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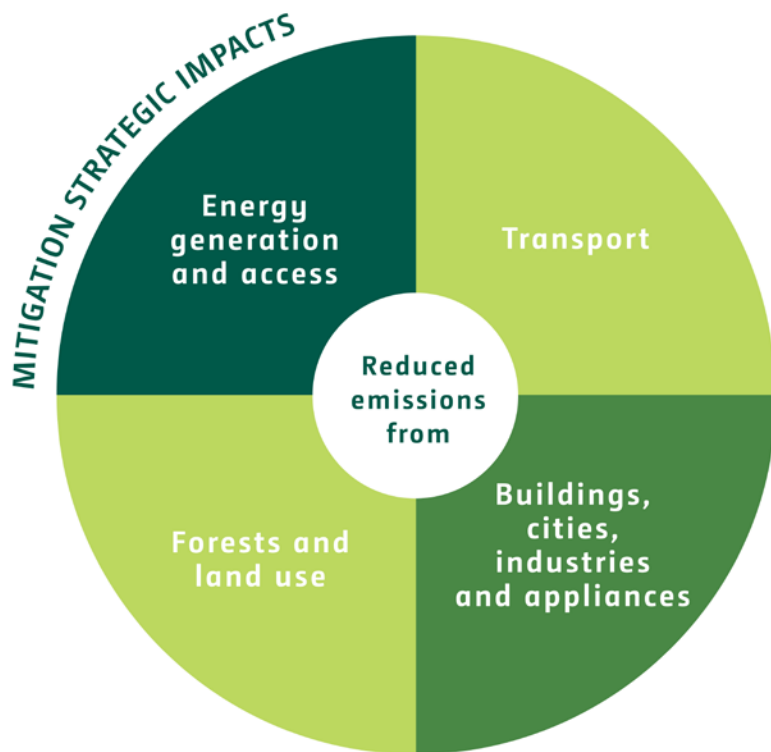
Designing a GCF Funding Proposal

EMPOWERING DIRECT ACCESS | Incheon, May 2017

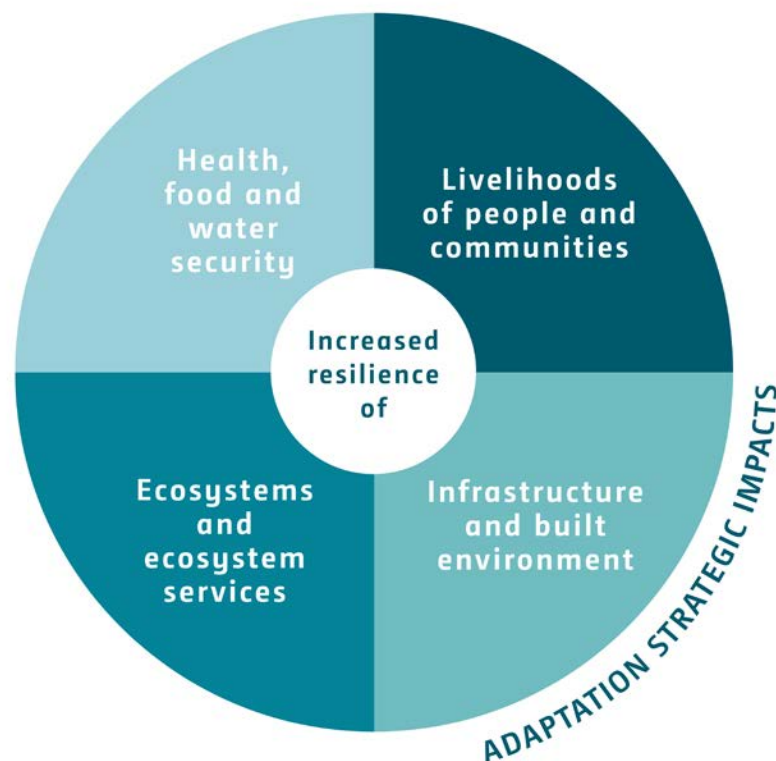
Results areas of the Fund

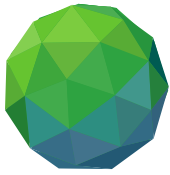
Innovative, sustainable, high impact potential proposals in:

Mitigation



Adaptation



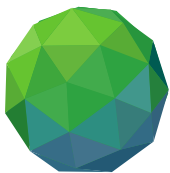


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GCF Project Cycle – until approval



