



Operational Modalities for Readiness Strategy 2024-2027

Green Climate Fund

5 December 2023

OUTLINE



Key principles and major changes

Operational modalities

- Scope of support
- Financing modalities
- Access modalities
- Delivery modalities
- Reporting modalities

KEY PRINCIPLES & CHANGES



Key principles

- **Programming** approach → moving away from 'grant-by-grant', incremental approach
- **Effectiveness** (delivery), **simplicity** and **speed** (processing)
- **Country-centered** approach to readiness → moving away from the DP-centric approach

Three major changes

Strategic, medium-term planning of readiness support

Focus of readiness on **GCF pipeline origination** and **country ownership**

Selection of DPs → FMCA + **technical merit** → multi-year/ component / sector experience and expertise

ONE multi-year PROPOSAL*

COUNTRY Programme

Strategic **approach** to **DELIVERING** readiness support

* With built-in flexibility

SCOPE OF READINESS SUPPORT



Objective 1
30%

Capacity building for CF coordination and enabling environment

- Cap building for coordination of climate action. LDC & SIDS
- NDC/NAP/LTS. Climate Investment Plan → broad FW outside GCF
- Enabling environment / Greening Fin Sector & Green products for MSMEs

Objective 2
60%

Programming for adaptation and mitigation, based on country needs

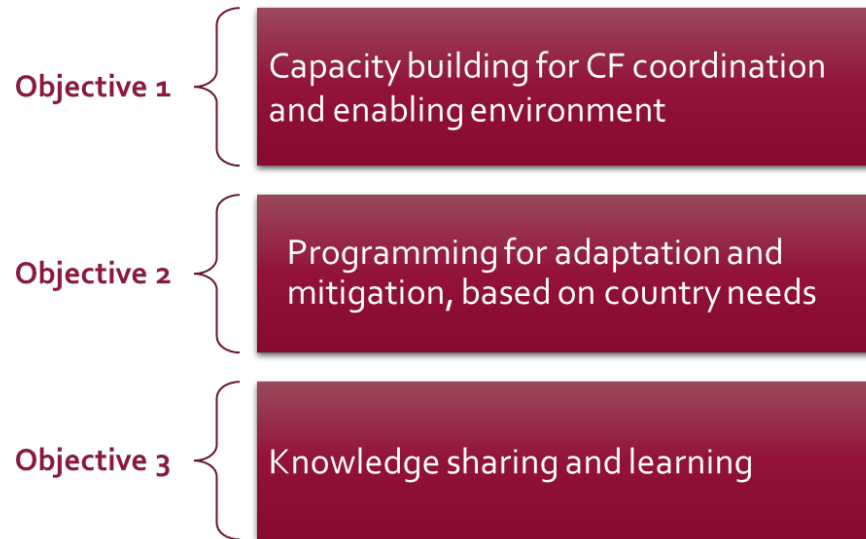
- Country Programme with pipeline for GCF financing
- Full spectrum of capacity building around pipeline origination → Project ideas → CNs → FPs for GCF financing
- Tripartite co-development NDA-GCF-AE/DAE

Objective 3
10%

Knowledge sharing and learning

- Knowledge sharing → bridging policy gaps & climate investments
- Sharing best practices and lessons learnt for peer-to-peer learning
- Intra- and inter-regional partnerships and dialogues, transboundary / South-South cooperation etc.

FINANCING MODALITIES



2024-2027

Country Modality

NDAs

- **\$ 7 million** per country* over 4 years
- **Up to \$ 3 million** of additional NAP **implementation** → if required over & above \$ 7 M →
 - Only if the main envelope is < \$500k remaining in committed funds
 - Based on clear, justifying need & demonstrable impact on NAP implementation

DAE Modality

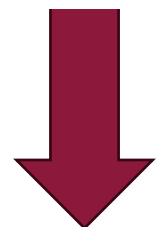
DAEs

- **\$ 1 million** per entity

ONE multi-year PROPOSAL with flexibility

Multi-country proposal

An additional request



- Illustrative areas of support + eligible costs (detailed in the revised Readiness Guidebook)
- Ineligible costs: activities that demonstrate no direct cause and effect linkage with USP-2 targeted results and countries' NDCs/NAPs/LTS; participation in international conferences; staff salaries; computer equipment and office running costs not related to the implementation of countries' NDC/NAP/LTS and engagement with GCF.

