Readiness and Preparatory Support

Direct Access Proposal Template

Country Support Window

Proposal title

Strengthening Eritrea’s institutional capacity and enabling environment to unlock access to climate finance and advance climate action (41640)

Country(ies)

Eritrea

* The full proposal, including the financial proposal and annexes, is available on the GCF Partner Platform.

Version Update: 15 Sep 2025 | Initial: 22 Sep 2024
Aligned with the Revised Readiness Results Management Framework

How to complete this template?

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- **Guide for Countries to Access Readiness Support**
- **Guide for Countries on Strategic Planning of Readiness Support**

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[1] The country may have a designated government agency that is different from the NDA that is formally authorised to receive funding from and enter into legal contracts with international agencies such as the GCF.

Proposal Details

Title of the Direct Access Proposal

Strengthening Eritrea’s institutional capacity and enabling environment to unlock access to climate finance and advance climate action

Total Approved Amount (in USD)

$4,163,014

Implementation Period (in months)

45 months

Country Information

☒ Single country

☐ Multi-country

Country

Eritrea

NDA / focal point name

Ministry of Land, Water and Environment

Name of contact person

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Contact person’s position

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Participating Country Information

If the proposal involves multiple countries (regional/multi-country), please list each one below, adding as many rows as necessary. The entry listed above serves as the lead for the multi-country proposal. Please upload the letters of intent on the GCF Partner Platform.

Participating Country	NDA/Focal Point Name	Name of Contact Person	Contact Person's Position	Contact Person's Email	Budget
N/A	N/A	N/A	N/A	N/A	N/A

Type of Access

- Framework Agreement Partner

1. Summary of the proposal

Country context
Eritrea is widely recognized as one of the most climate-vulnerable countries in the world. Its status as a Least Developed Country (LDC), combined with predominantly semi-arid and arid ecological zones, severely constrains adaptive capacity and heightens exposure to climate risks. The country's development trajectory is deeply shaped by climatic stressors, most notably extreme rainfall variability, chronic water scarcity, recurrent droughts, and rising temperatures. More than 65-70 per cent of the population relies on agriculture, pastoralism, fishing, and natural resource–based livelihoods, making climate impacts a direct threat to Eritrea's food security, economic stability, and long-term sustainable development. Strengthening climate governance, institutional systems, and access to climate finance is therefore critical for Eritrea's resilience.However, a limited capacity of the NDA and relevant climate finance actors, absence of a Direct Access Entity (DAE), lack of necessary climate strategy/ investment planning, and lack of an operational platform to facilitate coordination, stakeholder engagement and knowledge sharing have hindered Eritrea's access to climate finance, which is illustrated by the fact that there is no single-country Funding Proposals approved by the GCF for Eritrea. The Ministry of Finance and National Development (MoFND), through its Department of International Development Cooperation, has long served as Eritrea's entry point for external assistance. Building on this role, it has recently been designated as the National Designated Authority (NDA) and has been nominated as a potential Direct Access Entity (DAE) for Eritrea. These mandates position the MoFND to coordinate international development cooperation more effectively, channel external resources in alignment with national priorities, and directly access global climate and development financing mechanisms to strengthen resilience, sustainability, and inclusive growth. To support this transition in the NDA, further support is needed for Eritrea to effectively and strategically advance their climate action.
Objectives
To address key gaps, this proposal aims to (i) strengthen the capacity of the NDA, Coordination Mechanism, and a potential accredited entity to establish the policies, systems, and institutional infrastructure required to access GCF funding and advance Eritrea's climate and SDG ambitions. This includes developing a Country Platform for Climate Finance, supporting the preparation of the Long-Term Strategy (LTS), and accompanying the entity identified under ERI-RS-002 toward accreditation; (ii) build a pipeline of high-quality, investable climate mitigation and adaptation projects tailored to national priorities, culminating in the submission of two Concept Notes and two full Funding Proposals, supported by a functional MEL system and strengthened financial management and audit processes;

and (iii) enhance climate knowledge and data access for national and local government actors, local communities, civil society, and the private sector—particularly women—while enabling Eritrea to participate in regional platforms and South–South learning exchanges.

Alignment with GCF objectives

The proposal is fully aligned with the GCF Readiness mandate, which prioritizes:

- Strengthening institutional capacities and coordination mechanisms for effective climate finance governance. The proposal enhances NDA functions, supports accreditation processes, and develops key national frameworks (e.g., LTS, Country Platform for Climate Finance, climate data management system) essential for planning and oversight.
- Developing strategies and planning tools to support implementation of national commitments, including the NDC and NAP. The strategic assessments and the LTS provide the analytical foundation needed for long-term climate investment planning.
- Building a pipeline of adaptation and mitigation investments and improving access to finance. The project prepares Concept Notes and two Funding Proposals, strengthens MEL systems, and ensures national entities can meet GCF requirements.
- Enhancing knowledge-sharing and South–South cooperation, consistent with GCF priorities on evidence-based programming. The proposal expands access to climate information systems and engages Eritrea in regional learning platforms.

Expected impact and results (2 paragraphs)

This readiness support will result in a significantly strengthened NDA and Coordination Mechanism, an accredited (or accreditation-ready) national entity, and the establishment of systems and tools that improve Eritrea's ability to plan, coordinate, and mobilize climate finance. The development of Eritrea's first Long-Term Strategy (LTS) will provide sectors with clear guidance on mitigation and adaptation priorities, while the Country Platform for Climate Finance will enable strategic coordination. Strategic assessments—including the Coastal and Marine Ecosystem Resilience Assessment, the Landscape Restoration Opportunity Assessment, and the Agriculture, Forestry and Other Land Use (AFOLU) Baseline Assessment—will provide decision-makers with robust evidence to guide sectoral investment planning and future GCF programming.

The proposal will also strengthen Eritrea's pipeline of climate investments by developing a Climate Investment Plan, producing two high-quality Concept Notes and two Funding Proposals, supported by improved MEL frameworks and strengthened financial and audit procedures. The establishment of a national Climate Data Management Platform will enable government officials, local communities, civil society, and the private sector to access and use climate data to inform policy, land-use planning, risk management, and community-level adaptation actions. Engagement in regional and South–South knowledge exchange processes will enable Eritrea to learn from neighbouring countries, thereby improving its capacity to design bankable proposals, integrate climate considerations into national and sectoral planning, and sustain long-term institutional capabilities for climate finance mobilisation and implementation. Collectively, these impacts will equip Eritrea with the systems, institutional capacity, and evidence base required to access climate finance.

2. Country Context

Guidance

This section provides an overview of the country context, including planned climate investments and priority areas for funding by the GCF and other sources of climate finance. It also highlights the country's key climate priorities, challenges, policies and institutional structures as well as gender considerations and stakeholder engagement.

2.1 Country(ies) Climate Challenges

Eritrea is among the world's most climate-vulnerable countries, ranked 185th out of 188 in the ND-GAIN Index, reflecting very high exposure to climate risks combined with extremely low adaptive capacity. Its predominantly semi-arid and arid ecology, Least Developed Country (LDC) status, and structural capacity constraints heighten sensitivity to climate shocks. Approximately 65–70% of the population depends on rain-fed subsistence agriculture, pastoralism, and fishing, livelihoods that are highly sensitive to climatic variability, water scarcity, and environmental degradation.

Climate variability has intensified markedly over recent decades. Mean annual rainfall has declined by 17–30% since 1900, depending on region, while rainfall patterns have become increasingly erratic, including heavier rainfall occurring after crop-sowing periods. A 1.7°C rise in average temperatures over the past six decades, combined with over-abstraction of groundwater, has led to declining water tables, drying springs, and worsening soil-moisture deficits. At the same time, extreme rainfall events and flash floods are increasing, damaging cropland, infrastructure, and water systems. Under high-emissions scenarios, temperatures could rise by more than 2°C by mid-century, while sea-level rise exceeding 55 cm by 2100 threatens coastal settlements, ecosystems, and strategic port infrastructure such as Massawa and Assab.

Environmental degradation further compounds climate risks. Forest cover declined dramatically from approximately 30% in the early 20th century to less than 1% by the mid-1990s, driven by reliance on biomass for energy (over 80% of national energy supply), recurrent droughts, forest fires, overgrazing, and unregulated land conversion. These pressures accelerate desertification, undermine soil fertility, and reduce the availability of critical non-timber forest products, including frankincense, gum arabic, and medicinal plants. Marine and coastal ecosystems are also under increasing stress, as warming sea temperatures, coral bleaching, and altered nutrient cycles affect fisheries productivity and coastal livelihoods along the Red Sea.

Together, these intersecting pressures pose systemic risks to food security, rural livelihoods, and economic stability. Traditional smallholder systems—characterized by low productivity (averaging ~0.7 t/ha), limited access to technology and irrigation, and high dependence on seasonal rainfall—leave households highly exposed to climate shocks; nearly 80% of the population is considered extremely vulnerable to climate variability, water scarcity, and environmental degradation. Without scaled-up climate-resilient land and water management, improved climate data and information systems, and strengthened institutional capacity to plan, finance, and implement climate action, Eritrea's long-term development and resilience prospects will remain severely constrained.

2.2 Policy Framework

Since ratifying the UNFCCC in 1995, Eritrea has established foundational environmental governance and climate policy instruments, including national communications, vulnerability assessments, and the National Adaptation Programme of Action (NAPA). While these efforts have laid an important foundation, further strengthening is required to update, integrate, and operationalize these instruments in line with evolving national priorities and international climate finance requirements.

Nationally Determined Contributions (NDCs)

An updated NDC (NDC 3.0) has been finalized, though foundational assessments—particularly in forestry, land use, and coastal sectors—are still lacking. Mitigation priorities focus on the energy, transport, land use, and waste sectors, including expansion of renewable energy, improvements in energy efficiency, sustainable land-use and livestock practices, and strengthened waste management systems. Key adaptation priorities focus on strengthening climate-resilient land, water, and agricultural systems; restoring degraded ecosystems; enhancing water security and coastal resilience; and improving the capacity of public health systems to manage climate-sensitive risks.

Despite contributing less than 0.01% of global emissions, Eritrea commits to reducing GHG emissions by 8.6% (unconditional), using domestic resources, and by 24.4% conditional on accessing external resources. Implementing Eritrea's NDC mitigation and adaptation priorities through 2030 is estimated to require over USD 1.3 billion, the majority of which is contingent on external support.

National Adaptation Planning (NAP)

Building on the NAPA, Eritrea is now developing its first National Adaptation Plan (NAP) with support from the Green Climate Fund Readiness Programme (ERI-003, delivered by UNEP). Eritrea's **National Adaptation Programme of Action (NAPA)** was prepared and submitted under the UNFCCC in **April 2007** as a Least Developed Country (LDC) adaptation planning instrument. The NAPA identifies Eritrea's **most urgent climate adaptation needs** and prioritises actions to strengthen resilience in key areas such as **agriculture, forestry, water resources, marine and coastal environments, and public health.** Although it provided an important early adaptation agenda, the NAPA's priorities now require updating and integration into longer-term strategic frameworks and investment planning to guide climate finance access and implementation.

Long-Term Strategies (LTS)

While ERI-003 will support long-term adaptation planning and develop Eritrea's first National Climate Change Strategy with mitigation chapter which is focused on shorter-term planning, dedicated support is still required to prepare a full LTS focused on long-term mitigation pathways.

Despite the breadth of policy commitments, implementation has been constrained by limited availability of decision-useful climate data, capacity gaps in project preparation, and the absence of robust systems to translate policy priorities into bankable investment pipelines. As a result, while Eritrea's policy instruments provide a foundational climate governance framework, their effectiveness in mobilising climate finance depends on stronger integration with national development planning, clearer implementation and financing pathways, and improved institutional coordination.

2.3 Institutional Framework, Capacity and Coordination

Eritrea's institutional framework for climate finance has transitioned from the Department of Environment (DoE) within the Ministry of Land, Water and Environment (MoLWE) to the Ministry of Finance and National Development (MoFND), specifically the Department of International Development Cooperation. This department will now coordinate and engage with international climate finance mechanisms. Nevertheless, the Ministry of Land, Water and Environment continues to serve as the lead government body responsible for climate policy.

Within the MoFND, the Department of International Development Cooperation plays a particularly important role in climate finance as the NDA by coordinating the country's engagement with the Green Climate Fund (GCF) and other financing sources. This department identifies fundable mitigation and adaptation priorities, supports project preparation, and ensures compliance with GCF requirements.

While the NDA plays a critical interface role between Eritrea and the GCF, its current capacity is limited. Significant strengthening is required to deepen understanding of GCF processes, improve coordination across ministries, and support country programming.

Sectoral ministries constitute the primary executing entities for climate projects in climate-sensitive sectors. Coordination between these institutions, however, remains limited, and capacities to plan, design, implement, and report on climate investments vary considerably. Eritrea also lacks dedicated systems to track and monitor climate finance flows across institutions, limiting transparency and the ability to demonstrate impact to climate finance providers.

Recognizing the need for stronger cross-government collaboration, Eritrea has established a Technical Experts Working Committee (TEWC) as part of its ongoing GCF Readiness and Preparatory Support activities. This inter-ministerial body will include key ministries from the land, water and environment, finance and national development, agriculture, energy and mines, marine resources, justice, tourism transport and communication, health, Trade and Industry and local government sectors. The TEWC will guide implementation of readiness activities, oversee engagement with the GCF, support the development and future implementation of the National Adaptation Plan (NAP), and provide a structured platform for decision-making, project prioritization, and the GCF's "no-objection" procedure.

Eritrea doesn't yet have a Direct Access Entity (DAE) while the Ministry of Finance and National Development (MoFND) has been identified as a potential DAE applicant under the ongoing Readiness grant (ERI-RS-002). Potential institutions face gaps in fiduciary standards, procurement, environmental and social safeguards, gender mainstreaming, and monitoring systems.

While ongoing GCF readiness grants (ERI-002 and ERI-003) are helping address these gaps, the absence of a Country Programme/ Climate Investment Plance, absence of a DAE, and a prioritized project pipeline continue to constrain Eritrea's ability to mobilize climate finance in a strategic and programmatic manner.

2.4 Gender Equality Analysis

Eritrea has a long-standing commitment to promoting gender equality, rooted in women's critical role during the struggle for independence and institutionalized through national instruments such as the National Gender Action Plan (2003–2008) and the National Policy on Gender (2004). These frameworks, together with constitutional guarantees of equality and non-discrimination, provide a foundation for advancing women's rights. Women also played a substantial role—over 40 percent—on the body that drafted Eritrea's first Constitution, underscoring their historic influence in national decision-making.

Gender equality in Eritrea is a core national priority, embedded in the country's legal and policy framework and aligned with international commitments under Convention on the Elimination of All Forms of Discrimination against Women (CEDAW) and the 2030 Agenda. Comprehensive legislation guarantees equal rights for women in citizenship, land ownership, employment, and public participation, while explicitly prohibiting discrimination, gender-based violence, female genital mutilation/cutting (FGM/C), and child and forced marriage. These frameworks are reinforced by dedicated institutions such as the National Union of Eritrean Women (NUEW), National Union of Eritrean Youth (NUEY), as well as community-based mechanisms that promote awareness, enforcement, and behavioral change. As a result, Eritrea has achieved notable progress: women constitute approximately 51% of the formal labor force, hold about 46% of managerial positions, and represent 22% of the National Assembly and 29% of regional assemblies, reflecting increasing participation in economic and public life. Significant reductions in harmful practices have also been recorded, with child marriage by age 18 declining from 59% in 1995 to 30% in 2023, and FGM/C prevalence among girls under 15 dropping to about 2.3% in 2020 . Improvements in women's agency are evident, with over 80.4% of married women now making independent decisions regarding their healthcare. Despite these gains, persistent challenges remain, including structural barriers to full leadership representation, limited access to vocational opportunities, and the need to further strengthen reproductive health outcomes. Overall, Eritrea demonstrates a strong enabling environment and measurable progress on gender equality, while continued targeted interventions are required to consolidate achievements and advance inclusive, climate-resilient development outcomes.

