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Country Programme Guidance

A guide on developing Country Programmes for the Green Climate Fund



GCF GUIDEBOOK SERIES

Country Programme Guidance

This document has been prepared by the Secretariat of the Green Climate Fund to provide guidance to NDAs and focal points from developing countries on developing their Country Programmes. It is based on the Board decisions and policies referred herein and, in the event of any conflict between the information contained in this Guidance and the provisions of the relevant Board decisions and policies, the Board decisions and policies shall prevail. Accordingly, this document is provided without warranty of any kind, including completeness, fitness for a particular purpose and/or non-infringement and is only a reference guide.

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Green Climate Fund
Songdo Business District
175 Art Center-daero
Yeonsu-gu, Incheon 22004
Republic of Korea

+82 32-458-6039
countries@gcfund.org
greenclimate.fund



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INTRODUCTION

Green Climate Fund (GCF) Country Programmes are the cornerstone of each country's pipeline development with the GCF. It is the first stage of the GCF's updated project and programme cycle, and forms the basis for prioritizing the further development of funding proposals for projects and programmes submitted by the GCF's Accredited Entities on behalf of countries for funding.¹

Countries are encouraged to develop a GCF Country Programme to drive their project and programme pipelines with the GCF, and countries may request support from the GCF Readiness and Preparatory Support Programme (RPSP) for its development and update.² The national designated authority (NDA) or focal point of the country will lead a consultative multi-stakeholder process for developing or updating the country's GCF Country Programme.³ The GCF will also prioritize the use of resources from the RPSP and the GCF Project Preparation Facility⁴ for further development of priority projects and programmes identified in GCF Country Programmes.

The process of developing or updating a Country Programme may be used for prioritising the most impactful projects or programmes to be funded by the GCF, aligned with the priorities identified in a country's national climate plans or strategies. It may also be used to identify the most suitable GCF Accredited Entities or prospective entities seeking accreditation that would submit and implement those projects and programmes. Such projects and programmes should contribute to the country achieving its ambitious, long-term climate change strategies and plans, particularly those contained in the country's latest nationally determined contributions (NDCs), adaptation communications (ACs), national adaptation plans (NAPs), Technology Needs Assessments (TNAs), Technology Plans (TPs) and long-term national strategies, focusing on areas of high mitigation potential and adaptation needs for the country. They should also be consistent with long-term planning aligned with the goals of the UN Framework Convention on Climate Change and the Paris Agreement to stabilise average global temperatures at 1.5 or 2 degree Celsius above pre-industrial levels and increase the country's ability to adapt to the adverse impacts of climate change.

The Country Programme will also identify approaches whereby the GCF's financing and risk-taking ability in partnership with its Accredited Entities can mobilise higher amounts of climate investment from a wide range of financial sources (public and private), particularly bilateral and multilateral agencies seeking to deploy financing alongside GCF financing.

The Country Programme Guidance in this document has been prepared by the Secretariat building on the initial general guidelines for country programmes approved by the GCF Board.⁵ It also builds on other decisions of the Board and notably the Updated Strategic Plan for the Green Climate Fund: 2020-2023.⁶

¹ Decision B.17/21, annex IV. Available at: <<https://www.greenclimate.fund/document/gcf-b17-21>>

² GCF Readiness and Preparatory Support Programme: <<https://www.greenclimate.fund/readiness>>

³ Initial best-practice guidelines for the selection and establishment of national designated authorities and focal points (Decision B.08/45, annex XIII) and Initial best-practice options for country coordination and multi-stakeholder engagement (Decision B.08/45, annex XIV)

⁴ GCF Project Preparation Facility: <<https://www.greenclimate.fund/projects/ppf>>

⁵ Decision B.08/45, annex XVII. Available at: <<https://www.greenclimate.fund/document/gcf-b08-45>>

