Readiness Proposal

with ISDB for the Hashemite Kingdom of Jordan, the Lebanese Republic, the Republic of Iraq, the State of Palestine, and the Sultanate of Oman

30 December 2021
Proposal title: Leveraging the Private Sector for Increased Climate Investment and Strengthened Partnerships in the West Asia Region

Country: Iraq, Jordan, Lebanon, Oman, State of Palestine

National designated authority: Ministry of Environment of Jordan as Lead NDA

Implementing Institution: Islamic Development Bank (IsDB)

Date of the first submission: 30 June 2021

Date of current submission/version number: 21 November 2021 V.3
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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]-[ymmd]
1. SUMMARY

1.1 Country submitting the proposal

The NDA’s of Iraq, Jordan, Lebanon, Oman and State of Palestine

Country Name: Iraq
Name of NDA: Ministry of Health and Environment
Name of Contact Person: Dr. Jasim Abdulazeez Humadi
Contact Person’s Position: Deputy Minister of Health and Environment for Environmental Affairs
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Name of NDA: Ministry of Environment
Name of Contact Person: Mr. Belal Shqarin
Contact Person’s Position: Director, Climate Change Directorate
Telephone: +962 795 957 454
Email: belal.shqarin@moenv.gov.jo; shqareen@yahoo.com

Country Name: Lebanon
Name of NDA: Ministry of Environment
Name of Contact Person: Ms. Samar Malek
Contact Person’s Position: Head of the Service of Environmental Technology
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Country Name: Oman
Name of NDA: Civil Aviation Authority
Name of Contact Person: Dr. Juma Al-Maskari
Contact Person’s Position: Director General of Meteorology
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Email: j.almaskari@met.gov.om

Country Name: State of Palestine
Name of NDA: Environment Quality Authority
Name of Contact Person: Mr. Jameel Mtour
Contact Person’s Position: Chairman
Telephone: +970 568 964222
Email: chairman@environment.pna.ps; n72065@hotmail.com
1.2 Date of initial submission
30 June 2021

1.3 Last date of resubmission
15 September 2021

1.4 Which institution will implement the Readiness and Preparatory Support project?
☐ National designated authority
☐ Accredited entity
☒ Delivery partner

Name of institution: Islamic Development Bank
Name of official: Dr. Daouda Ben Oumar Ndiaye
Position: Lead Climate Adaptation Specialist
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Additional email addresses that need to be copied on correspondences:
Oyusuf@IsDB.org; HAbubakar@isdb.org

1.5 Title of the Readiness support proposal
Leveraging the Private Sector for Increased Climate Investment and Strengthened Partnerships in the West Asia Region

1.6 Type of Readiness support sought
☒ I. Capacity building
☒ II. Strategic frameworks
☐ III. Adaptation planning
☒ IV. Pipeline development
☒ V. Knowledge sharing and learning

1.7 Brief summary of the request
This private sector focused readiness proposal has been developed using a portfolio approach which firstly focuses on common key barriers and constraints across all partner countries and then determines how those constraints can be alleviated on a regional scale which reduces transaction costs and improves learning and synergy among partner countries. Such barriers are identified below:

- Barrier #1: Lack of enabling environment for private sector investment (e.g., absence of green Investment guidelines, limited incentives for revenue generation).
- Barrier #2: Limited awareness of the climate finance merit, and a small number of private-sector Direct Access Entities (DAEs).
- Barrier #3: Lack of green investment policy guidelines for the financial sector and regulatory/enforcement mechanisms
- Barrier #4: Inadequate capacity of private sector to incorporate gender and social awareness in climate financing
- Barrier #5: Insufficient awareness of the merits of climate finance and low capacity to develop bankable green projects to increase private sector engagement when commercially viable.
- Barrier #6: Limited readiness to address climate change due to institutional weaknesses, planning gaps and technical capacity and expertise constraints.
Furthermore, some elements of this proposal will be focused to achieve national objectives in each country (i.e., development of a specific national concept note) however, appropriate national activities will be used as case studies among all partner countries for increased knowledge transfer and replication of appropriate ideas across the region.

This proposal seeks to improve the enabling environment for private-sector partners in climate finance in the region. Specifically, the proposal will focus on private sector direct access applicants, potential future DAEs, Executing Entities (EEs) and National Designated Authorities (NDAs) to develop effective public-private partnerships for stimulating greater engagement and increasing private investment in climate change mitigation and adaptation. The proposal will deploy a portfolio approach to:

- Build capacity of private sector direct access applicants and DAEs to achieve accreditation and improve ability to develop projects in alignment with GCF criteria.
- Develop capacity of EEs and other private sector actors to increase engagement in climate finance and better understand the range of financial instruments and innovative deal-structures for utilization of public resources to buy-down risk for private sector entry into climate finance.
- Support NDAs and private sector actors to identify/advance project ideas by developing needed assessments and studies, improving understanding of gender and social awareness and translating ideas and information into new concept notes (CNs) or enhanced existing CNs
- Utilize the portfolio approach to develop a regional knowledge management tool that will promote public-private knowledge transfer and enhanced regional participation in climate action

Given the commonalities in readiness capacity gaps and barriers concerning private-sector engagement among these countries, the approach offers a cost-effective avenue for systematically increasing public-private partnerships through GCF programming to galvanize private investment into low-emission and climate-resilient pathways in a highly integrated manner. The beneficiaries for this project will be mainly private sector direct access applicants, potential future DAEs, EEs, NDAs and other relevant policy actors especially those involved in private sector support and public-private partnerships.

<table>
<thead>
<tr>
<th>1.8 Total requested amount and currency</th>
<th>USD 2,625,412 million</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.9 Implementation period</td>
<td>24 months</td>
</tr>
<tr>
<td>1.10 Is this request a multiple-year strategic Readiness implementation request?</td>
<td>☒ Yes ☐ No</td>
</tr>
<tr>
<td>1.11 Complementarity and coherence of existing readiness support</td>
<td>☒ Yes ☐ No</td>
</tr>
</tbody>
</table>

All five participating countries have received previous readiness support. The chart below illustrates that support and discusses how this readiness proposal will build upon existing GCF readiness as well as other ongoing initiatives in participating countries.

Table 1: Complementarity of existing (or under development) readiness/donor support to the Regional Readiness Proposal

<table>
<thead>
<tr>
<th>Country</th>
<th>Name of Programme</th>
<th>Status</th>
<th>Alignment with this regional readiness proposal</th>
</tr>
</thead>
</table>

GCF READINESS & PREPARATORY SUPPORT
| **Iraq** | **Green Climate Fund (GCF) Readiness Programme in Iraq** | **Completed** | **Status:** Improved NDA capacity to engage with internal governmental and external non-governmental stakeholder to access climate finance and through the no-objection procedures. The draft GCF Country programme has established priorities for the various sectors.  
**Linkage to the regional proposal:** With improved capacity and an initial pipeline consisting primarily of public sector projects, the National Designated Authority (NDA) is now seeking to increase regional knowledge transfer on innovative private sector projects especially for potential future Direct Access Entity (DAE) applicants. |
| --- | --- | --- | --- |
| **Building capacity to advance the National Adaptation Plan process in Iraq** | Status: The National Adaptation Plan (NAP) process has been established and the institutional, technical and financial capacities are being strengthened to enable medium to long-term adaptation needs to be integrated into national development planning in Iraq.  
**Linkage to the regional proposal:** Iraq’s adaptation plan seeks to increase national and sub-national private sector participation in adaptation decisions in Iraq. The ongoing NAP activities have engaged private sector entities and associations for climate change action. This is an opportunity to identify first movers and engaged private sector organizations already sensitized under the NAP. They will be targeted for additional support through this readiness as possible future private sector executing entities in Iraq. |
| **Technology needs assessment and associated action plan for climate change mitigation and adaptation in Iraq’s most vulnerable sectors** | **Under Implementation** | **Status:** Development of comprehensive Technology Needs Assessment and action plan is underway. This work prioritizes mitigation and adaptation technologies that are well aligned with Iraq’s Intended Determined National Contribution INDC (2015) and GCF country programme.  
**Linkage to the regional proposal:** Technology commercialization plans are being developed as part of the ongoing proposal, and those already identified private sector institutions will be targeted by this proposal through outreach and trainings as potential future executing entities and project partners in Iraq. |
| **NDA strengthening in Iraq for climate finance programming, governance, regional dialogues and knowledge generation** | **Under Implementation** | **Status:** This recently initiated readiness will strengthen capacity of the NDA to institutionalize climate action coordination mechanisms; establish/build capacity of direct access entities; enhance climate finance programming for national/regional greenhouse gas mitigation measures; mainstream information on paradigm shifts/transformation into country programming; and develop capacity to identify and develop proposals on green growth investments.  
**Linkage to the regional proposal:** The tools and capacity built with the NDA will be key to support private sector DAE candidates, following the support provided to public sector ones. Experience in climate finance programming can facilitate the identification of innovative private sector projects especially for future DAE applicants. |
| **Jordan** | **Strengthening NDA of Jordan to deliver on GCF Investment Framework** | **Completed** | **Status:** This project improved the NDA’s capacity for engagement with internal and external stakeholders. It developed the country’s no objection procedure as well as a draft GCF country programme with prioritized project pipeline.  
**Linkage to the regional proposal:** This new proposal will help NDAs expand their reach to private sector organizations while building their internal capacities y designing tools and pipeline interventions that are private sector specific. |
<p>| <strong>Improving Jordan’s Readiness to Access Finance for Climate Change and</strong> | <strong>Under Implementation</strong> | <strong>Status:</strong> This project focuses on DAE accreditation, strengthening project and pipeline development through creation of CNs, development of a project preparation bankability guide, and increased private sector awareness and participation in climate action and green investments in Jordan. |</p>
<table>
<thead>
<tr>
<th>Project Description</th>
<th>Status</th>
<th>Linkage to the regional proposal:</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Green Growth in Jordan</strong></td>
<td>Under Implementation</td>
<td>The regional proposal will build on tools developed and lessons learned from this intervention, which will mainly focus on private sector DAE accreditation and pipeline building.</td>
</tr>
<tr>
<td>Source: GCF DP: GGGI</td>
<td></td>
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</tr>
</tbody>
</table>
| **Preparing Jordan’s NDA and DAE for Partnership in Climate Action Through GCF Direct Access**          |                                             | **Status:** This recently initiated readiness support will conduct a more comprehensive national climate readiness needs assessment with a focus on public financing options, that includes all stakeholders, maps existing national and international climate finance flows, and supports the development of a national policy that will govern climate financing of its mitigation and adaptation goals for the next five years. Public-private sector dialogue will be a critical input to both the national needs assessment and policy development. This project will also continue capacity building initiatives with NDA and DAE applicants in country as well as continue to refine Jordan’s project pipeline.  
**Linkage to the regional proposal:** The regional proposal focuses on enabling private sector financing and access to GCF resources and will build on tools and products and related policy support provided under this readiness. |
| Source: GCF DP: GGGI                                                                                   |                                             |                                  |
| **Partnership for Market Readiness**                                                                  | Under Implementation                        | Technical and financial support to explore scaled-up crediting for NAMAs in renewable energy, water and solid waste management sectors; and develop capacity for data collection, baseline setting, and an MRV system. In addition, technical support on Article 61 of the Paris agreement and the Long-Term, Low GHG Emission Strategy (LTS).  
**Linkage to the regional proposal:** Linked with outcomes 1 and 2, the LTS and Article 6 implementation will provide a framework for increased private sector participation in climate action and financing. The regional proposal will support the readiness of entities to implement both. |
| Source/DP: World Bank                                                                                   |                                             |                                  |
| **Developing an Effective Mechanism for Review, Update and Implementation of Jordan’s NDCs; National Adaptation Plan** | Under Implementation                        | Technical support in NDC update and development of a national adaptation plan.  
**Linkage to the regional proposal:** Linked with outcomes 1, 2 and 4. Newly updated NDCs highlight and require increased private sector participation and enhancing the enabling environment as key drivers to reaching the updated targets. The regional proposal supports increased private sector participation in accessing finance and project development and implementation. |
| Source/DP: GIZ                                                                                                |                                             |                                  |
| **NDC Action Plan**                                                                                     | Under Implementation                        | Technical support to turn pipeline of projects into bankable proposals, and to align SDGs, NDCs, and development plans in the country.  
**Linkage to the regional proposal:** Linked with outcome 4. NDC prioritized pipeline includes projects for which concept notes have already been developed and therefore serves as a database of national projects that the private DAEs can invest in. |
| Source / DP: NDC Partnership                                                                              |                                             |                                  |
| **Mainstreaming Rio Convention Provisions into National Sectoral Policies of Jordan**                   | Under Implementation                        | Technical support in mainstreaming Rio Convention provisions into key national sectoral policies and strengthening the national drought governance system; promoting more systematic approach to drought response planning and management. Update to National Climate Change Policy to 2050.  
**Linkage to the regional proposal:** Linked with outcomes 1 and 2. Newly updated National Climate Change Policy highlights increased private sector participation and enhancing the enabling environment as key drivers to implementing and mainstreaming the updated policy in all line ministries. The regional proposal supports increased private sector  |
| Source / DP: UNDP                                                                                       |                                             |                                  |

