

**Short course 5:**  
***Developing Concept Notes and Funding  
Proposals for Existing Climate Finance  
Mechanisms***



**Author**

Mahugnon Serge Djohy

**Contributor**

Komna Djabare

**Reviewers**

Mariama Camara

Jon Padgham

**Graphic design**

Jeannette Koffi

This document may be cited as:

Djohy, M.S. et al., Developing Concept Notes and Funding Proposals for existing climate finance mechanisms. Workbook of the Short Course 5. Capacity Development Programme in Adaptation Finance Access in LDCs. Produced within the framework of the LDC University Leadership for Catalyzing Climate-Adaptation Finance (UNI-LEAD) project.

This workbook is part of Short Course 5: ***Developing Concept Notes and Funding Proposals for existing climate finance mechanisms***. It is packaged together with the associated PowerPoint presentation and an Instructor's Guide. This short course is the last in a series of five climate finance short courses developed by the UNI-LEAD project to strengthen capacities of universities within the LDC University Consortium on Climate Change to provide technical advice and services to their governments for increased access to climate finance. The project is funded by the GEF, implemented by UNEP and executed by START International in partnership with Climate Analytics, Inc.



## List of acronyms and abbreviations

AE	Accredited Entities
AF	Adaptation Fund
BHAG	Big Hairy Audacious Goal
CCA	Climate Change Adaptation
CF	Climate Finance
CN	Concept Note
EE	Executing Entities
FP	Funding Proposal
GCF	Green Climate Fund
GEF	Global Environment Facility
GESI	Gender Equality and Social Inclusion
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit
LDC	Least Developed Countries
LDCF	Least Developed Countries Fund
LogFrame	Logical Framework
NAP	National Adaptation Plan
NDA	National Designated Authorities
NDC	National Determined Contributions
PPF	Project Preparation Facility
RP	Readiness Programme
SDG	Sustainable Development Goals
ToC	Theory of Change
UNFCCC	United Nations Framework Convention on Climate Change

## TABLE OF CONTENTS

List of acronyms and abbreviations.....	3
List of tables.....	5
List of figures.....	5
Introduction.....	6
Overall course objective.....	6
What to find in this course and where?.....	7
<b>Session 1: The preliminaries for GCF Concept Notes and Funding Proposals development.</b>	<b>8</b>
1.1. Introduction.....	8
1.2. Learning objective.....	8
1.3. Conceptual framework.....	8
1.4. Adaptation project and characteristics.....	12
1.5. Key considerations for developing a climate adaptation project.....	13
<b>Session 2 – The Green Climate Fund Adaptation proposals development.</b>	<b>16</b>
2.1. Introduction.....	16
2.1. Learning objective.....	16
2.3. The GCF mission, investment criteria and templates.....	17
2.4. Overview of the GCF Project cycle and project approval process.....	18
2.5. Key elements to master when preparing a GCF concept note.....	22
2.5.1. Climate Rationale in project design.....	22
2.5.2. Theory of Change (ToC) in project design.....	22
2.5.3. GESI Mainstreaming/Action Plan for GCF proposals.....	27
2.6. Transitioning from GCF Concept Note to Funding Proposals.....	27
2.6.1. Considerations for transitioning.....	27
2.6.2. The GCF Project Preparation Facility (PPF).....	29
<b>Session 3 – Practical session on Designing the GCF Concept Notes and Funding Proposals...</b>	<b>30</b>
3.1. Introduction.....	30
3.2. Learning objective.....	30
3.3. Guidelines to drafting the GCF Concept Note sections.....	31
3.3.1. Section A: Project/Program summary.....	31
3.3.2. Section B: Project/Program Information.....	32
3.3.3. Section C: Indicative financial information.....	39
3.3.4. Section D: Appendices.....	41
3.4. Best practices and recommendations in addressing GCF investment criteria.....	42
Glossary.....	44
References.....	48
<b>Annex 1. GCF Criteria for assessing programme/project proposals.....</b>	<b>50</b>
<b>Annex 2. Practical exercises.....</b>	<b>52</b>
<b>Annex 3. Example of problem tree.....</b>	<b>57</b>
<b>Annex 4. Illustrative Theory of Change.....</b>	<b>58</b>
<b>Annex 5. GCF Concept Note Template.....</b>	<b>60</b>
<b>Annex 6. GCF Funding Proposal Template.....</b>	<b>69</b>

## List of tables

Table 1. Entry points for climate adaptation mainstreaming in budgeting processes	11
Table 2. Evolution of Climate Change Budget Tagging 2011-2021	12
Table 3. Difference Between Public Finance and Private Finance	25
Table 4. Barriers to subnational adaptation financing	39

