

Climate Impact Potential

Challenges, Lessons Learnt and Way Forward

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Impact potential



DECISION B.33/12 established high-level principles for demonstrating the impact potential of GCF-supported activities

For mitigation

- <u>Alignment</u> of the activities with host country priorities, including nationally determined contribution (NDC)
- A <u>methodology</u> for the quantification of mitigation results of the activity should be selected and used
- The mitigation methodology should help determine project impact <u>boundaries</u>; define <u>baseline</u>; and show <u>additionality</u>.
- Quantification of mitigation impact should use consistent assumptions (e.g., emission factors) to those made in national GHG reporting
- Proposals should describe establishment of a <u>MRV</u>

For adaptation

- <u>Identification</u>: Adaptation proposals should show how the activity addresses current/future projected climate change risk or impact
- <u>Response</u>: Proposals should explain how the activity will reduce exposure or vulnerability and lessen the risk
- <u>Alignment</u>: Proposals should confirm alignment of the proposed activity with the host country's national plans and climate strategies (including NAPs, NAPAs, or long-term climate strategies)
- <u>Monitoring and evaluation</u>: Projects with a well-designed theory of change are more likely to result in successful outcomes

The Secretariat and independent TAP will take these principles into consideration during their guidance and assessment. **The Secretariat will provide capacity-building support (including RPSP and PPF) to accredited entities, especially direct access entities, to enhance the demonstration of climate impact potential.** With a wider expert community, the Secretariat will develop online practical guidance, open-source information platforms, tools and further training materials



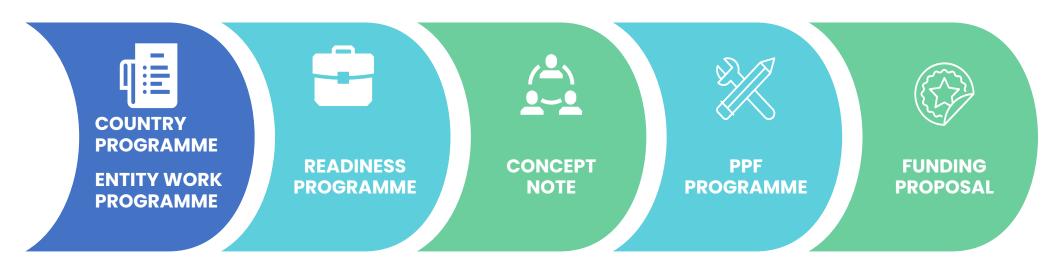




Program and Pipeline Development



- 1. Readiness Program Development
- 2. Project Pipeline Development



Climate change priorities, policies, strategies NDC process 2020

NDA Country Programming 2020-2021 Concept Ideas to Country Programming 2021 NCDDS Entity Work Program 2021-2025 (1st EWP)

GCF Project Pipelines Project Proposal Formulation











Example of GCF Support for Proposal Development



Readiness Support (KHM-RS-005)

SAP Concept Note (LGCC3)

PPF Support

Full **Fundina Proposal**

- Technical Support
- Objective 4: Paradigm-shifting pipeline development
- PPMS reporting

- TA to Proposal Development
- TA to PPF development
- GCF Specialist Review
- CIC2 Review, iTAP

- PPF Service
- Consultancy Roster
- Procurement **Technical/Financial Review**
- PPF implementation
- GCF Specialist Review

- Timeline alignment with NDA **Programming**
- Complementary with past Readiness
- Mainstreaming to PPMS online reporting & Retrofitting to new **RRMF**
- **DP Resource and Commitment**

- Subject to TA/Consultant availability
- Review Sheet by multiple **Reviewers**
- draft PPF, including budget estimation, duration predefined

the that they had the

specific CIC windows

- Subject to TA availability
- Limited to GCF Consultancy Roster
- Bid proposals are strict, no negotiation on implementation timeline and such

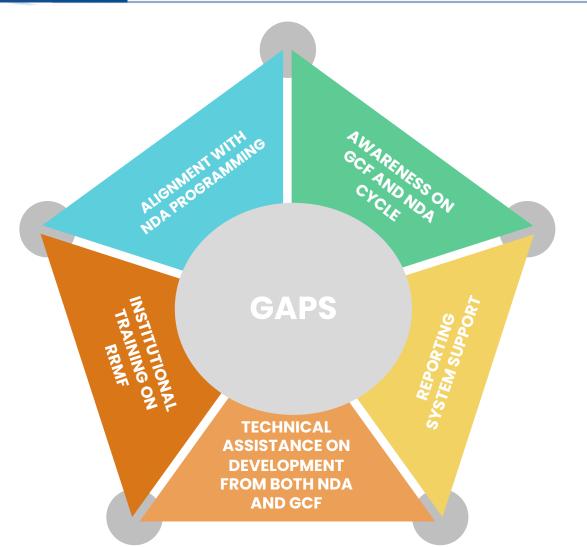
- lack awareness on Readiness/PPF cycle (excluding NAP Readiness)
- lack awareness on SAP CN proposal cycle
- support limitation on PPMS system





DAE Recommendations





- Flexibility and alignment with NDA programming
- Building awareness/transparency on NDA and GCF programming cycle
- Transition to new reporting system (PPMS) requires adjustment and acclamation
- Better engagement on GCF, NDA and DAE on technical assistance for development works
- Enhance institutional capacity development on RRMF via IRMF Rediness









