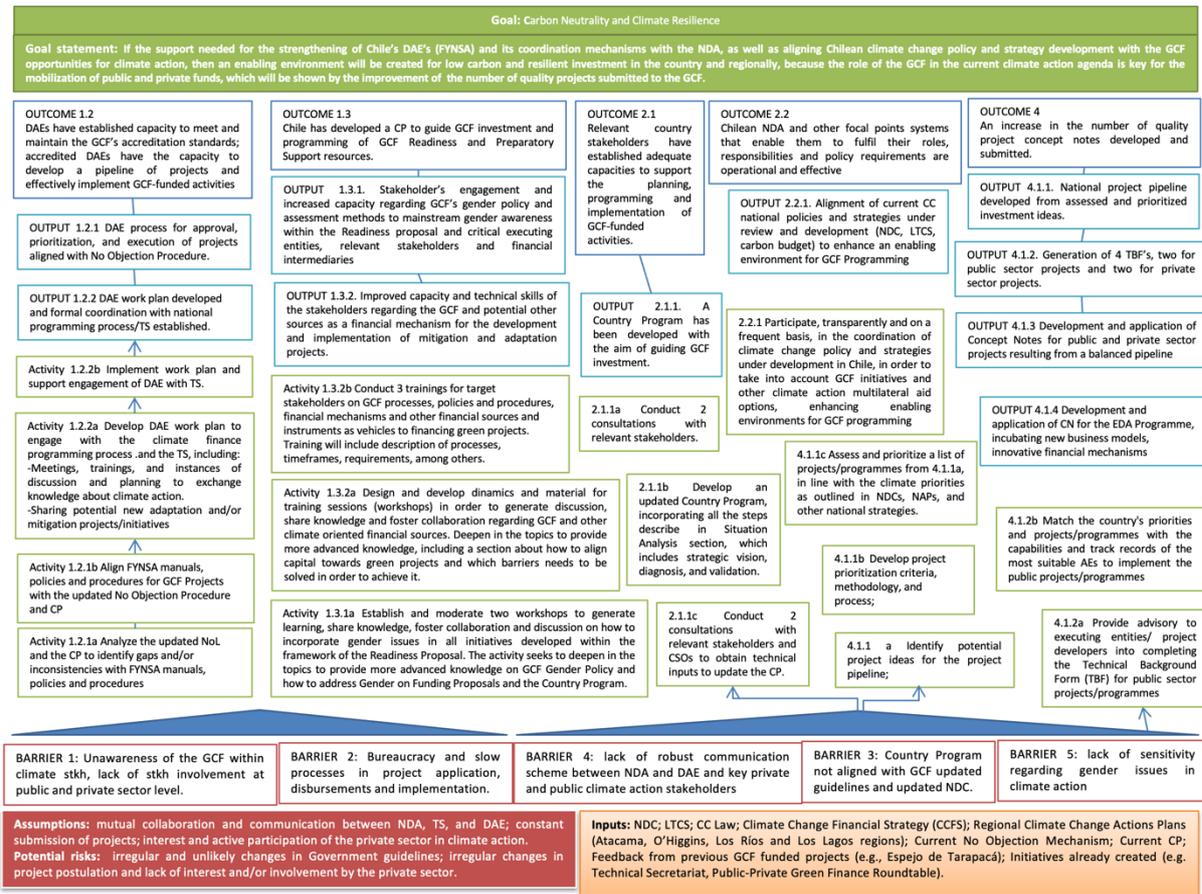
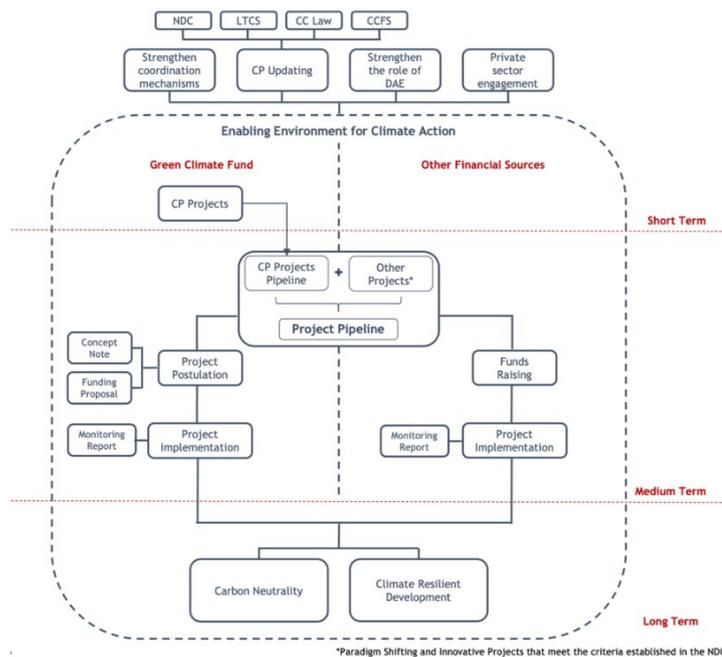


Figure 2: Readiness Proposal Context and Vision



5. BUDGET, PROCUREMENT, IMPLEMENTATION AND DISBURSEMENT PLAN

5.1 Budget plan

Please see the Budget Plan in Excel file.

5.2 Procurement plan

Please see the Procurement Plan in Excel file.

5.3 Implementation Plan

Please see the Implementation Plan in Excel file.

5.4 Disbursement schedule

Please specify the proposed schedule for requesting disbursements from the GCF. For periodicity, specify whether it is quarterly, bi-annually or annually only.

Please choose one option among the two below and delete the one that does not apply to you. Please fill in information under brackets:

Readiness Proposal that falls within a Framework Agreement with the GCF

Disbursements will be made in accordance to [Clause xx] "Disbursement of Grants" and [Clause xx] "Use of Grant Proceeds by the Delivery Partner" of the Framework Readiness and Preparatory Support Grant Agreement entered into between GCF and [Delivery partner name] on *Click or tap to enter a date*.

