



# Readiness: The new dedicated window for DAE support

Operational Modalities for Readiness Strategy 2024-2027

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# OUTLINE



- **Scope of Readiness Support**
- **Financing Modality**
- **Access Modalities**
- **Delivery Modalities**

# SCOPE OF READINESS SUPPORT



Objective 1  
30%

Capacity building for CF coordination and enabling environment

Objective 2  
60%

Programming for adaptation and mitigation, based on country needs

Objective 3  
10%

Knowledge sharing and learning

**Outcome 1.3** Direct access applicants and 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.

- Accreditation 'last mile' support
- Support with upgrade and re-accreditation
- Post-accreditation support

Full spectrum of capacity building around pipeline origination → Project ideas → CNs → FPs for GCF financing

- Knowledge sharing → peer-to-peer learning
- Sharing best practices
- Intra- and inter-regional partnerships and dialogues between DAEs

# Scope of Readiness Support Unpacked



## Pre-/Accreditation Support

*[Country Window]*

*Assist candidate DAEs in the initial phase, fostering country ownership of the DAE nomination & ensuring alignment with national priorities.*

Objective 1

Capacity building for CF coordination and enabling environment

- **Gap assessments.**
- **Development of action plans for accreditation.**
- **Institutional capacity building and strengthening to meet accreditation requirements.**

## Post-Accreditation Support

*[DAE Window]*

*Finalise the accreditation process, facilitating completion of accreditation and alignment with GCF standards and policies.*

Objective 1

Capacity building for CF coordination and enabling environment

- **Negotiations/legal opinion for the accreditation master agreement (AMA).**
- **Addressing remaining conditions for board-approved accreditations.**

# Scope of Readiness Support Unpacked



## Enhancing Programming Capacity

*[DAE Window]*

*Support DAEs in developing proposals and programmes that significantly contribute to national climate strategies.*

Objective 2

Programming for adaptation and mitigation, based on country needs

- **Assist by building capacity of DAEs in the development of investment-grade concept notes and funding proposals.**
- **Facilitate alignment of proposals with country programming priorities and enhanced direct access goals. Stakeholder engagement.**
- **Enhance skills in programme design with significant climate impact.**
- **Implement environmental and social safeguards.**
- **Ensure skills to promote positive outcomes including gender and social inclusion of diverse groups, such as Indigenous Peoples.**

# Scope of Readiness Support Unpacked



## Improving Implementation Capacity [DAE Window]

*Equip DAEs with project management skills & systems for successful project execution in line with GCF requirements*

Objective 2

Programming for adaptation and mitigation, based on country needs

- **Project management, oversight of technical deliverables.**
- **Financial management.**
- **Procurement, as required.**
- **Stakeholder engagement.**

## Strengthening Monitoring and Reporting [DAE Window]

*Enhance DAEs' abilities in implementing the GCF integrated results management framework (IRMF)*

Objective 3

Knowledge sharing and learning

- **Monitoring and evaluation systems / IRMF.**
- **Accurate documentation.**
- **Reporting on project progress and outcomes in compliance with GCF standards.**

# FINANCING MODALITIES



2024-2027

## DAE Modality

➤ Total envelope **\$ 1 m**  
per entity over 4 years

- Readiness support is to be requested based on a **four-year planning**.
- Activities can be implemented within any period deemed appropriate, so long as a funding request(s) is approved in 2024-2027.

Readiness support to DAEs ➔ based on **coordination** with respective NDA ➔ key to ensure alignment with country priorities. **Coordination** is expected through:

- **Joint Planning Efforts of Pipeline:** Identify and develop climate priorities and investments, achieved through collaborative **country-led programming dialogues**.
- **Clear Communication:** Essential between NDAs and DAEs to communicate national goals.
- **Efficient Channels:** Regular communication facilitates swift decision-making and minimises delays.