1 Article 6 of the Paris Agreement establishes a framework for the voluntary international cooperation for countries to reduce emissions and meet their pledges (this is often called nationally determined contributions or NDCs).
<table>
<thead>
<tr>
<th>Particular</th>
<th>Description</th>
<th>Status</th>
<th>Linkage to the regional proposal</th>
</tr>
</thead>
<tbody>
<tr>
<td>Climate hazards readiness proposal (R-2106-16937)</td>
<td>Source: GCF / DP: UNICEF</td>
<td>Under GCF Review</td>
<td>Will support generation of enhanced climate data and information for the water sector and improve government capacity to utilize climate data and information for increased climate finance.</td>
</tr>
<tr>
<td>Lebanon</td>
<td>Strengthening and enhancing Lebanon’s institutional arrangements and capacity to enable and optimize access to the Green Climate Fund</td>
<td>Under Implementation</td>
<td>The country programme will provide a direction in terms of the most achievable and bankable climate projects, which will be relevant for prioritization. Moreover, the private sector engagement exercise under this readiness project will also enhance their awareness on future green investment facility operations and corresponding opportunities.</td>
</tr>
<tr>
<td>Lebanon</td>
<td>Development of Energy Efficiency Standards and Labelling program for electric motors, transformers, washing machines and TVs in Lebanon</td>
<td>Under Implementation</td>
<td>Lessons and results from this project can be shared with the other countries involved in the regional proposal.</td>
</tr>
<tr>
<td>Lebanon</td>
<td>Design of a Green Investment Facility to enhance climate finance deployment in Lebanon</td>
<td>Under implementation</td>
<td>Linked with outcomes 1 (output 1.2.2), 2 (output 2.4.2) and 4 (activity 4.1.1.e). The next steps of investment facility operationalization are included in this proposal, which will build on the foundation established through the CAEP support.</td>
</tr>
<tr>
<td>Climate proofing Lebanon’s development plans</td>
<td>Source: UNDP climate promise</td>
<td>Completed in 2020</td>
<td>Linked with outcome 4 (activity 4.1.1.e). The entry points identified by the study and the methodology developed can be used to further guide the operationalization of the Green Investment Facility.</td>
</tr>
<tr>
<td>Initiative</td>
<td>Stage</td>
<td>Status</td>
<td>Description</td>
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<tr>
<td>---------------------------------------------------------------------------</td>
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<tr>
<td>Increased climate resilience planning for municipal water resources in</td>
<td>Under GCF Review</td>
<td>Status: The proposal aims at increasing climate resilience for urban</td>
<td>The proposal aims at increasing climate resilience for urban water resource planning in Lebanon, both at the national and sub-national levels. The project will design a CCA strategy and Roadmap for priority sectors in Lebanon, which will include an engagement plan for the private sector. In addition, specific adaptation plans with cost-estimations will be developed for 2 target areas in Lebanon for potential implementation in partnership with the private sector. <strong>Linkage to the regional proposal:</strong> The project will result in the recommendations of concrete adaptation plan, which can attract the private sector for eventual implementation. The results of the project can be showcased and shared with other countries involved in the regional proposal. The regional proposal will avoid duplication with this project in terms of private sector engagement.</td>
</tr>
<tr>
<td>Lebanon (NAP)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Source: GCF</td>
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<td></td>
<td></td>
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<tr>
<td>DP: UNDP</td>
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<tr>
<td>Oman</td>
<td>Completed</td>
<td>Status: NDA coordination capacities and stakeholder engagement</td>
<td>NDA coordination capacities and stakeholder engagement mechanisms have been strengthened. Further, the readiness project developed the first country programme that outlines Oman’s key climate change challenges and provides recommendations on crucial steps that must be taken to ensure the low carbon and climate resilient development of Oman. <strong>Linkage to the regional proposal:</strong> The stakeholder engagement mechanisms developed under this project will be strengthened to include private sector entities. The latter organizations will also benefit from recommendations on low carbon and climate resilient investment needs under this project.</td>
</tr>
<tr>
<td>Source: GCF</td>
<td></td>
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<tr>
<td>DP: Sultan Qaboos University</td>
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<tr>
<td>Climate resilient development and adaptation planning in the Sultanate of</td>
<td>Under Development</td>
<td>Status: The proposal seeks to develop cost-benefit analyses in</td>
<td>The proposal seeks to develop cost-benefit analyses in prioritised sectors: water resources, agriculture, livestock, infrastructure, and public health. Development of a national CC policy with private sector engagement will be supported by this proposal as well as development of high-resolution CC projection models and data repository. <strong>Linkage to the regional proposal:</strong> Results from this project on cost-benefit analyses in prioritised sectors can be showcased and shared with other countries involved in the regional proposal. CC projection models can also be shared as relevant. The regional proposal will avoid duplication with this project in terms of private sector engagement.</td>
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<tr>
<td>Oman</td>
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<tr>
<td>Source: GCF</td>
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<tr>
<td>DP: UNEP</td>
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<tr>
<td>Building Resilient Environment and Sustainable Agriculture and Water</td>
<td>Under Implementation</td>
<td>Status: This readiness proposal seeks to build on existing agriculture</td>
<td>This readiness proposal seeks to build on existing agriculture sub-sector activities (including private sector) to increase the quantity and quality of climate assessments in the agricultural sector as well as develop CNs in the agriculture and water sectors. A gender assessment and subsequent training will help to mainstreaming gender issues within agriculture and water sectors. <strong>Linkage to the regional proposal:</strong> Outcomes of this project can be shared with other countries involved in the regional proposal and can help in building private sector led pipeline of projects.</td>
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<tr>
<td>Source: GCF</td>
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<tr>
<td>DP: FAO</td>
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<tr>
<td>Low-Carbon Transportation Development in the Sultanate of Oman</td>
<td>Under Development</td>
<td>Status: This readiness proposal seeks to develop a low-carbon</td>
<td>This readiness proposal seeks to develop a low-carbon transportation and development plan, address policy gaps, and build technical capacity to support the transition to low carbon transportation in Oman. Further it seeks to develop concepts for future financing in the low carbon transport sector. <strong>Linkage to the regional proposal:</strong> Outcomes of this project can be shared with other countries involved in the regional proposal and linkages can be made to strengthen in country applicants or executing entities that would be potential partners in future low-emission transport projects in Oman.</td>
</tr>
<tr>
<td>Source: GCF</td>
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<tr>
<td>DP: UNIDO</td>
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<tr>
<td>State of Palestine</td>
<td>Completed</td>
<td>Status: NDA’s institutional, technical and financial capacities have</td>
<td>NDA’s institutional, technical and financial capacities have been strengthened through the development of NDA operational manual, no-objection procedure and a GCF country programme.</td>
</tr>
<tr>
<td>GCF readiness and preparatory support project in Palestine</td>
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</tbody>
</table>
2. SITUATION ANALYSIS

A. REGIONAL CLIMATE CHALLENGES

The Arab region faces a freshwater scarcity threshold of 500 cubic meters per capita per year. This affects over 44 million people. In addition, an important portion of the population, physical assets, and public buildings are located close to, or along, the region’s 37,000 km of coastline, hence increasing the risks of rising sea level which causes the retreat of shorelines due to erosion and corrosion, among other damages. Increased storm surges and coastal flooding have also been witnessed in Lebanon, the Gaza Strip in Palestine as well as in Oman in recent years. Overexploitation of natural resources in the region has also led to severe ecosystem degradation.

14 of the world’s 20 most water-stressed countries are in the Arab States. In fact, the region’s annual internal water resources amount to only 6 percent of its average annual precipitation, against a world average of 38 percent. Overexploitation of natural resources in the region has also led to severe ecosystem degradation.

Climate-related disaster events, including floods, flash floods, forest fires, droughts, heatwaves, storms, and earthquakes, have also caused significant economic losses. Between 1990 and 2019, disaster losses were estimated at USD 5.7 billion due to floods and USD 6 billion due to storm events.

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2 UNFCCC (2021) Technical Assessment of Climate Finance for the Arab States
3 UN-Habitat (2019) Local Climate Action in the Arab Region: Lessons Learned and Way Forward
4 UNDP, Arab states Climate Change Adaptation.
5 United Nations Office for Disaster Risk Reduction (UNISDR, currently UNDRR), 2017. Disaster Loss Data and Linkage to Climate Change Impacts for the Arab Region.
Agricultural productivity is highly correlated with water resources availability. Further, land degradation and desertification compound food security and water resource challenges. This may result in food price inflation that also compounds social instability, particularly in countries where there are no significant subsidies to alleviate the volatility of global food prices and supplies, which mainly affect the most vulnerable communities.

The ability of the communities in the Arab region to deal with the impacts of climate change is shaped both by their natural and socio-economic realities, as well as by the challenges imposed by these realities. Economic and social conditions vary among countries of the Arab region. The Arab region is, unfortunately, the only region in the world where poverty increased between 2011 and 2016, and poverty is projected to increase even further by 2030. The Urbanization and population growth in the region are putting severe strains on dwindling natural resources. Although several interventions have been put in place (in the public sector) to tackle the impact of climate change in the region, the private sector has seen few or no engagement in the regions’ climate action.

There are also weak institutional capacities to address climate change across sectors: Institutional structures with a mandate to address climate change concerns are required to effectively coordinate efforts in the Arab region. This mandate, which is currently limited to one ministry per country, needs to be integrated across all relevant ministries with a multi-sectoral approach that can facilitate the integration of climate change into development plans, annual budgets, and policies.

Another common climate challenge in the Arab region is the minimal fiscal incentive and direct financing mechanism to support climate change resilience options. There is limited availability of funds at the national. This lack of prioritization of climate change and resilience at national levels has also deterred the creation of an enabling environment for investment at the regional level. Capacities must be built within institutions to access available climate-related financing mechanisms (GCF, GEF, AF), particularly from the private sector.

The region also lacks the enabling environment for engaging private sector in climate action. Some countries such as the UAE have been successful with stimulating private sector participation however these countries have different economic constraints to implement similar incentives. These countries require greater energy portfolio diversification, technological cooperation, and development through improved national research and development (R&D) policies, which would encourage private sector investment in R&D and enhanced cooperation among countries, for example in renewable energy. All countries could define feasible targets/policy goals and develop instruments for the implementation of the above while being conscious of security risks in designing these policies.

In most urban areas, Arab women are highly educated. However, this is not reflected in the workplace, as female labor participation rate in the Arab states is very low, representing 20 percent, which is less than half the world average (47 percent). Female unemployment is also very high, nearly three times the world average (around 15 percent), and Arab women are also less likely to be in managerial positions than their global counterparts—11 percent vs. 27 percent, respectively. Women’s economic participation in the region is largely under-represented in formal private-sector occupations. Women business ownership is more geared towards micro, small or medium enterprises (MSMEs). They also have significant restrictions in accessing credit and limited top management role. Lastly, the region is really lagging in terms of business and legal policies for women, including on the ability to travel independently, wages, workplace policies, entrepreneurship, and other sectors. Given the above problem statement on gender, this readiness proposal will collect and analyze gender-disaggregated data to inform the countries activities and follow up action such as planning and programming processes.

GHG emission impact: Economic diversification attempts combined with an increase in domestic energy demand could have major impacts in GHG emissions unless clear mitigation strategies are developed and implemented in the region. This particularly affects the energy and transport sectors. There is a potential for addressing these challenges in the region especially in the building sector and with the enormous potential for solar and wind energy.

The proposal will ensure timely implementation of all activities and that the results are delivered for the benefit of the citizens and businesses. Strengthening cooperation among the public sector, the private sector, and academia is critical for this process, particularly using appropriate measures to enhance education, training, and capacity-building. Particularly transitioning from the current centralized energy production models and allowing more players from the private sector to participate in energy production would support improving the impacts of climate change.

Some attempt has been made in the past by development partners to support climate change action at the regional level for example in 2019 with funding from the Global Covenant of Mayors for Climate and Energy and the Islamic Development Bank; UN-Habitat, and other regional partners all joined forces to push for climate action at the local,

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6 UNDP report 2018
i.e., municipal, level in the Arab region. Local implementation, one of the 5 pillars of the New Urban Agenda, is crucial to addressing global climate change. In February 2019, the partners organized a regional capacity-building workshop on climate adaptation and mitigation at the local level that was held in Beirut, Lebanon. With more than 40 participants from 10 countries in the region, the workshop discussed climate change impacts on human settlements; global, regional, national, and local frameworks for response; access to climate finance; and the development of Sustainable Energy Access and Climate Action Plans (SEACAPs). Case studies from Saudi Arabia, Lebanon, and Yemen were presented at the workshop as best practices for climate action at the local level.

B. POLICY RESPONSE

Country-specific policy responses to the observed and anticipated impacts of climate change and related risks to the sustainable development of the region are summaries in the table below. The table also identifies existing policy gaps and linkages with this readiness proposal.

Table 2: Country-specific Responses to Climate change, policy gaps and linkages with the proposed readiness.

<table>
<thead>
<tr>
<th>Iraq</th>
<th>Existing Policies to guide climate action and climate finance</th>
<th>Existing gaps in policy response</th>
<th>Linkage to this readiness</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Iraq’s NDC (2015) reports two mitigation scenarios, conditional upon Iraq achieving security and stability. These goals focus on investment in renewable and clean energy. The first scenario is a 1% reduction in Business As Usual (BAU) through domestic finance. The second is a 13% with increased investment in renewable energy and energy efficiency with international support. The NDC is currently being updated and expected to be finalized in 2021.</td>
<td>The role that the private sector could play and related incentives that could harness the opportunities to address the country’s challenges have not been assessed so far.</td>
<td>Country-specific public-private sector coordination and knowledge sharing action plans for climate action will be developed.</td>
</tr>
</tbody>
</table>

National Development Plan (2018-2022) establishes a national plan based on human, social and economic resources. It highlights five main environmental challenges:

- Environmental Contamination
- Lack of Urban Planning
- Lack of Environment/Climate Change Policy and Legislation
- Desertification
- Reliance on non-renewable energy

National Adaptation Plan (NAP) (2020) was launched in 2020 with a focus on strengthening institutional, technical and financial capacities to ensure medium-to long-term adaptation needs are integrated into national development planning. Specifically, the NAP will develop climate risk assessments to identify livelihoods and sectors most threatened by climate impacts. Food, water security, health and resilient infrastructure/cities will be examined.

Iraq’s Vision 2030 is the key long-term development strategy that seeks to increase investments and activate full partnership with the private sector in order to promote Iraqi reality to provide security and stability and maintain peace. It outlines strategies and policies in multiple sectors with a focus on private sector, gender and youth.
| Jordan | National Climate Change Policy (2013–2020) seeks to build the adaptive capacity of communities and institutions in Jordan, with consideration for gender and addressing the needs of vulnerable groups, to increase the resilience of natural ecosystems and water as well as agricultural resources to climate change, and to optimize mitigation opportunities. The policy commits to inclusive private sector participation as well as calls for increased climate awareness and investment among private sector actors. Jordan’s National Climate Change Policy is being updated with GEF/UNDP 4th National Communications Report support. Jordan’s first NDC (2015) identified the energy sector as the primary contributor to its emissions followed to a much lesser extent by waste, industrial processes, agriculture and land use and land use change. The country sought an 11% increase the renewable energy share in the total energy mix by 2025. The country committed to a 1.5% reduction by 2030 as compared to BAU emissions levels. The conditional target aimed to reduce emissions by 12.5% by 2030 with support from international partners. Jordan’s NDC was updated in 2021. Jordan’s updated NDC (2021) enhances its commitment to the international climate change governance system by raising its macroeconomic GHG emission reduction target from 14% in the 1st NDC to 28% in this current updated NDC, both compared to BAU scenario. The new GHG emission reduction target is based on a combination of national policies, programmes and actions as well as international support and finance. The energy sector is still the most prominent one in terms of emission reduction potential. The adaptation vision and objective of the updated NDC is directly linked to the recently launched NAP. Jordan 2025 provides an overarching national vision and strategy governing the economic and social policies based on providing opportunities for all. To do this the plan focuses on infrastructure improvements, enhanced education and health, strengthened private sector and civil society that can contribute to the development process. National Climate Change Adaptation Plan (NAP) of Jordan (2021) mainstreams climate change adaptation into the development planning processes in all relevant sectors in Jordan. The NAP examines the agriculture, water, urban systems, biodiversity and ecosystems, coastal, health, and socio-economic sectors. The NAP indicates that the private sector has disproportionately focused on the mitigation sector to date, but there has been increased awareness and the time is right | No climate finance strategy | Country-specific public-private sector coordination and knowledge sharing action plans for climate action will be developed |
to engage private sector actors for investment into sectors where adaptation is critical.

**National Green Growth Action Plan** includes both enabling and investment actions for the public and private sectors. The projects, identified in the action plan, are at various levels of readiness: some require feasibility analysis, while others are investment ready. Many are suitable candidates for public-private partnerships or direct private sector investment, and also presenting opportunities to leverage climate finance. The same goes for the NDC-action plan with 35 prioritized projects for which cost benefit analyses have been prepared.