Readiness Proposal that requires a bilateral Grant Agreement

- Please include an indicative disbursement table showing the expected amounts to be requested and keep to multiples of USD 5,000.
- The first disbursement *amounting* USD 270,000 will be transferred upon approval of the readiness request and effectiveness of the Grant Agreement.
- The second disbursement *amounting* USD 37.918 will be transferred upon submission of a completion report [and audited financial report]³, in form and substance acceptable to the Fund, [including an audited expenditure statement].

³ For second disbursement, audited financial report and audited expenditure statement are only required for readiness and preparatory support proposals expected to last over 12 months.

6. IMPLEMENTATION ARRANGEMENTS AND OTHER INFORMATION

6.1 Implementation arrangements

Chile has a public institutional framework with the GCF that defines roles and responsibilities. The Ministry of Environment (ME), the Ministry of Finance (MF), and the Ministry of Foreign Affairs (MFA) undertake direct obligation regarding Chilean climate action through a joint working mechanism named Technical Secretariat for GCF (TS).

The MF in its role as NDA and GCF's Focal Point manages and presents projects and programs which are aligned with the country's priorities under the updated NDC. The NDA is the main responsible authority for the GCF implementation in Chile. It oversees the development of the strategic vision of the GCF support for the country, aligning the different projects that receive a Non-Objection Letter with the Chilean climate goals, complying in this way with the principle of country ownership.

On the other hand, the TS provides technical advisory to the NDA being the ME the responsible of the coordination of the TS and also undertakes the implementation of the national climate policy through instruments such as the National Determined Contribution (NDC), Long- Term Climate Strategy (LTCS), and Climate Change Law (CC Law).

The NDA and TS will be part of the direction of the readiness program, supervising its implementation and the quality of the different deliverables that it has planned. The decision-making process of the project will be led by the NDA, and it will be supported by the TS considering recommendations from delivery partners.

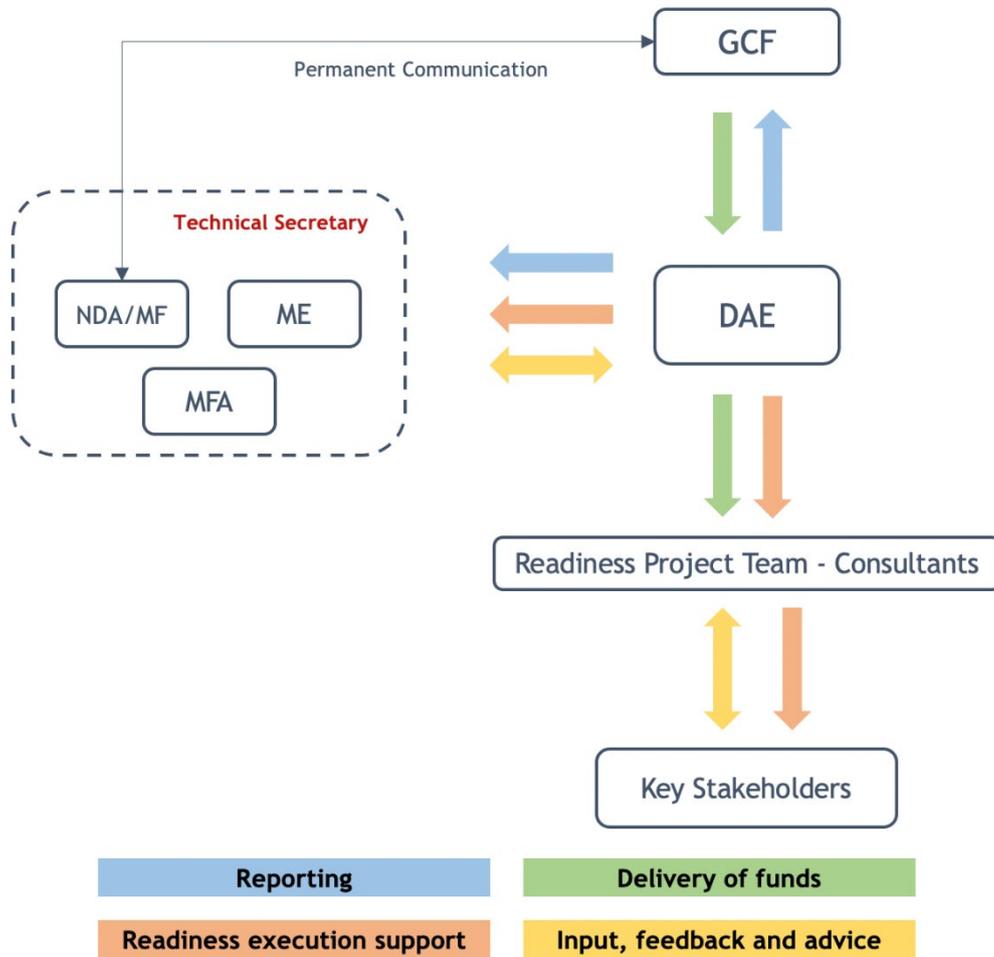
In order to enhance transparency as well as accountability, the DAE - Finanzas y Negocios Servicios Financieros Limitada (FYNSA) will act as a delivery partner managing, supporting and supervising the implementation of the proposed readiness grant activities. FYNSA will develop the appraisal and finalize the project implementation arrangements. Also, it will draft terms of reference and advice the NDA and TS on the selection of experts for implementation of the CP (decision-making process). Furthermore, FYNSA will provide technical guidance, as necessary for project implementation and develop and oversee procurement and financial management to ensure implementation is in line with the policies and timelines of FYNSA and the GCF. Finanzas y Negocios Servicios Financieros Limitada (FYNSA), the Delivery Partner, will be responsible for implementation of the readiness support and will carry out all fiduciary and financial management, procurement of goods and services, monitoring and reporting activities under this proposal in compliance with the policies and procedures of FYSNA, and with the Bilateral Grant Agreement to be signed with GCF or its fiduciary agent.

FYNSA will also disburse funds to the EEs/consultants/vendors (as applicable), prepare and review financial reports and oversee the audit process throughout the readiness life cycle and the preparation of the required reports for submission to the Secretariat.

Finally, FYNSA together with the NDA and TS will monitor and review activities and project expenditure reports as described in section 6.4.