# FINANCING MODALITIES: PROPOSED COURSE OF ACTION



- ❑ To ensure that readiness funding does not become the primary source of revenue for DAEs
  - ❖ To ensure purpose-driven utilization of readiness resources
  - ❖ To ensure sustainability of capacity building efforts

Funding requested by DAEs broken down by year **should not exceed** a set percentage of a DAE's **average revenue** over the previous three years\* preceding the request for support.

- ❑ **Tiered and Flexible Threshold:** A range of **30% to 50%** is implemented to adjust according to the DAE's size and financial health. This approach supports DAEs' needs without replacing their primary revenue streams, focusing on sustainability and long-term development.

## ❑ **Factors for Determining the Exact Percentage:**

- ❖ *Sustainability and Financial Health:* Ensuring DAEs remain sustainable and financially healthy, promoting self-sufficiency while providing necessary support.
- ❖ *Readiness Impact vs. Financial Dependency:* Balancing funding impactful capacity-building activities with avoiding financial dependency.
- ❖ *Varying Capacities:* Recognising the different financial health and revenue-generating capacities of DAEs, especially smaller or community-based organisations critical to local climate action.

\* In line with the accreditation on T&Cs



# FINANCING MODALITIES: PROPOSED COURSE OF ACTION



## Example

A DAE applies for support for the full USD 1 million over the four years.

The DAE's revenue for the past three years was USD 600,000 in Year 1, USD 700,000 in Year 2, and USD 800,000 in Year 3 immediately preceding the request for GCF readiness support, averaging to USD 700,000 per year. After evaluating the DAE's financial health and size, as well as the potential impact of its proposed capacity-building activities, a 40% funding threshold is set, equating to an allowable request of USD 280,000.

The DAE's application for the maximum USD 1 million over four years (maximum USD 250,000/year) falls within this threshold, complying with the special financial criterion designed to prevent financial dependency and ensure sustainability.

# FINANCING MODALITIES: PROPOSED COURSE OF ACTION



## Cost Eligibility for DAEs

### Eligible Costs:

- Human Resources: Development and improvement of knowledge and skills.
- Organisational Resources: Strategies, policies, and information.
- Structural: Processes and procedures.
- Material: Stakeholder engagement events, knowledge management, communication, translation.

### Ineligible Expenditures:

- Activities not directly linked to NDCs/NAPs/LTS and GCF USP-2 objectives.
- Staff salaries of DAEs.
- Computer equipment and routine running costs not related to the implementation of countries' NDC/NAP/LTS and engagement with GCF.
- Admission fees and travel costs for international conferences and events.

## Rationale for Cost Eligibility:

**Optimal Use of Resources:** Allocate resources efficiently to prioritise training, knowledge transfer, and skill development, empowering recipients to own climate action initiatives.

**Dependency Mitigation:** Provide support that avoids creating dependency on external funding, helping beneficiaries develop their own capabilities and resources.

**Institutional Longevity:** Ensure the sustainability of beneficiaries' institutions, enabling them to maintain operations independently after external funding ends. This includes planning for future funding and management of activities and costs.

# Q&A

Any questions so far?

# ACCESS MODALITIES



Applicable to the Country Support Modality and the DAE Support Modality\*

Strategic, medium-term programmes based on **4-year planning**

## ONE multi-year PROGRAMME

→ 4 years

- **mid-term** review to course correct in evolving circumstances & priorities ('still fit-for-purpose?')