## List of figures

Figure 1. An Overview of the Climate PIMA	13
Figure 2. C-PIMA Implementation steps	14
Figure 3. Entry points for mainstreaming climate adaptation in a PEER	15
Figure 4. Steps in making systems and institutions climate finance ready	15
Figure 5. Challenges to mainstreaming climate adaptation in budgeting processes	16
Figure 6. Traditional Debt Facility vs Debt-For-Nature agreement	18
Figure 7. DFC framework and NDC implementation	19
Figure 8. Debt-For-Climate (DFC) process	20
Figure 9. Climate Financing Instruments to Leverage Private Sector Investment	28
Figure 10. De-risking adaptation opportunities for private investors	29
Figure 11. carbon market process	33
Figure 12. NDCs and reference to the use of carbon market mechanisms (2019)	33
Figure 13. State and trends of carbon markets	34
Figure 14. Carbon market mechanisms for adaptation funding	35
Figure 15. DCF mechanism	38
Figure 16. The Devolved Climate Finance mechanism	41

## Introduction

The *Developing Climate Finance Concept Notes and Funding Proposals* course provides a practical approach that equips participants with the tools and essential knowledge needed to develop a robust Concept Note and Funding Proposals to existing climate funds mechanisms. It examines the project preparation process, to access major climate funds under the UNFCCC, in terms of investment areas, investment criteria and financial instruments, and how to address the key investment criteria of the Green Climate Fund. This course focused on developing climate finance concept notes and funding proposals is justified by the following elements:

1

**Filling a knowledge gap:** There's a dearth of professionals skilled in crafting effective climate finance proposals. This course addresses this gap by equipping participants with the necessary tools and knowledge.

2

**Enhancing project viability:** By providing in-depth training on project design, impact assessment, and financial modeling, the course will help participants develop projects with a higher chance of securing funding.

3

**Facilitating access to climate finance:** A skilled workforce capable of developing strong proposals can increase the flow of climate finance to critical projects, accelerating climate action.

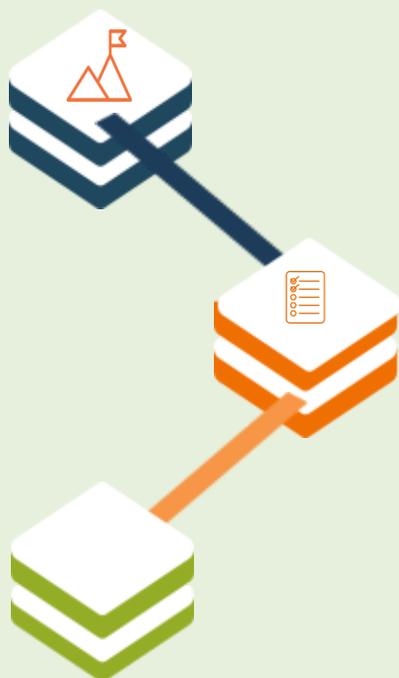
### Overall course objective

The general objective of a course on *Developing Concept Notes and Funding Proposals for Existing Climate Finance Mechanisms* is to equip participants with the knowledge and skills necessary to secure funding for climate change adaptation projects. The course is intended to strengthen the capacities of LDC government officials and others involved in climate finance to develop competitive adaptation proposals, designing high-quality concept notes and funding proposals that stand out from the competition and increase their chances of securing climate funding.



## What to find in this course and where?

The content of this course on Developing Concept Notes and Funding Proposals for Existing Climate Finance Mechanisms is organised around three (3) parts and six (6) sessions which are:



**Session 1: Preliminaries for developing concept notes and climate finance proposals**

**Session 2: The Green Climate Fund (GCF) Adaptation Proposals development**

**Session 3: Practical session on designing GCF Concept Notes and Funding Proposals**

In addition to these 3 sessions, this short course provides relevant information and resources for each module/session as drawn from the PowerPoint presentation, which is part of this short course training materials package.

# Session 1: The preliminaries for GCF Concept Notes and Funding Proposals development

## 1.1. Introduction

Securing climate finance is essential for addressing the pressing challenges posed by climate change. To successfully access these funds, developing compelling concept notes and proposals is paramount. This section will lay the groundwork for crafting effective concept notes and funding proposals by exploring the critical preliminary steps involved in their development.

Understanding the intricacies of climate finance mechanisms, identifying project opportunities that align with funding priorities, and building a strong foundation for project design are essential for maximising the chances of securing financial support. By mastering the conceptual framework, the process and other preliminary stages, the participants will be well-equipped to develop persuasive proposals that resonate with funders and drive impactful climate action.