Gender roles in the agriculture sector vary across Eritrea's diverse ecological zones, shaping how climate change affects women and men. Agriculture provides livelihoods for 80 percent of the population, with half engaged in subsistence farming. In lowland semi-pastoralist areas, women focus on livestock care, milking, and dairy processing, with limited participation in crop farming. In contrast, in the central highlands, women conduct nearly all agricultural tasks—planting, weeding, harvesting, threshing, and storage—except ploughing.

These differentiated roles mean that climate impacts—especially droughts, declining soil fertility, and water scarcity—affect women and men in distinct ways. In lowlands, increased drought intensifies the burden on women managing livestock and water-related tasks; in highland farming systems, recurring crop failures disproportionately affect women due to their central role in food production and household food security. Gender analysis highlights the need for targeted interventions that empower women, promote equitable access to resources, and ensure their active participation in planning and implementation.

Participation in trainings, consultations and workshops will be monitored through gender-disaggregated attendance records, with efforts made to ensure balanced representation of women and men across institutions and stakeholder groups. The Readiness support will actively encourage the participation of women from the NDA, sector ministries, civil society and technical institutions in coordination mechanisms, working groups and decision-making processes supported by the project. Gender considerations will be integrated into the development of Concept Notes and Funding Proposals, including analysis of differentiated climate impacts and the identification of gender-responsive adaptation and mitigation measures, in line with the GCF Gender Policy. Practical measures will be adopted to reduce barriers to women's participation in project activities. Women's access to information will be assessed and considered when developing a strategy for the country platform and/or knowledge management system.

2.5 Stakeholder Engagement

FAO maintains continuous engagement with the Ministry of Finance and National Development (MoFND), which serves as Eritrea's National Designated Authority (NDA) to the Green Climate Fund (GCF), as well as the Department of Environment (DoE) of the Ministry of Land, Water and Environment (MoLWE) in support of the development and implementation of the proposed GCF Readiness activities. The MoFND actively engages a broad range of stakeholders to ensure inclusive, coordinated, and nationally owned readiness support. Various government institutions and ministries are represented through key coordination structures, including the National Steering Committee, the National Communication Technical Committee, and the Project Management Units.

- Ministry of Local Government and the Local Administrations: The Ministry of Local Government, together with regional (zoba) administrations, plays a central role in facilitating community-level engagement, ensuring that local priorities inform national climate strategies, and enabling the integration of climate resilience measures into local development planning and service delivery.
- Local Communities: Local communities are among the key stakeholders in the implementation of the readiness project. Their participation will help ensure that planning processes, data systems, and investment priorities are grounded in local realities and responsive to community needs.
- Civil Society Organizations (CSO): Civil society organizations, including the National Union of Eritrean Youth (NUEY) and the National Union of Eritrean Women (NUEW), will play an active role in the development and implementation of the proposed GCF Readiness project. Given their extensive grassroots presence and influence, these organizations are well positioned to mobilize communities, raise awareness, and ensure inclusive participation, particularly of youth and women, in advancing climate resilience and sustainable development initiatives. Additional civil society and community-based organizations (such as agricultural associations) may be engaged as relevant.
- International Organizations: International partners, including UNEP, UNDP, IFAD, and FAO, have supported Eritrea to date through technical assistance and capacity-building support for climate policy, planning, and climate finance readiness.
- Private Sector: Engagement with the Eritrean Women in Agribusiness Association (EWAA) will provide insights into the needs and opportunities of women-led enterprises and the agribusiness sector. Given the limited presence of formal private-sector associations in other sectors, targeted consultations with individual companies will be undertaken to capture private-sector perspectives on investment opportunities, constraints, and potential engagement in climate action.

To ensure equitable outcomes, the project will work closely with the National Union of Eritrean Women (NUEW)—a national institution with presence across all administrative levels—to mainstream gender equality and strengthen women's empowerment across project components.

During the development of this Readiness programme, two complementary approaches were undertaken: a desk review of previously conducted stakeholder engagements under earlier GCF Readiness projects, and a structured and inclusive consultation process with key national stakeholders. This process included technical meetings, workshops, and coordination platforms, involving line ministries such as MoFND (acting as the NDA), the MoLWE, the Ministry of Agriculture, the Ministry of Marine Resources, and the Ministry of Energy and Mines, as well as civil society organizations and relevant authorities. Engagement was conducted through existing coordination mechanisms and participatory consultations to ensure broad representation, inclusivity, and national ownership. Stakeholder consultations played a critical role in identifying key systemic and sectoral constraints. Inputs highlighted institutional capacity gaps, particularly in climate finance access and GCF accreditation, weak inter-ministerial coordination, limited availability of climate data systems, and sector-specific vulnerabilities, including land degradation, agricultural resilience, and marine ecosystem risks. These findings directly informed the design of the Readiness proposal by shaping key interventions and outputs proposed under this Readiness programme. Inclusivity concerns have been also considered through gender mainstreaming and participatory engagement approaches embedded across all components.

2.6 Complementarity with Other Initiatives (GCF and non-GCF)

Please list past and current GCF readiness grants, and relevant capacity-building initiatives funded by other agencies and funds

GCF Readiness Activities

Title & Reference Number	Start and End Dates	Amount Approved	Status	Objectives	Key Outcomes & Results	Complementarity with the readiness proposal
Building Eritrea's capacity for engagement with the Green Climate Fund - ERI-RS-001	14 Jan 2020 - 12 Jan 2022	N/A	Completed	This project was not implemented. After its approval, it was closed. Eventually ERI-RS-002 was developed modifying ERI-RS-001.	This project was not implemented. After its approval, it was closed. Eventually ERI-RS-002 was developed modifying ERI-RS-001.	The proposed readiness proposal will build on early efforts to support NDA and country programming, with operational, data, institutional capacities to access update and develop national plans , and access GCF and other resources for implementation.
Building Eritreas capacity for effective engagement with the Green Climate Fund - ERI-RS-002	24 Sept 2024 - 23 June 2026	287,709	Disbursed	A potential DAE applicant has been identified. The capacity building for the NDA and the development of the first Country Programme are underway.	A potential DAE applicant has been identified. The capacity building for the NDA and the development of the first Country Programme are underway.	The proposed readiness proposal will build on OSS' work, to deliver and/or update the Country Programme, and support the DAE in its accreditation process.
Advancing the NAP process in Eritrea - ERI-RS-003	1 July 2024 - 1 Jan 2028	942,580	Disbursed	This project recently became operationalized.	This project recently became operationalized.	Focuses on adaptation. This readiness proposal aims to complement this effort by focusing on mitigation (e.g. LTS), strengthening institutional capacity and data required to implement the national adaptation plan, as well as the capacity to access GCF and other resources for implementation.

Other capacity-building initiatives funded or commissioned by parties other than GCF

Title	Start and End Dates	Status	Funding Agency	Main objectives	Complementarity with the readiness proposal
Regional capacity building of COMESA member states in Eastern and Southern Africa for enhanced transparency for enhanced transparency in climate change monitoring, reporting and verification as defined in the Paris Agreement	1 June 2023 - 1 June 2026	underImplementation	GEF	The overall goal of the Project is to strengthen capacity of the four (4) COMESA Member States to comply with transparency requirements as defined in Article 13 of the Paris Agreement through establishment of an Eastern and Southern Africa Regional framework for Monitoring, Reporting and Verification (MRV) of climate actions, reporting on NDCs and knowledge dissemination.	The COMESA regional MRV project provides a regional framework and peer-learning platform for transparency and NDC reporting under Article 13 of the Paris Agreement. The proposed GCF Readiness support complements this by focusing on Eritrea’s national-level systems, institutional capacities, and climate data infrastructure, enabling effective implementation of MRV and reporting requirements and their translation into GCF-aligned planning and investment processes.
Public Financial Management and Statistics Capacity Building Project	1 July 2016 - 31 Dec 2020	completed	AfDB	The African Development Bank–supported Public Financial Management and Statistics Capacity Building Project (2016–2020) aimed to strengthen Eritrea’s public financial management and statistical systems, including preparatory work for an Integrated Financial Management Information System (IFMIS), to enhance fiscal transparency, accountability, and evidence-based planning.	This completed project laid important foundations for fiduciary standards and financial transparency, which the proposed GCF Readiness support will build upon by strengthening climate-specific finance tracking, institutional coordination, and GCF-aligned planning and investment programming.
Building Community Based Integrated and Climate Resilient Natura Resource Management and Enhancing Sustainable Livelihood in the South-Eastern Escarpments and Adjacent Coastal Areas of Eritrea	1 May 2023 - 30 Apr 2030	underImplementation	GEF	The project aims to enhance the resilience of vulnerable agro-pastoralist and fishing communities in Eritrea by addressing climate change impacts, environmental degradation, and unsustainable resource use through an integrated ecosystem-based and market-driven approach. It seeks to mainstream climate change adaptation, biodiversity conservation, and sustainable land and forest management into national and local planning while restoring	The GEF project and the GCF Readiness proposal are complementary in that they operate at different but mutually reinforcing levels of climate action in Eritrea. While the GEF project focuses primarily on field-level implementation and ecosystem-based resilience interventions, the GCF Readiness proposal concentrates on strengthening national systems, institutional capacity, and financing readiness needed to scale up climate investments. In practice, the GEF project generates on-the-

				degraded landscapes and improving the sustainable use of terrestrial and marine resources. At the same time, the project promotes climate-resilient livelihoods by strengthening agricultural, livestock, and fisheries value chains, improving food security and incomes, and building institutional capacity, coordination mechanisms, and information systems to support informed decision-making and ensure long-term sustainability of project outcomes.	ground experience by promoting sustainable land and marine resource management, climate-resilient livelihoods, and ecosystem restoration in vulnerable agro-pastoral and coastal communities. These implementation results provide practical models, data, and lessons that can inform climate planning and investment design. The GCF Readiness proposal complements this by enhancing the country’s institutional and technical capacity for climate finance coordination, strengthening the Direct Access Entity, improving project preparation and pipeline development, and reinforcing monitoring, fiduciary, and environmental and social safeguard systems. Together, the Readiness support helps translate lessons and evidence from the GEF project into bankable, larger-scale GCF investments, ensuring that successful pilot interventions can be replicated and scaled nationally rather than remaining isolated projects. In essence, the GEF project delivers climate-resilient solutions on the ground, while the GCF Readiness proposal builds the institutional and financial architecture required to sustain, expand, and mobilize long-term climate finance for those solutions.
Restoring degraded forest landscapes and promoting community-based, sustainable, and integrated natural resource management in the Rora Habab Plateau, Nakfa sub-zoba, Northern Red Sea Region of Eritrea	1 July 2024 - 1 July 2031	underImplementation	GEF	The overall objective of the project is to restore degraded landscapes and strengthen sustainable, climate-resilient natural resource management in the Rora Habab Plateau of Eritrea while improving local livelihoods and ecosystem functionality. Specifically, the project seeks to promote integrated landscape restoration and mainstream sustainable land management (SLM), sustainable forest management (SFM), and biodiversity	The Rora Habab project and the GCF Readiness proposal are complementary in that they operate at different but mutually reinforcing levels of climate action in Eritrea. The Rora Habab project focuses on field-level implementation, demonstrating integrated landscape restoration, sustainable land and forest management, biodiversity conservation, and climate-resilient livelihood practices in vulnerable communities. These interventions generate practical experience, technical evidence,

				conservation into land-use planning and agricultural production systems. By enhancing institutional capacity, supporting climate-smart and sustainable agricultural practices, rehabilitating forests and watersheds, and empowering local resource users, the project aims to reverse land degradation, protect ecosystem services, and improve food security and resilience of rural communities while contributing to national environmental sustainability and long-term development goals.	and lessons on effective ecosystem-based adaptation and sustainable land-use approaches. The GCF Readiness proposal complements this by strengthening the national enabling environment for climate finance and institutional capacity, including support to the Direct Access Entity, improved coordination mechanisms, project preparation capacity, and development of a pipeline of bankable climate investments. In this way, the Readiness support helps translate successful approaches and data generated from the Rora Habab project into scalable, investment-ready programmes that can access larger GCF funding. Together, the two initiatives create a continuum whereby implementation experience informs national planning and financing systems, enabling replication, scaling, and long-term sustainability of climate-resilient development interventions in Eritrea
Mainstreaming climate risk considerations in food security and IWRM in Tsilima Plain and upper catchment area	1 June 2024 - 1 June 2029	underImplementation	GEF	Mainstreaming climate risk considerations in food security and IWRM in Tsilima Plain and upper catchment area	The main objective is to reduce the climate change vulnerability of local communities in the region by: i) enhancing the capacity of government institutions and local communities to mainstream climate risks into research, policies and land-use planning; ii) implementing climate change adaptation (CCA) interventions that increase the adaptive capacity of local communities; iii) promoting the implementation of on-farm and off-farm soil and water conservation measures; and iv) establishing a system for monitoring and evaluating the effectiveness of various approaches to CCA to inform a process of adaptive management. Institutional, technical and financial barriers to achieving the preferred solution will be overcome by: i) enhancing the capacity of academic institutions to conduct research on CCA;

	ii) increasing the technical capacity of relevant government departments to plan and implement adaptation interventions and to provide agricultural extension services to local communities; iii) implementing integrated water management, climate-smart agriculture, climate-smart livestock management and watershed restoration measures; and iv) raising public awareness and training local communities on the benefits of an ecosystem-based approach to CCA.

2.7 Project Pipeline and Priorities
Eritrea's climate action priorities span mitigation – including expanding renewable energy, improving energy efficiency, promoting sustainable transport, rehabilitating degraded lands, enhancing forestry, and improving waste management—alongside adaptation priorities focused on agriculture, forestry, water resources, marine resources, and public health. There have been a few ongoing GEF projects (listed in section 2.7) and other GEF projects in pipeline (e.g. sustainable land management, nature-based solutions for adaptation and resilience). However, Eritrea doesn't have any single-country GCF Funding Proposals submitted nor approved by the GCF. There is only one ongoing multi-country GCF project as below. • "Inclusive Green Financing Initiative (IGREENFIN I): Greening Agricultural Banks & the Financial Sector to Foster Climate Resilient, Low Emission Smallholder Agriculture in the Great Green Wall Countries – Phase 1." 120M USD GCF , 2022-2030. Ongoing Readiness grants include the following as target deliverables: • ERI-RS-002: Two concept notes including one for SAP modality • ERI-RS-003: Two concept notes to implement NAP priority programmes This Readiness proposal will consider all these CNs to be developed under other Readiness and identify project ideas/CNs that will move to the FP stage under this proposed Readiness proposal during the course of implementation. The activity for the CN development under the proposed Readiness programme will review and may enhance CNs prepared under other Readiness grants, subject to priority projects to be identified in consultation with the NDA. 2 FPs will be developed following these 2 CNs which are confirmed as priority projects.