**National Energy Sector Strategy (2020-2030)** is a ten-year plan with a roadmap to increase self-sufficiency through utilization of domestic natural and renewable sources, to reduce the energy consumption by improving the energy efficiency measures in different sectors, and to reduce the carbon dioxide emissions by 10% by 2030.

**Other Key Strategies/Plans:** Jordan has multiple sectoral strategies that will be referenced as needed especially on their private sector focus throughout implementation. These include:
- National Green Growth Plan (2016)
- National Water Strategy (2016-2025)

| Lebanon | Lebanon’s NDC (2020) commits to unconditionally increase its emissions reductions target relative to BAU from 15% to 20% and conditionally increase the emission reduction target from 30% to 31%. Further it will unconditionally generate 18% of its power and 11% of its heating from renewable sources by 2030, compared to 15% previously. Further Lebanon has provided increase clarity on its adaptation priorities by strengthening the agriculture sector resilience, the sustainable use of water and natural resources, managing terrestrial and marine biodiversity, reducing coastal vulnerability, ensuring public health and safety, and reducing disaster risks. The climate action to be achieved under the NDC will contribute to Lebanon’s economic recovery and puts the country on a path towards sustainable development. | Lebanon has developed three national plans to outline its recovery from the recent financial crises and define future growth.
- The 3-year development priorities of the Financial Recovery Plan. The purpose of this plan is primarily to overcome short-term financial challenges.
- Lebanon Economic Vision (LEV). A national strategy for reviving the economy through targeted investments in the sectors.
- The Capital Investment | Country-specific public-private sector coordination and knowledge sharing action plans for climate action will be developed |

**Lebanon’s Financial Recovery Plan** is an emergency plan to counter the fiscal, financial, and economic crisis Lebanon faces. The plan was put forward in 2020. This plan also mandates climate-relevant actions such as the establishment of a green investment facility and the development of the Low Emission Development Strategy.
Other Key Strategies/Plans: Lebanon has multiple sectoral strategies that tackle mitigation and adaptation actions that will be referenced as needed especially on their private sector focus throughout implementation. These include:
- Lebanon Climate Act (2016)
- Ministerial Decree 99/1 reporting of GHG emissions from the Private Sector

Without careful consideration and planning, there is a risk that Lebanon’s national development agendas could compromise its climate commitments base on the three national strategies if climate mainstreaming is not integrated into their implementation. In addition to the lack of private sector policy on climate action to support the economic recovery and infrastructure building.

Oman's NDC (2015) commits to an increase in the contribution of renewable energy and energy efficiency projects as well as reductions in emissions from flaring from oil industries. It also outlines adaptation in key sectors such as disaster resilience, coastal protection, water resources, and ecosystems and biodiversity.

Oman Vision 2040 is a long-term vision that focuses on people and society, economy and development and governance and institutional performance. It specifically focuses on economic diversification and private sector partnerships, environmental sustainability and building world-class infrastructure and livable cities.

National Strategy for Adaptation and Mitigation to Climate Change (2020-2040) focuses on addressing knowledge gaps on climate change in the region, assessing vulnerability needs in key sectors and a transition to green growth development pathways. It outlines collective action of stakeholders in Oman as well as partnerships with the international community to meet the strategy’s objectives.

Other Key Strategies/Plans
- Oman Energy Master Plan 2040

The role that the private sector could play and related incentives that could harness the opportunities to address the country’s climate challenges have not been assessed so far. The regional approach will help increase climate related knowledge transfer with Oman.

Country-specific public-private sector coordination and knowledge sharing action plans for climate action will be developed.
<table>
<thead>
<tr>
<th>State</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Oman National Water Resource Management Master Plan (2001–2020)</td>
<td>State of Palestine’s NDC (2017) was prepared through a bottom-up multi-stakeholder process and includes all proposed mitigation and adaptation actions to reduce climate change impacts and to achieve sustainable development goals across all sectors and levels of government. Palestine’s NDC plans two scenarios, independence and status-quo. Under independence scenario the planned reduction is 24.4% by 2040 and the status quo is 12.8% by 2040 both relative to BAU. Recently, Palestine concluded the formulation of 14 NDC implementation Action Plans (2021) covering six priority development sectors that are highly vulnerable to the impact of climate change. All action plans contain policy recommendations to enhance the implementation of the NDC. <strong>Mitigation Chapter of 1st BUR</strong>: Palestine just finalized the mitigation chapter of its 1st NDC with sign-off from the Ministers of sectors lead. Palestine’s National NAP (2016) provides an assessment of historical climate trends, identification and prioritization of vulnerabilities, further climate scenarios and adaptation options and cost estimates. It indicates the need for technology transfer for which the private sector can play a key role as well as increased training and capacity building. <strong>National Policy Agenda (2017-2022)</strong> serves as a commitment to serve the Palestinian people and consists of 19 sector strategies and 3 cross-cutting strategies. One key priority linked to this readiness is improvement of public services in sectors, including environment and sustainability. The policy also indicates a commitment to women, youth and other vulnerable groups. An updated plan, the National Development Plan, will run from 2021-2023. <strong>Technology Road Map</strong> was implemented by CTCN and Deloitte included a brief study on private sector engagement. <strong>Other Key Strategies/Plans</strong>: Palestine has multiple sectoral strategies in addition to cross sectoral strategies that tackle mitigation and adaptation actions that will be referenced as needed especially on their private sector focus throughout implementation. These include: • State of Palestine, Cross-Sectoral Environment Strategy 2017–2022 and its update 2021-2023 • National Water Sector Strategic Plan and Action Plan (2017–2022)</td>
</tr>
<tr>
<td>The role that the private sector could play and related incentives that could harness the opportunities to address the country’s challenges have not been assessed so far.</td>
<td>Country-specific public-private platform coordination and knowledge sharing action plans for climate action will be developed</td>
</tr>
</tbody>
</table>
C. READINESS BASELINE

Regional Baseline: The diverse Arab region can be characterized as predominantly energy rich, water scarce, and food deficient. While the region has a history of dealing with a harsh climate including low precipitation, frequent floods, droughts and extreme temperatures; the convergence of these age-old challenges with more recent societal developments such as rapid population and urban growth, political instability and widespread poverty, make it among the world’s most vulnerable regions to climate change.

The Arab region contains 14 of the world’s 20 most water-stressed countries. In fact, the region’s annual internal water resources amount to only 6 percent of its average annual precipitation, against a world average of 38 percent. Overexploitation of natural resources in the region has also led to severe ecosystem degradation. The Urbanization and population growth in the region are putting severe strains on dwindling natural resources. Although several interventions have been put in place (in the public sector) to tackle the impact of climate change in the region, the private sector has seen few or no engagement in the regions’ climate action. In this context, the readiness support is designed to address the private sector engagement in the region’s climate action.

The region lacks the enabling environment for engaging private sector in climate action. Some countries such as the UAE have been successful with stimulating private sector participation however these countries have different economic constraints to implement similar incentives. These countries require greater energy portfolio diversification, technological cooperation, and development through improved national research and development (R&D) policies, which would encourage private sector investment in R&D and enhanced cooperation among countries, for example in renewable energy. All countries could define feasible targets/policy goals and develop instruments for the implementation of the above while being conscious of security risks in designing these policies.

In this context, the countries in this proposal will need to ensure timely implementation of these measures and that the results are delivered for the benefit of their citizens and businesses. Strengthening cooperation among the public sector, the private sector, and academia is critical for this process, particularly using appropriate measures to enhance education, training, and capacity-building. Particularly transitioning from the current centralized energy production models and allowing more players from the private sector to participate in energy production would support improving the impacts of climate change.

In most urban areas, Arab women are highly educated. However, this is not reflected in the workplace, as female labor participation rate in the Arab states is very low, representing 20 percent, which is less than half the world average (47 percent). Female unemployment is also very high, nearly three times the world average (around 15 percent), and Arab women are also less likely to be in managerial positions than their global counterparts—11 percent vs. 27 percent, respectively. Women’s economic participation in the region is largely under-represented in formal private-sector occupations. Women business ownership is more geared towards micro, small or medium enterprises (MSMEs). They also have significant restrictions in accessing credit and limited top management role. Lastly, the region is really lagging in terms of business and legal policies for women, including on the ability to travel independently, wages, workplace policies, entrepreneurship, and other sectors. Given the above problem statement on gender, this readiness proposal will collect and analyze gender-disaggregated data to inform the countries activities and follow up action.

As discussed in section 1.11 (see Table 1), all partner countries have existing climate finance readiness activities ongoing in country as well as climate activities funded by other development partners. These activities have helped to establish a baseline with robust NDA operations and engagement in each country. Additionally, elements of private sector engagement have also been deployed as a part of previous and ongoing readiness proposals. For example, Jordan, Palestine and Iraq all intend to launch a climate finance readiness needs assessment as part of their existing readiness. These assessments will have a robust component of private sector needs, and this readiness will be in a position to address some of the immediate needs related to the private sector. Utilizing a regional approach is an efficient way to identify common needs and address them using at once a cost-effective approach across multiple countries.

Country Baseline: Iraq

7 UNDP, Arab states Climate Change Adaptation.
Over the last few years, the country has improved NDA capacity to engage with internal governmental and external non-governmental stakeholders to access climate finance. A comprehensive Technology Needs Assessment and action plan is being developed, which will prioritize mitigation and adaptation technologies that could be taken up by the private sector. The NDA capacity is being strengthened to institutionalize climate action coordination mechanisms, establish/build capacity of DAEs, enhance climate finance programming for national/regional greenhouse gas mitigation measures, mainstream information on paradigm shifts/transformation into country programming, and identify and develop proposals on green growth investments.

Jordan
Through past and present readiness support, Jordan has seen the capacity of its NDA improved for engagement with internal and external stakeholders and a draft GCF country programme with prioritised project pipeline being developed. A readiness support is currently being implemented, through which capacity are being improved in DAE accreditation, project and pipeline development through creation of CNs, and project preparation bankability. The private sector awareness and participation in climate action and green investments will also be increased. Another recently initiated readiness support through GGGI (see Table 1) will conduct a more comprehensive national climate readiness needs assessment with a focus on public financing options, that includes all stakeholders, maps existing national and international climate finance flows, and supports the development of a national policy that will govern climate financing of its mitigation and adaptation goals for the next five years. Public-private sector dialogue will be a critical input to both the national needs assessment and policy development. This project will also continue capacity building initiatives with NDA and DAE applicants in country as well as continue to refine Jordan’s project pipeline.

Lebanon
The country is currently increasing the capacity of the NDA to engage with internal (public) and external (private, CSOs, academia) stakeholders. There are also ongoing efforts to enhance existing policies and identify strategic investment priorities through development of its GCF Country Programme. At a sectoral level, energy efficiency standards developed as well as a labelling programme to be used as a policy and financial de-risking tool to transform the market for increased adoption of low energy appliances that will help attract private sector resources and investment. Discussions are also under way, with IsDB’s support, to design and operationalize a Green Investment Facility (with a regional or Lebanon specific focus) with an aim to mobilize and direct climate finance in order to achieve the NDCs while assisting the sustainable recovery from the financial crisis in Lebanon.

Oman
In Oman, NDA coordination capacities and stakeholder engagement mechanisms have been strengthened and its first GCF Country Programme was developed, which outlines Oman’s key climate change challenges and provides recommendations on crucial steps that must be taken to ensure the low carbon and climate resilient development of Oman. A few other initiatives are being prepared as well, that will complement the activities envisaged in this regional proposal. This includes the development of cost-benefit analyses in prioritised sectors such as water resources, agriculture, livestock, infrastructure, and public health. A national climate change policy will be also developed by involving the private sector, as well as a high-resolution climate change projection models and data repository. In the agricultural sector, there are initiatives under development to build on existing agriculture sub-sector activities (including the private sector) to increase the quantity and quality of climate assessments in the agricultural sector as well as develop CNs in the agriculture and water sectors.

State of Palestine
In Palestine, NDA’s institutional, technical and financial capacities have been strengthened through the development of NDA operational manual, No-objection procedure and its GCF Country Programme. A Technology Road Map for the Implementation of Climate Action Plans in Palestine was developed and prioritised projects stemming from this work have been converted into CNs focusing on the agricultural and energy sectors. A National Digital Climate Change Platform to enhance the capacity of the NDA, the National Climate Change Committee and other stakeholders especially considering the implications of COVID-19, is also being developed. Lastly, there are current efforts to build capacity for mainstreaming climate resilient agricultural practices at the national and local levels as well as to improve the agro-meteorological equipment and weather and climate change data. In addition, Palestine submitted a GCF Simplified Approval Process (SAP) project: Scaling up Climate Resilient Agriculture (CRA) to enhance the resilience and food security of climate vulnerable smallholder farmers in the State of Palestine. In addition, Palestine has recently developed 14 NDC action plans for 6 sectors in a gender-responsive manner, finalized the mitigation chapter of 1st BUR, and is working on updating its NDC and establishing a national MRV system.

The portfolio approach that this proposal will deploy focuses on regional integration and learning while also supporting national needs. This work at the national level can be showcased among partner countries when relevant, to increase learning and promote transfer of scalable ideas. For example, Lebanon is supporting the development of a green investment facility and the design and operations of the facility supported by this readiness can be used to attract sufficient investment to establish the facility with the goal of operating regionally. Iraq’s current readiness will already be identifying private sector models that can be leveraged for future financing. This work can be enhanced, showcased and adapted as appropriate among partner countries, rather than duplicating these activities one-by-one in individual
countries. Many of these examples exist and will continue to be identified and highlighted throughout implementation of this regional project. Ultimately partner countries in this proposal have received climate finance readiness support to establish foundation for climate finance. This proposal seeks to consolidate those achievements and amplify them on a regional scale to accelerate private sector engagement and investment in climate finance across the West Asia region.

D. KEY BARRIERS

The United Nation’s Economic and Social Commission for West Asia’s 2019 technical report titled Climate Finance in the Arab Region indicates that there has been success in the region in terms of attracting private investment in the energy sector, but barriers to entry remain for other sectors often due to limited incentives for revenue generation. The report also notes that at times, limited investment may be due to other factors such as enabling environment. For example, it references the private sector role of crop insurance as an adaptive mechanism for the agriculture sector but cites a lack of meteorological services data and risks assessments for a functioning crop insurance system. This proposal seeks to remedy some of these enabling environment challenges by demonstrating a range of instruments and deal-structures such as blended finance investments that utilize both public and private resources to align incentives and lower risk to increase private investment.

Further, the report examines the number of private sector implementing entities from GCF, AF and GEF and notes that private sector entities represent a small share of accredited entities. It is clear that additional support focused on private sector direct access entities both at the level of institutional policy development as well as conceiving and developing concepts and funding proposals is required. Further once these private organizations are accredited, they need the support of trained and fully equipped executing entities. It is important to start developing a cadre of private executing entities now, so they are in a position to assist in the implementation of private sector projects quickly once accredited. There is also a general observation that mitigation projects are more attractive for the private sector than adaptation projects for many reasons. Such imbalance needs to be addressed in a comprehensive manner across the region.