The following sections focus on the (i) conceptual framework, (ii) the adaptation projects and characteristics and (iii) key considerations for developing a robust climate adaptation project.

## 1.2. Learning objective

The session presents the conceptual framing around project design for climate funds. The learner will have an overall view of the process of preparing and submitting climate projects, from project idea identification, to the design of the concept notes and funding proposals, and the responsibilities of key players including the National Designated Authorities, Focal Points, Accredited Entities and potential co-financers, the potential executing partners, the project co-promoters, the beneficiaries etc.

## 1.3. Conceptual framework

There are a number of concepts and clarifications that are important in order to effectively navigate this course.

First of all, it is important to understand the difference between a climate-focused project and a classic development project. The primary distinction between the two project types lies in their primary objective, focus and climate change consideration:

	<b>Climate adaptation project</b>	<b>Classic development project</b>
<b>Focus</b>	Specifically designed to reduce the vulnerability of communities and systems to the adverse effects of climate change.	Primarily aimed at improving socio-economic conditions, such as poverty reduction, infrastructure development, or healthcare improvement.
<b>Climate change consideration</b>	Climate change is the central driver, and the project is explicitly designed to address its impacts.	Climate change might be a secondary or tertiary factor, if considered at all.

It's important to note that *these two types of projects are often interconnected*. Many climate adaptation projects also contribute to development goals, and vice versa. For instance, building climate-resilient infrastructure can both protect against climate impacts and improve economic activity and livelihoods. In essence, while both types of projects aim to improve people's lives, climate adaptation projects have a specific focus on building resilience to a changing climate.

**Key concepts to consider in climate finance project development include:**

**Concept Note:** is a concise and focused document that outlines a project or research idea. It serves as a preliminary overview, providing key details to potential stakeholders or funders. The Concept Note outlines the project's objectives, activities, expected outcomes, and budget in a brief and compelling format. Essentially, it's a pitch to potential funders or stakeholders to generate interest in the project and secure support for further development. The key elements of a concept note typically include:

- Project title and summary
- Project description and objectives
- Target beneficiaries
- Project activities and timeline
- Budget overview
- Project team and partners
- Expected impact and sustainability

The goal of a concept note is to capture the attention of potential funders and provide enough information to encourage them to request a full project proposal.

**Funding Proposal:** for climate change is a comprehensive document that outlines a project or initiative aimed at addressing climate change challenges. It seeks to secure financial support from donors, governments, or other funding sources to implement the proposed activities.

Unlike a concept note, which is a brief overview, a funding proposal provides a detailed and in-depth analysis of the project. It typically includes:

- A clear project description and objectives
- A detailed implementation plan
- A thorough budget
- A robust monitoring and evaluation framework
- A risk assessment
- A sustainability plan

The goal of a Funding Proposal is to persuade the funder that the project is well-conceived, feasible, and will deliver significant impact in addressing climate change.

**Project and Programme:** in the context of climate change, it is an initiative designed to address climate change by reducing greenhouse gas emissions, increasing carbon sequestration, or building resilience and adaptive capacity to climate impacts. Such projects can range from large-scale infrastructure developments to community-based initiatives. A programme is a group of related projects, sub-programs, and program management activities managed in a coordinated manner to achieve strategic objectives and benefits. It is a larger, ongoing effort with multiple components.

**Logical Framework (or Logframe)** is a project planning tool used to outline a project's goals, objectives, activities, and expected results. It provides a structured approach to project design, implementation, monitoring, and evaluation. Essentially, it's a matrix that shows the logical links between a project's inputs, activities, outputs, outcomes, and impact. The key components of a Logframe:

- **Narrative Summary:** A brief overview of the project.
- **Goal:** The long-term desired change or impact.
- **Purpose:** The immediate outcome or change to be achieved.
- **Outputs:** The specific products or services to be delivered.
- **Activities:** The tasks to be undertaken to produce outputs.
- **Indicators:** Measurable indicators for each level of the logframe to track progress.
- **Means of Verification:** Data sources for verifying the indicators.
- **Assumptions:** External factors that are assumed to be in place for the project to succeed.
- **Risks:** Potential threats to project implementation and their mitigation strategies.

By using a Logframe, project managers can ensure that all project components are aligned and contribute to the overall goal.

**Theory of Change (ToC)** is a systematic process for planning, managing, and evaluating development interventions. It outlines how and why a set of activities are expected to lead to specific outcomes. Essentially, it's a roadmap that explains the causal links between a project's inputs, activities, outputs, outcomes, and impact. The key components of a ToC are:

- **Inputs:** Resources allocated to the project (e.g., funding, personnel, equipment).
- **Activities:** Tasks undertaken to achieve outputs (e.g., training, workshops, infrastructure development).
- **Outputs:** Products or services generated by project activities (e.g., number of trained participants, structures built).
- **Outcomes:** Changes in knowledge, attitudes, or behaviours resulting from outputs (e.g., increased awareness, improved livelihoods).
- **Impact:** Long-term changes in the system or society (e.g., reduced vulnerability to climate change, increased resilience).