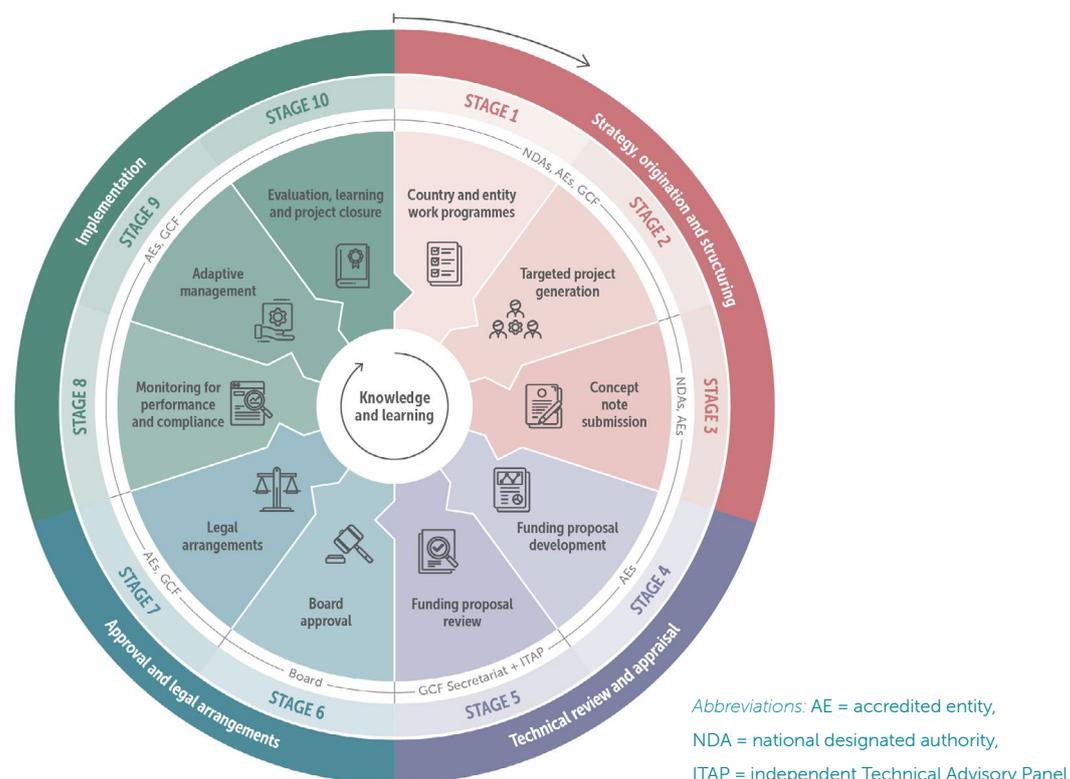
⁶ Updated Strategic Plan for the GCF 2020-2023. Available at: <<https://www.greenclimate.fund/document/updated-strategic-plan-green-climate-fund-2020-2023>>

Each country will have the flexibility to develop or update their country programmes in a manner relevant and suitable to their national circumstances. A country may develop its country programme in two parts. The first part may include a broader climate finance or NDC financing strategy covering all their key climate change priorities over a 10-year period encompassing all sources of climate finance.⁷ The second part would include a GCF-focused programming plan, which includes the top priorities for which the country would seek GCF funding during a given programming cycle, including for the RPSP (see section 3 below).⁸ The GCF Secretariat will actively use country programmes to inform development of the GCF pipeline and guide project review, as well as inform the accreditation process.

In all cases, a Country Programme developed for the GCF should include the following components:

1. Country context (2-3 pages)
2. Climate finance strategy and priorities (2-3 pages)
3. Project and programme priorities for the GCF (5-7 pages)
4. Policy, strategy, planning and institutional needs (2-3 pages)
5. Multi-stakeholder engagement process (1-2 pages)

FIGURE 1. GCF PROJECT/PROGRAMME ACTIVITY CYCLE



⁷ GCF Country Programme of the Cook Islands is an example: <<https://www.greenclimate.fund/document/cook-islands-country-programme>>

⁸ GCF Country Programme of the Federative Republic of Brazil is an example: <<https://www.greenclimate.fund/document/brazil-country-programme>>

1. COUNTRY CONTEXT

A Country Programme is anchored in a country's unique sustainable development, climate change and climate financing contexts to prioritise projects and programmes for GCF funding in a manner that promotes country ownership, drives transformation in key sectors and regions of the country, and where possible, mobilises financing from other public and private sources to achieve the ambitious climate change goals of the country. A succinct summary on the context with references to relevant strategies and planning documents, particularly those developed in the context of UNFCCC processes, may be provided with a focus on how the GCF can specifically add value within the country's context.

Sustainable Development Agenda

The country's sustainable development context based on its long-term and medium-term development plans, including its plans for contributing to the Sustainable Development Goals (SDGs), will include a brief overview of the country's economic, social and environmental profile, key economic drivers and anticipated sectors for growth, key challenges and opportunities, and related national and sub-national policy responses.