**or**

## TWO multi-year PROGRAMMES

→ Based on planning for 4 years

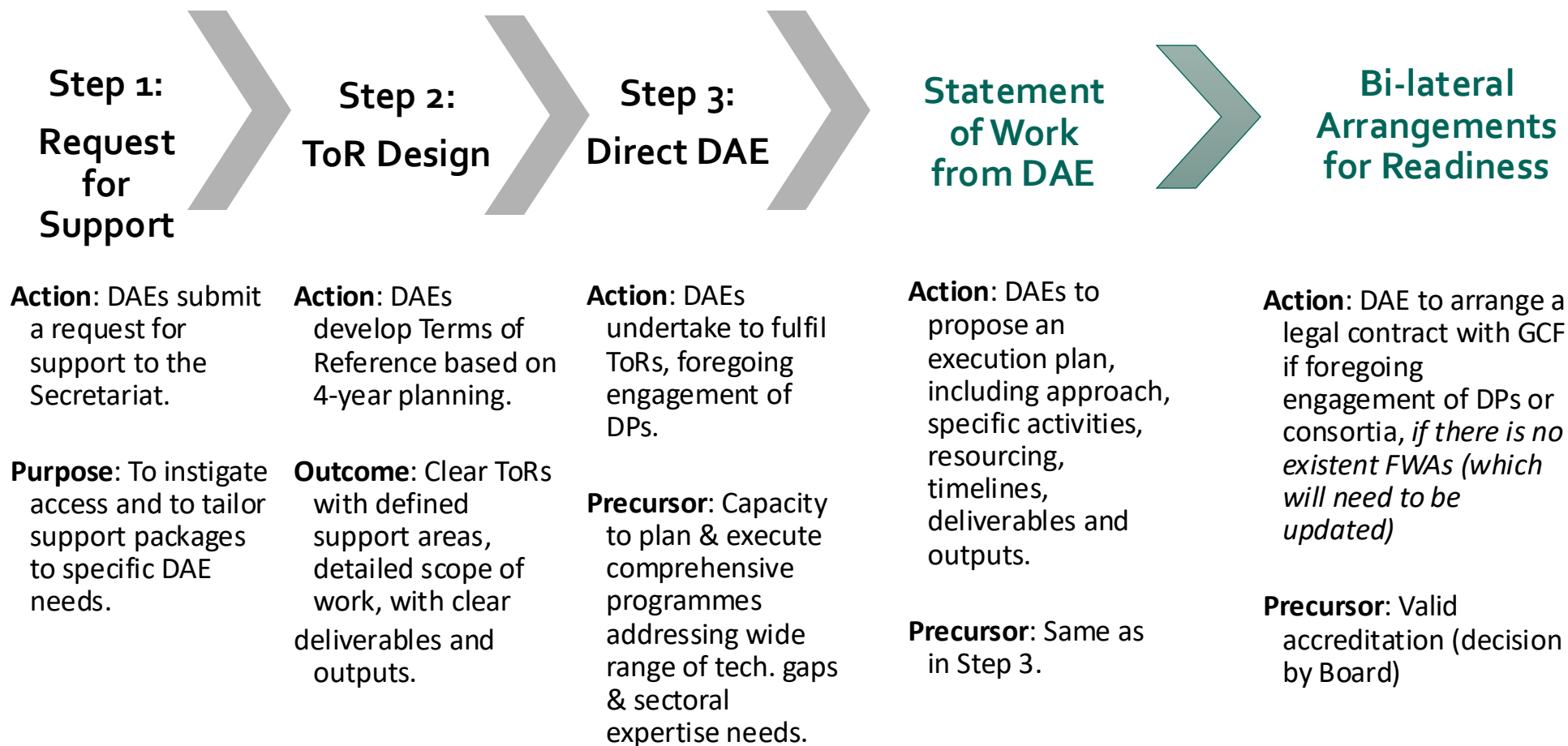
- **1+3** years or **2+2** years, if capacity gaps, recipient agencies, or other requirements are **not suited** for the integrated approach