The United Nation’s Environment Programme Finance Initiative’s 2021 report titled Promoting Sustainable Finance and Climate Finance in the Arab Region indicates that there have been some improvements in the region’s financial sector reform over the past several years. This includes improved financial institution capacity, increased regulatory capability and supportive policy frameworks for increased private sector inclusion. However, the report also indicates that while the changes are on a positive trajectory, sustainable and climate finance are not widely seen as a central business strategy or commercial investment opportunity. Specifically, the report indicates the following barriers:

- Barrier #1: Lack of enabling environment for private sector investment (e.g., absence of green Investment guidelines, limited incentives for revenue generation),
- Barrier #2: Limited awareness of the climate finance merit, and a small number of private-sector Direct Access Entities (DAEs),
- Barrier #3: Lack of green investment policy guidelines for the financial sector and regulatory/enforcement mechanisms
- Barrier #4: Inadequate capacity of private sector to incorporate gender and social awareness in climate financing
- Barrier #5: Insufficient awareness of the merits of climate finance and low capacity to develop bankable green projects to increase private sector engagement when commercially viable.
- Barrier #6: Limited readiness to address climate change due to institutional weaknesses, planning gaps and technical capacity and expertise constraints.

Building on the above regional analysis of the barriers to unlocking private-sector engagement and investment, the following provides a deeper analysis of barriers at the country level.

Iraq

The country has had limited access to climate finance up to now, which has been a key barrier, and needs to improve the capacity of its public and private sectors to develop bankable green projects. This proposed readiness intends to prepare regional and national DAEs and DAE applicants to boost the development of private sector led CNs to attract green projects [ Barrier #1 and #3].

Jordan

In Jordan, limited readiness of the finance sector is demonstrated by the wrong perception that environmental and social risk assessment systems should be integrated into financial institutions’ business model as a philanthropic practice, or social corporate responsibilities. Environmental and social concerns are, therefore, not considered as a key factor in their business decision-making process. There is also limited capacity for project development as well as

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8 The United Nation’s Economic and Social Commission for West Asia, Technical Report titled Climate Finance in the Arab Region, 2019
a lack of policy reforms and incentives (i.e., preferential rates and credit allocation policies) to participate in scaling up green investment. This project will support the DAE applicants in Jordan and other key stakeholders to strengthen their ability to design and implement public – private projects for GCF finance Barrier #1, #3, #5 and #6].

**Lebanon**
Lebanon is currently experiencing numerous challenges including economically and financially. This bundle of crises is also hindering its climate action, as well as deprioritizing climate change at the political level. Critical underlying barriers to overcome include:
- Currency devaluation: Lebanon’s currency is devaluing at an alarming rate, which is destabilizing private sector operations as well as imports.
- Structural issues: Lebanon’s basic services such as energy, water and waste management are jeopardized due to the fiscal crisis.
- Deprioritizing sustainability: the solutions which are being proposed are targeting short-term relief rather than long-term benefits.

The operationalization of a green investment facility through this readiness proposal tackle some of the above-mentioned barriers. Whether the facility is designed at a regional or national scale, increased incoming finance will support Lebanon’s economic recovery in a sustainable and climate-resilient fashion. It is anticipated that a number of projects from the facility will contribute to addressing some of the structural challenges through climate action. The design of the facility and its subsequent operationalization heavily prioritize addressing investment risk, which will make climate finance deployment realistic in a Lebanese context and across the region.

There is also an opportunity to access resources from climate funds including the GCF, which will support the development of an enabling environment for future development of a green investment strategy. Hence, the need for building capacities of public and private institutions to mobilize finance in NDC-relevant sectors. [Barrier #1, #2, #3, and #6]

**Oman**
Policy and regulatory reforms are required for improving the country’s access, allocation and delivery of climate finance to increase its capacity for mobilizing climate finance from public and private sources. There is also a need to harmonize overlapping policies and planning frameworks and strengthen national and sectoral coordination on climate finance. Another challenge is the lack of pipeline of bankable projects that meet GCF investment criteria due to capacity limitations, hence highlighting the need for increased support to the NDA and DAE candidates. Oman’s DAE applicants and EEs will receive training and guidance through this project to improve the bankability of private projects in the country. Coordination and knowledge sharing with the other countries will also enhance the enabling environment for ensuring the quality future climate investments in Oman. [Barrier #2, #3, #4]

**Palestine**
In Palestine, constrained financial resources, and limited coordination between government agencies and the private sector are among the barriers to scaling-up effective climate adaptation and mitigation solutions. There is also a lack of policy that encourage the private sector to invest in climate relevant projects. Additional gaps identified include:
- Limited business and entrepreneurial skills to convert development and climate challenges into inclusive business opportunities.
- Small and scattered markets that limit economies of scale.
- Low levels of business and management literacy and limited climate entrepreneurial spirit.
- Lack of incentives to protect and conserve the ecosystem, combined with a reliance on certain goods and services.
- Lack of private-public partnership (PPP) platform that enables a concrete foundation for building strategic partnerships.
- Palestine’s Environment Law Amendment that is yet to be enacted should be used as an enabling context for the development of relevant legislation, regulation, statutory guidance, policies, strategies or incentives. [Barrier #1, #2, #3, #5, #6].

This proposal will build the skills of potential EEs and other climate stakeholders in country to create a platform for increased capacity to establish effective PPPs for developing and implementing GCF projects and unlocking private sector investment for climate action.
E. PROPOSED READINESS AIM

The aim of this proposed readiness is to improve capacity and establish an enabling environment for private sector (and select public institutions in Palestine)\(^9\), Direct Access applicants, and DAEs, EEs and NDAs to develop effective PPPs for leveraging a blend of public and private investment and support in climate change mitigation and adaptation in Iraq, Jordan, Lebanon, Oman, and the State of Palestine through a regional portfolio approach. Given the commonalities in readiness capacity gaps and barriers concerning private-sector engagement among these countries, the regional portfolio approach offers a cost-effective avenue for systematically increasing PPPs through GCF programming to galvanize public and private investment into low-emission and climate-resilient pathways in a highly integrated manner.

F. PROBLEM STATEMENT

Iraq, Jordan, Lebanon, Oman, and the State of Palestine lack the required knowledge and capacity to address their climate finance gap and overcome key identified barriers for private sector engagement as result of ineffective guidelines, limited policy direction and limited institutional capacity. Activities included in this proposal have been designed to improve the policy environment with clear guidelines for public-private partnership development and build the climate finance capacity of private institutions in the region.

G. PROPOSED READINESS INTERVENTIONS AND EXPECTED RESULTS

This readiness support seeks to improve the enabling environment for private-sector partners in climate finance in Iraq, Lebanon, Oman Jordan, and the State of Palestine and overcome the identified barriers discussed in section 1.7 through the following summarized interventions:

- Improve capacity of the private sector direct access applicants and DAEs to achieve accreditation and improve their ability to develop projects in alignment with GCF criteria.
- Improve capacity of EEs and other private sector actors to increase engagement in climate finance and better understand the range of financial instruments and innovative deal-structures for utilization of public resources to buy-down risk for private sector entry into climate finance.
- Build the knowledge of NDAs and private sector actors to identify/advance project ideas by developing needed assessments and studies, improving understanding of gender and social awareness and translating ideas and information into new concept notes (CNs) (including 1 regional CN) or enhanced existing CNs.
- Utilize the portfolio approach to develop a regional knowledge management tool that will promote public-private knowledge transfer and enhanced regional participation in climate action.
- Create public private partnership review committees in each country to improve engagement and action among public and private actors in climate finance. The committees will review key policy instruments for climate action (i.e., NDC, NAP, NC, national climate policies, and GCF Country Programme) to identify opportunities for increased private sector engagement and investment.
- Based on the above bullet, key policy instruments, for example, the pipelines of GCF country programs, in 3 beneficiary countries (Iraq, Jordan and Palestine) will be upgraded to reflect increased public-private finance opportunities.
- Gender and Social inclusion will be accounted for in all interventions, and the project will be implemented in a manner that integrates the voice and viewpoints of women and vulnerable groups.

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\(^9\) Although this proposal essentially targets private sector institutions and environment, in the specific case of Palestine a select number of public institutions will be invited to participate in certain interventions. This is due to country circumstances which are more favorable to public sector involvement in climate finance, but also allows a platform for public-private finance.
Table 3: Expected outcomes and outputs of the programme, and their level (regional, national) and link with barriers identified

<table>
<thead>
<tr>
<th>Barriers</th>
<th>Lack of enabling environment for private sector investment</th>
<th>Limited awareness of the climate finance merit, and a small number of private-sector DAEs</th>
<th>Lack of green investment policy guidelines for the financial sector and regulatory/enforcement mechanisms</th>
<th>Inadequate capacity of private sector to incorporate gender and social awareness in climate financing</th>
<th>Insufficient awareness of the merits of climate finance and low capacity to develop bankable green projects</th>
<th>Limited readiness to address climate change due to institutional weaknesses, planning gaps and technical capacity</th>
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<tbody>
<tr>
<td>Outcome 1.2</td>
<td>√</td>
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<tr>
<td>Output 1.2.1 (Regional; National: Iraq, Jordan, Lebanon, Oman and Palestine)</td>
<td>√</td>
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<tr>
<td>Output 1.2.2 (National: Lebanon)</td>
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<tr>
<td>Output 1.2.3 (Regional)</td>
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<tr>
<td>Outcome 1.3/Outcome 1.3.1 (Regional)</td>
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<td>Outcome 2.4</td>
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<tr>
<td>Output 2.4.1 (Regional)</td>
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<tr>
<td>Output 2.4.2 (National: Iraq, Jordan and Palestine)</td>
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<tr>
<td>Output 2.4.3 (National: Lebanon)</td>
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<tr>
<td>Outcome 4.1/Outcome 4.1.1 (National: Iraq, Jordan, Lebanon and Palestine)</td>
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<tr>
<td>Outcome 5.2 / Outcome 5.2.1 (Regional)</td>
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**Outcome 1.2:** Direct access applicants and accredited entities (DAEs) in Iraq, Jordan, Lebanon and Palestine 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.

Private-sector DAEs operate as essential vehicles for unlocking private investment for the increased flow of climate finance and technology transfer to accelerate the speed of transition to a low-emission and climate-resilient pathway. However, the number of private-sector DAEs is relatively in short supply (Barrier 2). Combined with the limited capacity in the beneficiary countries to identify and match Direct Access applicants and DAEs with relevant priority climate actions, increased support is, therefore, required for these private-sector entities to play an enhanced role in GCF programming in the beneficiary countries (Barriers 4 and 6).

**Regional level outputs/activities**

This outcome will be delivered through a regional (Iraq, Jordan, Palestine) programmatic approach to identifying and supporting potential private-sector Direct Access applicants through the GCF accreditation process (Outcome 1.2.1.) and a coordinated approach to addressing post-accreditation capacity gaps of private-sector DAEs (Outcome 1.2.3). Under these outputs, this readiness support will conduct a baseline assessment in each country and develop and roll out guidelines and tools through targeted trainings, some of which to be organized at the regional level. Hence, the
The project will make use as much as possible of national experts to support context-driven roll out and integration and build national know-how.

National-level output/activities
In addition, the project will build capacity to establish and operationalize a green investment facility (Output 1.2.2). The activities contemplated by this readiness will better determine the feasibility for a regional facility or one that will be more focused on Lebanon who is spearheading the effort.

Output 1.2.1: Programmatic approach to strategically identifying and supporting potential private-sector Direct Access applicants established in Iraq, Jordan Lebanon and potential public and private sector applicants in Palestine, to increase the number and capacity of relevant private-sector DAEs.

Expected Results:
- A regionally collated private sector analysis report focused on DAE needs. Opportunities and Beneficiary countries consultation and validation reports developed.
- A DAE pipeline development tool to be used by all countries. Consultation and validation reports produced.
- A regional (all countries) completion report inclusive of 1) Training needs assessment, 2) Training curriculum, 3) participant list, and 4) pre-and post-training knowledge assessment results.
- Two private-sector DAE pipeline development plans (one per country in Iraq and Jordan). And one public/private development plan in Palestine.\(^\text{10}\)

Output 1.2.2: Key institutional arrangements and mechanisms of the green investment facility established (Regional facility or Lebanon facility based on selection report in 1.2.2b):

Expected Results:
- ToRs of the TAU team members, TAU annual work plan and report of the TAU team selection process.
- A fund management partner selection report including rating against developed criteria.
- A gap analysis and corresponding action report, an action plan for aligning the green investment facility with GCF requirements developed.
- Operational manual for the facility including by-laws produced.

Output 1.2.3: Regionally coordinated diagnostic and planning approach and tools developed and implemented by Iraq, Jordan and Palestine for identifying DAE capacity gaps (e.g., gender, safeguards and disclosure policy and procedures) and gap-filling actions to support private-sector Direct Access applicants in meeting GCF accreditation requirements.

Expected Results:
- A diagnostic and planning approach and tool specification document (i.e., terms of reference) developed.
- Diagnostic and planning approach guidelines (e.g., SOP) and tools with user manuals, and beneficiary countries validation reports.
- Three (one per country) technical support completion reports. Each report will contain 1) Training Needs Assessment, 2) Training Curriculum, 3) Training Participant List, 4) Pre-post training knowledge assessment results.
- Two gap-filling action plans per country (one for a private sector Direct Access applicant and another for DAE in the post accreditation process; and/or potentially one public/private sector applicant in Palestine).
- A list of potential regional-level private sector DAE candidates and their capacity gap analysis.

Outcome 1.3: Relevant country Stakeholders (EEs, CSOs, Private Sector) have established adequate capacity, systems and networks to support planning, programming and implementation of GCF-funded activities.

National-level output/activities:

\(^{10}\) The three countries have been targeted based on two criteria: Country allocation: Oman did not have enough allocation to cover for these types of activities; Lebanon requested slightly different support based on existing in country priorities and ongoing initiatives.
An enabling environment for dialogue among private-sector Direct Access applicants, DAEs and potential EEs and the NDA is an essential condition for effective PPP development. Such an environment (including policy environment) would encourage actors from the public and private sectors to devise strategic and practical engagement models for blending public and private efforts and investments into addressing climate challenges.

Under this outcome, a mechanism and an action plan for effective dialogue and knowledge sharing between the NDA and private-sector Direct Access applicants, DAEs and potential EEs will be developed for their enhanced coordination and collaboration through GCF programming in all five beneficiary countries. To ensure cost savings through the regional portfolio approach, a knowledge gap assessment, and the development of dialogue and knowledge sharing tools and materials will be regionally coordinated to support the preparation of country-specific action plans (Output 1.3.1).

Output 1.3.1: Mechanism of dialogue for coordination and knowledge sharing between the NDA, private-sector, public Direct Access applicants, DAEs, and potential/existing EEs established to enhance coordination and collaboration arrangements in GCF country programming

Expected Results:

- One regional barrier assessment report produced
- Regionally harmonized knowledge tools and materials developed
- Ten national-level dialogue completion reports (encompassing 2 dialogues in each country), all reports to include post-dialogue perception survey results.
- Five action plans (one for each country) and beneficiary country validation reports developed

Outcome 2.4: Strategies for transforming and attracting private sector investment for low emissions and resilience developed and being used.