For the present Readiness Proposal, the implementation arrangements are illustrated in Figure 3, which aims to provide an at-a-glance overview of the key actors in the implementation of the readiness as mentioned above:

Figure 3: Implementation Map for the readiness proposal



6.2 Implementation and execution roles and responsibilities

Consultant N°1: Roles and responsibilities

1. Update Country Programme.
2. Incorporate guidelines and strategic vision of the GCF in the public institutions belonging to the TS.
3. Verify that the products delivered are aligned with the NDC, Decisions of the PPGFR, LTCS, and CC Law.
4. Act as technical counterpart of TS in the elaboration process of the LTCS, analysing and proposing solutions regarding the gaps between the CCFS and the LTCS, since the LTCS will be being built and developed in parallel to the implementation of this programme. All the above, taking into account the progress regarding the involvement of Chile with the GCF.
5. Coordinate the operation of TS, follow up on developed Concept Notes, and the prioritization of projects. Also, he/she will be in charge of structuring the agenda of the TS, delivering content for discussion and analysis about climate matters.
6. Incorporate gender issues in the development of the Country Programme.

The person who works in this position must have high communication skills, be methodical, and self-sufficient. Also, the consultant must demonstrate environmental-related studies, and at least three years of experience in similar positions. It is anticipated that this consultant will be considered for 12 months with an average gross monthly rate of USD3.200.

It is important to note that this consultant will be managed and supervised by the Chilean Ministry of environment

Consultant N°2: Roles and responsibilities

1. Prioritize projects based on No Objection mechanism for the Public Pipeline.
2. Technical Background Form development for Public Projects
3. Develop two Concept Notes regarding Public Projects.
4. Manage approval and compliance of the No Objection process for the application of projects to the GCF by delivering No Objection Letters.

The person who works in this position must have high communication skills, be methodical, and self-sufficient. The consultant must also demonstrate environmental-related studies, and at least three years of experience in similar positions. It is anticipated that this consultant will be considered for 12 months with an average gross monthly rate of USD3.350.

It is important to note that this consultant will be managed and supervised by the Chilean Ministry of environment

Professional Services through Company

The advice and support that the DAE will receive to develop the activities corresponding to the Readiness program will be through a specialized company, which will provide professional services to the entity through consultants.

The budget associated to these professional services will amount to a total of 86 900 USD for a total of 161 hours at 400 USD and 45 hours at 500 USD. It is important to note that within these services this readiness program has contemplated an average of 450 USD/hour for the work of each consultant listed below.

The company will procure the following consultants (the minimum qualifications of the consultants are listed in the respective professional profiles):

Climate Finance Senior Consultant

This consultant must have experience in management positions, as well as in project management and processes associated with climate change action.

Climate Change & Environmental and Social Senior Consultant (DAE)

The advisory of this consultant will take place in coordination with the NDA, the TS and with the support of the DAE. He must have evidenced experience in management positions, as well as in project management and processes associated with climate change action.

GCF & Climate Finance Consultant (DAE)

The person who works in this position must have a high level of communication skills, be methodical, and self-sufficient. Also, the consultant must demonstrate at least one year of experience in similar positions.

Roles and responsibilities of the consultancy firm

1. Analyse the updated NoL and the CP to identify gaps and/or inconsistencies with FYNSA manuals, policies and procedures. It is important to note that NoL is a mechanism the NDA has begun work with.
2. Align FYNSA manuals, policies and procedures for GCF Projects with the updated No Objection Procedure and CP
3. Develop DAE work plan to engage with the climate finance programming process and the TS, including:
 - a. Meetings, trainings, and instances of discussion and planning to exchange knowledge about climate action.
 - b. Sharing potential new adaptation and/or mitigation projects/initiatives.
4. Implement work plan and support engagement of DAE with TS.
5. Conduct 3 trainings for target stakeholders on GCF processes, policies and procedures: financial mechanisms and other instruments
6. Identify potential project ideas for the project pipeline
7. Develop project prioritization criteria, methodology, and process
8. Assess and prioritize a list of projects/programmes, in line with the climate priorities as outlined in NDCs, NAPs, and other national strategies.
9. Provide advisory to project developers into completing the Technical Background Form (TBF) for private sector projects/programmes to be presented to GCF, including:
 - a. Project appraisal for eligibility to TBFs
 - b. Review of TBF's drafts
 - c. Financial and climate rational advisory to enhance GCF's priorities.
 - d. Match the country's priorities with the capabilities and track record of suitable AEs to implement the public projects/programmes
 - e. Complete the Technical Background Form (TBF) for private projects/programmes that will be presented to GCF.
10. Define and design the project/programme and develop two Concept Notes to present to the GCF for private sector projects/programmes
11. Implement validation of the concept notes as a process.
12. Support EDA development:
 - a. Study and understand in depth the new guidelines and mitigation objectives of the NDC 2020 (once it is approved and published), ECLP, and CC Regional Action Plans.
 - b. Study and understand in depth the new guidelines and mitigation objectives of the NDC 2020 (once it is approved and published), ECLP, and CC Regional Action Plans.
 - c. Compile and strengthen the information (primary and secondary) of technical feasibility or pre-feasibility studies of the measures to be financed on which the development of the EDA proposal can be based.
 - d. Design DAE oversight mechanism to ensure effective delivery of funding.
 - e. Prepare and formulate EDA's CN Proposal in Spanish and English, with the supporting documents.
 - f. Description of the Programme, Components and Subprojects.
 - g. Define the operation guidelines for projects.

These activities will be managed by the DAE (FYNSA) and will be in coordination with the activities developed by Consultant N1 and N2.

Division of work by the EDA Consultants

For the development of the Concept Note for the Enhance Direct Access window, the following specialist have been considered which will carry out the following activities as professional services to the TS/DAE:

Mitigation Consultant - Individual – Local (30 days @500USD)

1. Analyse the Mitigation Measures (MM) proposed to solve the objectives of the new NDC; thus, understand what actions have been and will be carried out to address the goals of each one together with raising the actors that are involved in their development.
2. Compile and strengthen the information (primary and secondary) of technical feasibility or pre-feasibility studies of the measures to be financed on which the development of the EDA proposal can be based.
3. Pre-Feasibility Analysis of implementing MM.
4. Define the technologies for the Mitigation project typologies.