## Programme size

- DAE modality:
  - Max size USD 1 M

Intentional about efficiency, speed, predictability

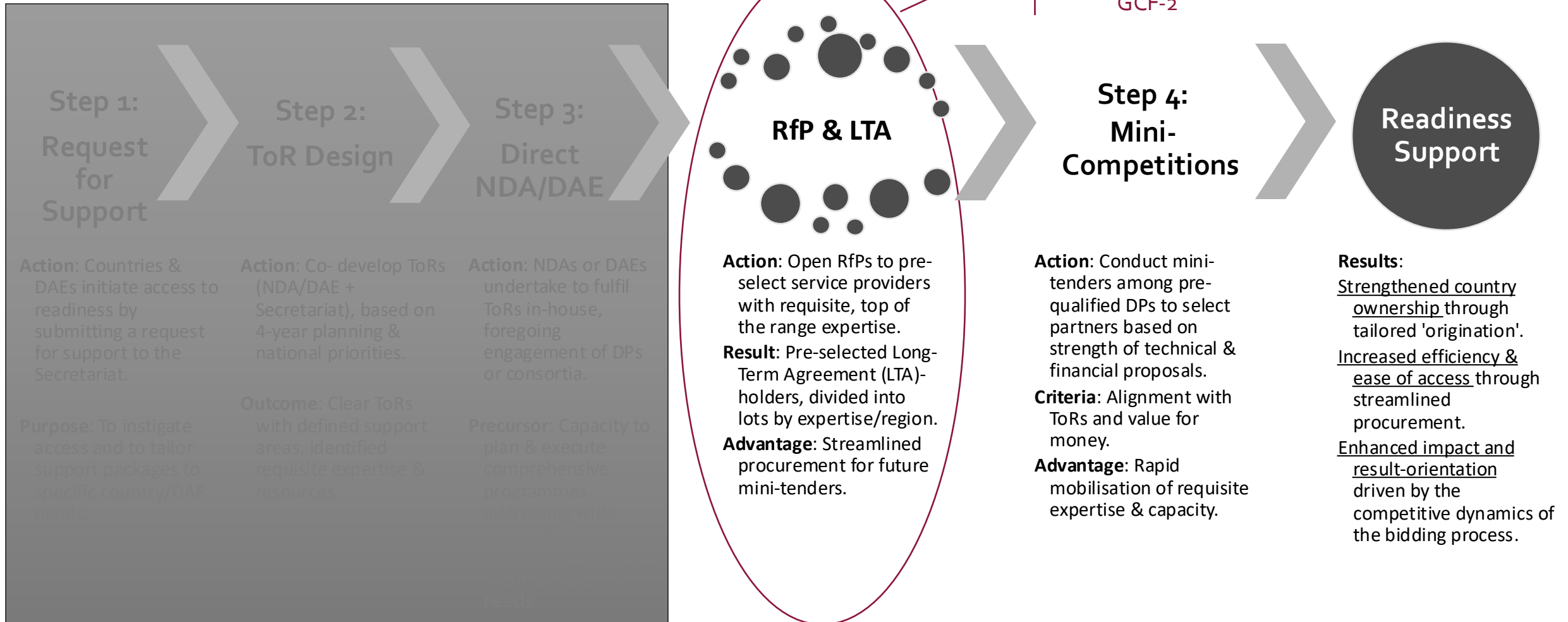
# MODALITY: DIRECT DAE ACCESS



*\* Simplified templates and guidance will be made available on the website*

# SELECTION OF DELIVERY PARTNERS

## Structured Process



# DELIVERY PARTNER (DP) PRE-SELECTION



## Actions

- Select best fit-4-purpose DPs – **once** - for 2024-2027
- Establish Long-Term Agreements (LTAs) → **eliminating the need to negotiate individual grant agreements each time** → reducing downtime

## How we achieve speed and efficiency

- By reducing time for grant agreement negotiations
- By ensuring rapid deployment of specialised services
- By reducing transaction costs for DAE and GCF

LTAs do not guarantee work but make pre-selected DPs preferred suppliers for follow-on, specific contracts to address country-led Terms of Reference.

This allows the Secretariat – upon request from countries and DAEs -, to quickly and efficiently mobilise services from the pool of pre-qualified specialised service providers and agencies, without having to identify and/or negotiate grant agreements every time