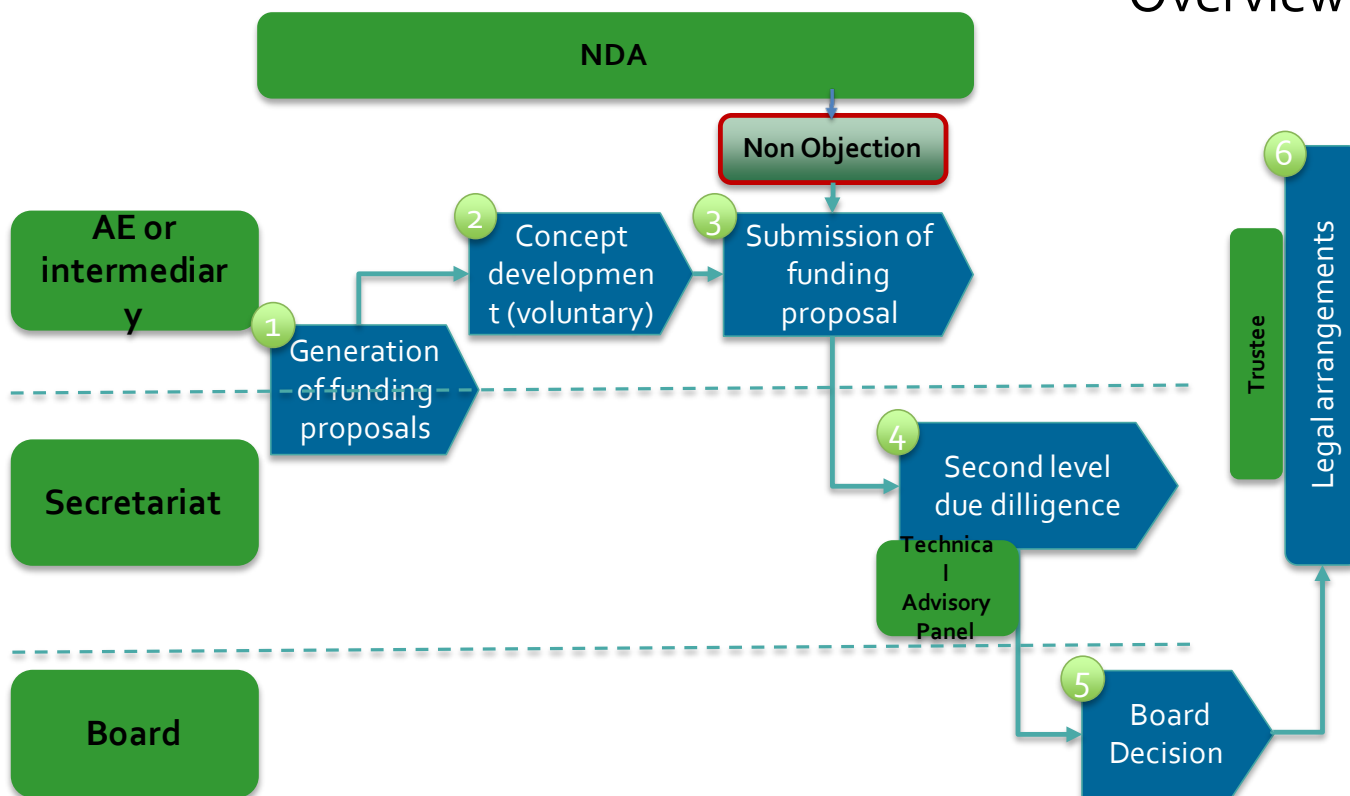
Funding Proposal Review

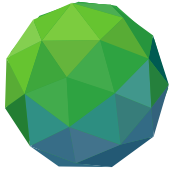


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Initial Proposal Approval Process

Overview





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Funding Proposal Review Process

NDA

Stage 1 Completeness check

Complete information and documentation
Adequate level of advancement

Stage 2 Second level due diligence

Performance against investment criteria
Consistency with GCF safeguards & policies

Stage 3 Independent TAP assessment

Performance against investment criteria

Stage 4 Submission of package to Board

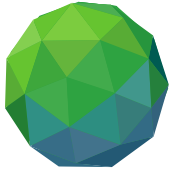
Accredited Entity



Completeness of Funding Proposal

Project documentation:

- No-objection from the country NDA(s)
- Feasibility study -> providing rationale for proposed design, structure & costs
- Procurement plan, budget breakdown
- Environmental and social impact assessment
- Gender assessment and analysis
- Risk assessment
- Logic framework
- Stakeholder consultations



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The GCF Funding Proposal Template