2.8 Specific Readiness needs
Eritrea has made important strides through ongoing Readiness grants (ERI-002 and ERI-003), which are strengthening national planning processes and coordination mechanism that support early steps toward accreditation and project pipeline development. However, significant gaps remain that must be addressed to fully operationalize climate strategies and unlock larger-scale climate finance. Although support has been provided by ERI-002 and ERI-003, key gaps include: 1) lack of a mitigation-focused Long-Term Strategy while shorter-term strategy is being developed in the National Climate Change Strategy (up to 2030), 2) lack of an operational platform which facilitates coordination, stakeholder engagement and knowledge sharing, 3) limited support to accompany the accreditation process for a national entity, 4) no single-country GCF project approved so far and lack of a Climate Investment Plan to support mobilization of climate finance (not only GCF) in alignment with NDC and upcoming NAP/ LTS, 5) fragmented data management for monitoring climate data and progress towards targets identified in NDC and upcoming NAP/ LTS, 6) limited opportunities for knowledge and learning at national/ sub-national level, and 7) limited opportunities for south-south exchange. **1. Strengthening national climate planning frameworks (NDC, NAP, LTS).** While Eritrea is advancing its updated NDC and NAP as well as the National Climate Change Strategy with Readiness support, the country still lacks a mitigation-focused Long-Term Strategy and foundational sector assessments—particularly in forestry/land use and coastal and marine systems—that are essential for identifying investment opportunities. Support is needed to develop the LTS, deepen sector diagnostics, and ensure gender-responsive, socially inclusive climate planning. **2. Establishing an effective climate finance coordination mechanism.** Eritrea does not yet have an operational mechanism/platform for coordinating climate finance across ministries and stakeholders. Building on the existing coordination mechanism/ structures (including the one supported under ERI-002) and considering a recent change in the NDA from MoLWE to MoFND, additional Readiness support is required to strengthen institutionalize a national coordination mechanism to be led by MoFND, strengthen the NDA's convening role, and ensure coherent implementation of NDC, NAP, and future LTS priorities. **3. Advancing national entities toward GCF accreditation.** Eritrea doesn't have any national DAEs. Although ERI-002 is helping the identification of a nominated entity and one nominated entity map out their accreditation pathway, substantial capacity gaps persist in fiduciary systems, environmental and social safeguards, project management, risk oversight and MEL systems. Further support is required for additional entities to prepare accreditation submissions to ensure that Eritrea has at least one DAE by the end of this Readiness programme.

4. Developing an investment-ready GCF pipeline.
Eritrea currently has no single-country GCF funding proposal. Building a transformational pipeline will require additional engagement to develop a Climate Investment Plan in alignment with the NDC3.0, the upcoming NAP and LTS, advance priority concept notes to funding proposal stage, and identify bankable opportunities aligned with national climate priorities.

5. Enhancing national oversight, monitoring, and reporting systems.
Due to limited previous support and the closure of ERI-001 as well as limited access to internet, the NDA lacks robust systems for monitoring, financial oversight, and project reporting. Readiness support is needed to strengthen institutional systems and build the NDA's capacity to oversee both readiness grants and future GCF-funded projects.

6. Establishing climate knowledge and learning systems.
Eritrea currently lacks a functional climate knowledge management system, and access to climate information is limited by technological and institutional constraints. Targeted support is needed to create context-appropriate knowledge-sharing platforms that can inform policy development, investment planning, and adaptive management.

7. Expanding regional and South–South collaboration.
Engagement in regional or South–South climate cooperation remains minimal and ad hoc. Additional readiness support is required to enable Eritrea to participate meaningfully in regional knowledge exchanges and coalitions, joint learning initiatives, and collaborative project development that can inform and amplify national climate efforts.

3. Statement of Objectives

Guidance

This section aims to clearly define the objectives and scope of the readiness support being sought. It outlines: (1) the anticipated impact of readiness support on climate programming and direct access, highlighting how the support will enhance the country's capacity to design and implement climate projects; (2) the alignment of the readiness support with national climate goals, including the implementation of NDCs, NAPs, and LTS, and (3) specific areas of readiness support required, addressing capacity gaps and aligning with the objectives and outcomes of the 2024-2027 readiness strategy.

To form a statement of the objectives for the readiness support, consider the optional **Guide for Countries on Strategic Planning of Readiness Support**.

3.1 Objectives of the Readiness Support
This Readiness proposal aims to strengthen Eritrea's institutional architecture for long-term climate planning and implementation, access to climate finance, and effective engagement with the GCF by enhancing the capacity of the NDA, the Coordination Mechanism, and a potential Direct Access Entity (DAE). The support responds directly to barriers identified during the outcome logframe process, including gaps in institutional coordination, data and evidence required for long-term planning, fiduciary and safeguards compliance, project pipeline development, and monitoring systems needed to track progress toward NDC, NAP, and LTS implementation. This Readiness programme is structured into eight outcomes under 3 objectives that match the Readiness Results Framework as follows: **Objective 1. Capacity-building for climate finance coordination and setting up the enabling environment for integrated climate investment** At the institutional level, the Readiness support will strengthen the NDA's governance, coordination, and decision-making functions; reinforce the capacity of the national Coordination Mechanism to integrate climate objectives into sectoral policies and planning; and prepare a potential accredited entity to meet GCF accreditation standards. Capacity-building activities—including trainings, SOP development, and institutional tools—will address identified gaps in fiduciary functions, safeguards and gender responsiveness, climate risk screening, monitoring and evaluation, and stakeholder engagement. To promote institutional sustainability and reduce vulnerability to staff turnover, all training will be supported by recorded modules, written manuals, and trainer-of-trainers approaches that allow knowledge to be transferred and redelivered as new staff join. To achieve these objectives, the Readiness support will also provide the evidence base needed for strategic planning, LTS design, and GCF project origination. These technical inputs will contribute to strengthening national planning processes, informing LTS development as well as future updates to the NDC/NAP. In parallel, the project will support the development of a Country Platform for Climate Finance, which will play a central role in coordinating, managing, and aligning climate finance efforts across institutions. The project will also undertake a gap analysis of national readiness for carbon finance and results-based payment mechanisms, identifying priority actions to strengthen enabling conditions, governance arrangements and technical systems. Under this Objective, it will support the accreditation process for a nominated DAE applicant, including capacity building, enhanced tools/ policies and accreditation proposal submission. **Objective 2. Paradigm-shifting GCF pipeline development and implementation for adaptation and mitigation, based on country needs and guided by USP-2** The Readiness proposal will support the development of a robust GCF project pipeline, including two Concept Notes and two Funding Proposals aligned with national mitigation and adaptation priorities, advancing Eritrea's access to climate finance. Enhanced oversight mechanisms, through the establishment of a Climate Data Management System, will further equip the NDA and future DAEs to monitor project implementation, manage financial reporting, and ensure compliance with GCF fiduciary, safeguards, and gender requirements—laying the foundation for scaled and sustained access to climate finance. **Objective 3. Knowledge-sharing and learning to enhance national and regional cooperation on climate programming and financing** This will enhance Eritrea's knowledge sharing and learning process through the development and dissemination of knowledge products as well as the organization of national dialogues via the Country Platform for Climate Finance to be established under objective 1. Eritrea will also participate in South–South learning processes. These

knowledge exchanges will promote continuous improvement, strengthen national ownership of climate programming, and position Eritrea as an active contributor to regional cooperation on climate finance and climate-resilient development.

Capacity-building for climate finance coordination and setting up the enabling environment for integrated climate investment

☒ 1.1. Developing countries, through NDAs or focal points, have enhanced capacity to fulfil their roles, responsibilities and policy requirements, including coordination mechanisms to engage relevant stakeholders to develop, advance, and implement NDCs, NAPs and LTSs.

☒ 1.2. Developing countries design and implement strategic frameworks (including NDC/NAP/LTS), policies and instruments, including climate investment plans, to create enabling environments for integrated climate investments.

☒ 1.3. Direct access applicants and accredited entities (DAEs) have met and maintained the accreditation standards of the GCF and strengthened their programming capacities, as evidenced by the development of GCF-funded activities.

Objective 2. Paradigm-shifting GCF pipeline development and implementation for adaptation and mitigation, based on country needs and guided by USP-2

☐ 2.1. Developing countries have developed or updated their country programmes to guide GCF investment.

☒ 2.2. Developing countries have developed high-quality concept notes linked to approved GCF proposals for adaptation and mitigation that are aligned with the USP-2 results, including through DAEs, that build on readiness support and country programmes.

☒ 2.3. NDAs and DAEs have enhanced processes and systems to effectively oversee the implementation, financial management, monitoring and reporting of climate programmes and projects.

Objective 3. Knowledge-sharing and learning to enhance national and regional cooperation on climate programming and financing

☒ 3.1. Developing countries, through NDAs or focal points, have made use of knowledge products to address policy gaps and integrated climate investment programming and implementation.

☒ 3.2. Enhanced collaboration among developing countries on climate change issues, evidenced by transboundary and regional cooperations/South-South cooperation.

3.2 Anticipated Impact on Climate Programming and Direct Access
The readiness support will significantly strengthen Eritrea's climate programming architecture by putting in place the foundational systems and capacities required to develop an evidence-based Long-Term Strategy (LTS) and Eritrea's Climate Investment Plan. This will equip the NDA to lead a coherent, country-owned investment framework aligned with national climate priorities, reducing fragmentation and enabling more strategic and coordinated engagement with the GCF. To support high-quality and strategic climate programming, the readiness support will inform the development of LTS and strategic assessments —the Coastal and Marine Ecosystem Climate Resilience Assessment and the Landscape Restoration Opportunity Assessment—along with the establishment of a Monitoring, Evaluation and Learning (MEL) module to be included in the Climate Data Management System. The grant will also enhance Eritrea's prospects for direct access by supporting the accreditation of the identified national entity. This will include strengthening fiduciary, safeguards, and project-management systems and supporting the preparation of the accreditation proposal, thereby positioning the entity to directly implement and manage GCF-funded projects. A central output of the readiness support will be the establishment of a Country Platform for Climate Finance (CPCF), which will translate national climate ambitions into bankable investment pipelines and build a strong foundation for stakeholder engagement. This platform will strengthen cross-sector planning and improve Eritrea's ability to mobilize and sequence climate finance at scale. In parallel, the readiness grant will support the identification, prioritization, and preparation of climate projects aligned with the NDC 3.0, NAP which is under development, LTS and Climate Investment Plan. This will include conducting pre-feasibility analyses and preparing two concept notes and two full funding proposal, thereby generating a robust pipeline of investment-ready projects for submission to the GCF.

3.3 Alignment with NDC/NAP/LTS Implementation
The Readiness intervention directly supports the implementation of Eritrea's NDC 3.0 by strengthening the enabling environment required to advance priority measures in land rehabilitation, protected areas management, water and irrigation systems, renewable energy and energy efficiency, waste management, ecosystem restoration, and coastal protection. It will also help mobilize the significant investment needs identified in the NDC by improving climate governance, planning, and access to finance. Specifically, the Readiness support contributes to NDC, NAP, and LTS implementation through the following: **1. Strengthening institutional and technical capacities and coordination** The grant will build the capacity of the NDA and sectoral ministries to plan, prioritize, and monitor NDC, NAP, and LTS commitments, advancing the NDC's call for improved governance and data systems. Key activities include establishing a Climate Data Management System which incorporates MEL system and conducting key technical assessments to inform both the forthcoming LTS and NDC/NAP implementation. The establishment of the Country Platform for Climate Finance further reinforces cross-institutional coordination, and the gap analysis of national readiness for carbon finance and results-based payments will lay the groundwork for engagement of private sector to realize Eritrea's climate mitigation and adaptation objectives. **2. Preparing national entities for accreditation and direct access to climate finance** The Readiness grant will support institutional assessments and accreditation processes to enable a national entity to directly access and manage GCF resources. This contributes to NDC, NAP, and LTS implementation by ensuring that national institutions have the fiduciary, safeguards, and project management systems required to channel climate finance toward priority mitigation and adaptation actions. **3. Developing a pipeline of bankable adaptation and mitigation investments** The grant will support the preparation of pre-feasibility studies and priority project concepts in areas highlighted in the NDC as the government's priorities —renewable energy, energy efficiency, waste management, afforestation and reforestation, sustainable transport, irrigation expansion, and sustainable land management. This will generate a pipeline of aligned, bankable proposals and lead to the development of two concept notes and two full funding proposals for submission to the GCF. **4. Strengthening stakeholder engagement and inclusion** The Readiness support will mainstream gender considerations and strengthen engagement with civil society, the private sector, and local authorities to ensure that climate investments are inclusive, locally owned, and responsive to community needs. This contributes directly to NDC implementation by improving transparency, participation, and alignment with national and subnational priorities.

4. Approach, Methodology, and Implementation Activities

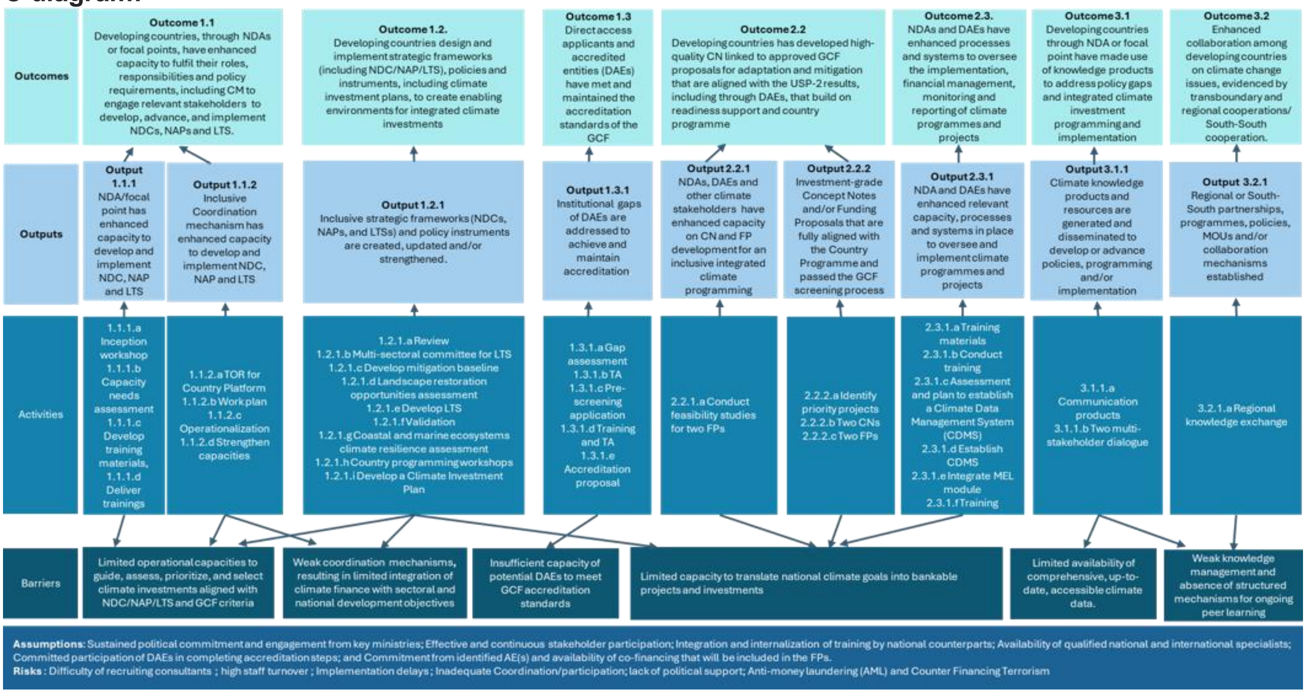
Guidance

Please describe technical approach, methodology, and implementation plan to address the country needs and gaps, through the Direct Access modality.