# MINI-COMPETITIONS



## Actions

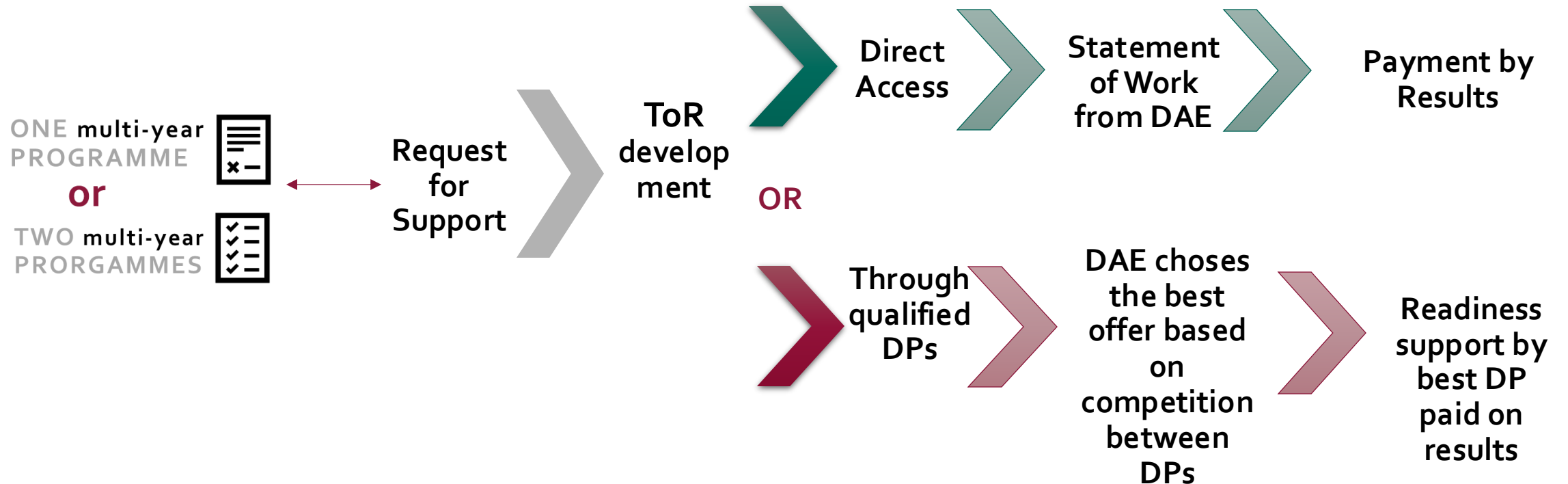
- Pre-selected DPs are invited to submit proposals based on DAE-defined ToRs
- DPs provide methodologies, timelines, and budgets (proposal)
- A panel (DAE + GCF) evaluates proposals for value, alignment with ToRs, and delivery capacity
- A Statement of Work (SoW) is signed, detailing deliverables, timelines, and payment terms

## How we achieve speed and efficiency

- By running mini-competitions among the best providers of expertise
- By removing the need for grant agreement negotiations and other processes



# DIRECT ACCESS VS THROUGH DPS

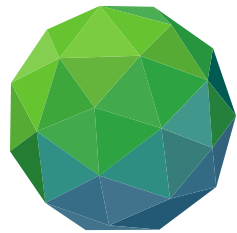


# POLL [DIRECT ACCESS VERSUS DP ENGAGEMENT]

## Would your Direct Access Entity (DAE) prefer to:

- A. Directly access the DAE readiness support. The steps here include:
1. For you/the DAE to develop the ToR outlining readiness needs to be addressed over four years (2024-2027), which must include clearly defined support areas and requisite expertise.
  2. For you/the DAE to develop and submit to GCF a credible implementation plan to address the ToRs outlining specific objectives to be achieved, methodology and work plan, resources, and clearly defined deliverables?
- or**
- B. Deploy a qualified delivery partner to provide support to you/the DAE. The steps here include:
1. For you/the DAE to develop the ToR outlining readiness needs to be addressed over four years (2024-2027), which must include clearly defined support areas and requisite expertise.
  2. For a pre-qualified delivery partner to address the ToR through competitive tenders, enabling the DAE to select the best offer based on technical approach, methodology, and proposed cost?