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Second-level Due Diligence

Performance against investment criteria



Impact potential

Paradigm shift potential

Sustainable development potential

Needs of the recipient

Country ownership

Efficiency and effectiveness

Consistency with GCF policies



Environmental and social safeguards

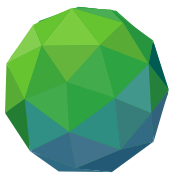
Gender policy

Risk

Fiduciary standards

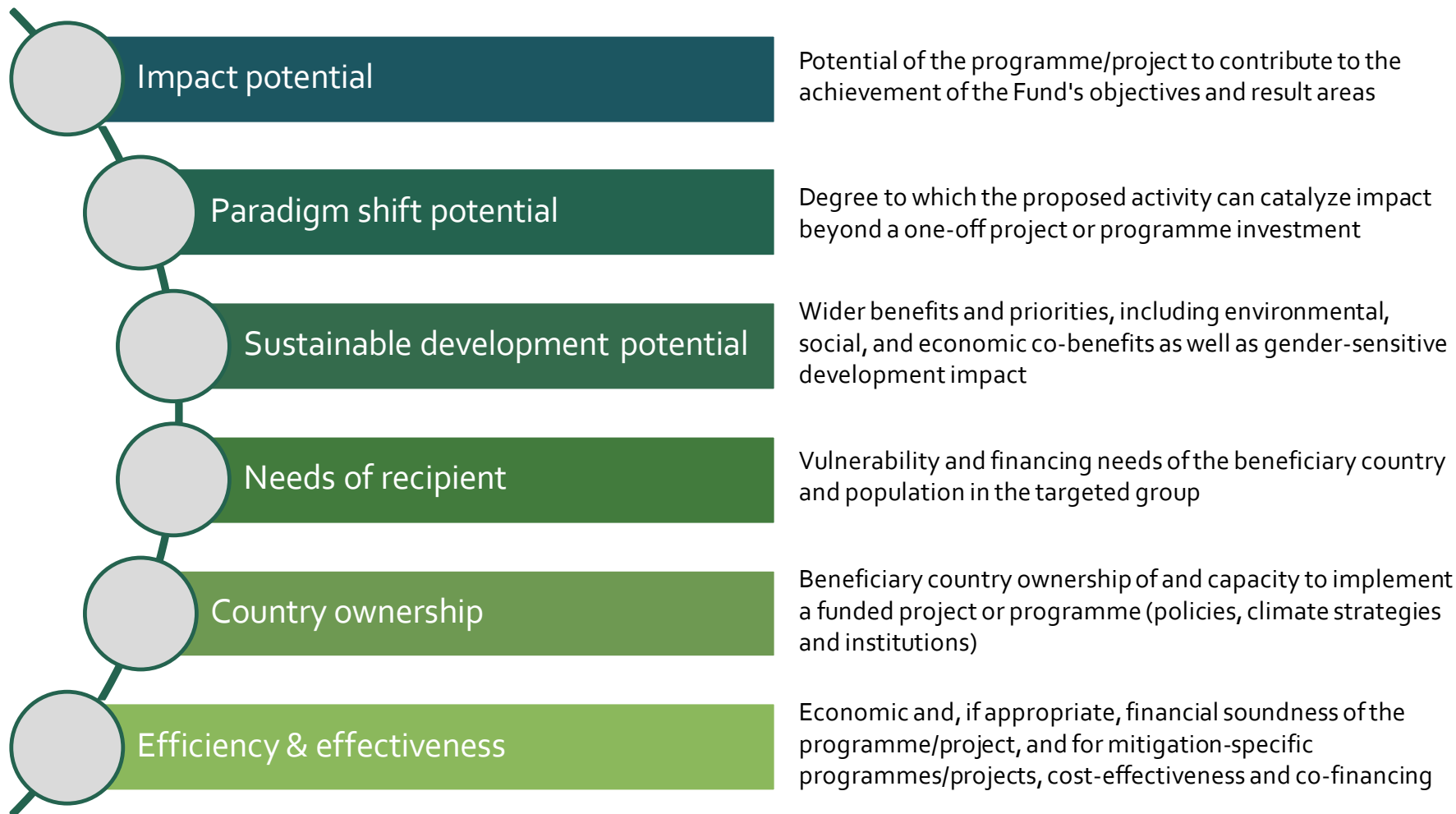
Results management and reporting

Legal



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Investment Criteria





Investment Criteria – Attention Points (1)

Climate Impact Potential

- Is the linkage to climate change relevant, clear and strong?
- Is the methodology to calculate emission reductions robust?
- Is there a strong justification for increased resilience, based on evidence of climate impacts?



Investment Criteria – Attention Points (2)

Viability and Sustainability

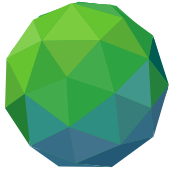
- Is the proposal economically and financially sound?
- Can results be sustained after GCF funding ends?
- Is there a plan and budget for operations and maintenance?



Investment Criteria – Attention Points (3)

Efficiency and effectiveness

- Impact vs funding (e.g. \$/tCO₂)
- Justification for proposed financial instrument and funding amount
- Co-financing and crowd-in additional source of financing



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Examples of gaps identified in the completeness check and 2nd level due diligence



Common Gaps Identified in Completeness Check

1) Incomplete information

- Budget breakdown missing
- Disbursement schedule not provided

2) Missing documentation

- Feasibility study not provided
- Environmental and Social Management Plan (ESMP) needed, but not available

3) Not sufficiently advanced

- Resettlement action plan needed, but not developed
- Stakeholder consultation not conducted



Strengthening Performance against Investment Criteria

1) Climate impact potential

- Use a robust methodology to calculate emission reductions or number of beneficiaries.
- Demonstrate evidence of climate-related impact.

2) Long term sustainability

- Improve viability of economic activities.
- Duly consider O&M plan and its cost coverage.

3) Efficiency and effectiveness

- Crowding in other sources of funding (for mitigation and private sector projects).



Enhancing Consistency with GCF Policies

1) Gender policy

- Conduct gender assessment and identify impacts and livelihoods opportunities for women.
- Disaggregate expected results by gender.

2) Logic framework

- Strengthen cause-effect relation to remove barriers.
- Narrow down scope of activities, more focused.

3) Risks

- Solidify risk mitigation measures to reduce risks.



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