



GREEN
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Guide on Strategic Planning of Readiness Support

Direct Access Entities

Readiness and Preparatory Support Programme:
Operational Modalities for the 2024-2027 Strategy

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I. Objective of the Guide

This guide aims to provide guidance for Direct Access Entities (DAEs) in planning and requesting support in line with the [Readiness Strategy 2024-2027](#). The guide outlines key capacity-building areas to help DAEs design medium-term strategic plans for requesting readiness activities to enhance their ability to engage with GCF directly as well as to access and utilise climate financing at large.

The guide also offers insights on eligible and non-eligible costs to optimise readiness resources for maximum impact, aligning with the [GCF Strategic Plan for 2024-2027](#), which targets the use of Readiness for enhanced programming capacities and direct access.

II. Illustrative Capacity-Building Areas for Direct Access Entities

The Readiness Programme is a flexible tool designed to support developing countries and DAEs. To this effect, GCF does not prescribe specific capacity-building activities under the DAE Support Modality. Instead, it provides guidance on illustrative areas of support as outlined in the following sections. DAEs have the flexibility to propose specific activities tailored to their unique capacity gaps and needs in line with the objectives of the Readiness Strategy 2024-2027.

It is crucial for DAEs to integrate the knowledge and capabilities acquired through readiness support into their organisational systems and processes. These capabilities should be institutionalised within the organisation to ensure continuity and sustainability, regardless of staffing changes following readiness support.

2.1 Post-accreditation Support

This area of capacity-building support serves to help ensure that DAEs are fully compliant with GCF policies and requirements. Please note that Readiness support for pre-accreditation may be requested under the Country Support Window.

Illustrative Readiness activities include but are not limited to:

- a) Strengthening institutional compliance with GCF accreditation standards through the fulfilment of outstanding accreditation conditions and the closure of identified gaps in applicable screening requirements;
- b) Peer learning and exchanges: Supporting the organisation of forums for sharing experiences and best practices among entities that have gone through the accreditation process.

2.2 Enhancing Programming Capacity

This area of capacity-building support serves to equip DAEs with knowledge and skills in developing a pipeline of climate projects in line with countries' priorities.

Illustrative Readiness activities include but are not limited to:

- a) Capacitate DAEs to effectively engage with various stakeholders, including:



- i. Clearly outline the benefits of stakeholder engagement. By involving stakeholders early and continuously throughout the project lifecycle, DAEs can improve project design, increase buy-in and enhance the sustainability of outcomes;
 - ii. Develop frameworks and methodologies for effectively engaging various stakeholder groups; and
 - iii. Improve project design by identifying areas where additional and more specialised climate finance expertise is needed and leveraging the right partners to deliver on those gaps.
- b) Train/equip DAEs with the templates, systems, tools and skills to prepare clear and concise project ideas, concept notes and funding proposals for mitigation and adaptation projects in the public and private sector that are likely to secure funding from GCF as well as wider climate finance sources. This may include activities such as:
- i. Increase DAE knowledge on advancing national climate strategies, such as Nationally Determined Contributions (NDCs), National Adaptation Plans (NAPs), and Long-Term Strategies (LTS) through the development of high-quality project pipelines to ensure coherence and relevance, in coordination with national stakeholders;
 - ii. Provide training for DAEs to comprehend and implement GCF's investment criteria and standards, ensuring they can effectively apply these criteria at all levels, including sub-projects within a programme;
 - iii. Enhance DAE knowledge and skills with respect to specific thematic areas for mitigation and adaptation projects, such as energy generation and access; low-emission transport; buildings, cities, industries and appliances; forestry and land-use; most vulnerable people and communities; health, well-being, food and water security; infrastructure and built environment; and ecosystems and ecosystem services;
 - iv. Increase capacity of DAEs to process and analyse climate, environmental and socioeconomic data in order to drive climate change project origination;
 - v. Enhance the capacity of DAEs to articulate the climate rationale for both mitigation and adaptation initiatives;
 - vi. Enhance the capacities of DAEs for the development of private sector projects and for the use of different financial instruments;
 - vii. Provide guidance on structuring project documents to meet the high standards of clarity and comprehensiveness required by climate funding sources, including GCF;
 - viii. Supply DAEs with standardized GCF templates and checklists that ensure all necessary components are included and aligned with climate action goals;
 - ix. Facilitate peer learning and exchange programmes to enhance programming capacity, implementation and collaboration among DAEs; and
 - x. Facilitate the development of skill sets, systems and processes for DAEs to guide, supervise, and quality assure the work of external consultant teams (including those contracted with Project Preparation Facility (PPF) resources).
- c) Increase the capacity of DAEs to integrate robust Environmental and Social Safeguards (ESS), including gender and Indigenous Peoples aspects, into their project planning and implementation, including:



- i. Making sure that projects address gender and social inclusion; and
- ii. Making sure that projects mitigate potential negative impacts while enhancing positive outcomes for all stakeholders, particularly vulnerable groups.

2.3 Enhancing Implementation Capacity

This area of capacity-building support serves to improve implementation capacity by equipping DAEs with skills and systems for effective project management, financial management, procurement and stakeholder engagement.