The following information may be included:

- GDP, growth rate, GNI/capita, HDI, domestic credit levels, ease of doing business and other relevant development indicators, such as sustainable development indicators; and
- Development prospects, macro-economic and fiscal circumstances and strategies, poverty reduction and sustainable development strategies, resilient recovery strategies, social inclusion and gender mainstreaming strategies, key sector policies/strategies, infrastructure investment policies (e.g. related to urban development and transport), and emerging green growth strategies (or similar).

Climate Change Profiles

The country's climate change context will provide a synthesis of the country's:

- Climate change profile and projections (greenhouse gas emissions as well as vulnerability and impacts under different climate change scenarios) at national, sub-national or sectoral levels based on the most recent climate information and science, including ongoing assessment that could generate new data over time. This helps identify areas of high mitigation potential and adaptation needs for the country;
- Potential synergies between the country's immediate resilient recovery efforts, as well as sustainable development objectives and climate change risks/opportunities in the medium-term to long-term; and
- Potential adaptation and mitigation investment opportunities reflecting an economic analysis of the most impactful options and derived from the country's ambitious low-emission and climate-resilient development strategies and plans developed through broad stakeholder engagement such as including NDCs, ACs, NAPs, TNAs, TPs and long-term national strategies most relevant to the country.

2. CLIMATE FINANCE STRATEGY AND PRIORITIES

The country will summarize the climate finance landscape of the country including the current and expected public, private and other financing (domestic and international) to address the country low-emission, climate-resilient development needs and priorities. It will include the country's climate financing priorities over a ten-year period up to 2030 associated with the NDC cycles, as well as with its ACs, NAPs, TNAs, TPs and long-term national strategies, as well as more immediate resilient recovery strategies. Such information may include the following:

- Profile of climate finance needs for adaptation and mitigation across key priority sectors and the availability of climate finance from different public, private and other sources, domestic and international;
- Capacity of the financial system of the country where private sector financing is being mobilised from local financial markets or through foreign investments to address climate change; and
- Where concessional and risk-taking climate finance from the GCF as well as other climate, environment or similar funds will be used in a complementary manner to address barriers, catalyse innovations and mobilise public and private investments towards low-emission, climate-resilient development.

3. PROJECT AND PROGRAMME PRIORITIES FOR THE GCF

Based on the country's context and wider climate finance strategy, the Country Programme will identify and provide a summary of up to five (5) country-specific priority projects and programmes, including with the private sector where possible, to be submitted to the GCF for funding during the four years the GCF's programming cycle.⁹ While the scope and size of such projects and programmes may vary depending on the size and needs of different countries, such prioritization does not represent a cap on the number of projects that may be funded in a country during a given programming cycle. Instead, it will allow the GCF to optimize its capacity and the available resources during any given programming cycle, including the deployment of readiness and project preparation resources to support concept note and funding proposal development, and to also help Countries and Accredited Entities to focus their capacity and resources. Noting the business model of the GCF, such priority projects and programmes will be developed in close collaboration with GCF Accredited Entities as well as prospective entities seeking accreditation.¹⁰

In addition to the five country-specific priority projects and programmes, the Country Programme may also include the country's participation in regional or multi-country programmes initiated and designed by GCF Accredited Entities as well as prospective entities seeking accreditation,¹¹ or a phased programmatic approach to longer-term, multi-stage investments within a country to transform a sector or region of the country.

⁹ The GCF follows four-year replenishment periods and associated programming cycles. For reference, the first replenishment period of the GCF will be 2020-23 (GCF-1) and the second period will be 2024-27 (GCF-2).

¹⁰ GCF Country Programme of the Lao People's Democratic Republic is an example: <<https://www.greenclimate.fund/document/lao-pdr-country-programme>>

¹¹ GCF Country Programme of Jamaica is an example: <<https://www.greenclimate.fund/document/jamaica-country-programme>>

The relevant analyses and processes undertaken to arrive at the programming priorities identified should be briefly described, and documents relevant to such analyses or processes may be added as annexes to the Country Programme. The priority projects and programmes identified must also include proposals already submitted to the GCF by GCF Accredited Entities with no-objection letters¹² issued by the NDA or focal point of the country for a given four-year programming cycle. The country is also encouraged to indicate key priority areas where they would consider proposals from the GCF's accredited entities, particularly to assist private sector-focused accredited entities to bring forward project or programme ideas or concepts for the consideration by the NDA or focal point of the country.