Regional-level output/activities:
First, a shared understanding of various private-sector financial instruments (e.g., bonds, equity, guarantees, and loans), their costs and benefits, and opportunities to blend them with public finance to advance priority climate actions among key stakeholders, will be developed. In Iraq, a specific country-level climate finance needs assessment of private sector covering the energy, agriculture and transport sectors will be done (Output 2.4.1).

National-level outputs/activities:
To institutionalize the improved public-private coordination and collaboration arrangements and action plans developed under Outcome 1.3, such arrangements and the action plan will be incorporated into three beneficiary countries’ GCF programming frameworks. A mechanism for coordination among private-sector DAEs, potential EEs and NDAs in Iraq, Jordan and Palestine will then be established to systematically integrate strategic financial instruments into the GCF country programming process. Lastly, in Lebanon, a Resource Mobilization Strategy for the green investment facility will be implemented, with potential financial partners identified and engaged to finance bankable project pipelines (Output 2.4.3).

Output 2.4.1: A regional forum established to increase the awareness of costs and benefits of various financial instruments (e.g., Green Islamic finance, Islamic micro-finance, blended finance, bonds, equity, guarantees, and loans) for climate action among the NDAs, private sector Direct Access applicants, DAEs, and potential/existing EEs for enhanced private-sector engagement in GCF project pipeline development (linked to Output 1.3.1).”

(linked to Output 1.3.1). To benefit all five countries.

Expected Result:

- A regional cost-benefit analysis report and beneficiary countries validation reports, targeting all five countries. The regional cost-benefit analysis of various financial instruments in climate finance from the West Asia region will look at the particular context of each country and when relevant address sectoral, sub-sectoral and local levels. This will help private sector entities make more informed decisions and have access to information on potential investments based on evidence.
- Outcome reports from the forum and Participant lists developed and compiled

11 The three countries have been targeted based on two criteria: Country allocation: Oman did not have enough allocation to cover for these types of activities; Lebanon requested slightly different support based on existing in-country priorities and ongoing initiatives.
Output 2.4.2: National-level public-private coordination mechanism established to operationalize blended finance pathways in priority climate action implementation and GCF project pipeline development in Iraq, Jordan and Palestine.

Expected Results:
- Three national review reports (one per country Iraq, Jordan, Palestine) developed
- Revised GCF pipelines or other policy documents (one per country Iraq, Jordan, Palestine)

Output 2.4.3. Resource Mobilization Strategy implemented for the green investment facility (based on findings in 1.2.2 this will be focused regionally or nationally for Lebanon who is spearheading the effort)

Outcome 4.1: An increase in the number and quality project concept notes developed and submitted.

National level activities:
Building on the previous outcomes, effective PPPs will be demonstrated through project identification and design (Activities 4.1.1.b to d) under this outcome. Private-sector DAEs in all five beneficiary countries will be supported to identify project ideas, carry out pre-feasibility studies and develop new GCF CNs or enhance the existing CNs.

Regional level activities:
This effort at the individual beneficiary country level will be further supported by (i) organizing annual regional training on Concept Note and Funding Proposal preparation and (ii) developing a regional umbrella project CN (green investment facility) to leverage additional support and investment for individual projects through a regional climate investment approach.

Output 4.1.1: Three country specific CNs (for Iraq, Jordan and Palestine) and one regional umbrella project CN developed to advance national priority actions for climate change mitigation and adaptation, with private sector investment (linking to Output 2.4.2)

Expected Result:
- Two training completion reports (one per year), including 1) Training Needs Assessment, 2) Training Curriculum, 3) Training participant list, and 4) Pre-post knowledge assessment results.
- Three project idea notes (at least one per country, for Iraq, Jordan and Palestine) and three stakeholder consultation reports (one per country).
- Three pre-feasibility study reports (at least one per country, for Iraq, Jordan and Palestine) and three stakeholder consultation reports (one per country) developed
- At least three CNs for Iraq, Jordan and Palestine finalized for review by the NDAs and submitted to the GCF.
- A project pipeline document outlining bankable projects for green investment facility in Lebanon developed
- A regional CN (covering all five countries) finalized for review by the NDAs and submitted to the GCF.

Outcome 5.2: Partnerships established to foster development and dissemination of methods frameworks and information systems for enhanced climate finance programming at subnational, national, and regional level.

Regional level output/activities:
Lessons learned and best practices documented from this regional portfolio approach should offer significant replication and scale-up opportunities within the beneficiary countries and region. Regular exchange of knowledge among the five beneficiary countries will thus be crucial for promoting practical South-South cooperation in problem-solving and solution-seeking among these countries with shared challenges and opportunities. From this perspective, a regional knowledge platform will be established (Output 5.2.1) to document, analyze and share lessons and scale up best practices within the beneficiary countries and others in the region. The regional, open-source, knowledge platform will be hosted preferably within an institution with regional or global reach covering the beneficiary countries. It will be open access for practitioners to share their experience and information. Various stakeholders from the regional level and all five participating countries will be able to make information updates and structural improvements on the platform through crowdsourcing to reduce operating costs and keep the platform a live repository of information.

The Knowledge sharing platform will be a web-based tool that will be created to share knowledge on climate actions among the participating countries that help to mobilize climate finance at scale while maintaining a strong regional approach for information sharing to stakeholders at the country level. It will also serve as a unified way for capacity
building while informing stakeholders on policies, processes, and plans relevant to climate finance programming in the participating countries.

**Output 5.2.1:** Regional knowledge sharing tool established to document, analyze and share lessons and scale up best practices within the beneficiary countries and others in the region.

**Expected Result:**

- A report detailing the establishment of an information and knowledge sharing platform establishment with access information (e.g., login address and password) and user instructions. Knowledge-sharing platform established (its sustainability beyond project life is ensured by its crowdsourcing mechanism).
- A report on learning exchanges and a study tour for NDAs and DAE applicants.
### 3. LOGICAL FRAMEWORK

<table>
<thead>
<tr>
<th>Outcomes</th>
<th>Baseline&lt;sup&gt;12&lt;/sup&gt;</th>
<th>Targets</th>
<th>Outputs</th>
<th>Activities (brief description)</th>
<th>Deliverables&lt;sup&gt;13&lt;/sup&gt;</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.2 Direct access potential applicants and DAEs 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</td>
<td>Relevant baseline readiness investments (previous readiness) by country (see Table 1)</td>
<td>• A regional programme established to identify and support potential Direct Access applicants in the beneficiary countries.</td>
<td>1.2.1: Programmatic approach to strategically identifying and supporting potential private-sector Direct Access applicants established in Iraq and Jordan, and potential public and private sector applicants in Palestine, to increase the number and capacity of relevant private-sector DAEs.</td>
<td>1.2.1.a: Review current pools of private-sector Direct Access Applicants and DAEs in beneficiary countries against their priority climate actions (i.e., from NDCs, NAPs, NCs, national climate policies, and GCF Country Programmes) to identify weaknesses and opportunities in DAE pipeline development, including through matching making exercise.</td>
<td>1.2.1a: A regionally collated private sector analysis report focused on DAE needs. Opportunities and Beneficiary countries consultation and validation reports developed.</td>
</tr>
<tr>
<td>Jordan</td>
<td>• DAE and NDA operational manuals to be developed as part of current readiness project approved in December 2020.</td>
<td></td>
<td></td>
<td>1.2.1.b: Develop a generic DAE pipeline development tool based on the review findings to strategically identify and match Direct Access applicants with relevant priority climate actions.</td>
<td>1.2.1.b: A DAE pipeline development tool to be used by all countries. This is a strategic tool that will be developed to guide NDAs for selecting of potential DAEs applicants based on the country NDC priority areas and climate actions based on sectors. Consultation and validation reports produced.</td>
</tr>
<tr>
<td>• Accreditation support to a private-sector candidate is planned as part of current readiness project approved in December 2020.</td>
<td></td>
<td></td>
<td>1.2.1.c: Provide regional training of NDAs and other relevant policy actors in tool application, taking into account gender and social safeguards considerations in the selection of participants.</td>
<td>1.2.1.c: A regional (all 3 countries) completion report (two-day training for 21 participants, at least 8 of which will be women, targeting NDAs (3), and seven other relevant policy actors from each country) inclusive of 1) Training needs assessment, 2) Training curriculum, 3) participant list, and 4) pre-and post-training knowledge assessment results</td>
<td>1.2.1.d: A DAE pipeline development tool to be used by all countries. This is a strategic tool that will be developed to guide NDAs for selecting of potential DAEs applicants based on the country NDC priority areas and climate actions based on sectors. Consultation and validation reports produced.</td>
</tr>
<tr>
<td>SoP</td>
<td>• National Digital Climate Change</td>
<td>Green investment facility established with foundational documentation and</td>
<td></td>
<td>1.2.1.d: Develop a private-sector (and public / private - in Palestine) DAE pipeline development plan, using the tool, in Iraq, Jordan and Palestine.</td>
<td>1.2.1.d: Two private-sector DAE pipeline development plans (one per country in Iraq and Jordan). And one public /private development plan in Palestine</td>
</tr>
</tbody>
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<sup>12</sup> 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.

<sup>13</sup> 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.
<table>
<thead>
<tr>
<th>Platform for centralized management of climate investment information and related knowledge.</th>
<th>initial fund partners identified.</th>
</tr>
</thead>
<tbody>
<tr>
<td>• NDA operational Manual</td>
<td>• Regionally harmonized capacity development tools operational to generate targeted action plans for DAE accreditation in beneficiary countries.</td>
</tr>
<tr>
<td>• TRM and its annexes</td>
<td></td>
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<tr>
<td>Iraq</td>
<td></td>
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<tr>
<td>• NDA strengthening</td>
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<tr>
<td>• Direct access entity nomination</td>
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<td>Lebanon</td>
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<tr>
<td>• Basic design of potential DAE candidate (Nat / Reg Investment Facility) is completed and based on an in-country technical assistance unit (TAU) and overseas fund for investments</td>
<td></td>
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<tr>
<td>• Options for hosting the in-country facility were identified but host selection is not finalized</td>
<td></td>
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<tr>
<td>• Options for the overseas fund/investment facility are also identified but not yet selected, and design of a Green</td>
<td></td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>1.2.2. Key institutional arrangements and mechanisms of the green investment facility established and operational (Regional facility or Lebanon facility based on selection report in 1.2.2b):</th>
<th>1.2.2.a: Identify a host for the Technical Assistance Unit (TAU) and operationalize the TAU.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.2.2.b: Identify and select potential partners from Multilateral entities and/or private equity funds to manage the green investment facility fund and its investment portfolio. During the project implementation, a set of relevant criteria will be agreed upon to identify and select partners of the fund (this will examine regional and national options.)</td>
<td>1.2.2.b: A fund management partner selection report including rating against developed criteria</td>
</tr>
<tr>
<td>1.2.2.c: Incorporate GCF requirements within the green investment facility and build capacity of selected AE to adapt its systems to fit GCF policies and procedures.</td>
<td>1.2.2.c: A gap analysis and corresponding action report, an action plan for aligning the green investment facility with GCF requirements developed</td>
</tr>
<tr>
<td>1.2.2.d: Develop operational manual and by-laws for the green investment facility, such as the preparation of organigram, audit requirements, SOPs, workflow management, official registration, financial regulations, etc.</td>
<td>1.2.2.d: Operational manual for the facility including by-laws produced</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>1.2.3: Regionally coordinated diagnostic and planning approach and tools developed and implemented by Iraq, Jordan and Palestine for identifying DAE capacity gaps (e.g., gender, safeguards and disclosure policy and procedures) and gap-filling actions to support private-sector Direct Access applicants in meeting GCF accreditation requirements.</th>
<th>1.2.3.a: Establish a gender-balanced regional team of experts from beneficiary countries to identify the scope of diagnostic and planning approach and tools based on specific country needs and circumstances.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.2.3.b: Develop regionally coordinated diagnostic and planning approach guidelines (e.g., standard operating procedure (SOP) and tools with user manuals).</td>
<td>1.2.3.b: Diagnostic and planning approach guidelines (e.g., SOP) and tools with user manuals, and beneficiary countries validation reports.</td>
</tr>
<tr>
<td>1.2.3.c: Support beneficiary countries in adapting and rolling out the tools through in-country trainings (one event per country in Iraq, Jordan and Palestine) as relevant, taking into</td>
<td>1.2.3.c: Three (one per country) technical support completion reports. Each report will contain 1) Training Needs Assessment, 2) Training Curriculum, 3) Training Participant List, 4) Pre-post training knowledge</td>
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<tr>
<td>Section</td>
<td>Description</td>
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</tr>
<tr>
<td>1.3 Relevant country stakeholders</td>
<td>Relevant baseline investments (previous readiness) by country (see Table 1)</td>
</tr>
<tr>
<td>Jordan</td>
<td>Private sector roundtable: Current readiness project under GGGI includes quarterly roundtables between NDA, private sector, and DAE candidate. Deliverable is dialogue/recommendations report.</td>
</tr>
<tr>
<td>Oman</td>
<td>NDA inter-institutional</td>
</tr>
</tbody>
</table>

### 1.2.3.d: Prepare a GCF accreditation gap-filling action plan for at least one private-sector Direct Access applicant and one private-sector DAE at the post-accreditation stage in each country (and/or one public-private DAE potential applicant in Palestine). This activity will also explore potential DAEs at the regional level and identify their capacity relevant gaps. 

- Two gap-filling action plans per country (one for a private sector Direct Access applicant and another for DAE in post-accreditation process; and/or potentially one public/private sector applicant in Palestine). 
- A list of potential regional-level private sector DAE candidates and their capacity gap analysis.

### 1.3.1: Mechanism of dialogue for coordination and knowledge sharing between the NDA, private-sector, public Direct Access applicants, DAEs, and potential/existing EEs established to enhance coordination and collaboration arrangements in GCF country programming. 

- **1.3.1.a:** Conduct a rapid assessment of barriers (e.g., knowledge gaps between actors) for all five countries and extrapolate to the regional level when common barriers identified. *Note: this activity will examine national assessments conducted by previous readiness to identify common barriers.* 
  - One regional barrier assessment report produced, and five countries barrier assessment report produced (one report per each of the participating countries). 
- **1.3.1.b:** Develop regionally harmonized knowledge tools and materials based on the assessment findings, to benefit all five countries. 
- **1.3.1.c:** Facilitate a series of dialogues between the NDA, private-sector Direct Access applicants, DAEs, and potential EEs in all five countries, using the knowledge tools and materials generated in activities above, to address the knowledge gaps (one session per year per country, for two years, one regional session overall). Dialogues will take into account gender considerations in the selection of participants. 
  - Ten national level dialogue completion reports (encompassing 2 dialogues in each country). 
  - All reports to include post-dialogue perception survey results. 

### 1.3.2: Relevant country stakeholders (EEs, CSOs, Private Sector) have established adequate capacity, systems and networks to support planning, programming and implementation of GCF-funded activities. 