Adaptation Consultant - Individual - Local (30 days @500USD)

1. Analyse the Adaptation Measures (AM) proposed to solve the objectives of the new NDC; thus, understand what actions have been and will be carried out to address the goals of each one together with raising the actors that are involved in their development.
2. Compile and strengthen the information (primary and secondary) of technical feasibility or pre-feasibility studies of the measures to be financed on which the development of the EDA proposal can be based.
3. Pre-Feasibility Analysis of implementing AM.
4. Define the technologies for the Adaptation project typologies.

Financial Specialist (40 days @650USD)

1. Analysis of current financial mechanisms and instruments for MM and AM.
2. Definition of Financial mechanisms and Instruments for MM.
3. Definition of Financial mechanisms and Instruments for AM.
4. Structure the financial model for the EDA Programme; which has enough flexibility to incorporate projects of a different nature.
5. Give inputs in order to define the process to select and evaluate activities / sub-projects to be included in the Programme.

EDA Workshops, meetings and travel.

1. Workshops to receive input for the EDA governance structure (half day, approximately 15 participants, @1500 USD).
2. Workshops to validate the EDA governance structure (half day, approximately 15 participants, @1500 USD).
3. MM and AM pre-feasibility validation workshop (half day, approximately 15 participants, @1500 USD).
4. Validate financial instruments with relevant entities, project developers, representatives of civil society, academia and the private sector (half day, approximately 15 participants, @1500 USD).
5. Workshop to validate the criteria to evaluate and select activities / sub-projects (half day, approximately 15 participants, @1500 USD).
6. 20 regular meetings with TS and relevant Stakeholders are considered @25USD each for local transportation and per diem when applicable.
7. 5 missions for 2 team members (TS, DAE or consultants) are considered to develop meeting or workshops as defined at sub-national level (@500USD/person and support on site travel and 1 overnight stay and other travel incidentals).

6.3 Risks and mitigation measures

Risk category	Specific risk(s) / Risk(s) description	Probability of occurrence (low, medium, high)	Impact level (low, medium, high)	Mitigation action(s)	Entity(ies) responsible to manage the risk(s)
Natural Disasters.	Delay in activities due to climatic factors or natural disasters (including pandemics).	Low.	High.	Reprogramming if they are events that require physical presence, videoconferences, or remote audio-visual communication if no physical presence is required.	All the entities involved in the activity.
Bureaucracy.	Delay in activities due to public sector bureaucracy.	High.	Medium.	NDA support.	NDA, DAE.
Politics.	Structural changes in Government, including NDA.	Medium	High.	Robust Institutions and strong processes backed by the CC Law and other formal mechanisms.	NDA, TS, Government.
Politics.	Changes in Government guidelines.	Medium	High.	Adapt the work in development according to the new guidelines.	DAE, NDA.
Private Sector.	Project postulation and lack of interest or/and involvement by the private sector.	Low.	Medium.	Dissemination events, advisory.	DAE, NDA.
Legal.	Money laundering and terrorist financing or prohibited practices.	Low.	High.	Application of FYNSA's Corporate manual of crime prevention. Furthermore, consider Chilean legal framework regarding money laundering and terrorist financing, or prohibited practices, laws applicable: <ul style="list-style-type: none"> - Law N°20.393 - Law N°21.121 - Law N°21.132 - Law N°21.227. - Law N°21.240 - CMF rule N°2.054 - CMF rule N°1.869 - Law N°18.045 	DAE, NDA.

Risk category	Specific risk(s) / Risk(s) description	Probability of occurrence (low, medium, high)	Impact level (low, medium, high)	Mitigation action(s)	Entity(ies) responsible to manage the risk(s)
				- Law N°19.913 Periodically oversight and audit reports required by the CMF and Santiago's Stock Exchange	
Procurement	DAE's procurement policy breach.	Low.	High.	Supervision and monitoring.	DAE.
Project Management.	DAE's project management manual breach.	Low.	Medium.	Supervision and monitoring.	DAE.
Gender.	DAE's gender policy breach.	Low.	Medium.	Supervision and monitoring.	DAE.
Budget	Cost extensions needed to develop considered activities.	Medium	Low	Consider current budget on procurement and recruitment activities	DAE, NDA
Implementation delays at start-up	Implementation delays due to procurement given the significant number of consultants/consultancy firms considered	Low	Low	Focus on procurement of consultants/consultancy firms at star-up. Development of draft ToR in advance to seek approval from stakeholders (DNA/TS)	DAE, NDA, TS
Delays due to COVID-19	Delays due to response and repercussions of COVID-19	Medium	Low	Monitoring of COVID-19 situation and assess possible repercussions on readiness activities	DAE, NDA and Consultants.

6.4 Monitoring

The monitoring will be carried out by both the NDA through the TS and the GCF. The TS will supervise the DAE and the Readiness's activities execution, while DAE will report to the TS through monthly meetings the use of resources and deployment of the Readiness plan. In these meetings, the DAE will show the implementation progress, detailing tasks and activities performed, possible gaps and proposals to address them.

The GCF will fulfil its supervisory role according to the processes established in the document "Readiness and Preparatory Support Program Guidebook".

The monitoring plan incorporates the following tasks:

1. Consistent and continuous monitoring reflected through the deliverables established in the "Logical Framework" section.
2. Meetings between DAE and NDA through the TS.
3. An Interim Progress Report, submitting a formal report including both undertaken and pending activities, and a contingency plan in case of gaps, leading by the admin, financial and procurement consultant.
4. A Completion Report, measuring expected versus real results.

6.5 Exit strategy

The readiness programme implementation is fully led by Chile's NDA and its DAE given the robust participatory process envisaged, the key role played by the DAE in fostering key stakeholder's engagement and active participation, as well as the coordination of core government actors involved. The strong country ownership coupled with coherence and alignment with the country's national climate strategy as stated in Chile's most recent NDCs and key planning documents ensure the results of the present Readiness will inform and shape future policies and strategies that will lead to the carbon neutrality goal.