QUANTIFICATION OF BASELINE AND EXPECTED OUTCOMES

Relevant sections:

- A.5 Impact Potential
- B.1 Context and Baseline

There is a constraint in identifying a baseline in terms of the GHG emissions profile relevant to a project or programme. Moreover, there are challenges on quantifying impact potential and expected outcomes such as:

- ✓ Mitigation or adaptation impacts in terms of tCO2eq
- ✓ Number of direct beneficiaries
- ✓ Number of indirect beneficiaries'
- ✓ Expected change by terms of technological, financial, institutional, social, and gender aspects

DEMONSTRATION OF THE GCF INVESTMENT CRITERIA

Relevant sections:

- B.2 Project or Programme Description
- B.3 Expected Performance against the GCF Investment Criteria

There is a difficulty in aligning and incorporating components and activities of the project or programme to the Theory of Change (ToC). In addition, it is also a challenge to demonstrate project or programme's expected performance against certain GCF investment criteria, to wit:

- ✓ Paradigm Shift
- ✓ Efficiency and Effectiveness
- ✓ Needs of Recipient





ClImATe | Purpose and vision

- Climate impact support and advice
 - Support project development at earliest possible stage
 - Maximize climate impact of projects in GCF pipeline
 - Capacity development, training and guidance for stakeholders
 - Facilitating access to information
- Thought leadership for our community
 - Convening international partners to provide better guidance on sources of climate information and methods
- Leadership on coherence and complementarity on climate change science issues across synergistic strategies (with other funds)

Climate Information Gateway: Supporting Country Planning and Programming

 Only through the effective combination of relevant information can countries/DAEs identify climate actions

- GCF is leading global initiatives to place climate information in the user context:
 - A wiki-style platform that gives access to diverse climate change and vulnerability information to prioritize climate action
 - Trusted documentation the "how to" handbook to synthesize relevant information into planning

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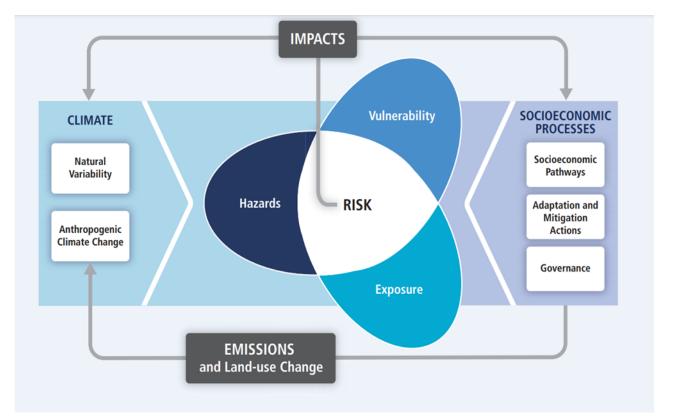
World bank resources

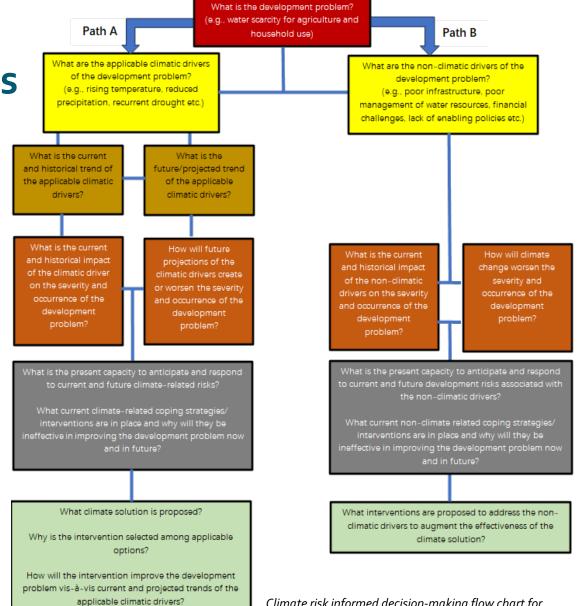
Glossary

FAQ

Climate Change Risk Analysis

- CCRA must inform decisions
- GCF Secretariat working on CCRA guidance (adaptation guidance)





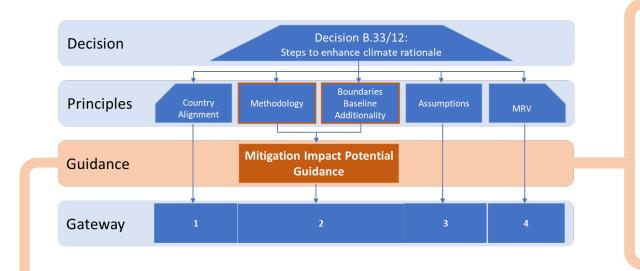
How many beneficiaries are anticipated?

How does the intervention contribute to the SDGs and

national development priorities?

Climate risk informed decision-making flow chart for adaptation pipeline projects/programmes. Both Paths A and B must be fully satisfied for the climate-informed solution to be effective in delivering incremental/transformational adaptation

Mitigation guidance



Step 1 Pick a mitigation methodology that includes guidance for:

- 1. Defining boundaries,
- baselines,
- 3. demonstrating additionality,
- 4. calculation formula, and
- 5. MRV

Step 2 Follow the steps of the methodology

GCF Secretariat is currently finalizing guidance on Mitigation Impact Potential



Raising ambition. Empowering action.

For more information, contact Kevin Horsburgh: khorsburgh@gcfund.org