4.1 Theory of Change

The first step in articulating the programme's objectives as well as the logic behind the delivery of its intended results is the formulation of a TOC. Please provide a TOC which highlights key challenges being addressed, as well as the step-by-step pathways to achieving the expected results. Key steps to designing a TOC are outlined in the RRMF Handbook.

ToC diagram:



The overarching goal of this Readiness support is to strengthen Eritrea's institutional, technical, and strategic capacities to plan, finance, and implement climate action aligned with its NDC, forthcoming NAP, and Long-Term Strategy (LTS). The Theory of Change rests on the premise that **IF** Eritrea's NDA, emerging DAEs, and cross-sectoral coordination mechanisms are equipped with the capacity, systems, climate information infrastructure, and investment frameworks needed to design, appraise, coordinate and oversee climate programmes, **THEN** the country will be able to mobilize and implement climate finance projects—particularly from the Green Climate Fund (GCF)—**BECAUSE** enhanced institutional capacities, evidence base and cross-sectoral coordination will create the enabling environment for advancing a pipeline of high-quality project proposals and climate investment strategic planning.

Barriers to be Addressed

Eritrea faces several constraints that limit access to climate finance. These include:

(i) **limited institutional capacity** to guide, assess, prioritize, and select climate investments aligned with the NDC/NAP/LTS and GCF criteria;
(ii) **weak coordination mechanisms,** resulting in fragmented cross-sectoral engagement;
(iii) **insufficient capacity of potential DAEs** to meet GCF accreditation standards;
(iv) limited capacity to translate national climate goals into bankable projects

(v) limited availability of comprehensive, up-to-date, accessible climate data; and
(vi) weak knowledge management and absence of structured mechanisms for ongoing peer learning.

How the Readiness Interventions Address These Barriers

Outcome 1.1 — Eritrea's NDA/Focal Point has enhanced capacity to fulfil roles, responsibilities, and policy requirements, including effective coordination for NDC, NAP, and LTS implementation

Outcome 1.1 addresses Barriers (i) and (ii) by strengthening the institutional capacity of the NDA and establishing an inclusive national coordination mechanism capable of guiding climate planning and finance.

Under **Output 1.1.1**, the project will first review the capacity needs assessment to be completed by ERI-RS-002 and will update this capacity needs assessment for the NDA to perform key functions (including monitoring, evaluation and learning) on climate finance through stakeholder engagement and consultation including surveys, interviews, and one participatory workshop to prioritize capacity building needs (Activity 1.1.1.b). Based on results of capacity needs assessment , necessary training materials, operational guidelines and tools will be developed on LTS development, NDC 3.0 requirements, and linkages to GCF financing to strengthen capacity of the NDA (Activity 1.1.1.c), followed by delivery of targeted trainings to the NDA and key climate stakeholders (Activity 1.1.1.d). To ensure the sustainability of the training programme, the number of trainees will be expanded to broaden capacity at the institutional level, building on efforts made by ERI-RS-002. A training-of-trainers (ToT) approach (i.e. participants to the training organized by this Readiness programme could serve as trainers within the institution after the training) will be implemented to build a pool of qualified national experts, enabling the continued delivery of training and fostering long-term knowledge transfer and institutional ownership. These activities ensure that institutional capacities are strengthened in a structured and demand-driven manner.

Under **Output 1.1.2**, the project will operationalize an inclusive Country Platform for Climate Finance (CPCF) which will translate NDC, NAP and LTS into sectoral priorities, policies and tangible investment pipelines, serve to coordinate stakeholder engagement across sectors, and engage potential investors to deploy capital. Based on the existing coordination mechanism led by the TEWC as well as the climate finance coordination mechanism supported under ERI-RS-002, this activity will develop a terms of reference for the Country Platform for Climate Finance through stakeholder mapping, gap analysis, stakeholder engagement and consultation. The platform will target various stakeholders including public agencies, financial institutions, the private sector, civil societies and local communities. The ToR for Country Platform for Climate Finance also includes the ToR of the secretariat of the Country Platform, which could be potentially performed by the NDA. This ToR will be validated by the NDA and relevant stakeholders through a validation workshop (Activity 1.1.2.a). The project will prepare a multi-year workplan covering stakeholder engagement, tools and templates, inter-sectoral coordination, and investment mobilization (Activity 1.1.2.b). The country platform will then be operationalized, including via regular coordination meetings of the platform's governance bodies and joint planning of climate investments. Three 2-days inclusive and gender-responsive workshops targeting various stakeholders will be also organized as per the work plan. The platform will be used to strengthen coordination among stakeholders, share information/ lessons learned and to facilitate the review and preparation of climate investment concepts and funding proposals (Activity 1.1.2.c). The institutional and technical capacities of the Country Platform Secretariat will be strengthened to support implementation of the workplan, including one targeted training, deployment of the Operation Manual for the Secretariat of the Country Platform, and stakeholder engagement (Activity 1.1.2.d).

Together, these interventions will strengthen national capacity and coordination, while creating a functional mechanism for integrated climate investment planning.

Outcome 1.2 — Eritrea designs and implements strategic frameworks (NDC/NAP/LTS) and policy instruments, including climate investment plans, to create an enabling environment for integrated climate investments

Outcome 1.2 addresses Barriers (i), (ii), and (v) by strengthening Eritrea's strategic climate planning architecture and evidence base.

Under **Output 1.2.1**, the project will first conduct a review of climate-related policies and regulatory frameworks to inform LTS development (Activity 1.2.1.a). The project will establish a multi-sectoral committee for LTS (mitigation focus) development and develop a LTS Terms of Reference (ToR). This committee will work towards ensuring an integrated approach in the LTS. The task force will provide strategic and technical guidance during the development of the LTS, ensuring its alignment with country's / sectoral policies and strategies. A stakeholder mapping will be also done to identify key stakeholders from government agencies, civil society, local communities, the private sector and development partners to be engaged and ensure their involvement. The LTS ToR will include the outline of the LTS, the criteria to be used for identification and prioritization of mitigation actions, and key points to be considered in the LTS such as means of implementation (finance, technology transfer and capacity building) and cross-cutting issues including gender and social inclusion. The LTS ToR will be validated by a LTS committee (Activity 1.2.1.b). The project will also enable the development of a mitigation baseline for key sectors such as energy, AFOLU, transport and waste sectors. The baseline for key sectors relevant to mitigation will be developed based on the review of existing studies including those which were used to develop NDC 3.0, sectoral working sessions with relevant ministries/ technical experts (at least one per sector), one meeting for a multi-sectoral committee for LTS, and updating the data by using internationally recognized methodologies. For the AFOLU baseline which is also a priority sector for adaptation, the following exercises will be conducted to inform not only the LTS development, but also future adaptation actions (Activity 1.2.1.c).

The project will also conduct landscape restoration opportunities assessment based on the baseline to be established under Activity 1.2.1.c. The assessment will identify areas suitable for afforestation/ reforestation, zones suitable for watershed restoration and community-based natural resources management and include national restoration suitability maps, carbon sequestration potential estimates, economic and social co-benefit mapping and priority restoration investment hotspots. This assessment will be used to identify mitigation scenarios for the LTS and to inform future investment projects (Activity 1.2.1.d). Based on Activities 1.2.1.c and 1.2.1.d, a full LTS will be developed in alignment with the LTS ToR. A series of sectoral working sessions will be organized to identify sectoral mitigation pathways and investment plan (Activity 1.2.1.e). The LTS will be validated by relevant stakeholders to be identified under Activity 1.2.1.b. A draft will then go through editorial adjustments for official publication (Activity 1.2.1.f).

During the development of the LTS under this proposed Readiness programme, FAO, under the strategic guidance from the NDA/PSC as well as regular communication with UNEP/UNECA, will ensure coherence and complementarity with the National Climate Change Strategy (with a mitigation chapter) which is being developed by ERI-003.

Building on the analysis to be done by ERI-RS-003, the project also aims at assessing baseline, reviewing/ complementing climate vulnerabilities and resilience of coastal and marine ecosystems, identifying nature-based adaptation options and prioritizing investments. This assessment will be validated by relevant stakeholders (through one validation workshop) and is expected to be used to inform future adaptation planning and investment (Activity 1.2.1.g).

Under this output, the project will facilitate 2 inclusive and gender-responsive country programming workshops with key stakeholders to inform the development of Eritrea's Climate Investment Plan and ensure it remains responsive to evolving national climate priorities. A Country Platform for Climate Finance (to be established under Output 1.1.2) is expected to be also used to organize these workshops (Activity 1.2.1.h). Based on the Country Programme (which is being developed under ERI-RS-002), the activity will develop the Climate Investment Plan by incorporating priorities listed in NDC3.0, NAP (to be developed under ERI-RS-003), and the LTS (to be developed under Output 1.2.1) and findings from consultation workshops under Activity 2.2.1.a. The final Climate Investment Plan will be validated by relevant stakeholder in the Country Platform (Activity 1.2.1.i).

Outcome 1.3 — Direct Access Applicants and Accredited Entities (DAEs) have met and maintained the accreditation standards of the GCF

Outcome 1.3 addresses Barrier (iii) by strengthening national institutions' readiness for GCF accreditation and programming.

Under **Output 1.3.1**, the project will conduct a comprehensive gap assessment of a nominated DAE applicant and develop institutional strengthening plans. This Readiness programme will support the Ministry of Finance and National Development (MoFND) which has been recently identified as a potential DAE candidate by ERI-RS-002. The gap assessment will determine areas for improvement in financial management, procurement, monitoring, safeguards, and gender policies to meet GCF requirements. Based on capacity assessment, this activity will also develop institutional strengthening plans with clear timelines to progressively meet GCF accreditation requirements (Activity 1.3.1.a). Based on this assessment, the project will provide technical assistance to fill gaps for accreditation, including establishing/updating systems and policies to meet GCF accreditation requirements (Activity 1.3.1.b). A pre-screening application for a nominated DAE applicant will then be submitted (Activity 1.3.1.c).

The project will deliver a targeted training and technical assistance to strengthen fiduciary capacity (e.g. application of core policies, etc.) of a nominated DAE applicant based on the institutional strengthening plans (Activity 1.3.1.d). Once applicant advances beyond pre-screening, the activity will support completing application for accreditation through preparing supporting documentation (Activity 1.3.1.e).

Outcome 2.2 — Eritrea develops high-quality concept notes linked to national priorities and GCF programming

Outcome 2.2 addresses Barrier (iv) by strengthening national capacity to translate priorities into bankable investments.

Under **Output 2.2.1**, feasibility studies for two Funding Proposals will be conducted, including identification and assessment of project sites based on vulnerabilities as well as prioritization of activities to be conducted (Activity 2.2.1.a).

Under **Output 2.2.2**, priority projects will be identified in consultation with the NDA and GCF as well as stakeholder engagement through the Country Platform and validated. The Concept Notes developed under other readiness grants will also be considered for discussion. This exercise will include the identification of potential Accredited Entities for each idea (Activity 2.2.2.a), followed by development of two GCF Concept Notes that are technically sound, country-driven, aligned with GCF strategic priorities and results areas, and compliant with GCF requirements, including pre-feasibility study. Depending on the identified list of priority projects, this activity may review and enhance Concept Notes prepared under other Readiness grants (Activity 2.2.2.b). Based on feasibility studies, of the programme will develop two GCF Funding Proposals that are technically sound, country-driven, aligned with GCF strategic priorities and results areas, and compliant with GCF requirements, including all annexes (Activity 2.2.2.c).

Outcome 2.3 — NDAs, DAEs, and stakeholders strengthen systems to oversee implementation, financial management, monitoring, and reporting of climate programmes

Outcome 2.3 addresses Barriers (i) and (v) by strengthening the DAE's implementation readiness.

Under Output 2.3.1, the project will develop training materials on GCF access modalities. Activities will include the development of Concept Notes and Funding Proposals, including ESS, gender, etc (Activity 2.3.1.a). Two trainings will then be delivered on CN and FP requirements to NDA, DAE applicant and other climate stakeholders in the country (Activity 2.3.1.b).

The project will support the development of Eritrea's Climate Data Management System. (CDMS). Activities include an assessment and a plan to establish a Climate Data Management System (CDMS), which also integrate a national Monitoring, Evaluation and Learning (MEL) module for climate action. Considering Eritrea's low connectivity and any ongoing initiatives, this activity will organize one workshop to understand data flows, infrastructure and gaps as well as map what data exists and what can be digitized. This exercise will also include the discussion on governance, data management, and institutional responsibilities for CDMS (Activity 2.3.1.c), the climate data management system will then be established, including deployment of one central system (to be hosted in Asmara/a ministry) and digitize priority historical climate records and other relevant data (Activity 2.3.1.d). A national Monitoring, Evaluation, and Learning (MEL) module into the CDMS, including indicators for mititgation and adaptation, to support MEL system for NDC 3.0, NAP an LTS. This activity will include the selection of key indicators from NDC/NAP/LTS that could be integrated into the CDMS and piloting the use of MEL in the CDMS (Activity 2.3.1.e). This programme will focus on the development of a MEL module for mitigation while the MEL focusing on adaptation/NAP being developed under ERI-RS-003 will be integrated into the CDMS. Training materials will then be developed to deliver trainings to maintain and use the CDMS to NDA staff, a nominated DAE applicant, secretariat of the Country Platform for Climate Finance, and other technicians from relevant ministries (Activity 2.3.1.f).

Outcome 3.1 — Eritrea's NDA makes use of knowledge products to advance climate policy and investment programming

Outcome 3.1 addresses Barriers (v) and (vi) by institutionalizing climate knowledge.

Under **Output 3.1**, climate knowledge and resources drawn from other activities will be disseminated to government and other decision-makers. Communication products based on the findings of the LTS, the Coastal and Marine Ecosystem Climate Resilience Assessment, Landscape Restoration Opportunity assessment and the Climate Investment Plan will be developed (Activity 3.1.1.a) and the project will facilitate multi-stakeholder dialogues via the Country Platform to support uptake of assessment findings and identify priority actions and investment opportunities for climate-resilient coastal, forest and landscape restoration initiatives (Activity 3.1.1.b).

Outcome 3.2 — Enhanced collaboration among developing countries on climate change issues, evidenced by strengthened South–South and regional cooperation

Outcome 3.2 addresses Barrier (vi) through structured regional exchange and peer learning.

Under **Output 3.2** structured regional exchanges and communities of practice will be established and strengthened to continuously enhance capacity of NDA and DAE as well as facilitate regional cooperation.

Activities include facilitated structured regional knowledge exchanges with neighbouring countries which are part of the COMESA to share experiences, lessons learned, and good practices on climate adaptation and resilience, including drought management, water resource management, and coastal protection, through participation in relevant regional networks and platforms (Activity 3.2.1.a).