- Mechanisms for public-private sector coordination and knowledge sharing operational in the beneficiary countries. 

- Account gender considerations in the selection of participants. 

- Investment sub-fund is yet to be developed 
  - Oman is at the initial stages of DAE identification and has surveyed potential DAE applicants that match country priorities.
<table>
<thead>
<tr>
<th>2.4 Strategies for transforming and attracting private sector investment for low emissions and resilience developed and being used</th>
<th>Relevant baseline readiness investments (previous readiness) by country (see Table 1)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jordan</td>
<td></td>
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<tr>
<td>• Climate finance readiness needs assessment.</td>
<td></td>
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<tr>
<td>• Draft climate finance policy.</td>
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<td>SoP</td>
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<tr>
<td>• Readiness needs assessment is considered in a current readiness project, Mainstreaming Covid-19….</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>dialogue mechanism</th>
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<tbody>
<tr>
<td>• Agriculture and water sectors adaptation coordination programs.</td>
</tr>
<tr>
<td>• Gender training in Iraq</td>
</tr>
<tr>
<td>• Stakeholder dialogue on green growth strategies in Palestine</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>2.4.1 A regional forum operational for raising awareness of various financial instruments for GCF programming among key stakeholders in the five beneficiary countries.</th>
</tr>
</thead>
<tbody>
<tr>
<td>• A regional forum established to increase the awareness of costs and benefits of various financial instruments (e.g., Green Islamic finance, Islamic micro-finance, blended finance, bonds, equity, guarantees, and loans) for climate action among the NDAs, private sector Direct Access applicants, DAEs, and potential/existing EEs for enhanced private-sector engagement in GCF project pipeline development (linked to Output 1.3.1).”</td>
</tr>
</tbody>
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<table>
<thead>
<tr>
<th>2.4.1.a: Develop a regional cost-benefit analysis of various financial instruments in climate finance based on lessons learned and best practices from the West Asia region.</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.4.1.b: Facilitate a regional forum with the NDAs, private sector Direct Access applicants, DAEs, and potential EEs and other relevant stakeholders based on the cost-benefit analysis findings to establish strategic and common directions for private sector engagement in climate finance including GCF project pipeline development. The forum will take into account gender considerations in the selection of participants, to ensure women and youth are well represented. It will target all five countries.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>2.4.2: National-level public-private coordination mechanism established to operationalize recommendations from current readiness projects.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.4.2.a: Develop a private-public joint review committee in Iraq, Jordan and Palestine to review key policy</td>
</tr>
</tbody>
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<thead>
<tr>
<th>1.3.1.d: Develop and roll out country-specific public-private sector coordination and knowledge sharing action plans in all five countries.</th>
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<tbody>
<tr>
<td>1.3.1.d: Five action plans and beneficiary country validation reports developed</td>
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</table>

<table>
<thead>
<tr>
<th>2.4.1.a: A regional cost-benefit analysis report and beneficiary countries validation reports, targeting all five countries.</th>
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<tbody>
<tr>
<td>Outcome reports from the forum and Participant lists developed and compiled</td>
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<table>
<thead>
<tr>
<th>2.4.2.a: Three national review reports (one per country Iraq, Jordan, Palestine) developed</th>
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<tbody>
<tr>
<td>Country Programme (2019) updated to be aligned with updated NDC IN 2021</td>
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<tr>
<td>NDC Partnership plan (concluded recently) is expected to enhance private sector engagement</td>
</tr>
<tr>
<td>Lebanon</td>
</tr>
<tr>
<td>Iraq</td>
</tr>
<tr>
<td>• Updated Country Programme (2020) with private sector engagement focus, with an institutional/legislative needs assessment.</td>
</tr>
<tr>
<td>4.1 An increase in the number and quality project concept notes developed and submitted (It doesn't only have to be new CNs, it could be)</td>
</tr>
<tr>
<td>Country</td>
</tr>
<tr>
<td>---------</td>
</tr>
</tbody>
</table>
| **Jordan** | - Eight CNs  
- Two PPFAs  
- Project design training  
SoP  
- Five existing CNs  
- Under current NDC readiness with Deloitte, 3 CNs will be prepared, in addition to one more under NAP submitted by FAO. |
| **Oman** | - One CN |
| **Lebanon** | - Country programme development underway |
| **Iraq** | - Project design training |
| **GCF Readiness & Preparatory Support** | - Three CNs prepared and submitted to the GCF (one per country in Iraq, Jordan and Palestine), including project identification notes and pre-feasibility studies.  
- Strengthen the pipeline of bankable projects and prepare 4 programmes for the green investment facility.  
- A regional umbrella project CN though green investment facility prepared and submitted to the GCF.  
- Advance national priority actions for climate change mitigation and adaptation, with private sector investment (linking to Output 2.4.2).  
- Sustainability potential and exit strategies. This will benefit all five countries. The regional training will take into account gender considerations in the selection of participants.  
- Note: IAEs will be invited to the training as resource partners. This will help create linkages and partnerships with the ideation and CN development activities contemplated below. |
<p>| <strong>4.1.1.a</strong>: Identify at least one private-sector project idea based on the opportunities identified under Activity 2.4.2.a in Iraq, Jordan and Palestine. | <strong>4.1.1.a</strong>: Three project idea notes (at least one per country) and three stakeholder consultation reports (one per country). |
| <strong>4.1.1.b</strong>: Undertake pre-feasibility studies for the identified private-sector project ideas under 4.1.1.a. | <strong>4.1.1.b</strong>: Three pre-feasibility study reports (at least one per country) and three stakeholder consultation reports (one per country) developed. |
| <strong>4.1.1.c</strong>: Develop (or enhance) a Private Sector GCF CN based on the pre-feasibility study in at least three of the five beneficiary countries for review by the NDAs and subsequent submission to the GCF. | <strong>4.1.1.c</strong>: At least three CNs finalized for review by the NDAs and submitted to the GCF. |
| <strong>4.1.1.d</strong>: Develop an initial pipeline of projects for green investment facility (linked to activities under 2.4.1-2.4.3) | <strong>4.1.1.d</strong>: A project pipeline document outlining bankable projects for facility developed in Lebanon, with potential regional scope, based on findings under 1.2.2. Validation of pipeline will be through national-level public-private coordination mechanisms established under 1.2.2 (if the scope is limited to Lebanon) and 2.4.2 (if the scope is regional), with a leading role of relevant NDAs. |
| <strong>4.1.1.e</strong>: Identify and develop a regional CN to leveraging private sector investment through a regional green investment facility (Spearheaded by Lebanon). | <strong>4.1.1.e</strong>: A regional CN finalized for review by the NDAs and submitted to the GCF. |</p>
<table>
<thead>
<tr>
<th>5.2: Partnerships established to foster development and dissemination of methods frameworks and information systems for enhanced climate finance programming at subnational, national, and regional level</th>
<th>This needs to be completed. (see Table 1) Relevant baseline readiness investments (previous readiness) by country.</th>
<th>A regional knowledge sharing, and peer-to-peer support mechanisms established.</th>
<th>5.2.1: Regional knowledge sharing mechanisms established to document, analyze and share lessons and scale up best practices within the beneficiary countries and others in the region. <strong>5.2.1.a:</strong> Develop a regional knowledge sharing tool that will facilitate and ensure information flow is captured and managed among NDAs, DAEs, EEs and other stakeholders. <strong>5.2.1.b:</strong> Develop and execute learning exchanges, organize a study tour for NDAs and DAE applicants to other accredited public or private sector DAEs (could be done through the Reverse Linkage mechanism of IsDB). Study tour will take into account gender considerations in the selection of participants. <strong>5.2.1.b:</strong> A report on recommendations, a work plan and milestones from the study tour for NDAs and DAE applicants that will be appraised at the end of the readiness grant.</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Jordan</strong></td>
<td>GGGI developed through a previous readiness proposal the Jordan Climate Action platform with log-in functionality and ability to communicate with NDA on CNs and DAE nomination process. The platform also contains all Climate Change strategies and plans for Jordan.</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Oman</strong></td>
<td>Knowledge sharing platform.</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>SoP</strong></td>
<td>NDC-P Partnership Plan just concluded</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Country</td>
<td>Status</td>
<td>Details</td>
<td></td>
</tr>
<tr>
<td>---------</td>
<td>--------</td>
<td>---------</td>
<td></td>
</tr>
<tr>
<td>Lebanon</td>
<td>Recently and expected to enhance networking and partnership platform</td>
<td><strong>Lebanon</strong>&lt;br&gt;- Coordination mechanism established through South Center Readiness, but not specific knowledge sharing mechanism for private sector climate finance</td>
<td></td>
</tr>
<tr>
<td>Iraq</td>
<td>Existing Climate KM platforms, but not well integrated with private sector</td>
<td><strong>Iraq</strong>&lt;br&gt;- Existing Climate KM platforms, but not well integrated with private sector climate finance</td>
<td></td>
</tr>
</tbody>
</table>
4. THEORY OF CHANGE

A. GOAL

The goal of this readiness proposal is to increase private sector engagement and investment in climate change mitigation and adaptation including through public private partnerships in Iraq, Jordan, Lebanon, Oman, and the State of Palestine, following a regional portfolio approach.

B. GOAL STATEMENT

IF Iraq, Jordan, Lebanon, Oman and the State of Palestine, through this regional portfolio readiness support, can ensure enabling conditions for establishing effective public-private partnerships in climate change mitigation and adaptation, THEN the countries will be able to manage and deliver their priority climate actions more effectively and efficiently BECAUSE private-sector DAEs (and select public institutions in Palestine), potential EEs and NDAs in the countries have increased their knowledge of public-private partnership benefits and opportunities and established clear avenues to harnessing such partnerships through GCF programming.

C. OUTPUTS AND OUTCOMES

Outcome 1.2: Direct access applicants and DAEs have established capacity to meet and maintain the GCF’s accreditation standards; and accredited DAEs have the capacity to develop a pipeline of projects.

In Iraq, Jordan and Palestine (outputs 1.2.1 and 1.2.3): This outcome will be delivered through a programmatic approach to identifying and supporting potential private-sector Direct Access applicants through the GCF accreditation process (Output 1.2.1) and a regionally coordinated approach to addressing post-accreditation capacity gaps of private-sector DAEs (Output 1.2.3). Under these outputs, this readiness support will conduct a baseline assessment and develop and roll out guidelines and tools through country-specific training. In addition, the project will support the establishment and operationalization of a green investment facility (output 1.2.2). Depending on the result of the activities contemplated in 1.2.2 this will take the shape of a regional fund, if appropriate. Otherwise, it will be focused nationally on Lebanon who is spearheading this effort.

Outcome 1.3: Relevant country Stakeholders (EEs, CSOs, Private Sector) have established adequate capacity, systems and networks to support planning, programming and implementation of GCF-funded activities.

Under this outcome, a mechanism and an action plan for effective dialogue and knowledge sharing between the NDA and private-sector Direct Access applicants, DAEs and potential EEs will be developed for their enhanced coordination and collaboration through GCF programming in each beneficiary country. To ensure cost savings through the regional portfolio approach, a knowledge gap assessment in each beneficiary country and the development of dialogue and knowledge sharing tools and materials will be regionally coordinated to support the preparation of country-specific action plans (Output 1.3.1). Activities under this outcome will be implemented in Iraq, Jordan and Palestine.

Outcome 2.4: Strategies for transforming and attracting private sector investment for low emissions and resilience developed and being used.

This outcome aims to incorporate public-private coordination and collaboration arrangements and action plans into beneficiary countries’ GCF programming frameworks. This will be done first by developing a shared understanding of various private-sector financial instruments (e.g., bonds, equity, guarantees, and loans), their costs and benefits, and opportunities to blend them with public finance to advance priority climate actions among key stakeholders (Output 2.4.1, to benefit all five countries). A mechanism for coordination among private-sector DAEs, potential EEs and NDA in Iraq, Jordan and Palestine (Output 2.4.2) will then be established to systematically integrate strategic financial instruments into its GCF country programming process. Lastly, in the Green Investment Facility resource mobilization strategy will be implemented, with potential financial partners identified and engaged to finance bankable project pipelines (Output 2.4.3).

Outcome 4.1: An increase in the number and quality project concept notes developed and submitted.

Effective public-private partnerships will be demonstrated through project identification and design (Output 4.1.1) under this outcome. Private-sector DAEs in Iraq, Jordan and Palestine countries will be supported to identify project ideas, carry out pre-feasibility studies and develop new GCF CNs or enhance the existing CNs (i.e., Activities 4.1.1.b, 4.1.1.c and 4.1.1.d). An initial project pipeline outlining best suitable options for a green...
investment facility will be developed (Activity 4.1.1.e). An annual regional training for private-sector potential DAEs on CN and Funding Proposal preparation, including constructing climate rationale narratives, a logical framework, a theory of change, a budget, implementation arrangements, arguments for climate impact, paradigm shift, and sustainability potential and exit strategies, will be organized to benefit all five countries (Activity 4.1.1.a). The effort at the individual beneficiary country level will be further supported by developing a regional umbrella project CN to leverage additional support and investment for individual projects through a regional climate investment approach (Activity 4.1.1.f).

**Outcome 5.2:** Partnerships established to foster development and dissemination of methods frameworks and information systems for enhanced climate finance programming at subnational, national, and regional level.

Regular exchange of knowledge among the five beneficiary countries will be crucial for promoting South-South cooperation in problem-solving and solution-seeking among these countries with shared challenges and opportunities. From this perspective, a regional knowledge platform will be established (Output 5.2.1) to document, analyze and share lessons and scale up best practices within the beneficiary countries and others in the region. A learning exchange forum will be organized, as well as a study tour for NDAs and DAE applicants to another accredited public or private sector DAEs. This could be done through the Reverse Linkage mechanism of IsDB.

**D. BARRIERS**

Critical barriers to effective public-private partnership development in climate change mitigation and adaptation include:

- **Barrier #1:** Lack of enabling environment for private sector investment (e.g., absence of green Investment guidelines, limited incentives for revenue generation).
- **Barrier #2:** Limited awareness of the climate finance merit, and a small number of private-sector Direct Access Entities (DAEs).
- **Barrier #3:** Lack of green investment policy guidelines for the financial sector and regulatory/enforcement mechanisms.
- **Barrier #4:** Inadequate capacity of private sector to incorporate gender and social awareness in climate financing.
- **Barrier #5:** Insufficient awareness of the merits of climate finance and low capacity to develop bankable green projects to increase private sector engagement when commercially viable.
- **Barrier #6:** Limited readiness to address climate change due to institutional weaknesses, planning gaps and technical capacity and expertise constraints.

**E. INPUTS**

Several critical inputs will be considered to establish baseline conditions and deliver outputs under the proposed regional readiness support. Activities under this regional support will be informed by relevant national and sectoral climate policies, including the NDCs, NAPs, NAPAs and GCF Country Programmes, past and ongoing readiness support, and inputs from the NDAs, DAEs, Direct Access applicants and potential EEs.