Additionally, the readiness programme implementation activities – which plan for the readiness programme staff to work directly with FYNSA's fiduciary policies and all material being approved and collected by the NDA – will guarantee an effective and sustainable transfer of knowledge and skills to build the capacity of both the DAE and the NDA to effectively achieve its mission of including the private sector

Additionally, the development of a country pipeline will have a direct impact on the number of concept notes and sub-projects submitted to the GCF by its EDA window. Once complete, the projects submitted will be efficient in its disbursement of the GCF's funds due to the overseeing structure generated by the NDA and DAE, having a scaling-up potential as well as a balance between mitigation and adaptation priorities. When the readiness programme activities are successfully implemented, the submission of concept notes as well as other climate action projects through windows such as the EDA will be swifter, more efficient and strategic when it comes to the countries' NDC's

6.6 Other Relevant Information

The NDA has provided his support since the beginning of FYNSA's accreditation process as a GCF Accredited Entity.

After FYNSA got accredited in November 2019, both the NDA and FYNSA, the later now as the only Chilean DAE, settled a working plan in which FYNSA had to propose a Readiness 2020 draft.

During periodical meetings and calls, both NDA and FYNSA shared and discussed common strategies and objectives to be undertaken in the Readiness 2020 programme as part of the country's climate strategy. After this process and the delivery of FYNSA's Readiness 2020 draft, the NDA chose FYNSA as the DAE to implement the Readiness programme 2020 subject to GCF's approval.

The sustainability of this Readiness relies on the objective of creating an enabling environment for climate action with a defined project pipeline, allowing in the mid and long-term, a continuous project pipeline updating to be capable of addressing the country's climate strategy regarding resilience and carbon neutrality.

The current public institutional framework will allow avoiding possible conflicts of interest deriving from the delivery partner's role as an AE. Hence, the prioritization of investments and projects, will respond to the current institutional processes, strategies, and objectives settled by the country's authorities and relevant stakeholders.

The start date for project implementation will be the date of the effectiveness of the relevant grant agreement with the GCF or an agent of the GCF such as UNOPS.

When the Grant Agreement has been signed, FYNSA will open a separate account to manage the readiness resources to avoid any commingling of funds with other donor support.

From other side, regarding United Nations Security Council (UNSC) restrictive measures in force within Chile, the Ministry of Foreign Affairs confirms that Chile is not subject to any sanctions or restrictive measures from the United Nations Security Council. See the Security Council website (<https://www.un.org/securitycouncil/>) to verify existing sanction regimes.

Regarding mechanisms for third parties or anonymous persons to report allegations of possible wrongdoing in the projects/activities there are two instances, one managed by the AE FYNSA which was reviewed and approved at the accreditation stage and the second are the systems established by the public institutions, namely the OIRS and the Financial Analysis Unit (UAF), an independent organism established by the Republic of Chile under Law N° 19.913.

This proposal has been prepared in the global contingency represented by COVID-19, at times when there is no certainty of the duration of the situation, and the future impacts it will have on society and its regular operation.

Therefore, the activities proposed in this Readiness Proposal will have the flexibility of being able to be adapted to digital media platforms yet to be developed, this considers coordination instances, training, meetings, and even events.

Hence, if these savings occur, this money will be returned to the GCF, detailing the original budget of the activity, which was spent, and the return of resources.

READINESS & PREPARATORY SUPPORT

BUDGET, PROCUREMENT & IMPLEMENTATION PLAN



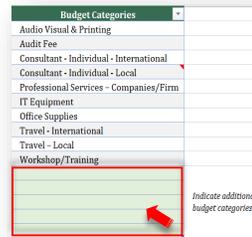
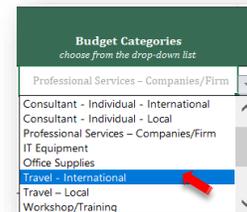
Readiness Grant Budget Preparation Guidelines

This file contains three specific planning tools to complete the supplementary information required when submitting a proposal for Readiness Programme support (including for NAP/adaptation planning):

- Budget plan and accompany Budget notes
- Procurement plan
- Implementation plan

The following considerations are important when completing the budget:

1. Before preparing the Readiness and budget, procurement, and implementation plans, please read the full guidance contained in the Readiness Programme Guidebook, specifically Part III Section 5
2. You can select the appropriate budget categories from the dropdown list in the budget plan: 
3. To insert ADDITIONAL rows, right click on the row number below where you wish to insert the new row and choose INSERT.
4. Additional budget categories may be added by manually typing them on the Budget Category sheet. :
5. The Budget Notes sheet should be used to record explanations, further details or cost breakdowns for individual lines



Project Management Cost:

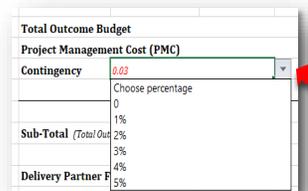
Project management costs (PMC) are the direct administrative costs incurred to execute a project. They should cover only incremental costs incurred due to the GCF contribution. In most cases, these costs are directly related to the support of a dedicated project management unit which manages the day to day execution related activities of the project.

General Principles for PMC costs:

1. The percentage of PMC financed by GCF should not be more than the percentage share of the overall budget financed by GCF
2. PMC budget thresholds: Up to 7.5 per cent of total activity budget.
 - > PMC exceeding 7.5 per cent for the readiness (including NAPs) proposals, and PPF proposals, up to \$ 3 million will require detailed documentation and justification supporting the entire PMC budget.
 - > The PMC should be shown as a separate component in the project budget. A detailed breakdown of PMC should be provided by budget category.
 - > Indicative list of eligible project management costs:
 - > **Project staffing and consultants:** Project manager, Project Assistant, Procurement personnel, Finance personnel & Support/admin. Personnel
 - > **Other direct costs:** Office equipment, Mission related travel cost of the PMU, Project management systems and information technology, Office supplies, Audit cost

Contingency :

1. Select the appropriate % of Contingency Budget from the dropdown list : 
2. Contingency budget for unforeseen costs arising during the project implementation should not be included in the outcome budget separately.
3. Contingency budget must be used for any unforeseen programme (output level) cost that is unrelated to implementation/service fee.
4. Any use of contingency must be reported to and agreed by the GCF Secretariat in writing in advance provided with justifications that are acceptable to the GCF
5. If by the end of the grant implementation period, you have not spent Contingency, you may not increase the scope of the project or make any other expenditures using the Contingency.