The activity will address barriers related to weak knowledge management, absence of structured mechanisms for ongoing peer learning. Outcome 3.2 accelerates Eritrea's ability to advance climate policy implementation, improve project design and accreditation readiness, and sustain long-term institutional capacity and access to climate finance beyond the life of the readiness grant.

Assumptions and Risks

Achievement of the ToC relies on several assumptions:

- Sustained political commitment and engagement from key ministries;
- Effective and continuous stakeholder participation;
- Integration and internalization of training by national counterparts;
- Availability of qualified national and international specialists;

- Committed participation of DAEs in completing accreditation steps; and
- Commitment from identified AE(s) and availability of co-financing that will be included in the FPs.

The main risks—including difficulty in recruiting qualified consultants, high staff turnover, implementation delays, inadequate coordination, limited political support, and anti-money laundering and counter-terrorism financing (AML/CFT) requirements—will be mitigated through:

- Strong project management arrangements and clear governance structures;
- Early and continuous communication with stakeholders to articulate the benefits of proactive climate action and the opportunities to mobilise international climate finance;
- Systematic documentation of processes and training materials to mitigate the impacts of staff turnover;
- Formalised coordination mechanisms, including technical working groups and regular stakeholder validation events; and
- Alignment with international fiduciary standards, including robust procurement and financial management procedures.

Expected Change

By the end of the Readiness support, Eritrea will have the institutional systems, strategic frameworks, data infrastructure, project pipeline, and an accredited entity necessary to engage meaningfully with the GCF and other climate finance sources. Strengthened governance, improved climate information, a first LTS, a Climate Investment Plan, trained staff, and investment-ready CNs will position the country to mobilize climate finance and implement climate-resilient development pathways aligned with its NDC, NAP, and LTS.

4.2 Beneficiaries

Direct beneficiaries include:

- The NDA and potential DAE, whose needs for improved climate data, strengthened MEL systems, and an enhanced climate-financing platform will be addressed. These improvements will enable them to more effectively engage with the GCF, develop and track progress toward national climate policies, formulate and prioritize climate investments, and access GCF funding for the implementation of those priorities.
- Members of the national Coordination Mechanism, who will benefit from improved data availability, enhanced institutional capacity, and strengthened coordination processes. This will support integration of climate objectives into sectoral plans and facilitate more coherent national climate action. Current members of the Technical Experts Working Committee (TEWC) include: the Ministries of Land, Water and Environment; Agriculture; Energy and Mines; Marine Resources; Trade and Industry; Transport and Communication; Health; Finance and National Development; Tourism; Public Works; and Information; as well as the Higher Board of Education, the National Union of Eritrean Women (NUEW), the National Union of Eritrean Youth and Students (NUEYS), and regional administrations.

Indirect beneficiaries include:

- Civil society and local communities, who will benefit from structured engagement processes during the development of the Climate Investment Plan and the Long-Term Strategy (LTS). Their perspectives will inform the design of GCF concept notes and funding proposals that ultimately finance projects benefiting them. They will also gain from improved access to climate data to guide adaptation and mitigation decisions.
- Private-sector actors, who will benefit from clearer visibility on national climate priorities, access to climate-related data, and information on investment and co-financing opportunities. This support will

strengthen their ability to participate in climate-aligned value chains and mobilize resources for low-carbon development.

- Women and women's organizations, who will benefit from their participation in the development of the Climate Investment Plan, LTS, concept notes, and funding proposals. Their priorities and differentiated needs will be reflected incapacity-building activities, stakeholder consultation, investment planning, and the design of projects.

4.3 Implementation Activities

Please list all proposed activities under their corresponding outputs. For each activity:

- Assign a unique identifier using the format aligned with the output (e.g., activities under Output 1.2.1 should be labelled as 1.2.1a, 1.2.1b, 1.2.1c, etc.).
- Ensure these activity labels match those referenced in the Financial Proposal to maintain consistency and traceability.
- Provide a clear and detailed description of each activity, specifying the exact actions that will be undertaken.

Objective 1. Capacity-building for climate finance coordination and setting up the enabling environment for integrated climate investment

☒ Outcome 1.1. Developing countries, through NDAs or focal points, have enhanced capacity to fulfil their roles, responsibilities and policy requirements, including coordination mechanisms to engage relevant stakeholders to develop, advance, and implement NDCs, NAPs and LTSs.

☒ Output 1.1.1. NDA/focal point and other climate stakeholders have enhanced their capacity to fulfil their roles and responsibilities to develop, advance and implement NDCs, NAPs and LTSs.

Activities

1-1-1.a. Conduct an inception workshop, during which the Project Steering Committee (PSC) will be established; a general capacity-building session on the GCF will be delivered to align stakeholders' understanding; immediate capacity-building needs will be identified; the objectives and activities of the Readiness project will be presented; and key documents for implementation will be validated. Milestone D1.1: Inception workshop report
1-1-1.b. Review and update capacity needs assessment of NDA. This activity will first review the capacity needs assessment to be completed by ERI-RS-002 and will update this capacity needs assessment for the NDA to perform key functions (including monitoring, evaluation and learning) on climate finance through stakeholder engagement and consultation including surveys, interviews, and one participatory workshop to prioritize capacity building needs. Milestone D1.2: Capacity needs assessment report
1-1-1.c. Develop training materials, operational guidelines and tools on requirements and best practices for LTS, NDC 3.0, and linkages to GCF financing. Based on D1.2 capacity needs assessment, necessary materials/ guidelines will be developed to strengthen capacity of the NDA. Milestone D1.3: Training materials
1-1-1.d. Deliver trainings to NDA, and other target stakeholders. Based on the materials developed under Activity 1.1.1.c, two two-day training workshops will be delivered to the NDA and any other relevant stakeholders. Milestone D1.4: Training workshop report

☒ Output 1.1.2. An inclusive Coordination Mechanism has enhanced capacity to fulfill its mandate to develop, advance and implement NDCs, NAPs and LTSs.

Activities

1-1-2.a. Building on the terms of reference and institutional structure for the climate finance coordination mechanism finalized under ERI-RS-002, this activity will review, update, and validate the ToR for the Country Platform for Climate Finance through a gap assessment, stakeholder mapping, and a validation workshop. The platform will target various stakeholders including public agencies, financial institutions, the private sector, civil societies and local communities. The ToR for Country Platform for Climate Finance also includes the ToR of the secretariat of the Country Platform, which could be potentially performed by the NDA. This ToR will be validated by the NDA and relevant stakeholders through a validation workshop. Milestone D2.1: ToRs of the Country Platform for Climate Finance
1-1-2.b. Develop a work plan, including continuous stakeholder consultations, development of tools and templates, inter-sectoral coordination and investment mobilization. Milestone D2.2: Work Plan for the Country Platform
1-1-2.c. Operationalize the country platform, including regular coordination meetings of the platform's governance bodies and joint planning of climate investments. Three 2-days inclusive and gender-responsive workshops targeting various stakeholders will be also organized as per the work plan (D2.2). The platform will be used to strengthen coordination among stakeholders, share information/ lessons learned and to facilitate the review and preparation of climate investment concepts and funding proposals. In addition to coordination meetings, the platform will serve as a channel for disseminating climate finance information to non-government stakeholders, including CSOs and private sector actors, in line with the GCF Country Platform guidance. Milestone D2.3: Progress report of the Country Platform
1-1-2.d. Strengthen the institutional and technical capacities of the Secretariat of the Country Platform to implement workplan, including one targeted training, deployment of the Operation Manual for the Secretariat of the Country Platform, establishment of communication channels, and stakeholder engagement. Milestone D2.4: Operation Manual for the Secretariat of the Country Platform, training report

☒ Outcome 1.2. Developing countries design and implement strategic frameworks (including NDC/NAP/LTS), policies and instruments, including climate investment plans, to create enabling environments for integrated climate investments.

☒ Output 1.2.1. Inclusive strategic frameworks (NDCs, NAPs, and LTSs) and policy instruments are created, updated and/or strengthened.

Activities

1-2-1.a. Conduct a review of the country's main development objectives, climate-related policies and regulatory frameworks to inform LTS development. Milestone D5.1: Review of the country's main development objectives, climate-related policies and regulatory frameworks
1-2-1.b. Establish a multi-sectoral committee for LTS (mitigation focus) development and develop a LTS Terms of Reference (ToR). This committee will work towards ensuring an integrated approach in the LTS. The task force will provide strategic and technical guidance during the development of the LTS, ensuring its alignment with country's / sectoral policies and strategies. A stakeholder mapping will be also done to identify key stakeholders from government agencies, civil society, local communities, the private sector and development partners to be engaged and ensure their involvement. In addition, the multi-sectoral committee will include a country's gender focal point and a representative from women's organizations to ensure gender responsiveness and social inclusion. The LTS ToR will include the outline of the LTS, the criteria to be used for identification and prioritization of mitigation actions, and key points to be considered in the LTS such as means of implementation (finance, technology transfer and capacity building) and cross-cutting issues including gender and social inclusion. The LTS ToR will be validated by a LTS committee. Milestone D5.2: LTS ToR, summary of stakeholder mapping for the LTS development

1-2-1.c. Develop mitigation baseline for key sectors such as energy, AFOLU, transport and waste sectors. The baseline for key sectors relevant to mitigation will be developed based on the review of existing studies including those which were used to develop NDC 3.0, sectoral working sessions with relevant ministries/ technical experts (at least one per sector), one meeting for a multi-sectoral committee for LTS, and updating the data by using internationally recognized methodologies. For the AFOLU baseline which is also a priority sector for adaptation, the following exercises will be conducted to inform not only the LTS development, but also future adaptation actions; land use classification, mapping of deforestation/ degradation, field survey, analysis of drivers of land degradation and deforestation. Milestone D3.1: AFOLU baseline Milestone D5.3: Summary of mitigation baseline
1-2-1.d. Conduct landscape restoration opportunities assessment based on the baseline established under Activity 1.2.1.c. The assessment will identify areas suitable for afforestation/ reforestation, zones suitable for watershed restoration and community-based natural resources management and include national restoration suitability maps, carbon sequestration potential estimates, economic and social co-benefit mapping and priority restoration investment hotspots. This assessment will be used to identify mitigation scenarios for the LTS and to inform future investment projects. Two stakeholder consultation workshops including validation will be conducted. Milestone D3.2/ D5.4: Draft landscape restoration opportunities assessment, D5.5 Final landscape restoration opportunities assessment
1-2-1.e. Develop a full LTS. Based on Milestones D5.3 and D5.4, a full LTS will be developed in alignment with the LTS ToR. A series of sectoral working sessions will be organized to identify sectoral mitigation pathways. Milestone D5.6: A draft LTS
1-2-1.f. Validate and submit the LTS. A validation workshop will be organized to present and validate the LTS for relevant stakeholders to be identified under Activity 1.2.1.b. A draft will also go through editorial adjustments for official publication. Milestone D5.7: Final LTS
1-2-1.g. Conduct coastal and marine ecosystems climate resilience assessment. Building on the analysis to be done by ERI-RS-003, this activity aims at assessing baseline, reviewing/ complementing climate vulnerabilities and resilience of coastal and marine ecosystems, identifying nature-based adaptation options and prioritizing investments. It will include desk review, modeling, field surveys, cost-benefit analysis and stakeholder consultations. This assessment will be validated by relevant stakeholders (through one validation workshop) and is expected to be used to inform future adaptation planning and investment. Milestone D3.3: Coastal and marine ecosystems climate resilience assessment
1-2-1.h. Facilitate 2 inclusive and gender-responsive country programming workshops with key stakeholders to inform the development of Eritrea's Climate Investment Plan and ensure it remains responsive to evolving national climate priorities. A Country Platform for Climate Finance (to be established under Output 1.1.2) is expected to be also used to organize these workshops. Milestone D5.8: Summary of recommendations from programming workshops
1-2-1.i. Develop a Climate Investment Plan in alignment with the NDC3.0, NAP, and the upcoming LTS to support the mobilization of and access to a broader range of climate finance (beyond the GCF). Based on the Country Programme (which is being developed under ERI-RS-002, expected by December 2026), the activity will develop a Climate Investment Plan by incorporating priorities listed in NDC3.0, NAP (to be developed under ERI-RS-003), and the LTS (to be developed under Output 1.2.1) and findings from consultation workshops under Activity 2.2.1.a. This activity is planned to commence in Y3. The final Country Investment Plan will be validated by relevant stakeholder in the Country Platform. Milestone D5.9: Climate Investment Plan

☒ Outcome 1.3. Direct access applicants and accredited entities (DAEs) have met and maintained the accreditation standards of the GCF and strengthened their programming capacities, as evidenced by the development of GCF-funded activities.

☒ Output 1.3.1. Institutional gaps of direct access applicants and accredited entities (DAEs) are addressed to obtain and/or maintain accreditation.

Activities

1-3-1.a. Conduct a comprehensive gap assessment of a nominated DAE applicant and develop institutional strengthening plans. The gap assessment will determine areas for improvement in financial management, procurement, monitoring, safeguards, and gender policies to meet GCF requirements. Based on capacity assessment, this activity will also develop institutional strengthening plans with clear timelines to progressively meet GCF accreditation requirements. Milestone D7.1: Institutional capacity assessment, Institutional strengthening plans
1-3-1.b. Provide technical assistance to fill gaps for accreditation. This will include establishing/ updating systems and policies to meet GCF accreditation requirements based on Milestone D7.1. Milestone D7.2: Core policies and systems updated
1-3-1.c. Submit pre-screening application for a nominated DAE applicant. Milestone D7.3: Pre-screening application submitted
1-3-1.d. Deliver two targeted training and technical assistance to strengthen fiduciary capacity (e.g. application of core policies, etc.) of a nominated DAE applicant based on the institutional strengthening plans. Milestone D7.4: Training report
1-3-1.e. Submit accreditation proposal. Once applicants advance beyond pre-screening, the activity will support completing application for accreditation through preparing supporting documentation. Milestone D7.5: Accreditation proposal submitted

Objective 2. Paradigm-shifting GCF pipeline development and implementation for adaptation and mitigation, based on country needs and guided by USP-2 programming targets

☐ Outcome 2.1. Developing countries have developed or updated their country programmes to guide GCF investment.

☒ Output 2.1.1. Country programme developed and/or updated to guide GCF investment.

Activities

2-1-1.a. Facilitate 2 inclusive and gender-responsive country programming workshops with key stakeholders to inform the updating of Eritrea's GCF Country Programme and ensure it remains responsive to evolving national climate priorities. A Country Platform for Climate Finance (to be established under Output 1.1.2) is expected to be also used to organize these workshops. Milestone D8.1: Summary of recommendations from programming workshops
2-1-1.b. Update and operationalize the Country Programme. Based on the Country Programme (which is being developed under ERI-RS-002), the activity will update the Country Programme by incorporating priorities listed in NDC3.0, NAP (to be developed under ERI-RS-003), and the LTS (to be developed under Output 1.2.1) and findings from consultation workshops under Activity 2.2.1.a. The final updated Country Programme will be validated by relevant stakeholder including the NCCSC. Milestone D8.2: Updated Country Programme

☒ Outcome 2.2. Developing countries have developed high-quality concept notes linked to approved GCF proposals for adaptation and mitigation that are aligned with the USP-2 results, including through DAEs, that build on readiness support and country programmes.