Countries are encouraged to consider the following in identifying prioritized projects and programmes:

- Targeting the country's climate change priorities and the most impactful investments in the respective country context, informed by areas of high mitigation potential and adaptation needs, especially for the most vulnerable people and communities;
- Aligning with the strategic plan of the GCF and related sector guidance for a given programming cycle¹³;
- Considering projects and programmes with potential for innovation, replication, scale and financial sustainability (paradigm shift), as well as those which deliver integrated mitigation, adaptation, and development and resilient recovery benefits
- Working with accredited entities to choose from a flexible range of financing instruments offered by the GCF to accelerate climate action and enable greater access and impact, including exploring different ways to apply non-grant instruments (equity, guarantees, loans) where appropriate;
- Incorporating appropriate levels of co-financing¹⁴ whenever possible to maximize the impact of GCF proceeds;
- Potential for private sector investment in climate activities, including engaging local private sector actors, micro-, small- and medium size enterprises;
- Consistency with the GCF's investment criteria and risk appetite¹⁵, noting that the GCF seeks to take educated risks that other funds or institutions are not able or willing to take in order to demonstrate the viability of innovative approaches and deliver scale;
- Establishing partnerships with accredited direct access or international access entities¹⁶ (or prospective entities seeking accreditation) intended to develop and submit the projects or programmes to the GCF compliant with the respective entities' accreditation scope and their comparative advantage¹⁷;

¹² No-objection letter templates. Available at: <<https://www.greenclimate.fund/document/no-objection-letter-template>>

¹³ Draft GCF sector guides are available for consultation - Agriculture and Food Security: <<https://we.tl/t-GyRwUbNgUT>>, Cities, Buildings and Urban Systems: <<https://we.tl/t-QP43KCoXid>>

¹⁴ Policy on co-financing. Available at <<https://www.greenclimate.fund/document/policy-co-financing>>

¹⁵ Risk appetite statement (Component II). Available at <<https://www.greenclimate.fund/document/risk-appetite-statement-component-ii>>

¹⁶ For the list of accredited entities, their roles and responsibilities and accreditation standards, refer to: <<https://www.greenclimate.fund/about/partners/ae>>

¹⁷ Note that national direct access accredited entities will not submit an Entity Work Programme for the GCF and their intended pipelines will be included in their respective country's Country Programmes. Regional direct access and international access accredited entities will develop Entity Work Programmes for the GCF, which will also include projects and programmes prioritized by countries in their Country Programme.

- Supporting national and regional DAEs to play a more prominent role in GCF programming and channel significantly more GCF funding; and
- Identifying where project preparation resources may be required to develop the prioritised projects or programmes.

For each project or programme prioritised, please use **Table 1** as template (completed cells are illustrative only) and where available add a completed Concept Note¹⁸ or Simplified Approval Process Concept Note¹⁹ as an annex to the Country Programme. If a Concept Note is not available, please add a 1-2 page descriptive summary for each prioritised project/programme including the following information on the specific climate change problem the project/programmes seeks to address, the theory of change for addressing the problem, the key activities, outputs and outcomes expected from the project, and the roles of key partners to be engaged in the financing and implementation of the project/programme.

The GCF Accredited Entity or a prospective entity seeking accreditation with the GCF, including their actual or anticipated fiduciary and environmental and social safeguards (ESS) capabilities, should also be included in the table below. The capabilities of the entities selected must be aligned with the intended scale and scope of the project/programme. Furthermore, prospective entities must have legal personality and capable of performing the roles and responsibilities expected of a GCF Accredited Entity. At the request of the NDA, the GCF Secretariat could facilitate engagement between the NDA and GCF Accredited Entities to identify suitable entities to submit and implement the country's priority projects and programmes.

4. POLICY, STRATEGY, PLANNING AND INSTITUTIONAL NEEDS

The country will provide a summary analysis of the key policies, strategies, plan, institutional systems and human capacity that need to be further developed in order to identify, design and implement transformational climate change interventions. The GCF encourages multi-year readiness proposals and such a summary analysis that follows the guidelines provided in the Readiness Guidebook²⁰ would form the basis of the needs assessment required to access such multi-year readiness support.

The country will also include the support needed by the direct access entities accredited or nominated for accreditation, including for pre- and post-accreditation capacity building, closure of accreditation conditions or upgrades in their accreditation scope, as well as capacity development throughout the project cycle. The country may use resources from the GCF Readiness Programme to address these needs and in identifying these needs also provide a brief overview of the current scenario, the rationale for use of GCF resources and an indication of co-financing available from other domestic and international sources to also address these needs.

Summary information for the Readiness needs identified may be included in the form of a table as illustrated in **Table 2**.