If you are unsure about how to complete the budget template, please send your query to: accounts@york.ac.uk

Budget Categories
Audio Visual & Printing
Audit Fee
Consultant - Individual - International
Consultant - Individual - Local
Professional Services – Companies/Firm
IT Equipment
Office Supplies
Travel - International
Travel – Local
Workshop/Training
-

Indicate additional budget categories

5.1 Budget Plan

Please add rows for Outcomes, Outputs and Cost Categories as required. Additional budget categories may be added by manually typing them on the Budget Category sheet.

Outcomes / Outputs		Detailed Budget (in US\$)						Total Budget (per outcome)	Expenditure Plan		Budget notes	
		Budget Categories <small>choose from the drop-down list</small>	Unit	# of Unit	Unit Cost	Total Budget (per budget category)	Total Budget (per output)		6m	12m		
Outcome 1.2	1.2.1 Output	Professional Services – Companies/Firm	W/Days	6	400.00	2,400.00	2,400.00	20,800.00	2,160.00	240.00	A	
		Professional Services – Companies/Firm	W/Days	17	400.00	6,800.00	6,800.00		6,120.00	680.00	B	
	1.2.2 Output	Professional Services – Companies/Firm	W/Days	29	400.00	11,600.00	11,600.00		10,440.00	1,160.00	C	
Outcome 1.3	1.3.1 Output	Consultant - Individual - Local	W/Days	10	400.00	4,000.00	8,000.00	31,800.00	3,600.00	400.00	D	
		Workshop/Training	Events	2	2,000.00	4,000.00			3,600.00	400.00	E	
	1.3.2 Output	Professional Services – Companies/Firm	W/Days	27	400.00	10,800.00	23,800.00		9,720.00	1,080.00	F	
		Workshop/Training	Events	3	1,000.00	3,000.00			2,700.00	300.00	G	
		Audio Visual & Printing	Lumpsum	1	10,000.00	10,000.00			9,000.00	1,000.00	H	
Outcome 2.1	2.1.1 Output	Consultant - Individual - Local	Months	10	2,000.00	20,000.00	21,000.00	21,000.00	18,000.00	2,000.00	I	
		Workshop/Training	Events	1	1,000.00	1,000.00		900.00	100.00	J		
Outcome 2.2	2.2.1. Output	Consultant - Individual - Local	Months	12	1,200.00	14,400.00	14,400.00	14,400.00	12,960.00	1,440.00	K	
Outcome 4.1	4.1.1 Output	Professional Services – Companies/Firm	W/Days	17	400.00	6,800.00	12,800.00	164,300.00	6,120.00	680.00	L	
		Consultant - Individual - Local	W/Days	10	400.00	4,000.00			3,600.00	400.00	M	
		Professional Services – Companies/Firm	W/Days	5	400.00	2,000.00			1,800.00	200.00	N	
	4.1.2 Output	Consultant - Individual - Local	W/Days	10	400.00	4,000.00	6,000.00		3,600.00	400.00	O	
		Professional Services – Companies/Firm	W/Days	5	400.00	2,000.00			1,800.00	200.00	P	
	4.1.3 Output	Consultant - Individual - Local	W/Days	80	400.00	32,000.00	54,500.00		28,800.00	3,200.00	Q	
		Professional Services – Companies/Firm	W/Days	45	500.00	22,500.00			20,250.00	2,250.00	R	
	4.1.4 Output	Professional Services – Companies/Firm	W/Days	55	400.00	22,000.00	91,000.00		19,800.00	2,200.00	S	
		Consultant - Individual - Local	W/Days	60	500.00	30,000.00			27,000.00	3,000.00	T	
		Workshop/Training	Events	5	1,500.00	7,500.00			6,750.00	750.00	U	
		Workshop/Training	Meetings	20	25.00	500.00			450.00	50.00	V	
		Consultant - Individual - Local	W/Days	40	650.00	26,000.00			23,400.00	2,600.00	W	
		Travel – Local	Trip + Per Diem	10	500.00	5,000.00			4,500.00	500.00	X	
Total Outcome Budget								252,300.00	227,070.00	25,230.00		
Project Management Cost (PMC) <small>Up to 7.5% of Total Activity Budget</small>		Consultant - Individual - Local	Months	12	1,240.00	14,880.00	Actual amount and % of PMC requested: <small>do not change the formula</small>	Maximum PMC that can be requested: <small>do not change the formula</small>				
		Audit Fee	Lumpsum	1	4,000.00	4,000.00						
									18,880.00	18,922.50		
									7.5%	7.50%		

FOR GREEN CLIMATE FUND SECRETARIAT'S USE ONLY

Breakdown (per budget category)	Total (per budget category)
Audio Visual & Printing	10,000.00
Audit Fee	4,000.00
Consultant - Individual - International	-
Consultant - Individual - Local	149,280.00
Professional Services – Companies/Firm	86,900.00
IT Equipment	-
Office Supplies	-
Travel - International	-
Travel – Local	5,000.00
Workshop/Training	16,000.00
-	-
0	-
0	-
0	-
0	-
Total Outcome Budget + PMC	271,180.00

FOR GREEN CLIMATE FUND SECRETARIAT'S USE ONLY

Total Outcome Budget		252,300.00
Project Management Cost (PMC)	7.5% requested	18,880.00
Contingency	5% requested	12,615.00
<hr/>		
Sub-Total (Total Outcome Budget + Contingency + PMC)		283,795.00
<hr/>		
Delivery Partner Fee (DP) - Up to 8.5% of the Sub-Total		24,122.58
<hr/>		
Total Project Budget (Total Activity Budget + Contingency + PMC + DP)		\$ 307,918.00