* \$ 7.32 M for LDC & SIDS over four years

ACCESS MODALITIES



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

Strategic, medium-term proposals

ONE multi-year PROPOSAL

→ 4 years

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

or

TWO multi-year PROPOSALS

→ Based on planning for 4 years

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

Grant proposal size

- Country modality:
 - Min size USD 1 M
 - Max USD 4/7 M
 - (USD 4.32/7.32 M for LDCs and SIDS)
- DAE modality:
 - Min and max size USD USD 1 M

OTHER ACCESS MODALITIES



Multi-country proposal

- To be led by GCF to propagate meaningful **collaborative** efforts
- To facilitate **transboundary** partnerships, intra- and inter-regional programmes
- Comes from the **country allocation**
 - No limitations on No. of proposals over four years. No min or max grant size
- Participating countries must **agree** on outcomes, outputs, and activities and on **suitable DPs**

Applicable to the Country Support Modality and the DAE Support Modality

An additional request

- **LDC/SIDS** grant for up to USD 320,000/4 years *
 - One proposal for four years
 - Fast track
- **Additional NAP**, if needed over and above USD 7 million → for up to USD 3 million → with clear need and demonstrable impact on NAP implementation
- Additional requests are limited to two (2) per country in a four-year period

Applicable to the Country Support Modality only

ACCESS MODALITIES (CONTINUED)



A special note on accessing DAE support

Funding requested by DAEs broken down by year must be **below** the entity's average gross revenue per year in the three years* preceding the grant application.

- ❑ 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

* In line with the accreditation T&Cs

ACCESS MODALITIES (CONTINUED)



To apply for readiness support

Readiness proposal (concise, streamlined template) aiming at **30/60/10** split to **focus on programming**

- **Results framework** → strong link between readiness and USP-2 and NDC/NAP/LTS
- **Baseline** assessment methodology, to enable tracking and measuring
- **Complementarity** matrix - to ensure value addition /avoid double up
- **Sustainability** → a credible plan for institutionalization of capacity

Fast track procedures and templates

- LDCs and SIDS-related additional proposal

Implementation toolbox

- Updated Readiness **Guidebook**
- Readiness proposal template for **DAEs** (proposal =< 10 pages)
- Simplified readiness proposal for **NDA**s (proposal =< 15 pages), including:
 - Work Plan (1 page) + Budget (Excel)
 - Procurement & implem. plan template (1 page)
 - Progress & completion report template
 - Complementarity matrix template (1 page)
 - Results Framework (1 page)
 - Sustainability strategy template (1 page)
- Template **terms of reference** to engage a delivery partner (ToR =< 5 pages)

ACCESS MODALITIES (CONTINUED)



Streamlined selection and approval process for **SPEED & EFFICIENCY**

- **Eligibility and compliance check** to review completeness → new requirements of the proposal
- **Proposal assessment.** Considering the strategic approach and **competitive selection** of proposals → **one-round** assessment of the technical merit and financial proposal by GCF expert panel
- **Commenting and due diligence.** **One round** and a **defined period** for comments. **Due diligence** assessment in parallel
- **Approvals:** up to USD 1 M → the regional manager (endorse) and the divisional director (approve) ; USD 1-7 M → GCF Readdress Working Group (endorse) and the Executive Director/DED of GCF (approve)

DELIVERY MODALITIES

Delivery Partner or a consortium of DPs

Strategic, medium-term approach to readiness support → a different approach to engaging delivery partners

1. Selection of the most **suitable** and **appropriately qualified** DP or a consortium of DPs – using any combination of national & international expertise → based on **experience & expertise in** the programming approach to capacity building and in the wide range of capacity-building gaps, technologies and sectors



Pre-selected partners

Open and transparent competitive selection

Agencies short-listed by GCF for specific capacity areas (**lots**)

To provide expedited access to specialist providers of support, clustered per capacity area ('lot')

To forge new partnerships seeking synergies in the capacity building ecosystem, for complementarity and coherence



Open call

Request for Proposal (RfP)

Selection based on technical & financial proposals

To enable appropriate, purpose-driven assessment of suitability of DP

2. Payment-by-result approach to engaging DPs, for accountability and impact (milestone-based)

DELIVERY MODALITIES (CONTINUED)



Placement of experts

New instrument for **LDCs** and **SIDSs**

- Serves to **recruit experts** from the respective countries to address the specific human and institutional challenges when engaging with GCF
- Serves to **build capacity** → long-term objective of developing skills of local talent critical to LDC/SIDS' climate priorities
- Triggered through the **fast-tracked additional request** access modality, with a **sustainability strategy** as pre-requisite