**F. RISKS**

There are several risks associated with the proposed regional readiness support. Please see Section 6.3 for more information on risks and mitigation strategies. Such risks include COVID-19 related restrictions and delays, procurement and disbursement-related delays and a lack of stakeholder interest and coordination among the NDAs. Specific mitigation measures are taken to address these risks and minimize their impact to the extent possible, as described in Section 6.3.

**G. ASSUMPTIONS**

The programme will work with the assumption that there is increased interest and engagement with private sector to engage in climate action. This will be critical to achieve all outputs and outcomes in the proposal. Further, it is assumed that government officials will work collaboratively with the private sector to help develop the enabling environment for public-private partnerships and deal structures as envisioned in the activities. This will be particularly important for outcomes 2.4 and 4.1. Finally, the proposal assumes strong engagement from the pipeline of nominated direct access applicants and private sector participants that are already candidate executing entities in country to ensure that the proposal is building on the existing climate finance support in the region. This is particularly important for outcome 1.2, 1.3 and 5.2.
Theory of Change Diagram

GOAL: The aim of this readiness is to establish an enabling environment for private-sector Direct Access applicants, DAEs and potential EEs and NDAs to develop effective public-private partnerships for leveraging private sector engagement and investment in climate change mitigation and adaptation in Iraq, Jordan, Lebanon, Oman, and the State of Palestine through a regional portfolio approach.

GOAL STATEMENT: Iraq, Jordan, Lebanon, Oman, and the State of Palestine lack the required knowledge and capacity to address their climate finance gap and overcome key identified barriers for private sector engagement as a result of ineffective guidelines and policy direction. IF this readiness support is implemented THEN these countries will have clear guidelines and policy guidelines for public-private partnership engagement processes in climate action BECAUSE private-sector partners, potential private sector DAEs (and selected potential public/private institutions in Palestine) will have increased knowledge and capacity and clear established PPP guideline on regional climate action and GCF programming process.

Outcome 1.2: Direct access applicants and DAEs have established capacity to meet and maintain the GCF’s accreditation standards; and accredited DAEs have the capacity to develop a pipeline of projects

Outcome 1.3: Relevant country Stakeholders (EEs, CSOs, Private Sector) have established adequate capacity, systems and networks to support planning, programming and implementation of GCF-funded activities.

Outcome 2.4: Strategies for transforming and attracting private-sector investment for low emissions and resilience developed and being used

Outcome 4.1: An increase in the number and quality project concept notes developed and submitted (It doesn't only have to be new CNs, it could be enhancement of existing or inclusion of pre-feasibility studies or PPF applications etc.)

Outcome 5.2: Partnerships established to foster development and dissemination of methods frameworks and information systems for enhanced climate finance programming at subnational, national, and regional level

Output 1.2.1: Programmatic approach to strategically identifying and supporting potential private-sector Direct Access applicants established

Output 1.2.2: Regionally coordinated diagnostic and planning approach and tools developed and implemented

Output 1.3.1: Mechanism of dialogue for coordination and knowledge sharing between the NDA, private-sector Direct Access applicants, DAEs, and potential EEs established

Output 2.4.1: Regional awareness of costs and benefits of various financial instruments (e.g., blended finance, bonds, equity, guarantees, and loans) for climate action increased

Output 2.4.2: National-level public-private coordination mechanism established

Output 4.1: Effective public-private partnerships demonstrated through project identification and design

Output 5.2.1: Regional knowledge platform established

INPUTS

National & sectoral climate policies, incl. NDCs, NAPs

Past & ongoing readiness support

GCF Country Programmes, project pipelines, Time and support of NDAs, DAEs, applicants, others

Lack of enabling environment for private sector investment for climate actions

Lack of knowledge management tool to support information sharing among NDAs

BARRIERS

Lack of green investment policy guidelines for the financial sector and regulatory/enforcement mechanisms

Low awareness of climate finance merits and capacity to develop bankable to increase private sector engagement.

Covid-related delays

Disbursement & procurement delays

Limited coordination among NDAs

RISKS

Limited stakeholder interest, engagement & coordination

Currency fluctuation, instability, UN sanctions, & prohibited activities.

Interest and participation from private sector actors to increase participation in climate finance

Active support of government officials

ASSUMPTIONS

Strong engagement from the pipeline of nominated DAEs, candidate executing entities
5. BUDGET, PROCUREMENT, IMPLEMENTATION AND DISBURSEMENT PLAN

5.1 Budget plan
Please complete the Budget Plan in Excel using the template available in the Library page of the GCF website.

5.2 Procurement plan
Please complete the Procurement Plan in Excel using the template available in the Library page of the GCF website. For goods, services, and consultancies to be procured, please list the items, descriptions in relation to the activities in section 2, 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.

5.3 Implementation Plan
Please complete the Implementation Plan in Excel using the template available in the Library page of the GCF website.

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

☐ 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 1,300,000 will be transferred upon approval of the readiness request and effectiveness of the Grant Agreement;
- The second disbursement amounting USD 1,200,000 will be transferred upon submission of an interim progress report [and audited financial report]14, in form and substance acceptable to the Fund, [including an audited expenditure statement]; and
- The third disbursement amounting USD 125,412 will be made upon submission of a completion report and financial report, in form and substance acceptable to the Fund, including an audited expenditure statement.

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14 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

A. ROLES AND RESPONSIBILITIES

Green Climate Fund:

GCF will provide the resources for this readiness proposal. IsDB will follow the reporting schedule as determined by the project agreement, additionally both IsDB and NDAs will liaise with GCF on an as needed basis to provide project updates, feedback and information.

Islamic Development Bank (IsDB):

The Islamic Development Bank will be responsible for the implementation of the proposed 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 IsDB’s policies and procedures and with the Bilateral Grant Agreement to be signed with GCF or its fiduciary agent. While IsDB has overall responsibility for the management of the project, they will identify two representatives to serve on a project steering committee to provide overall technical guidance and direction to the project. One IsDB representative will be from the regional hub of Cairo which covers Iraq, Jordan, Lebanon and Palestine, while the other IsDB representative will come from the Climate Change Unit. NDA representatives from the steering committee or their designates may serve on IsDB’s contractor selection and procurement committees as relevant throughout the project to ensure the selections are in accordance with regional/national technical priorities. IsDB will directly oversee the operations of the project management unit based in Jordan as well as consultants embedded in national NDA offices.

Nationally Designated Authorities (NDAs)

NDAs will be in close coordination with IsDB as the delivery partner as well as provide guidance to and receive feedback from the project management unit in their role on the project steering committee. Additionally, NDA teams will receive technical assistance from IsDB and the PMU to advance their climate finance objectives with private sector Direct Access applicants, DAES, potential EEs, and other actors. NDAs also have a role to link other project stakeholders with IsDB and the PMU. For example, creating linkages between the project and national and regional CSOs, key line ministries etc. Jordan as the lead NDA has been nominated by other NDAs to liaise with GCF as
needed throughout the life of this project. The NDA in Jordan will also work closely with IsDB during implementation to ensure convening of other NDAs for steering committee meetings and if other ad hoc issues arise.

**Project Steering Committee**

The Project steering committee will be made up of two representatives from IsDB and one representative from each of the participating NDAs. This group will meet no less than quarterly to discuss project implementation and review monthly reporting. Based on quarterly meetings the group will provide guidance to the project management unit on project implementation. Additionally, because of the central role NDAs play in each country’s access to climate finance, they will be occasionally liaising with private sector stakeholders, line ministries etc. at country level to gain feedback on the grants’ progress as well as the level of advancement of the countries’ climate finance priorities. For example, the NDA representatives will liaise with DAE applicants and EEs as their project pipelines are being advanced. This is represented by a blue arrow going from NDAs to private sector and other stakeholders and termed guidance and feedback in the chart.

The steering committee will also have an important role to play in ensuring lessons learned from previous readiness activities are infused into this project as well as to guide complementarity with other ongoing readiness projects. Finally, the project steering committee, through its provision of guidance to the project management unit, will help to promote regional cooperation and knowledge sharing on relevant activities and provide high level policy guidance as appropriate.

**Project Management Unit (PMU)**

The project management unit will be comprised of long-term national/regional consultants (supported by short term consultants and firms) that carry out the day-to-day technical activities, develop required partnerships for the project, directly liaise with all required stakeholders to achieve the stated deliverables, outputs and outcomes. The core PMU will be imbedded in the NDA office in Jordan; however, each participating NDA will also have up to two long-term consultants who will be imbedded in their national NDA offices that guide the national components of this project, and ensure robust communication and participation from each country. The project management unit will have overall responsibility for coordinating all activities among the project team including all representatives imbedded in countries and will interface with the project team on a daily basis. As discussed above IsDB will have all fiduciary and procurement responsibilities for the PMU, and the PMU will receive technical guidance from the steering committee.

**Private (and/or public in Palestine) Sector Direct Access applicants, DAEs, EEs and other private sector stakeholders and potential applicants**

The private sector organizations listed in the heading above, are the primary targets of support under this readiness grant. Private sector organizations (especially DAE applicants and EEs) will be targets for capacity building, participate in workshops and develop partnerships that will attract climate finance to the region. The PMU, including the consultants based in country will liaise closely with relevant private-sector entities and other partners that are interested and engaged to advance climate finance in their country and the region in general. This will include participation in concept note ideation process especially for future private sector executing entities. The project will be sensitive to the unique needs of the private sector and ensure women, youth and vulnerable groups are engaged including for training, workshops, and direct technical assistance.

**Other Stakeholders**

Many activities in this readiness proposal will require inclusion and engagement with other stakeholders. IsDB and the PMU team will reach out to regional civil society organizations and initiatives to ensure complementarity of activities as well as national and regional women’s, youth and other civil society groups to ensure engagement and support accrues equitably. Additionally, universities and relevant line ministries in each country will be important stakeholders for coordination, provision of data and information especially regarding the technical design elements proposed in outcome four and the regional knowledge management objective proposed in outcome five.

For the operationalization of the green investment facility, a technical assistance partner will be engaged. This is a communication and coordination relationship, not a flow of funds relationship. The technical assistance partner will have an extensive track and experience to help guarantee the project roll-out. The Project Management Unit of this project will be supported by the technical assistance partner and the Ministry of Environment in Lebanon. Finally, the delivery partner (Islamic Development Bank) would directly coordinate with the assistance partner as it will be the entity managing the project at the Ministry of Environment.
### 6.2 Implementation and execution roles and responsibilities

The table below outlines the consultants and firms that will be procured to achieve the deliverables, outputs and outcomes contemplated in the project. Qualifications and a brief scope of work for each consultant or firm are provided.

<table>
<thead>
<tr>
<th>No</th>
<th>Position</th>
<th>Rate and Duration</th>
<th>Qualification</th>
<th>Scope of Work</th>
<th>Deliverable</th>
</tr>
</thead>
</table>
| 1  | Project Coordinator | USD 4,500 per month over 24 months | • Over 10 years of relevant experience  
• Postgraduate degree  
• Working knowledge of GCF readiness and climate policies in the region. | • Oversee and coordinate activities of international and national experts.  
• Report to the project steering committee with updates and for strategic guidance.  
• Coordinate with NDAs and other relevant stakeholders.  
• Lead the regional KM activities. | • Oversight and quality control of all outputs  
• Output 5.2.1. (Regional KM process)                                                                 |
| 2  | Admin/Finance Officer | USD 2,800 per month over 24 months | • Over 5 years of relevant experience  
• Degree in a related area  
• Working knowledge of project finance management. | • Ensure timely disbursements and financial tracking and reporting.  
• Prepare financial reports. | • Support to all outputs                                                                 |
| 3  | International Expert on GCF Accreditation and Readiness | USD 600 per day for 160 days | • Over 15 years of experience in institutional capacity development.  
• Postgraduate degree in a relevant area  
• Advanced knowledge of the GCF accreditation process. | • Provide conceptual and methodological leadership in designing assessments, guidelines, tools, training programs and action plans to support strategic DAE pipeline development.  
• Coordinate the work of national experts.  
• Finalize all final technical deliverables. | • Output 1.2.1  
• Output 1.2.3                                                                 |
| 4  | Consultancy firm/Agency to perform role of technical assistance unit | Lumpsum contract amount | • Over 15 years of experience in institutional capacity development.  
• Over 15 years of experience in public-private sector partnership development.  
• Advanced knowledge of public-private interest matching in environmental governance. | • Coordinate and execute all activities related to the establishment of the investment facility regionally or nationally in Lebanon,  
• Mobilize resources for the Facility, build capacities of relevant stakeholders and develop an initial pipeline of GCF projects. | • Outputs 1.2.2, 2.4.3 and 4.1.1 (activities 1.2.2.a, 1.2.2.b, 1.2.2.c, 1.2.2.d, 2.4.3.a, 2.4.3.b, and 4.1.1.e) |
| 5 | Five National Experts on Accreditation and Readiness (one in each country) | USD 300 per day for 655 days (around 217 days per expert) | • Advanced expertise in development and climate finance and financial instruments.  
• Excellent and proven track record of GCF project identification and development in the region. | • Coordinate the assessments at the national level.  
• Contribute to the development of guidelines, tools and training materials.  
• Solicit input from relevant stakeholders.  
• Roll out the guidelines and tools through training at the national level.  
• Prepare action plans.  
• Prepare activity completion reports. | • Output 1.2.1  
• Output 1.2.3 |
|---|---|---|---|---|---|
| 6 | International Expert on Public-Private Partnership Development | USD 600 per day for 95 days | • Over 15 years of experience in public-private sector partnership development.  
• Postgraduate degree in a relevant area  
• Advanced knowledge of public-private interest matching in environmental governance. | • Provide conceptual and methodological leadership in designing assessments, dialogue approaches, tools, and plans to enhance public-private partnerships in GCF country programming.  
• Coordinate the work of national experts.  
• Finalize all technical deliverables. | • Output 1.3.1 |
| 7 | Five National Experts on Public-Private Partnership Development (one in each country) | USD 300 per day for 295 days (on average 59 days per expert) | • Over 10 years of experience in public-private sector partnership development.  
• Postgraduate degree in a relevant area  
• Knowledge of public and private sector interests and operations in climate and environment sectors. | • Coordinate the assessments and dialogue meetings at the national level.  
• Contribute to the development of guidelines, dialogue approaches and tools.  
• Solicit input from relevant stakeholders.  
• Prepare action plans.  
• Prepare activity completion reports. | • Output 1.3.1 |
<table>
<thead>
<tr>
<th>No.</th>
<th>Role Description</th>
<th>Daily Rate</th>
<th>Duration</th>
<th>Responsibilities</th>
<th>Outputs</th>
</tr>
</thead>
</table>
| 8   | International Expert on Climate/Development Finance  | USD 600   | 95 days        | - Over 15 years of experience in development finance.  
- Postgraduate degree in a relevant area  
- Advanced knowledge of development and climate finance and financial instruments.  
- Provide conceptual and methodological leadership in designing a cost-benefit analysis and updating GCF Country Programmes.  
- Coordinate the work of national experts.  
- Finalize all final technical deliverables. | Output 2.4.1  
Output 2.4.2  
Output 2.4.3 is missing from table |
| 9   | Five National Experts on Financial Instruments (one in each country) | USD 300   | 275 days (55 days per expert) | - Over 10 years of experience in development finance.  
- Postgraduate degree in a relevant area  
- Knowledge of development finance and financial instruments.  
- Coordinate the cost-benefit and baseline analyses at the national level.  
- Contribute to the development of analytical framework and training curriculum.  
- Solicit input from relevant stakeholders.  
- Update the Country Programmes.  
- Prepare activity completion reports. | Output 2.4.1  
Output 2.4.2 |
| 10  | International Expert on Project Design               | USD 600   | 55 days        | - Over 15 years of experience in project development  
- Postgraduate degree in a relevant area  
- Advanced knowledge of GCF project development processes and requirements.  
- Provide conceptual and methodological leadership in designing a training curriculum and project idea identification process.  
- Coordinate the work of national experts.  
- Deliver training with national experts.  
- Prepare CN for a regional umbrella project.  
- Solicit input from the NDAs and other stakeholders.  
- Finalize all final technical deliverables. | Output 4.1.1 (training and a regional umbrella CN) |
| 11  | Three National Experts on Project Design (one in each country) | USD 300   | 175 days (58 days per expert) | - Over 10 years of experience in project development  
- Postgraduate degree in a relevant area  
- Knowledge of GCF or similar project development processes and requirements.  
- Coordinate training activities at the national level.  
- Contribute to the development of training curriculum and project identification process.  
- Solicit input from relevant stakeholders. | Output 4.1.1 (training) |
6.3 Risks and mitigation measures

The chart below outlines risks that need to be considered as this project is designed and implemented. IsDB along with the project steering committee made of a representative from all partner NDAs will have a key role in mitigating these risks.