¹⁸ GCF concept note template. Available at <<https://www.greenclimate.fund/document/concept-note-template>>

¹⁹ GCF Simplified Approval Process concept note template. Available at <<https://www.greenclimate.fund/document/simplified-approval-process-concept-note>>

²⁰ GCF Readiness and Preparatory Support Programme Guidebook: <<https://www.greenclimate.fund/document/readiness-and-preparatory-support-guidebook>>

TABLE 1. SAMPLE GCF COUNTRY PROGRAMME PIPELINE

PROJECT NAME	TYPE OF GCF PROPOSAL*	PROJECT PREPARATION FACILITY (PPF) REQUIRED	BASELINE	ESTIMATED GCF FINANCING (USD)	ESTIMATED CO-FINANCING (USD)	ACCREDITED ENTITY**	FIDUCIARY STANDARDS	ESS	ESTIMATED SUBMISSION			
									2020	2021	2022	2023
Rapid Transport System for City [xxx]	RFP-MFS	Feasibility study	Concept Note developed	50,000,000	200,000,000	[add name]	Basic, Project Management, On-lending & Blending	Category A			X	
Enhancing resilience of [xxx] watershed	SAP	N/A	Pre-feasibility study complete	10,000,000	5,000,000	[add name]	Basic, Project Management	Category C				X
Climate friendly agribusiness	FP	Environmental & Social Impact Analysis	Feasibility study is complete	25,000,000	25,000,000	[add name]	Basic, Project Management, Grant Award	Category B		X		
TOTAL				85,000,000	230,000,000							

* Response to a GCF Request for Proposals such as EDA, MSME, MFS or REDD+ <<https://www.greenclimate.fund/projects/rfp>>, Simplified Approval Process proposals <<https://www.greenclimate.fund/projects/sap>>, or regular funding proposal <<https://www.greenclimate.fund/projects/process>>

** The Accredited Entity may be already accredited with the GCF or may be a prospective entity that intends to seek accreditation with the GCF.

TABLE 2. SAMPLE GCF READINESS REQUESTS

READINESS REQUEST	DESCRIPTION (UP TO 100 WORDS)	ESTIMATED GCF FINANCING (USD)	ESTIMATED CO-FINANCING (USD)	DELIVERY PARTNER *	ESTIMATED SUBMISSION			
					2020	2021	2022	2023
National Adaptation Planning process	Vulnerability and risk assessments, and adaptation options analysis in 5 priority sectors of the economy	2,000,000	1,000,000	[add name]				X
Long-term climate change strategy development	Modelling of long-term climate change scenarios and analysis of implications for key sectors of the economy to identify adaptation and mitigation opportunities	500,000	500,000	[add name]				X
Capacity support for accredited direct access entity	Capacity for climate change screening of pipelines, undertaking baseline analysis, and developing monitoring protocols	300,000	200,000	[add name]	X			
TOTAL		2,800,000	1,700,000					

* The Delivery Partner may be an accredited entity. If the country selects a national, regional or international entity not accredited with the GCF to serve as the Delivery Partner, the entity would need to successfully complete a Financial Management Capacity Assessment by the GCF.

5. MULTI-STAKEHOLDER ENGAGEMENT PROCESS

The country will provide a description of the multi-stakeholder engagement process followed to develop, monitor and update its GCF Country Programme and also include information on key stakeholders engaged in the process such as other government agencies at the national or sub-national level, accredited entities, development partners, private sector, and civil society organisations (e.g. community-based, gender-oriented or indigenous peoples), among others.

Noting the business model of the GCF, engaging with the full range of direct access and international access accredited entities that can work with both the public and the private sector in the country will be a critical element of the stakeholder engagement process to ensure that priority projects and programmes can ultimately be developed by the Accredited Entity into funding proposals for submission to the GCF. Such engagement is also critical to ensure alignment between country programmes and entity work programmes developed by regional direct access and international access entities, and complementarity between entities based on their respective capabilities.

A list of key stakeholders and their relevance to the programming strategy of the country will be included as an annex. The country will also indicate the periodicity (e.g. mid-term) and scope (e.g. following updates to NDCs or NAPs) of reviews planned with the Accredited Entities and other stakeholders in the country, and the expected process for doing so. Countries may also update their priority projects and programmes during such reviews should special circumstances (e.g. catastrophic events) so require.

NOTES

CONTACT INFORMATION

For queries regarding the Country Programme Guidance, please contact us at countries@gcfund.org with the Regional Manager assigned to your country in copy.



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