☒ Output 2.2.1. NDA, DAEs and other climate stakeholders, have enhanced their capacity on Concept Note and/or Funding Proposal development for an inclusive integrated climate programming.

Activities

2-2-1.a. Conduct feasibility studies for two Funding Proposals. This includes identification and assessment of project sites based on vulnerabilities as well as prioritization of activities to be conducted. Milestone D10.1: Studies and assessment report to develop the first funding proposal, D10.2: Studies and assessment report to develop the second funding proposal

☒ Output 2.2.2. Investment-grade Concept Notes and/or Funding Proposals that are fully aligned with the Country Programme and passed the GCF screening process.

Activities

2-2-2.a. Identify and validate the priority projects for CN/FP formulation in consultation with the NDA and GCF. All the concept notes developed under other Readiness grants will be also considered for discussion. This exercise will include the indentification of potential Accredited Entities for each idea. The priority projects will be discussed and reviewed by stakeholders to be involved in the Country Platform which will be established based on the existing coordination mechanism under Output 1.2.1, through two one-day consultation meetings (50 participants each). The input from the Country Platform will inform the final decision to be made by the NDA. Milestone D9.1: Identified list of priority projects
2-2-2.b. Develop two GCF Concept Notes that are technically sound, country-driven, aligned with GCF strategic priorities and results areas, and compliant with GCF requirements, including pre-feasibility study. Depending on the identified list of priority projects, this activity may review and enhance Concept Notes preprared under other Readiness grants. Milestone D9.2: First GCF Concept Note, D9.3 Second GCF Concept Note
2-2-2.c. Develop two GCF Funding Proposals that are technically sound, country-driven, aligned with GCF strategic priorities and results areas, and compliant with GCF requirements, including all annexes. Where feasible, the proposed Readiness programme will seek to involve the potential DAE supported under Output 1.3.1 in the development and advancement of the Funding Proposal. The final determination of the Accredited Entity to submit the Funding Proposal will be made by the NDA, taking into account readiness, accreditation status, and the specific requirements of the proposal. This readiness will support consultations/meetings with the NDA to identify the most suitable AE to lead this proposal, and this entity will be expected to play a central role throughout the design and development stages. Milestone D10.3 Draft first Funding Proposal, D10.4: Draft second Funding Proposal

☒ Outcome 2.3. NDAs and DAEs have enhanced processes and systems to effectively oversee the implementation, financial management, monitoring and reporting of climate programmes and projects.

☒ Output 2.3.1. NDA and DAEs have enhanced relevant capacity, processes and systems in place to oversee and implement climate programmes and projects.

Activities

2-3-1.a. Develop training materials on GCF access modalities, and development of Concept Notes and Funding Proposals, including ESS, Gender considerations, etc. Milestone D11.1: Training materials
2-3-1.b. Conduct two 5-day trainings on CN and FP requirements to NDA, DAE applicant and other climate stakeholders in the country. Based on training materials (Milestone D9.1), the activity will deliver one training workshop. Milestone D11.2: First training workshop report, D11.3: Second training workshop report
2-3-1.c. Develop an assessment and a plan to establish a Climate Data Management System (CDMS) which also integrate a national Monitoring, Evaluation and Learning (MEL) module for climate action. Considering Eritrea's low connectivity and any ongoing initiatives, this activity will organize one workshop to understand data flows, infrastructure and gaps as well as map what data exists and what can be digitized. This exercise will also include the discussion on governance, data management, and institutional responsibilities for CDMS. Milestone D11.4: Assessment report and action plan to develop the CDMS.
2-3-1.d. Establish a Climate Data Management System. This include deployment of one central system (to be hosted in Asmara/ a ministry) and digitize priority historical climate records and other relevant data. Milestone D11.5: Status report of the CDMS – including deployment of system and digitization of data.

2-3-1.e. Integrate a national Monitoring, Evaluation, and Learning (MEL) module into the CDMS, including indicators for mitigation and adaptation, to support MEL system for NDC3.0, NAP and LTS. This activity will include the selection of key indicators from NDC/NAP/LTS that could be integrated into the CDMS and piloting the use of MEL in the CDMS. While ERI-RS-002's M&E Framework focuses on Fund-level monitoring of GCF projects and programmes, the CDMS will extend this by covering national-level climate data management and tracking of progress toward NDC, NAP, and LTS targets. This programme will focus on the development of a MEL module for mitigation while the MEL focusing on adaptation/NAP being developed under ERI-RS-003 will be integrated into the CDMS. FAO will coordinate with UNEP to ensure that the adaptation/NAP MEL module developed under ERI-RS-003 is compatible with and integrated into the CDMS. This integration is planned for Year 3, once the adaptation MEL module under ERI-RS-003 reaches sufficient maturity, and necessary data-sharing arrangement will be discussed with UNEP and the relevant government stakeholders. The proposed Readiness programme will also use the deliverable of ERI-RS-002 (M&E Framework for national monitoring and evaluation of the Fund's projects/program) as a basis for necessary updates in alignment with forthcoming NAP and LTS. Milestone D11.6: Status report of the CDMS - MEL module
2-3-1.f. Develop training materials and deliver one five-day training to maintain and use the Climate Data Management System. Target audience includes NDA staff, a nominated DAE applicant, secretariat of the Country Platform for Climate Finance, and other technicians from relevant ministries. Milestone D11.7: Training materials, training workshop report.

Objective 3. Knowledge-sharing and learning to enhance national and regional cooperation on climate programming and financing

☒ Outcome 3.1. Developing countries, through NDAs or focal points, have made use of knowledge products to address policy gaps and integrated climate investment programming and implementation.

☒ Output 3.1.1. Knowledge products developed and/or used to address policy gaps and integrated climate investment programming and implementation.

Activities

3-1-1.a. Develop communication products based on the findings of the LTS, the Coastal and Marine Ecosystem Climate Resilience Assessment, Landscape Restoration Opportunity Assessment and the Climate Investment Plan. Target audience includes government decision-makers, civil society, private sector actors, and potential investors via the Country Platform for Climate Finance. Milestone D12.1: Communication/knowledge products
3-1-1.b. Facilitate two three-day multi-stakeholder dialogue via Country Platform (targeting 150 participants each) to promote uptake of assessment findings and identify priority actions and investment opportunities for climate-resilient coastal, forest, and landscape restoration initiatives. Milestone D13.1: First dialogue report, D13.2: Second dialogue report

☒ Outcome 3.2. Enhanced collaboration among developing countries on climate change issues, evidenced by transboundary and regional cooperations/South-South cooperation.

☒ Output 3.2.1. Regional or South-South partnerships, programmes, policies, MOUs and/or collaboration mechanisms established among developing countries, including through their DAEs.

Activities

3-2-1.a. Facilitate two structured regional knowledge exchanges with neighbouring countries to share experiences, lessons learned, and good practices on climate adaptation and resilience, including drought management, water resource management, and coastal protection, through the organization of the two south-south knowledge exchange events. Building on the ongoing GEF regional project (see Section 2.6), this Readiness programme will support the organization of two south-south exchange events in the region (potentially hosted in Zambia and/or Kenya – to be determined during the implementation) with participation of a few other neighbouring countries which are part of COMESA. As an outcome of these south-south exchange events, an action plan will be developed to strengthen climate cooperation such as sharing of climate data and early warning system, benefiting from the COMESA Regional Climate Change Resilience Framework and Regional Resilience Implementation Plan and Resource Mobilization Strategy. This will lead to continuous exchanges/learning opportunities and/or joint (future) climate projects. This action plan will facilitate Eritrea in continuing follow-up action/ cooperation with the COMESA beyond the south-south exchange events. Additional details have been added under Output 3.2.1. Milestone D14.1: First south–South knowledge exchange report documenting lessons learned and follow-up actions, D14.2: Second south–South knowledge exchange report documenting lessons learned and follow-up actions

4.4 Stakeholder Engagement Strategy

This Readiness proposal was formulated with the NDA, in consultation with members of the National Steering Committee, Technical Working Group, and Technical Committee. These groups include Ministries of Land, Water, and Environment, Agriculture, Finance and National Development, Energy and Mines, Marine Resources, Health, Trade and Industry, Transport and Communication, Tourism, and Justice. It also includes the Forestry and Wildlife Authority and the Eritrean Libestock and Crop Corporation. The Ministry of Local Government and the Local Administrations plays a key role by facilitating community-level engagement. UN agencies including UNEP, UNDP and IFAD were also consulted. It also built on inputs of stakeholders at inception workshop of "*Building Eritrea's capacity for effective engagement with the Green Climate Fund*" ERI-RS-002 and work initiated by UNEP under "*Advancing the National Adaptation Planning (NAP) Process in Eritrea"* ERI-RS-003.

The readiness support will help institutionalize participatory mechanisms to ensure that vulnerable communities, and gender-responsive approaches are systematically integrated into the planning and implementation of NDC, NAP, and LTS through the operationalization of the Country Platform for Climate Finance. Stakeholders to be included in those participatory mechanisms will include civil society organizations, academia, private sector, donors, with special attention given to organization representing women. Their inputs will actively be sought for the prioritization of climate project ideas, and the development of Concept Notes and Funding Proposals to ensure their buy-in and engagement from the start.

4.5 Risk Assessment and Mitigation measures

Please describe potential risks and risk monitoring plan, as follows:

- Please list the key identified and potential risks as well as the mitigation measures proposed. The potential risks could include, for example, delays, disruptions, cost and market risks, inadequate coordination/participation, lack of political support, money-laundering/terrorist financing, and prohibited practices.
- Please indicate the probability of occurrence (low/medium/high) and impact level (low/medium/high) for each potential risk.
- If managed remotely, please describe the measures (mechanisms and controls) to be taken to identify, assess, monitor and mitigate any risk of money-laundering, terrorist financing or prohibited practices.
- Please describe the measures (mechanisms and controls) to be taken for activities within the proposal to identify, assess, monitor and mitigate any risk of money-laundering, terrorist financing, prohibited practices and other integrity matters.

Risk Category	Specific risk(s) / Risk(s) description	Probability of occurrence	Impact level	Mitigation action(s)	Entity(ies) responsible to manage the risk(s)
Operational	Difficult to recruit consultants with relevant experience	Medium	High	FAO will initiate recruitment processes early—during inception—and pre-identify a roster of qualified national, regional, and international experts to ensure rapid mobilization. FAO will also pair international experts with national consultants to reduce dependence on scarce individual profiles and ensure continuity even if replacements are needed	FAO
Operational	High staff turnover	Medium	Medium	Recognizing the potential for staff turnover, the project will develop comprehensive training manuals and record key training sessions as video resources. These materials will allow for efficient onboarding and ensure continuity of institutional capacity even as personnel change.	FAO
Operational	Implementation delays	Medium	High	Clear governance, defined roles, and a detailed workplan will anchor timely implementation and allow delays to be identified and addressed early.	FAO, NDA and future DAE
Operational	Inadequate coordination/participation	Medium	High	Early consultations, targeted capacity building, and strong facilitation by FAO—including clearly articulating the importance and benefits of proactive climate action and the opportunity to secure resources to address it—will maintain ownership, alignment, and timely participation throughout implementation.	FAO, PSC

Operational	Limited digital infrastructure and connectivity may constrain the effective operationalization of a national platform and related project activities	Low	Medium	The project will assess existing digital capacities early and invest, where feasible, in basic IT solutions while ensuring alternative low-connectivity options. Offline tools, practical training, and user-friendly systems will be introduced to enable continuity of operations across institutions.	FAO, PSC
Operational	Lack of commitment from identified AE(s) and availability of co-financing that will be included in the FPs	Low	Medium	The project will identify potential AEs in close consultation with AEs, NDA and the GCF to ensure ownership by the identified AE. The discussion around co-financing will be initiated as early as possible when the project intiates the development of FPs.	FAO, NDA, identified AE(s)
Political	Lack of political support	Medium	High	To strengthen political support, FAO and NDA will communicate how this work advances national development priorities across sectors such as health and economic development, while also demonstrating its potential to attract meaningful financial resources to the country.	FAO, NDA
Other	Anti-money Laundering (AML) and Counter-Financing Terrorism (CFT)	Low	High	FAO will oversee the preparation of ToRs and work plans to ensure clearly defined roles and responsibilities. All national and international consultants and firms will be selected from FAO's approved roster in accordance with established procurement and due diligence procedures. In line with clause 11.01(f) of the Framework Agreement, FAO will apply its fiduciary principles and standards, including Know Your Customer checks, AML and CFT measures, and compliance with UN Security Council financial sanctions. Field missions will be accompanied by escorts as required.	FAO
Other	Sanctions	Low	Low	In accordance with FAO rules and regulations, FAO will perform all necessary actions to ensure that the project be implemented in full compliance with any UN sanctions list that may be of relevance. No entities or individuals who are subject to or affected by United Nations Security Council sanctions regimes will be involved in this proposal or its associated activities, either as counterparts or beneficiaries. Eritrea is not currently subject to any UNSC or other applicable sanctions regimes	FAO
Other	Other Prohibited Practices	Low	High	FAO has a zero-tolerance policy for fraud and other corrupt practices. If wrongdoing is detected, FAO imposes sanctions, including: Debarring vendors from FAO and UN business opportunities. Debarred Vendors will be classified as Ineligible Vendors and included on the UN Ineligibility List shared with other UN agencies through the UN Global Marketplace.	FAO

				Reporting fraudulent activity to relevant UN agencies and the GCF. Disciplinary actions, including contract termination for staff and implementing partners. FAO remains committed to proactively identifying, mitigating, and addressing AML/CFT risks in all project activities, ensuring strict compliance with international financial integrity standards.	
Other	Conflict of Interest	Medium	Medium	In accordance with FAO rules and procedures, any individual with an actual, potential, or perceived conflict must recuse themselves from related decision-making processes, and responsibilities should be reassigned as needed. Transparent, panel-based recruitment and procurement procedures will be applied to ensure impartiality.	FAO, NDA

5. Logical Framework (output)

Guidance

Please complete the logical framework in the separate document.

Objective: Capacity-building for climate-finance coordination and setting up the enabling environment for integrated climate investment.

Outcome: Developing countries, through NDAs or focal points, have enhanced capacity to fulfil their roles, responsibilities and policy requirements, including coordination mechanisms to engage relevant stakeholders to develop, advance, and implement NDCs, NAPs and LTSs.

Output: NDA/focal point and other climate stakeholders have enhanced their capacity to fulfil their roles and responsibilities to develop, advance and implement NDCs, NAPs and LTSs.

Indicator: Proportion of NDA/focal point, Coordination Mechanism and other climate stakeholders reporting an enhanced capacity to fulfil their roles and responsibilities to develop, advance and implement NDCs, NAPs and LTSs (Individuals: X/total).

Please provide the number of participants per strategic framework
Unit: No. of Participants

Strategic Framework	Baseline	Target
NDC	0	75
NAP	0	75
LTS	0	75

Output: An inclusive Coordination Mechanism has enhanced capacity to fulfill its mandate to develop, advance and implement NDCs, NAPs and LTSs.

Indicator: An inclusive Coordination Mechanism or Country Platform* is supported.