Direct support from GCF

General guidance and advice

- Regional technical advisers → to assist with the ToR/RfP for the Open Call and/or payment-by-results
- E-learning modules & publications (sector guidelines, templates)
- A roster of **specialist providers** per capacity (**lot**) → pre-selected by GCF based on **transparent competitive process**

REPORTING MODALITIES



Accountability mechanisms

- External: IEU, the Board
- Internal: RRMF
- Payment by result → DP contract

GCF is currently revising RRMF to:

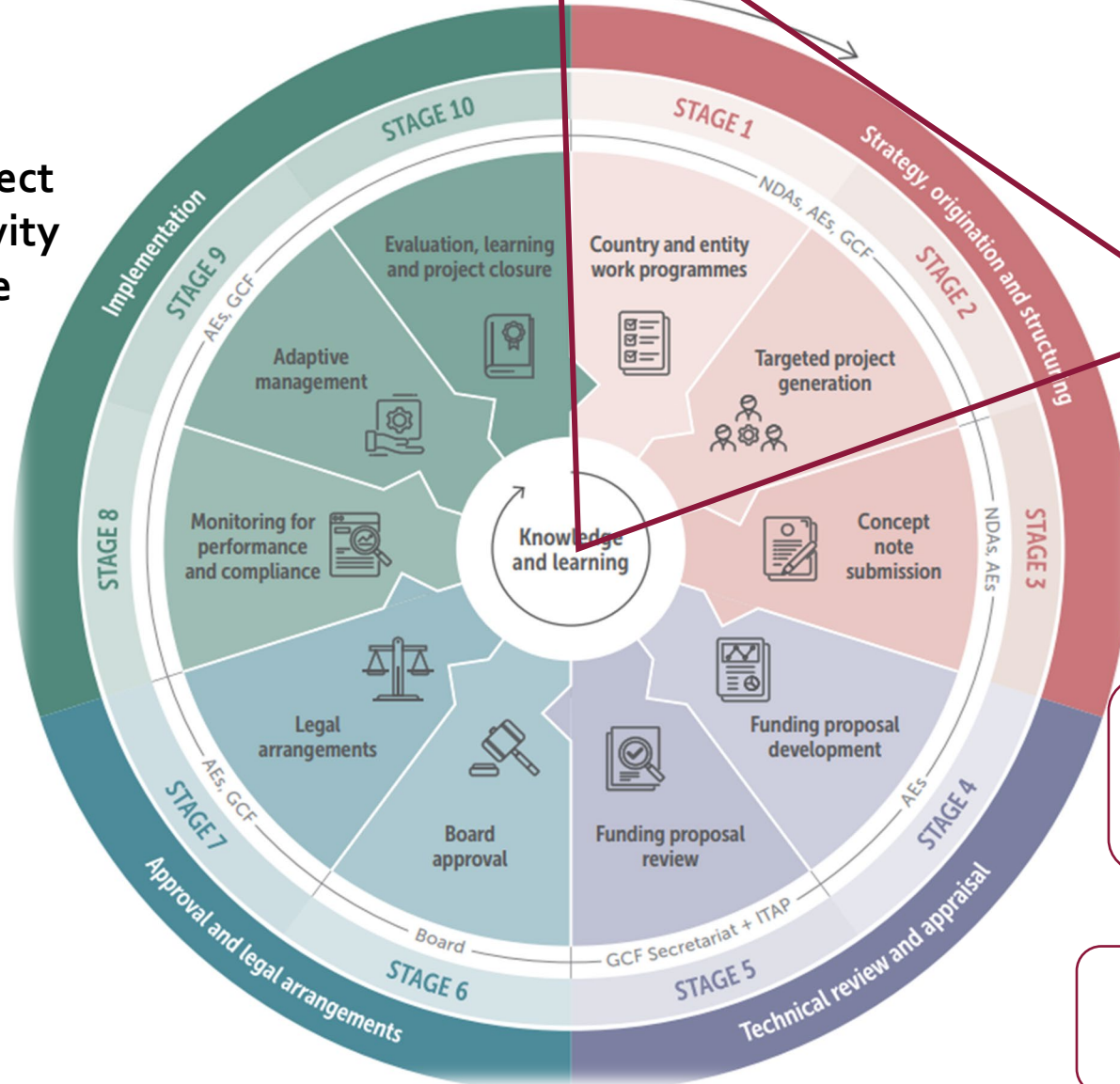
- (i) establish a **clear link** between readiness and increased programming;
- (b) reflect **systems thinking**; and
- (c) **simplify** and streamline.