Budget Note	Detailed Description
A	The deliverable associated with activity 1.2.1a requires 6 days which will be developed by the specialists of the Consultancy Firm @USD400. The main task is to analyse the updated NoL and the CP to identify gaps and/or inconsistencies with FYNSA manuals, policies and procedures.
B	The deliverable associated with activity 1.2.1b requires 17 days which will be developed by the specialists of the Consultancy Firm @USD400. The main task is to align FYNSA manuals, policies and procedures for GCF Projects with the updated No Objection Procedure and CP.
C	The deliverable associated with activities 1.2.2a and 1.2.2b requires 29 days which will be developed by the specialists of the Consultancy Firm @USD400. The main task is to develop and implement DAE work plan to engage with the climate finance programming process and the TS.
D	Consultant Individual (Consultant N°1 managed by Ministry of Environment) – 10 days @USD400. This includes the design and implementation of two workshops to generate learning and discussion, share knowledge and foster collaboration. This consultant will also carry out in parallel other activities within the budget in outputs 2.2.1 and 2.1.1.
E	This budget line item will support 2 workshop sessions, for share knowledge and foster coloboration regarding GCF funded activities, the dissemination of the country programme and deepen in the topics to provide more advanced knowledge, including a section about gender related issues. These workshops will support between 10-20 persons representing relevant entities, project developers, representatives of civil society, academia and the private sector. Workshops will consider half a day, approximately 15 participants, @2000USD. If pandemic situation persists under the development of the Readiness Proposal, this item will also support the development of materials, payments to support an electronic platform to bring the members (Zoom, Microsoft Teams, etc.).
F	The deliverable associated with activity 1.3.2. requires 27 days which will be developed by the specialists of the Consultancy Firm @USD400. The main task is to design and conduct 3 trainings for target stakeholders on GCF processes, policies and procedures; financial mechanisms and other financial sources and instruments as vehicles to financing green projects. Training will include description of processes, timeframes, requirements among others. Consultant will also coordinate with audiovisual company in order to generate material to be uploaded to TS/MF and DAE website.
G	This budget line item will support 3 training sessions, for target stakeholders on GCF processes, policies and procedures; financial mechanisms and other financial sources and instruments as vehicles to financing green projects. Training will include description of processes, timeframes, requirements among others. These workshops will support between 10-20 persons representing relevant entities, project developers, representatives of civil society, academia and special focus to private sector and financial sector. Workshops will consider half a day, approximately 15 participants, @1000USD. The development of the workshops will be analyzed considering the response and repercussions of COVID-19. If pandemic situation persists under the development of the Readiness Proposal, this item will also support the development of materials, payments to support an electronic platform to bring the members (Zoom, Microsoft Teams, etc.).
H	This budget line item includes the expenses associated with the design and implementation of the audiovisual material to be developed by an agency: the graphic design conceptualization discussion (key-visuals), design Software for audiovisual editing and presentation design software as well. Training and audiovisual material will be available on the MF, ME, and DAE website, IT requirements must be implemented. The total sum of the acquisition of the audiovisual material amounts to 10 000 considering also the regular work sessions to adjust the concept design.
I	Consultant Individual (Consultant N°1 managed by Ministry of Environment) – This consultant will be contracted for this output for 10 months at a part-time basis @USD2000. This budget lines considers the conduction of 2 consultations with CSOs and stakeholders to obtain technical inputs to the update of the CP and disseminate information and engaging stakeholders with the CP. Furthermore, it considers the coordination and development of the updated CP and a validation workshop. This consultant will also carry out in parallel other activities within the budget in outputs 2.2.1. and 1.3.1. More details in Section 6.2 under Consultant N°1: Roles and responsibilities.

J	This budget line item will support a validation workshop for the CP update, This workshop will support between 10-20 persons representing relevant entities, public sector institutions, project developers, representatives of civil society, academia and the private sector. Workshops will consider half a day, approximately 15 participants, @1000USD. If pandemic situation persists under the development of the Readiness Proposal, this item will also support the development of materials, payments to support an electronic platform to bring the members (Zoom, Microsoft Teams, etc.).
K	Consultant Individual (Consultant N°1 managed by Ministry of Environment) – This consultant will be contracted for this output (2.2.1.) for 12 months at a part-time basis @USD1200. This consultant will also carry out in parallel other activities within the budget in outputs 1.3.1 and 2.1.1. More details in Section 6.2 under Consultant N°1: Roles and responsibilities.
L	The deliverable associated with activity 4.1.1a requires 17 days which will be developed by the specialists of the Consultancy Firm @USD400. The main task is to identify potential project ideas for the project pipeline for which several meeting will be conducted with private sector associations, public institutios amd financial sector. This consultant will also develop activity 4.1.1b which consist of developing a project prioritization criteria, methodology, and process for which 10 days are considered @400USD. Consultant will also coordinate with the Public sector consultant described in the next budget note and the TS
M	Consultant Individual (Consultant N°2 managed by Ministry of Environment) – 10 days @USD400. This includes the support and guideline from the public sector to activities 4.1.1 a, b and c to be developed by specialist from the consultancy firm. This consultant will also carry out in parallel other activities within the budget in outputs 4.1.2 and 4.1.3. More details in Section 6.2 under Consultant N°2: Roles and responsibilities.
N	The deliverable associated with activity 4.1.1c requires 5 days which will be developed by the specialists of the Consultancy Firm @USD400. The main task is to Assess and prioritize a list of projects/programmes from 4.1.1a, in line with the climate priorities as outlined in NDCs, NAPs, and other national strategies. Consultant will also coordinate with the Public sector consultant described in the next budget note and the TS.
O	Consultant Individual (Consultant N°2 managed by Ministry of Environment) – 10 days @USD400. This includes the completion of the Technical Background Form (TBF) for public sector projects/programmes that will be presented to GCF (activity 4.1.2a). Furthermote, match the country's priorities with the capabilities and track records of the most suitable AEs to implement the public projects/programmes (activity 4.1.2b). This consultant will also carry out in parallel other activities within the budget in outputs 4.1.1 and 4.1.3. More details in Section 6.2 under Consultant N°2: Roles and responsibilities.
P	The deliverable associated with activity 4.1.2c requires 5 days which will be developed by the specialists of the Consultancy Firm @USD400. This includes the completion of the Technical Background Form (TBF) for private sector projects/programmes that will be presented to GCF.
Q	Consultant Individual (Consultant N°2 managed by Ministry of Environment) – 80 days @USD400. This consideres the development of 2 concept notes for public sector priority sectors for submission to the GCF, including those targeted for PPF assistance (activity 4.1.3a) and validation of the concept notes (activity 4.1.3c). This consultant will also carry out in parallel other activities within the budget in outputs 4.1.1 and 4.1.2. More details in Section 6.2 under Consultant N°2: Roles and responsibilities.
R	The deliverable associated with activity 4.1.3 b and c requires 45 days which will be developed by the specialists of the Consultancy Firm @USD500. The main task is the development of 2 concept notes for private sector for submission to the GCF (activity 4.1.3b) and validation of the concept notes (activity 4.1.3c).