Please provide the number of Coordination mechanisms per status
Unit: No. of Coordination Mechanisms

Effectiveness Status	Baseline	Target
Strengthen	0	1

Please provide the number of Country Platform per status
Unit: No. of Country Platforms

Effectiveness Status	Baseline	Target
Strengthen	0	1

Indicator: Number of coordination meetings or dialogues undertaken with climate stakeholders, including climate funds, financiers and partners.

Please provide the number of coordination meetings or dialogues
Unit: No. of Meetings/Dialogues

Baseline	Target
0	3

Expected Deliverables

☒ Status report on capacity building of NDA and climate stakeholders in [Country] to develop, advance, and implement NDCs, NAPs and LTS.

☒ Status report on country coordination mechanism, country (or regional) platform for enhanced climate finance access to develop, advance, and implement NDCs, NAPs and LTS in the Country.

Outcome: Developing countries design and implement strategic frameworks (including NDC/NAP/LTS), policies and instruments, including climate investment plans, to create enabling environments for integrated climate investments.

Output: Inclusive strategic frameworks (NDCs, NAPs, and LTSs) and policy instruments are created, updated and/or strengthened.

Indicator: Number of inclusive NDCs, NAPs and LTSs developed or advanced.

Please provide the number of Strategic Frameworks developed or updated and select the status of the framework
Unit: No. of Strategic Frameworks

Sub-Capacity Area	Baseline	Target
LTS	0	1

Indicator: Number of inclusive policy instruments developed or enhanced to implement NDCs, NAPs, and/or LTSs.

Please provide the number of Strategic Frameworks developed or updated
Unit: No. of Policy Instruments

Lifecycle Status	Baseline	Target
New	0	1
New	0	1

Expected Deliverables

☒ Status report on the national adaptation plan (NAP).

☐ Status report on the nationally determined contribution (NDC).

☒ Status report on the long term climate strategies (LTS).

☐ Status report on policies, regulations and mechanisms developed or enhanced to incentivize private sector engagement in the Country.

Outcome: Direct access applicants and accredited entities (DAEs) have met and maintained the accreditation standards of the GCF and strengthened their programming capacities, as evidenced by the development of GCF-funded activities.

Output: Institutional gaps of direct access applicants and accredited entities (DAEs) are addressed to obtain and/or maintain accreditation.

Indicator: Number of direct access applicants and accredited entities (DAEs) with capacity, systems, policies and tools that are compliant with GCF accreditation requirements.

Please provide the number of entities benefitted from the country window or DAE window

Unit: No. of Entities

Accreditation Support	Baseline	Target
Pre-Accreditation Support	0	1

Expected Deliverables

☒ Status report on capacity building of direct access applicants and accredited entities to meet GCF accreditation requirements.

Objective: Paradigm-shifting GCF pipeline development and implementation for adaptation and mitigation, based on country needs and guided by USP-2 programming targets.

Outcome: Developing countries have developed or updated their country programmes to guide GCF investment.

Output: An inclusive Country Programme has articulated the country's needs, climate priorities and GCF USP-2 programming targets for the country.

Indicator: An inclusive Country Programme document developed or updated with country's needs and climate priorities, guided by GCF USP-2 programming targets.

Please provide the number of country programme(s) new or updated
Unit: No. of Country Programmes

Lifecycle Status	Baseline	Target
Update/Revise	0	1

Expected Deliverables

☒ Country Programme Document.

Outcome: Developing countries have developed high-quality concept notes linked to approved GCF proposals for adaptation and mitigation that are aligned with the USP-2 results, including through DAEs, that build on readiness support and country programmes.

Output: NDA, DAEs and other climate stakeholders, have enhanced their capacity on Concept Note and/or Funding Proposal development for an inclusive integrated climate programming.

Indicator: Number of studies, assessments, and other actions undertaken to support the development of investment-grade Concept Notes and/or Funding Proposals.

Please provide the number of studies, assessments, and other actions to develop CN/FP
Unit: No. of Studies/assessments

Conducted to	Baseline	Target
Conducted for GCF	0	2

Output: Investment-grade Concept Notes and/or Funding Proposals that are fully aligned with the Country Programme and passed the GCF screening process.

Indicator: Number of Concept Notes and/or Funding Proposals developed that are fully aligned with the Country Programme.

Please provide the CN/FP developed
Unit: No. of Projects

Project Submission Type	Baseline	Target
Concept Note	0	2

Project Submission Type	Baseline	Target
Funding Proposal	0	2

Expected Deliverables

☒ Concept Note and studies, assessment, reports, etc. to support the development of investment-grade Concept Notes.

☒ Funding Proposal and studies, assessment, reports, etc. to support the development of investment-grade Funding Proposals.

Outcome: NDAs and DAEs have enhanced processes and systems to effectively oversee the implementation, financial management, monitoring and reporting of climate programmes and projects.

Output: NDA and DAEs have enhanced relevant capacity, processes and systems in place to oversee and implement climate programmes and projects.

Indicator: Number of NDA and DAEs reporting enhanced processes and systems, knowledge and skills that advance their programme/project implementation, financial management, monitoring and reporting, and compliance with GCF standards and policies.

Please provide the number of NDAs/DAEs advancing their programme/project of GCF Funded Activities
Unit: No. of Entities

Institution Roles	Baseline	Target
NDA	0	1

Expected Deliverables

☒ Status report on capacity building of NDA and DAEs in the Country/Region in project/ program design, implementation and oversight.

Objective: Knowledge-sharing and learning to enhance national and regional cooperation on climate programming and financing.

Outcome: Developing countries, through NDAs or focal points, have made use of knowledge products to address policy gaps and integrated climate investment programming and implementation.

Output: Climate knowledge products and resources is generated and disseminated to develop or advance policies, programming and/or implementation

Indicator: Number of inclusive knowledge products and resources.

Please provide the number of knowledge products/resources
Unit: No. of Knowledge Products/Resources

Strategic Framework	Baseline	Target
LTS	0	3

Indicator: Number of inclusive knowledge-sharing events and platforms.

Please provide the number of events/knowledge platforms per strategic framework
Unit: No. of knowledge-sharing events/platforms

Strategic Framework	Baseline	Target
LTS	0	2

Expected Deliverables

☒ Knowledge Products / Compendium of Knowledge Products produced (Policies, Programme, NDC, NAP, LTS, L&D, TNA and others related).

☒ Status report on the knowledge sharing events and knowledge sharing platform promoted by the Country.

Outcome: Enhanced collaboration among developing countries on climate change issues, evidenced by transboundary and regional cooperations/South-South cooperation.

Output: Regional or South-South partnerships, programmes, policies, MOUs and/or collaboration mechanisms established among developing countries, including through their DAEs.

Indicator: Number of regional or South-South partnerships, programmes, policies, MOUs and/or collaboration mechanisms established.

Please provide the number of regional, multi-regional, South-South partnerships established or strengthened
Unit: No. of Regional Partnerships

Effectiveness Status	Baseline	Target
Strengthen	0	1

Expected Deliverables

☒ Status report on the regional or South-South partnerships, programmes, policies, MOUs and/or collaboration mechanisms promoted by the Country or Region.

6. Implementation Arrangements

6.1.1 Partnering under the Direct Access

This Readiness proposal will be accessed through FAO, which will serve as the Readiness Framework Agreement Holder (FWAH). FAO will be responsible for the overall implementation and delivery of the proposed activities, including fiduciary and financial management, procurement, monitoring, and reporting, in line with FAO and GCF policies and procedures. Activities will be directly managed and executed by FAO through its established systems and country presence.
The NDA will play a leading role in providing strategic guidance, coordination, and oversight to ensure national ownership and alignment with country priorities. See further detailed information in Section 6.1.2 of this proposal.

6.1.2 Framework Agreements

FAO, which will serve as the Readiness Framework Agreement Holder (FWAH), will be responsible for implementing this readiness grant, including all fiduciary and financial management, procurement of goods and services, monitoring, and reporting activities to the GCF. All activities will be carried out in accordance with FAO's policies and procedures, as well as the Second Amended and Restated Framework Readiness and Preparatory Support Grant Agreement signed by the GCF and FAO on 25 August 2020 (referred to as the "Framework Agreement").

The Government has selected FAO as the FWAH for this GCF Readiness proposal based on FAO's strong technical expertise, global track record, and alignment with the country's priorities in the agriculture, forestry, and fisheries sectors, among others. Since its accreditation by the GCF, FAO has successfully supported more than 85 countries through the development and implementation of climate-related investments, including 29 full-sized projects and over 114 readiness grants. As a trusted partner since 2017, FAO has helped countries strengthen institutional capacities, develop enabling environments for climate finance, and integrate climate resilience into agrifood systems and national planning frameworks, thereby contributing directly to the achievement of NDCs and the overarching objectives of the Paris Agreement.

FAO's mandate and comparative advantage lie in its technical depth and long-standing experience in climate-smart agriculture, sustainable forestry, and resilient fisheries. Its role in readiness delivery focuses on building national capacity for climate finance access, enhancing coordination, conducting vulnerability and risk assessments, and facilitating adaptation and carbon-related initiatives such as carbon accounting and REDD+ readiness. Through its in-country presence, FAO provides hands-on support to NDAs and stakeholders, ensuring that readiness activities are technically sound, well-coordinated, aligned with national strategies, and contribute to long-term resilience and low-emission development of agrifood systems.

It should be noted that FAO will implement the activities in a manner that emphasizes country ownership and the leadership role of the NDA. The involvement of the NDA and other government institutions will primarily encompass providing guidance and oversight for project implementation. Additionally, no GCF funds will be allocated to government staff, and FAO will not transfer any funding or obligations to these institutions.

To ensure effective governance and strategic decision-making for this Readiness proposal, a Project Steering Committee (PSC) will be established. The PSC will consist of the NDA, relevant government institutions (the Ministry of Land, Water, and Environment, Ministry of Finance and National Development, Ministry of Marine Resources, Ministry of Agriculture, Ministry of Health, Ministry of Local Government) and FAO. The primary objective of the PSC is to ensure strong inter-institutional coordination, alignment with national priorities, and effective oversight. The PSC will engage with relevant stakeholders, fostering collaboration and ensuring their input is considered in decision-making processes. Additionally, the PSC will review and validate technical products, ensuring complementarity and avoiding overlap or duplication with other ongoing projects in the country.

To ensure FAO's utmost accountability, both the PSC and FAO will uphold the highest standards of governance and performance. These standards include effective management for development results, value for money, fairness, integrity, transparency, and the promotion of effective international competition.

FAO will establish and oversee a dedicated Project Management Unit (PMU) responsible for implementing the Readiness activities and ensuring effective coordination with the PSC. The PMU will be managed and staffed by FAO and will be based within FAO Office in Eritrea. It will operate under the direct supervision of FAO to ensure seamless coordination and alignment with the grant objectives.

FAO has an established Country Office in the beneficiary country, which will be responsible for the day-to-day implementation and coordination of the readiness activities on the ground. The FAO Country Office will operate under the overall technical and operational oversight of FAO's regional and headquarters teams, ensuring full compliance with FAO's policies and procedures, as well as relevant GCF policies and guidelines. Implementation will be carried out in close collaboration with the PSC and the PMU to ensure effective coordination, transparency, and alignment with national priorities. This arrangement will facilitate efficient execution, capacity building, and the long-term sustainability of project results.

Other key national partners will also support the implementation of project activities. The MoFND will support the organization of workshops/trainings/dialogues under all outputs, conduct policy review for LTS (1.2.1.a) and stakeholder mapping/engagement (1.2.1.b), and organize consultation to identify priority projects (2.2.2.a). A nominated DAE applicant will develop institutional strengthening plan based on gaps assessment under output 1.3.1. Other service providers will be also identified as per FAO procedures. FAO will engage these partners through appropriate collaboration modalities, such as MoUs, service contracts, UN-to-UN agreements, or other partnership arrangements consistent with FAO procedures and previous GCF projects.

FAO will ensure compliance with the GCF's Revised Environmental and Social Policy, which includes Sexual Exploitation, Abuse and Harassment (SEAH) Investigations, updated Gender Policy and the Indigenous Peoples Policy for the implementation of this grant.

Reporting to the GCF will follow the provisions of the Framework Agreement, with progress reported annually through the GCF Annual Performance Report (APR). In addition, ad hoc reports and meetings will be arranged as needed or upon request by the GCF Secretariat. See more information in Section 7.1.

6.2 Organisation and Staffing

In this chapter, propose the structure and composition of your team. Consider including a visual depiction of the programme team through an organisational chart, depicting reporting responsibilities. List the main disciplines, key experts responsible, and technical and support staff, including their relevant past experience, using the form below.

Please also include any details on any other relevant group of stakeholders, such as steering committees, technical teams, tasks force, coordination mechanisms, PMC structure, etc.

For these groups, describe their composition, decision-making processes, operational procedures, terms of reference (if any) and how the NDA/focal point or the designated agency will manage or oversee these units to ensure fulfillment of its obligations.

Name of staff	Organization	Area of Expertise	Position Assigned	Task Assigned	Base Country During Assignment
National Technical Coordinator	FAO	Technical coordination, climate finance	National Consultant	Technical coordination/input across all outputs	Eritrea
Communication Specialist	FAO	Communication	National Consultant	Communication across the programme	Eritrea
Stakeholder Engagement/ Capacity Building Specialist	FAO	Stakeholder Engagement/ Capacity Building	National Consultant	Stakeholder engagement and capacity building support across all outputs	Eritrea

International Climate Finance specialist	FAO	Climate finance	International Consultant	Technical guidance/ input under objective 1 and 2	Italy
Internatinoal forestry/ NRM specialist	FAO	Forestry, natural resources management	International Consultant	Activities 1.2.1.c-g	Ethiopia
National financial and accounting systems specialist	FAO	Finance, accounting	National Consultant	Output 1.3.1	Eritrea
National safeguards and gender specialist	FAO	Environmental and social safeguards, gender	National Consultant	Output 1.3.1	Eritrea
National operation specialist	FAO	Operation	National Consultant	Output 1.3.1	Eritrea
International accreditation specialist	FAO	Accreditation, climate finance	International Consultant	Output 1.3.1	Italy
International safeguards/gender specialist	FAO	Environmental and social safeguards, gender	International Consultant	Output 1.3.1	Italy
National MEL Specialist	FAO	MEL	National Consultant	Output 2.2.2 and Objective 3	Eritrea
International climate data system specialist	FAO	Climate data	International Consultant	Output 2.2.2	Italy
International MEL specialist	FAO	MEL	International Consultant	Output 2.2.2 and Objective 3	Ethiopia
National translator	FAO	Languages	National Consultant	Objective 3	Eritrea
Finance Specialist	FAO	Finance, accounting	National Consultant	Finance support across the programme	Eritrea
Procurement Specialist	FAO	Procurement, operation	National Consultant	Procurement support across the programme	Eritrea
International consultants (AFOLU expert, GIS & Remote Sensing, NRM specialist, MRV Expert, Land Degradation Specialist, Socioeconomic / Drivers Analyst)	FAO	Forestry, remote sensing, natural resources management, MRV, socioeconomic analysis	International Consultant	Activities 1.2.1.c-d	Italy
International climate & NRM specialist	FAO	Climate change, natural resources management	International Consultant	Objective 3	Ethiopia