Reporting

- Portfolio-level reporting:
 - Annual implementation **progress report**
 - End of 2027 → **results and impact** → enhanced **programming capacities** and increased **direct access**
- Grant-level reporting:
 - Annual progress **reports**
 - **Mid term** review (if 4-year)
 - Periodic financial audited accounts
 - End of the four-planning period evaluation → examine readiness **results and impact** → enhanced **programming capacities** and increased **direct access**

COUNTRY-CENTRIC APPROACH

GCF Project activity cycle



Country Programme is “the cornerstone of each country’s pipeline development with GCF. It is the first stage of the GCF project and programme cycle, and forms the basis for prioritising the further development of funding proposals ...”

Readiness → Programming

Streamlining country programming and pipeline development

Readiness is **deployed more intentionally** to support origination of GCF pipeline based on the Country Programme as the single origination point for GCF investments

Phasing out entity work programmes. Entity programming must originate from the Country Programme document

NEXT STEPS



COP 28

5 Dec 2023 – 12 Jan 2024

- Written comments on **operational modalities** for the revised readiness strategy

1 Jan 2024

- The revised **readiness strategy** is effective

28 Jan – 28 Feb 2024

- Online consultation on **operational modalities** for the revised readiness strategy

B.38

March 2024

- Operational modalities for the revised readiness strategy - for Board information

1 April 2024

- Operational modalities become **effective**, with relevant guidelines and forms

OPEN FLOOR DISCUSSION



The readiness strategy 2024-2027 envisages a strategic, medium-term approach to planning and requesting readiness support.



- **What form of support and guidance from GCF** would be most helpful in the development of a four-year proposal for an integrated programme of capacity building activities (e.g. regional technical advisors/consultants? Guidance notes? A mandated/pre-selected DP/consortium)?

- Would assistance of GCF be helpful in **identifying appropriately qualified delivery partners** with expertise and experience for the new medium-term, multi-sectoral/multi-component approach?



If yes, a 'lot'-based approach is suggested for grouping relevant delivery partners per capacity building area and/or region.

- What 'lot' – or **thematic or regional focus** area – would make most sense?



OPEN FLOOR DISCUSSION: DELIVERY MODALITIES



Pre-selection of partners → capacity areas (lots) suitable for clustering of providers

Lot 1 Example Regional	Lot 2 Example Regional/Thematic	Lot 3 Example Programming*	Lot 4 Example Strategic Frameworks	Lot 5
<ul style="list-style-type: none">• East, West and South Asia• Southeast Asia & Pacific• Eastern Europe & Central Asia• Africa (FR/EN??)• Latin America• Caribbean	<ul style="list-style-type: none">• Conflict-affected states• Hard-to-reach & underserved• Indigenous peoples [cluster]	<ul style="list-style-type: none">• Pipeline planning and development• Adaptation & mitigation project design / sectoral expertise• Project structuring	<ul style="list-style-type: none">• Policy reform• Enabling environment• Climate investment planning• NDC/NAP/LTS• Greening financial systems• Private sector	<ul style="list-style-type: none">•

* Checks and balances to be put in place to prevent Col under the programming lot.

OPEN FLOOR DISCUSSION



- What form of **delivery** support do DAEs require under the new funding modality (DPs, specialist service providers)?
- What are the most common areas of support that DAEs require readiness resources for?
.....(potential areas):
 - (i) support with the results measurement frameworks (IRMF, RRMF);
 - (ii) 'last mile' accreditation support, such as with ESS and gender policies, AMA legal assistance, etc. (please list specific areas);
 - (iii) programming capacity building, including working on specific FPs/projects.
 -Please list further areas.



What form of collaboration / support would be helpful for DAEs **and** international AEs, **to help DAEs** build their programming capacities ('paring' on project delivery and implementation, etc.)?

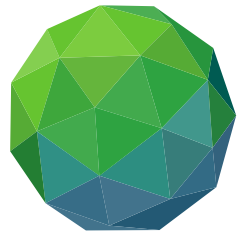
OPEN FLOOR DISCUSSION



Strategic, medium-term readiness requests will cover the three objectives of the readiness programme, namely capacity building and enabling environments, programming for adaptation and mitigation and knowledge and learning.



- What do you need to effectively plan and implement these comprehensive requests?



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