Illustrative readiness activities include but are not limited to:

- a) Capacity-building on project planning and management, including human resource, procurement, financial planning and management, aligned with GCF standards, including with or through the use of short- and long-term consultants engaged to transfer capacity to the DAE;
- b) Guidance on stakeholder engagement strategies to ensure successful project execution and project adaptive management;
- c) Addressing capacity gaps related to project implementation and oversight, including training on measuring and reporting climate impacts;
- d) Facilitating legal opinions and other relevant support for Funded Activity Agreements (FAAs), including support with understanding of the FAAs and GCF policies and procedures;
- e) Increase the capacity of DAEs on risk management, including:
- f) Design of internal risk management frameworks
- g) Implementation of procedures to assess and manage potential risks throughout the project lifecycle; and
- h) Strengthening grievance redress mechanisms to allow for improved community engagement and accountability, including appropriate means for identifying and registering grievances.

2.4 Enhancing Monitoring and Reporting Capacity

This aspect of capacity-building aims to strengthen the abilities of DAEs to effectively implement the GCF Integrated Results Management Framework (IRMF)¹ and enhance reporting on outcomes and climate impacts more broadly, including meeting the reporting requirements of countries.

Illustrative readiness activities include, but are not limited to:

- a) Training on the implementation of the GCF IRMF to ensure accurate project monitoring and reporting (engaging short- and long-term consultants to transfer expertise to the DAE). This specifically involves enhancing the DAE's capacity to develop streamlined yet robust plans and documents, and to establish and effectively execute monitoring procedures;
- b) Enhancing the DAE's capacity in robust monitoring and evaluation systems to support comprehensive reporting on broader climate action and obligations that may extend beyond GCF requirements. This

¹ DAEs previously benefiting from the Readiness support for the implementation of the GCF Integrated Results Management Framework (IRMF) under decision B.29/01 will still have access to the full USD 1 million per entity, provided they exclude any overlapping work already covered through the IRMF support.



could include support for developing integrated frameworks that align both national and GCF reporting needs;

- c) Enhancing reporting capabilities to effectively communicate climate impacts and the implementation of strategic plans such as NDCs, NAPs and LTS; and
- d) Building/enhancing the DAE's capabilities to effectively commission and manage independent evaluations of readiness support and GCF-funded activities through third parties.

A special note on the collaboration between accredited entities: To develop, co-create and mature proposals, as well as to implement and achieve results, DAEs are encouraged to leverage readiness resources to share and peer-to-peer learn between DAEs as well as establish twinning arrangements with International Accredited Entities (IAEs). These partnerships are particularly valuable for knowledge transfer and capacity-building within DAEs. Encouraging collaboration on joint projects can effectively transfer knowledge, but it is essential to consider the interests, time and efforts required by IAEs. Consider the following strategies:

- a) Peer-to-peer learning initiatives: Utilise readiness resources to support capacity-building initiatives, workshops, and training sessions that foster South-South collaboration and other sub-regional or regional communities of practice among DAEs that facilitate peer-to-peer learning and knowledge exchange. DAEs are encouraged to join the CP-DAE community of practice, actively engage in strengthening the network, and help sustain it as a collective platform for advancing direct access and country-owned climate finance;
- b) Structured capacity-building initiatives: Utilise readiness resources to support capacity-building initiatives, workshops and training sessions where IAEs share expertise on project design, implementation and monitoring; and
- c) Mentorship programmes: Utilise readiness resources to establish mentorship programmes where Accredited Entities (AEs) provide ongoing support and guidance to DAEs. This encourages collaboration on joint projects, enabling DAEs to gain practical experience and insights into best practices.

III. Eligible and Non-eligible Costs

The Readiness Programme is a flexible tool to support countries and entities, and as such does not rely on prescriptive list of eligible activities under the DAE support window. While there is no restrictive list of activities to follow, there are eligible and non-eligible costs.

Eligible costs include expenditures that are necessary for DAEs to build capacities to enable countries direct access to climate finance for the implementation of NDCs/NAPs/Long Term Strategies(LTS) and attaining GCF objectives and targeted results, including costs related to attending GCF capacity-building activities, such as write-shops; development and/or improvement of project ideas, CNs, FPs, as well as human resources (knowledge/skill); organisational resources (strategies, policies, information); structural (processes, procedures); material (stakeholder engagement events, knowledge management, communication, translation).

Non-eligible costs include expenditures related to addressing capacity gaps and activities that demonstrate no direct cause-and-effect linkage with countries' NDCs/NAPs/LTS and GCF objectives and targeted results. Furthermore, non-eligible costs encompass salaries of staff, expenditures related to computer



equipment and routine office operational expenses incurred in the regular course of the DAE daily operations, admission fees, vehicles acquisition and travel costs for international conferences and events unless discussed and agreed with the GCF Secretariat as essential for capacity-building of the DAE in line with the 2024-2027 readiness strategy objectives.

There are the following key reasons for cost eligibility:

- a) Optimal use of readiness resources: It is essential to carefully and efficiently allocate and utilise resources for the primary objectives of the readiness strategy in 2024-2027. The readiness support should prioritise training, knowledge transfer, and skill development within recipients of grant funding to empower them to take ownership of programming and implementation of climate initiatives;
- b) Sustainable capacity-building: It is imperative to ensure the sustainability of beneficiaries' institutions, to maintain their operations and activities independently, even after external assistance/grant funding ends. This includes fostering early planning of how activities and costs will be funded and managed in the years ahead without grant funding; and
- c) Mitigating over-reliance and promoting complementarity: Readiness support should aim to mitigate over-reliance on external grant funding, particularly for routine operational and staff salary costs. Furthermore, ensuring that readiness funds complement other funding sources, efforts, events, conferences and trainings will help enhance the efficient use of readiness resources.