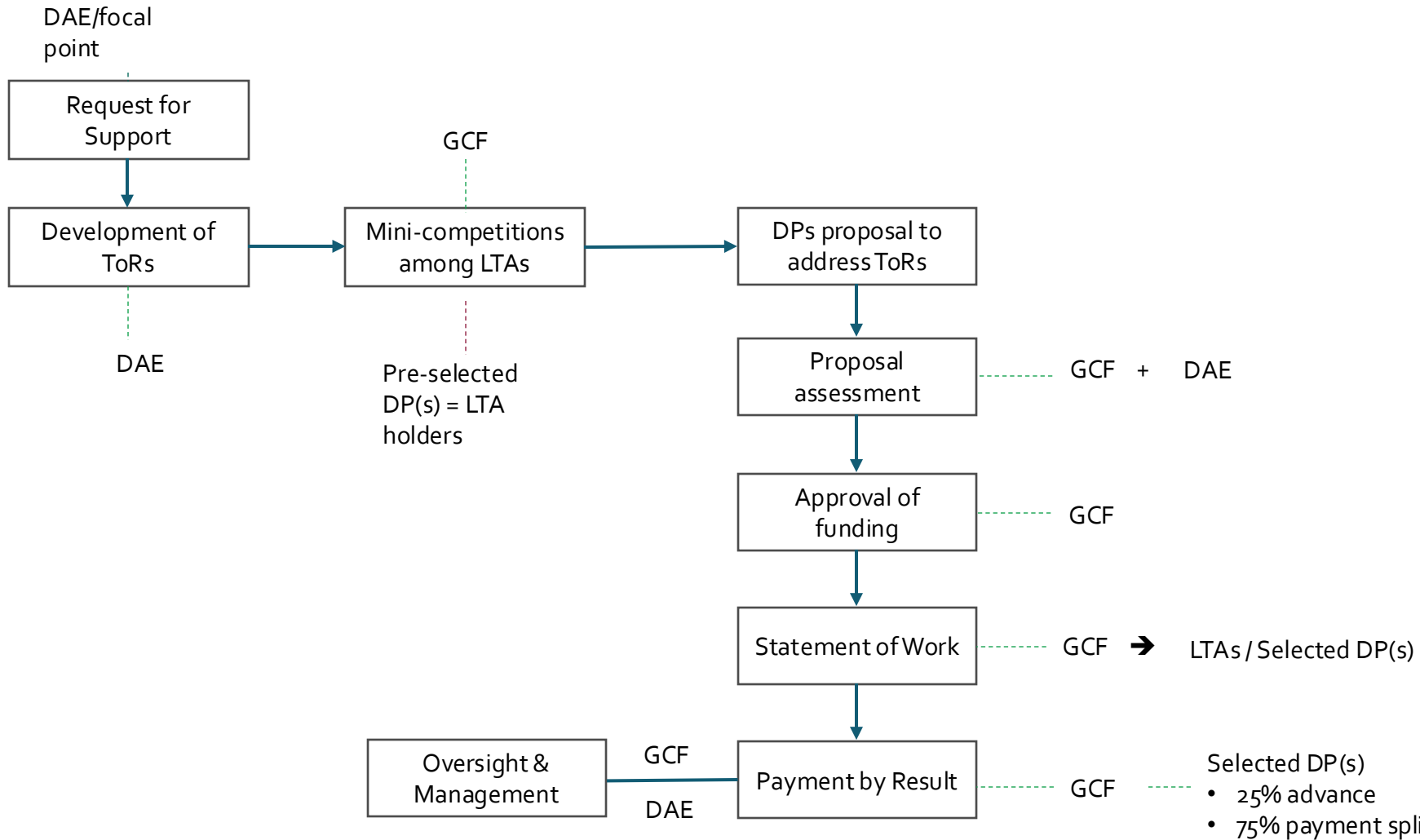
# Q&A



GREEN  
CLIMATE  
FUND

**Raising  
ambition.**  
**Empowering  
action.**

# MINI-COMPETITIONS



- Assessment panel:**
- A DAE representative
  - Relevant GCF technical experts (same as ToRs)
  - Independent experts, if needed

- Selected DP(s)
- 25% advance
  - 75% payment split per agreed results/milestones