N/A

6.3 Fund flow arrangements

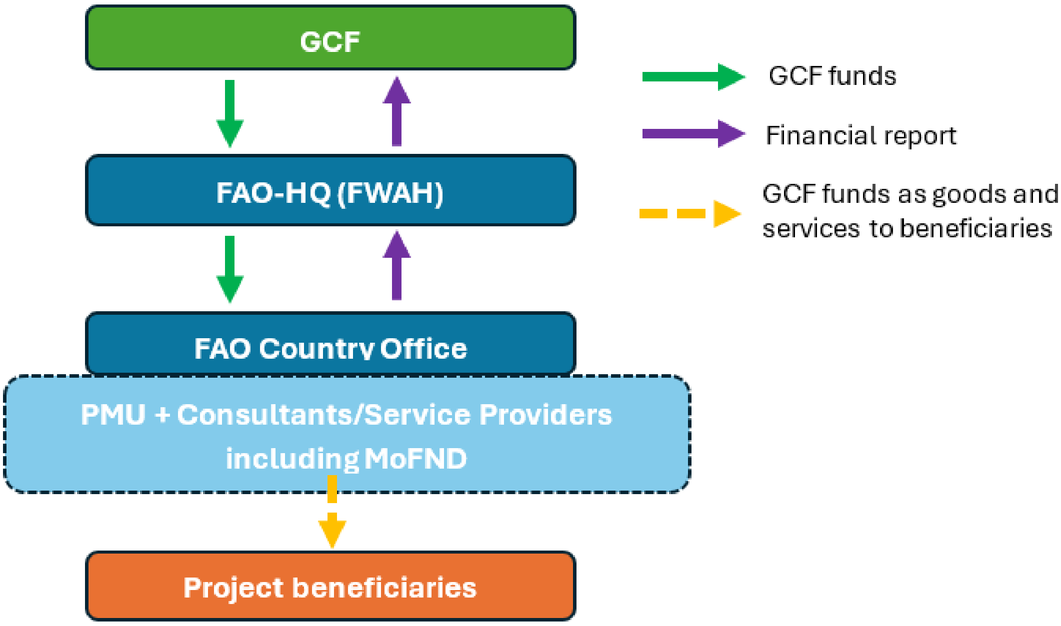
In accordance with the provisions of the FAO–GCF Framework Agreement, the readiness funds will be transferred directly from the GCF to FAO. All funds will be received and managed by FAO in a dedicated USD account. Exchange rate risks will be managed in accordance with FAO's financial regulations and procedures, ensuring that all conversions are conducted using official UN exchange rates to minimize exposure to currency fluctuations. In addition, a contingency provision of 3% has been included in the proposal budget to help mitigate potential losses arising from exchange rate variations/inflation during implementation.

Under this Readiness support, financial resources will be administered by FAO in its role as FWAH, ensuring compliance with GCF fiduciary requirements. Project resources will primarily finance technical assistance, analytical studies, capacity-building activities, equipment, and operational support benefiting national institutions and stakeholders. Where appropriate and if approved by GCF, selected activities may be implemented by service providers through contracts with national entities, academic institutions, and specialized partners, enabling them to receive resources for eligible implementation costs while FAO retains full implementation responsibility and accountability as per the obligations under the Framework Agreement with GCF. No financial or other obligations will be delegated, assigned, or otherwise undertaken by any other entities. In light of this, MoFND will be engaged as a procured service provider under a contract arrangement consistent with FAO procurement procedures, and that no direct transfer of GCF funds to MoFND as a government entity will occur.

The start date and disbursements will be in accordance with the Framework Agreement.

See attached a diagram showing the complete flow of funds.

6.3.1 Flow of funds diagram



7. Monitoring, Evaluation and Reporting

Guidance

The RRMF has been revised to align with the objectives and outcomes outlined in the 2024-2027 readiness strategy, with the view to (1) simplify and streamline monitoring and reporting procedures; (ii) appropriately capture and reflect the systemic approach and strategic, programme-based methodology for planning and implementing readiness support; and (iii) establish a clear connection between readiness support and the enhanced programming capacities of developing countries and DAEs to effectively access and utilise climate finance.

Please note that there are as per the Revised RRMF, there are two levels of monitoring and reporting. The first is at the programme/project level, and the second is at the Country level. Outlined below are the monitoring and reporting requirements and responsible parties.

7.1 Programme Monitoring and Reporting (Output-Level)

Responsibility & Tasks:

- In the case of direct access, the NDA/focal point, an agency designated for direct access, or a Framework Agreement (FWA) holder is responsible for monitoring the programme/project's implementation and preparing relevant reports that detail the progress of output-level results and deliverables as articulated in the programme/project logframe.

Financial Reporting:

- Regular financial reporting is the principal reporting mechanism under Readiness. Reports should provide an overview of funds received and expended and a comparison of planned versus actual expenditure with rationale for any variances. All financial reports must be presented in USD, in line with the approved programme budget. The detailed reporting requirements, including content and format, will be specified in the implementation-related templates.

Reporting Frequency:

- Annual progress reports, including financial reporting, are to be submitted to the GCF Secretariat by 31 March of each year, unless otherwise agreed to in the respective legal agreements. Upon project closure, a completion report must be submitted within six [6] months of the completion of the activities

☒ By checking this box, I acknowledge awareness of reporting tasks, including frequency and content

7.2 Financial Audits

Responsibility:

- Independent, third-party auditor commissioned by [choose appropriate] the NDA/focal point or designated agency or FWA holder in case of direct access.

Task:

- Regular financial audits to ensure responsible and transparent fund management, preventing misuse or mismanagement and ensuring compliance with GCF and national requirements.

Reporting Frequency:

- Annual financial audit reports must be submitted to the GCF Secretariat by 31 March of each calendar year, unless an alternative frequency and deadline is agreed upon at the conclusion of the legal agreement. The completion financial audit report to be submitted to the GCF Secretariat within three months of completing the activities.

Please confirm which type of auditor will be selected and provide any details

☐ Private Auditor

☒ Public Auditor (such as Country Supreme Audit Institution (SAI) or other)

Note that this is not applicable for FAO. FAO, in accordance with the provisions of the signed Framework Agreement, shall submit to the GCF a certified annual financial report for this Readiness Proposal, based on FAO's audited financial statements, no later than 30 November of each year (clause 10.02b).
Not applicable

☒ By checking this box, I acknowledge awareness of financial audit responsibilities, including frequency

7.3 Mid-Term Review (if the programme is four years)

This will align with the Year 2 annual progress report; a separate mid-term report is not required. Instead, a specific section in the Year 2 annual progress report will focus on the assessment of the adequacy of the initial design of the four-year programmes, the evaluation of the progress made towards achieving project objectives, and the review of the effectiveness of the delivery partner (if selected from the GCF pre-qualified pool). It will also identify any challenges encountered. The findings from this review will be used to make necessary adjustments to the project implementation plan in Years 3-4.

☒ By checking this box, I acknowledge awareness of reporting tasks, including frequency and content

7.4 Final Evaluation

Responsibility:

- An independent evaluator will be commissioned by the NDA/focal point, a designated agency or a FWA holder.

Task:

- Upon completion of the project implementation period, an independent evaluation will be conducted to assess the overall impact of the readiness activities. This evaluation will measure the contribution of these activities to the country's objectives and GCF outcomes, guided by the GCF Evaluation Policy and Standards. It will include an impact assessment and document lessons learned to inform future project planning and readiness support. If the country selects two programmes, the GCF Secretariat and the country may consult to explore the rationale and feasibility of conducting a single evaluation for both programmes.

Reporting Frequency:

- The final evaluation report will be submitted to the GCF Secretariat within three months of completing the Readiness activities.

If the country is considering two programmes, please confirm under which programme the final evaluation cost will be included in the budget:

☒ The final evaluation cost is included in this programme.
☐ The final evaluation cost is included in the other programme.
☒ By checking this box, I acknowledge awareness of reporting tasks, including frequency and content

7.5 Sanctions and Restrictive Measures

In accordance with FAO rules and regulations, FAO will perform all necessary actions to ensure that the project be implemented in full compliance with any UN sanctions list that may be of relevance. No entities or individuals who are subject to or affected by United Nations Security Council sanctions regimes will be involved in this proposal or its associated activities, either as counterparts or beneficiaries. Eritrea is not currently subject to any UNSC or other applicable sanctions regimes.

7.6 Grievance Redress Mechanisms
For this Readiness proposal, the NDA/PSC shall facilitate the resolution and/or clarification of any concern directly linked to implementation of the project that beneficiaries and involved stakeholders may have. In case the conflict refers to FAO, the NDA will present the complaints and claims to the FAO Representation in the country (FAO-ER@fao.org). If a notice of receipt of the claim is not received within 7 days, the complaint or concern must be sent to the FAO's regional office in Africa (FAO-RAF@fao.org) for action. The project beneficiaries may send a complaint to the FAO Office of the Inspector General, who shall carry out an independent investigation. The procedure for the claims is detailed at http://www.fao.org/aud/. Email: Investigations-hotline@fao.org. The follow information to file a complaint directly with the Independent Redress Mechanism of the GCF: Email: irm@gcfund.org Office telephone: +82 32-458-6186; Fax: +82 32-458-6096; Cellphone: +82 10-4296-1337 All FAO personnel are required to report any breach of the Organization's rules and to cooperate with the Organization's oversight functions. An individual who makes a report in good faith has the right to be protected against retaliation. The FAO Whistleblower Protection Policy follows the guidelines to report allegations of possible wrongdoing in the activities of the project stated in the Administrative Circular 2019/06. Under this policy, the Ethics Officer is responsible for the receipt of complaints of retaliation and for conducting the prima facie review of such complaints, prior to an investigation by the Office of the Inspector-General. A specific FAO Hotline has been stablished for retaliation reporting (Retaliation-report@fao.org). The Whistleblower protection policy was revised in June 2021 and promulgated through AC 2021/10. The policy is available in all FAO languages here. Retaliation against individuals who have reported concerns or who have cooperated with an authorized oversight activity violates the fundamental obligation of all FAO personnel to uphold the highest standards of efficiency, competence and integrity, and to discharge their functions and regulate their conduct in a manner that is in the interests of the Organization. Acts of retaliation will result in disciplinary or administrative action.

8. Budget

8.1 Budget
See attached the completed budget template. Download template
Budget source Of the total amount requested under this proposal, please outline how much is requested from the country window and how much from NAP origination or implementation, if applicable ☒ Country window: Insert amount requested out of the TOTAL AMOUNT REQUESTED $4,000,000 ☒ NAP Origination: Insert amount requested out of the TOTAL AMOUNT REQUESTED $163,014 ☐ NAP Implementation: Insert amount requested out of the TOTAL AMOUNT REQUESTED N/A **Budget plan (please complete in the separate document)** While developing the budget, please consider the ineligible costs as per page 13 of the **Initial Guide for Countries to Access Readiness Support**

9. Other relevant information

9.1 Exit and Sustainability Strategy
The readiness support will create durable, self-sustaining institutional capabilities within Eritrea's NDA, prospective DAE, members of the National Committee on Climate Change and other climate stakeholders. Below is an outline of how the grant will support capacity-building and institutionalization, integration into national systems, and long-term sustainability to ensure that the benefits of this readiness grant continue beyond implementation. **1. Capacity Building and Institutionalization** Based on an initial capacity needs assessment, the readiness grant will deliver targeted training programmes tailored to the core competencies required for the NDA, line ministries, coordination mechanisms, and candidate DAE. These trainings will likely cover GCF modalities and compliance, including investment criteria; project identification, appraisal, and prioritization; CN/FP development; monitoring, evaluation and learning; gender-responsive safeguards; fiduciary management; and the integration of climate data for decision-making. Each training module is designed to be practical and directly applicable to stakeholders' day-to-day responsibilities, accelerating their ability to independently manage future GCF processes. Recognizing the potential for staff turnover, the project will develop comprehensive training manuals and record key training sessions as video resources. These materials will allow for efficient onboarding and ensure continuity of institutional capacity even as personnel change. To support long-term institutionalization, the project will produce standardized tools, templates, and operational instruments that can be integrated into existing workflows. These include appraisal and prioritization criteria, fiduciary and safeguards SOPs, Monitoring, Evaluation and Learning guidelines, stakeholder engagement protocols, and user guidance for the Climate Data Management System (CDMS) and Country Platform for Climate Finance (CPCF). By embedding these tools within the NDA, the DAE's and other ministries' internal procedures, the readiness support ensures continuity despite staff turnover or administrative changes. Regarding the sustainability of the CPCF, this Readiness programme will strengthen and institutionalize the existing coordination mechanism to support climate finance planning, stakeholder engagement, and the development of a strong project pipeline, rather than creating a new structure. With targeted capacity development, operational procedures, and improved coordination mechanisms, the platform will foster greater collaboration among sectoral institutions/ stakeholders and reinforce national ownership of climate finance processes. The knowledge, tools, and coordination arrangements established through the Readiness programme will be embedded within existing government structures, providing continued support for climate action far beyond the readiness grant period. Furthermore, the platform will serve as a sustainable mechanism for advancing the implementation of national climate priorities, including NDC, NAP and LTS. By leveraging existing institutional mandates and government-led coordination processes, the platform will ensure ongoing engagement and effective climate finance mobilization after the programme concludes. As part of the development of the Operation Manual for the Secretariat of the Country Platform, clear roles and responsibilities as well as financing arrangements will be defined in consultation with the relevant stakeholders. **2. Integration into National Systems** The readiness support directly strengthens Eritrea's climate governance architecture by updating the Long-Term Strategy (LTS), supporting NDC operationalization, preparing the foundation for implementation of the NAP, and developing a Climate Investment Plan. Institutional roles and practices reinforced through the readiness support—such as structured coordination mechanisms, standardized project appraisal processes, DAE fiduciary and safeguard systems, and national MEL protocols—will be integrated into formal national or entity-level procedures. This will include the establishment and use of the CDMS and CPCF will strengthen and coordinate decision-making by providing an integrated platform for climate data, investment mapping, and pipeline development. Where possible, new tools and processes will be embedded within ministerial directives, technical working group terms of reference, and institutional guidelines used by the NDA and DAE. This ensures that improved practices become routine elements of Eritrea's climate governance system rather than project-specific innovations. **3. Sustainability Mechanisms** To promote lasting knowledge retention, the readiness support integrates a train-the-trainer model, enabling selected staff from key ministries, DAEs, and academic institutions to become national trainers. These individuals will receive advanced training and mentoring so they can independently deliver future sessions on GCF project preparation, safeguards, MRV, gender, and climate rationale. This multiplier effect ensures that capacity can grow nationally even after the readiness grant ends.

Sustainability will also be ensured via CPCF and CDMS, which will host training sessions, guidance materials, climate data, operational manuals, and SOPs. These will ensure easy access for new personnel. These resources and mechanisms will allow Eritrea to maintain an active climate finance community capable of engaging the GCF and other climate funds long after the readiness grant concludes.

9.2 Readiness Programme Closure

Grant closure will be carried out in accordance with the provisions of the Framework Agreement. Tangible and intangible assets (including equipment, technology, intellectual property, and any developed resources) procured by FAO will remain the property of FAO for the duration of the readiness grant. The Government will provide safe custody of such equipment, which is entrusted to it prior to the end of the readiness grant. The transfer process will be clearly documented and agreed upon by all parties, ensuring that beneficiaries are adequately prepared to assume ownership and responsibility for the assets. Upon closure of the Readiness grant, the final disposition and transfer of these assets will be determined jointly by FAO and the NDA.