<table>
<thead>
<tr>
<th>Risk category</th>
<th>Specific risk(s) / Risk(s) description</th>
<th>Probability of occurrence (low, medium, high)</th>
<th>Impact level (low, medium, high)</th>
<th>Mitigation action(s)</th>
<th>Entity(ies) responsible to manage the risk(s)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Technical and Operational</td>
<td>Ongoing COVID-19 Pandemic</td>
<td>High</td>
<td>Medium</td>
<td>The world has been adjusting to the coronavirus pandemic for over a year now, and systems and processes for online trainings and events have improved significantly. The proposal does contemplate some in person activities, but if needed, these can be migrated to an online format. The KM portal contemplated will also account for the new online environment and be utilized as a regional communication platform.</td>
<td>IsDB/ Steering Committee</td>
</tr>
<tr>
<td>Risk category</td>
<td>Specific risk(s) / Risk(s) description</td>
<td>Probability of occurrence (low, medium, high)</td>
<td>Impact level (low, medium, high)</td>
<td>Mitigation action(s)</td>
<td>Entity(ies) responsible to manage the risk(s)</td>
</tr>
<tr>
<td>-------------------------------</td>
<td>----------------------------------------------------------------------------------------------------------</td>
<td>-----------------------------------------------</td>
<td>----------------------------------</td>
<td>------------------------------------------------------------------------------------</td>
<td>-----------------------------------------------</td>
</tr>
<tr>
<td>Technical and Operational</td>
<td>Delays to project startup including disbursement, contractual arrangements, procurement of consultants/firms</td>
<td>Medium</td>
<td>High</td>
<td>IsDB will work with internal finance and procurement staff as soon as possible and begin developing TORs for consultants and firms early, so once the grant agreement is signed, they can be released for solicitation. IsDB is coordinating closely with each NDA to ensure the in country logistical arrangements can be established for a robust start-up. IsDB commits to proactive and responsive communication with GCF.</td>
<td>IsDB</td>
</tr>
<tr>
<td>Technical and Operational</td>
<td>Lack of coordination among numerous countries and stakeholders because of the regional nature of the project</td>
<td>Medium</td>
<td>High</td>
<td>Projects of a regional nature naturally require more coordination, but IsDB as one of the leading development finance institutions in the region, is well placed to manage these aspects of coordination. IsDB has ongoing climate projects in two of the partner countries and works with all partner countries on general development projects. Their experience with key stakeholders in the region gives them unique convening power and they will work intensely on leveraging existing partnerships and creating and sustaining new partnerships to ensure enhanced regionalism for climate finance among partner countries.</td>
<td>IsDB/Steering Committee</td>
</tr>
<tr>
<td>Technical and Operational</td>
<td>Uneven commitment of private sector actors to coordinate regionally</td>
<td>Low</td>
<td>High</td>
<td>Private Sector actors are the key focus of this regional readiness grant. Each country has an ongoing readiness grant from GCF as well as other climate finance initiatives in country. This project aims to consolidate existing, but nascent private sector climate finance achievements and sustainably incentivize private sector actors to increase their efforts in the sector. All partner countries have an existing private sector with example.</td>
<td>IsDB/Steering Committee</td>
</tr>
<tr>
<td>Risk category</td>
<td>Specific risk(s) / Risk(s) description</td>
<td>Probability of occurrence (low, medium, high)</td>
<td>Impact level (low, medium, high)</td>
<td>Mitigation action(s)</td>
<td>Entity(ies) responsible to manage the risk(s)</td>
</tr>
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<tr>
<td>Technical and Operational Risk</td>
<td>Exposure to prohibited practices (UN sanctions, money laundering, terrorist financing)</td>
<td>Low</td>
<td>High</td>
<td>IsDB has rigorous policies in place to ensure prohibited practices (i.e., ML, TF) do not occur during the implementation of this project. Two participating countries do have a UN sanctions regime in place, however IsDB has provided an appended letter indicating the activities contemplated under this readiness will be in compliance with UN sanctions. In addition, a thorough risk assessment was conducted during the design of the RP to mitigate any procurement risk through the use of IsDB procurement rules and regulation.</td>
<td>IsDB</td>
</tr>
<tr>
<td>Technical and Operational Risk</td>
<td>Changes in NDA staffing or institutions in the region can cause procurement and operational risks</td>
<td>Medium</td>
<td>High</td>
<td>Comprehensive records of all proceedings will be put in place to ensure that, there is continuity in case of the changes in institutions/NDA s or their staff involve in this readiness delivery, IsDB as delivery partner will mitigate this risk by leading in creating tools and mechanism for proper procurement (based on the Bank procurement process) and operational risk.</td>
<td>IsDB</td>
</tr>
<tr>
<td>Financial Risk</td>
<td>Currency Fluctuation</td>
<td>Low</td>
<td>Low</td>
<td>IsDB will ensure frequent communication with GCF, as well as judiciously utilize the contingency line item in the budget to combat this risk.</td>
<td>IsDB</td>
</tr>
<tr>
<td>Political Risk</td>
<td>Regional Instability</td>
<td>Low</td>
<td>Medium</td>
<td>Regional instability (i.e., Syria Conflict, Palestine-Israel) will be considered during the implementation of this regional programme. The project structure based in Jordan with embedded staff in each country will help to get early information on any national and regional developments. Further, pandemic preparations such as virtual trainings and events may be considered.</td>
<td>IsDB/ Steering Committee</td>
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</tbody>
</table>
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)
--- | --- | --- | --- | --- | ---

Engagement Risk | Poor Stakeholder engagement and participation | Medium | High | deployed in the case of regional instability. The steering committee will also have careful oversight and maintain robust engagement with partner governments to help ensure political support for project activities. | NDAs

6.4 Monitoring

Project monitoring and reporting will be conducted by IsDB in accordance with the logical framework in Section Three of this proposal. Monitoring and reporting will also be closely coordinated with the Steering Committee (partner NDAs + IsDB) to ensure country ownership and that appropriate action is taken to address monitoring findings. The Steering Committee will meet quarterly to review the progress of implementation, capture learning, and address any issues and risks requiring its attention and provide feedback and guidance to the PMU.

Under the direct supervision of the IsDB with guidance from the Steering Committee, the Project coordinator is responsible for monitoring of all project activities in accordance with the logical framework. The PMU will develop periodic reports that are in alignment with the GCF reporting cycle and requirements. These include monthly, quarterly and bi-annual implementation and financial progress reports which will be subsequently reviewed by the Steering Committee. The SC may review enhance those periodic progress reports before submitting them to IsDB, for finalization. IsDB will submit interim and final reports to GCF in accordance with the agreed upon semi-annual reporting schedule.

IsDB in collaboration with the NDA and PMU, will submit:

1. Bi-annual implementation and financial progress reporting to the GCF
2. Quarterly implementation and financial progress reporting to the PSC.
3. Monthly implementation and financial progress reporting of the PMU
4. Annual audit reporting

The quarterly reporting by the PMU to the Steering Committee will focus on the status of the following key deliverables based on their intended delivery schedules.

<table>
<thead>
<tr>
<th>Outcome</th>
<th>Key Targets/Deliverables</th>
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<tbody>
<tr>
<td>1.2 Direct access applicants and DAEs have established capacity to meet and maintain the GCF's accreditation standards; and accredited DAEs have the capacity to develop a pipeline of projects</td>
<td>A regionally collated private sector analysis report focused on DAE needs and opportunities A DAE pipeline development tool Regional training</td>
</tr>
<tr>
<td>Section</td>
<td>Description</td>
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</table>
| 1.3 Relevant country Stakeholders (EEs, CSOs, Private Sector) | One regional barrier assessment report  
  Regionally harmonized knowledge tools and materials.  
  Six dialogue meetings (two per country)  
  Three action plans (one per country) and beneficiary country validation reports. |
| 2.4 Strategies for transforming and attracting private sector investment for low emissions and resilience developed and being used | A regional cost-benefit analysis report and beneficiary countries validation reports.  
  Country-level training  
  Three national review reports (one per country)  
  Revised GCF pipelines and other policy documents (additional discussion required) |
| 4.1 An increase in the number and quality project concept notes developed and submitted (It doesn’t only have to be new CNs, it could be enhancement of existing or inclusion of pre-feasibility studies or PPF applications etc.) | Country-level training  
  Three project idea notes (one per country)  
  Three pre-feasibility study reports (one per country)  
  A project pipeline document outlining bankable projects for green investment facility  
  At least three CNs finalized for review by the NDAs and submitted to the GCF.  
  A regional umbrella CN finalized for review by the NDAs and submitted to the GCF. |
| 5.2: Partnerships established to foster development and dissemination of methods frameworks and information systems for enhanced climate finance programming at subnational, national, and regional level | Regional KM system  
  Regional KM meetings |
6.5 Other Relevant Information

A. SELECTION OF DELIVERY PARTNER

The Asia Regional Team at GCF deployed a survey to all NDAs in early 2021 to gauge countries’ interest in multi-country readiness proposals and held a follow up webinar for the entire region to explain how multi-country proposals could be developed. As a result of this, five countries in the West Asia region indicated their interest to form a regional readiness proposal focusing on the private sector. Participating NDAs in West Asia nominated Jordan as the lead NDA and identified possible delivery partners using criteria, including technical private sector expertise, regional awareness and understanding, and current or previous operations in all five countries. As a result, IsDB was selected as the Delivery Partner. IsDB is currently supporting countries with various projects including NDC implementation support in Palestine, and the development of a concept for the establishment of a green investment facility with Lebanon. Furthermore, IsDB has financed development projects with climate finance components in all five countries included in this readiness proposal.

B. EXIT STRATEGY

At the conclusion of this proposed readiness, private sector actors, including future DAEs and EE, in the participating countries, will be better prepared to engage with the GCF. They will have developed an improved understanding of the business case for investing in climate action and better understood how to leverage the multiple financial instruments in climate project structuring. This readiness will provide training to demonstrate project structuring, namely how public funds can de-risk private investment thereby leading to increased opportunity to leverage private finance. It is anticipated that private sector financial institutions, equity funds and other key private sector actors will have gained the necessary knowledge and expertise to advance private sector programming as appropriate in their DAE, EE, co-finance or partner roles. Additionally, NDA teams, line ministries and other public sector stakeholders will join in relevant activities in an effort to build momentum for blended finance and PPPs. The activities create stronger public-private linkages which inherently enhance the sustainability of future interventions. Further, the development of CNs, pre-feasibility studies and other important elements of project finance will be developed to attract larger amounts of climate finance to the region.

Additionally, the regional dialogue and platform created under this readiness will serve as a knowledge management platform where private sector climate financing experience and learning can be shared among countries in the region. While the platform will initially be populated with content from the participating countries, it will also be developed with options to share information and knowledge with other countries in the region and beyond. It is envisioned that stakeholders from the regional level and participating countries will be able to make information updates and structural improvements on the platform through crowdsourcing to reduce operation costs and keep the platform a ‘live’ repository of information. This culture of south-south learning and knowledge transfer on private sector issues is a key activity to promote future sustainability.

Finally, the participating countries are committed to ensuring that the activities under the proposed readiness will be implemented in a complementary and non-duplicative manner as they implement current, and design future-readiness programs. Private-sector DAEs, EEs, and NDAs with an improved private climate finance understanding will be better positioned to use future-readiness resources to unlock greater finance from GCF.

C. INTEGRITY AND COMPLIANCE

IsDB has measures to address money laundering, terrorist financing, and other prohibited practices and risks. Such measures are built into its institutional policies and procedures and prescribed in the procedural manuals of the IsDB, including the IsDB Policy on Anti-Money Laundering, Countering the Financing of Terrorism, and Know Your Customer, as well as the IsDB Group Integrity Policy15.

Two of the five countries (Iraq and Lebanon) are under a UN sanctions regime. IsDB confirms that the activities contained in this readiness will be implemented by the sanctions regimes in Iraq and Lebanon. Further IsDB has developed a letter for each country indicating that clearance from the UN Security Council is not needed for the implementation of this readiness project, and the activities contained herein will not violate said sanctions regimes.

D. GRIEVANCE REDRESS

IsDB has grievance mechanisms built into its policies on procurement, environmental and social safeguards and project implementation. Any grieved person as a result of this readiness proposal can follow the relevant complaint mechanisms to file a grievance regarding this readiness project. For environmental and social safeguards (ESS) issues, the ESS Policy of IsDB requires the development of a Project-level Grievance Redress Mechanism, scaled to the Project’s risks and impacts, to receive and facilitate resolution of the concerns or complaints of people who

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15 See link: https://www.isdb.org/sites/default/files/media/documents/2019-01/IntegrityPolicy.pdf
believe they have been adversely affected by the Project’s environmental or social impacts. For allegations of fraud or corruption related to the procurement of goods and services, consultants hired by IsDB as part of this readiness, or existing staff, an Online Integrity Complaint Form is available on IsDB website: https://www.isdb.org/who-we-are/integrity/online-integrity-complaint-form

E. AE Candidate Conflict of Interest Statement

To avoid any possible conflicts of interest deriving from the delivery partner’s role as an accredited entity candidate, the prioritization of investments and projects in the context of this readiness grant, will be made through a broad consultation process with relevant stakeholders, including other potential implementing entities. The final validation of these priorities will be carried out through the countries’ relevant coordination mechanism and institutional arrangements, with the participation of other government agencies, as well as representatives from civil society and private sector as the NDA, deems relevant, to ensure chosen priorities are fully aligned with national plans and strategies and adequately includes inputs from consulted stakeholders.