5.2 Procurement Plan

For goods, services, and consultancies to be procured, please list the items, descriptions in relation to the activities in Section 3, estimated cost, procurement method, relevant threshold, and the estimated dates. Please include the procurement plan for at least the first tranche of disbursement requested below and provide a full procurement plan for the entire duration of the implementation period if available at this stage.

Item	Item Description	Estimated Cost (US\$)	Procurement Method	Thresholds		Estimated Start Date	Projected Contracting Date
				(Min-Max monetary value for which indicated procurement method must be used)			
Goods and Non-Consulting Services							
Workshop/Training	Civil participation instances - venue and catering	4,000.00	Section 1 (Fynsa Procurement Policy)	\$3,600.00	\$4,000.00	Month 3	Month 2
Workshop/Training	Training for originators, executing entities, private sector and financial institutions - venue and catering	3,000.00	Section 1 (Fynsa Procurement Policy)	\$2,700.00	\$3,000.00	Month 2	Month 1
Audio Visual & Printing	Audiovisual material for official platforms generation for private sector engagement	10,000.00	Section 2 (Fynsa Procurement Policy)	\$9,000.00	\$10,000.00	Month 7	Month 6
Workshop/Training	Feedback for CP - venue and catering	1,000.00	Section 1 (Fynsa Procurement Policy)	\$900.00	\$1,000.00	Month 4	Month 3
Workshop/Training	Validation workshops for EDA CN development - venue and catering	7,500.00	Section 2 (Fynsa Procurement Policy)	\$6,750.00	\$7,500.00	Month 5	Month 4
Workshop/Training	Meetings between DAE, TS and other relevant stakeholders - venue	500.00	Section 1 (Fynsa Procurement Policy)	\$450.00	\$500.00	Month 4	Month 3
Travel – Local	Travels for EDA CN development	5,000.00	Section 1 (Fynsa Procurement Policy)	\$4,500.00	\$5,000.00	Month 4	Month 3
Sub-Total (US\$)		\$ 31,000.00					
Consultancy Services							
Consultant - Individual - Local	Alignment of Climate Change Policies and Strategic frameworks	14,400.00	Section 2 (Fynsa Procurement Policy)	\$12,960.00	\$14,400.00	Month 1	Month 1
Professional Services – Companies/Firm	DAE's Internal Procedures New Versions analysis	2,400.00	Section 1 (Fynsa Procurement Policy)	\$2,160.00	\$2,400.00	Month 3	Month 2
Professional Services – Companies/Firm	DAE's Internal Procedures and Policies New Versions elaboration	6,800.00	Section 2 (Fynsa Procurement Policy)	\$6,120.00	\$6,800.00	Month 4	Month 3
Professional Services – Companies/Firm	Work schedule and implementation between TS and DAE management	11,600.00	Section 2 (Fynsa Procurement Policy)	\$10,440.00	\$11,600.00	Month 1	Month 1
Consultant - Individual - Local	Workshops coordination	4,000.00	Section 1 (Fynsa Procurement Policy)	\$3,600.00	\$4,000.00	Month 3	Month 2
Professional Services – Companies/Firm	Training for originators, executing entities, private sector and financial institutions and audiovisual material management	10,800.00	Section 2 (Fynsa Procurement Policy)	\$9,720.00	\$10,800.00	Month 2	Month 1
Consultant - Individual - Local	Country Programme elaboration	20,000.00	Section 2 (Fynsa Procurement Policy)	\$18,000.00	\$20,000.00	Month 1	Month 1
Professional Services – Companies/Firm	List of projects/programmes generation	6,800.00	Section 2 (Fynsa Procurement Policy)	\$6,120.00	\$6,800.00	Month 1	Month 1
Consultant - Individual - Local	Public Sector projects/programmes prioritization	4,000.00	Section 1 (Fynsa Procurement Policy)	\$3,600.00	\$4,000.00	Month 2	Month 1
Professional Services – Companies/Firm	Private Sector projects/programmes prioritization	2,000.00	Section 1 (Fynsa Procurement Policy)	\$1,800.00	\$2,000.00	Month 2	Month 1
Consultant - Individual - Local	Technical Background Form development for Public Projects	4,000.00	Section 1 (Fynsa Procurement Policy)	\$3,600.00	\$4,000.00	Month 5	Month 4
Professional Services – Companies/Firm	Technical Background Form development for Private Projects	2,000.00	Section 1 (Fynsa Procurement Policy)	\$1,800.00	\$2,000.00	Month 5	Month 4
Consultant - Individual - Local	Public sector Concept Notes development	32,000.00	Section 2 (Fynsa Procurement Policy)	\$28,800.00	\$32,000.00	Month 5	Month 4
Professional Services – Companies/Firm	Private sector Concept Notes development	22,500.00	Section 2 (Fynsa Procurement Policy)	\$20,250.00	\$22,500.00	Month 5	Month 4
Professional Services – Companies/Firm	EDA Concept Note development support	22,000.00	Section 2 (Fynsa Procurement Policy)	\$19,800.00	\$22,000.00	Month 4	Month 3
Consultant - Individual - Local	Mitigation and Adaptation Consultants for EDA CN development	30,000.00	Section 2 (Fynsa Procurement Policy)	\$27,000.00	\$30,000.00	Month 4	Month 3
Consultant - Individual - Local	Financial specialist for EDA CN development	26,000.00	Section 2 (Fynsa Procurement Policy)	\$23,400.00	\$26,000.00	Month 4	Month 3
Consultant - Individual - Local	Admin, Financial and Procurement consultant	14,880.00	Section 2 (Fynsa Procurement Policy)	\$13,392.00	\$14,880.00	Month 1	Month 1
Audit Fee	Readiness audit	4,000.00	Section 1 (Fynsa Procurement Policy)	\$3,600.00	\$4,000.00	Month 6	Month 5
Sub-Total (US\$)		\$ 240,180.00					