A well-developed ToC helps align project activities with desired outcomes, facilitates monitoring and evaluation, and improves decision-making.

*It is important to note that in the context of climate change project development, most of the climate funders including the Green Climate Fund (GCF) ask for a Theory of Change (ToC) and not for a classic project Logframe.* Indeed, while both the Theory of Change (ToC) and Logical Framework (Logframe) are valuable tools for project planning and management, the GCF may lean towards the Theory of Change for several reasons. Indeed, considering the complexity of climate change, requiring complex and multifaceted interventions, a ToC better captures the potential long-term impacts of climate action. The ToC provides a more holistic view of the project's impact by focusing on long-term outcomes and the causal pathways leading to them. Moreover, the ToC encourages a more adaptive approach, allowing for adjustments based on emerging evidence and context. The ToC is more flexible and adaptable to changing circumstances, allowing for mid-course corrections. It also promotes a learning-oriented approach, emphasising continuous improvement and knowledge sharing.

### **Gantt Chart**

A Gantt chart is a visual representation of a project schedule. It's a bar chart that illustrates the start and finish dates of the terminal elements and summary elements of a project.

Example of Gantt Chart

Activities	Year 1				Year 2			
	T1	T2	T3	T4	T1	T2	T3	T4
A1.1	■	■						
A1.2			■					
A2.1		■	■	■	■			
A2.2					■	■		
A3.1						■	■	
A3.2								■

## 1.4. Adaptation project and characteristics

A climate adaptation project is an initiative designed to reduce the negative impacts of climate change or to take advantage of new opportunities that arise. It involves implementing strategies to help communities, ecosystems, and economies become more resilient to climate-related hazards such as floods, droughts, heatwaves, and sea-level rise.

Indeed, Least Developed Countries (LDCs) are disproportionately vulnerable to the impacts of climate change. Adaptation projects in these regions often focus on building resilience and safeguarding livelihoods. The following table present some examples of adaptation projects/programme in the context of the LDCs:

Agriculture and Food Security	<p><b>Promoting climate-resilient agriculture:</b> Introducing drought-resistant crop varieties, agroforestry, and improved irrigation systems.</p> <p><b>Developing early warning systems:</b> Providing farmers with information on weather patterns to anticipate and mitigate risks.</p> <p><b>Livestock adaptation:</b> Supporting the development of resilient livestock breeds and practices.</p>
Water Resource Management	<p><b>Improving water harvesting and storage:</b> Building rainwater harvesting structures and small-scale dams.</p> <p><b>Water conservation:</b> Implementing efficient irrigation techniques and promoting water-saving technologies.</p> <p><b>Integrated water resource management:</b> Adopting a holistic approach to water management, considering both quantity and quality.</p>
Disaster Risk Reduction	<p><b>Early warning systems:</b> Developing and disseminating early warning systems for floods, droughts, and storms.</p>

	<p><b>Infrastructure development:</b> Building climate-resilient infrastructure, such as roads, bridges, and schools.</p> <p><b>Community-based disaster preparedness:</b> Strengthening community resilience through training and emergency response plans.</p>
Coastal Zone Management	<p><b>Mangrove restoration:</b> Protecting coastlines from erosion and storm surges.</p> <p><b>Sustainable fisheries:</b> Promoting sustainable fishing practices to ensure food security.</p> <p><b>Coastal community development:</b> Supporting livelihoods and economic diversification in coastal areas.</p>
Ecosystem-Based Adaptation	<p><b>Forest conservation and restoration:</b> Protecting carbon sinks and biodiversity.</p> <p><b>Sustainable land management:</b> Preventing land degradation and promoting soil conservation.</p> <p><b>Community-based natural resource management:</b> Empowering local communities to manage their natural resources sustainably.</p>

The key characteristics of climate adaptation projects

<b>Focus on impacts</b>	Aims to address the consequences of climate change rather than its causes. The climate adaptation projects aim to minimize the negative effects of climate change.
<b>Resilience building</b>	Enhances the capacity of systems to withstand and recover from climate shocks.
<b>Risk management</b>	Identifies and reduces vulnerabilities to climate-related risks.
<b>Community-centred</b>	Often involves local participation and ownership.
<b>Long-term perspective</b>	Consider the evolving nature of climate change.

## 1.5. Key considerations for developing a climate adaptation project

Developing a successful climate adaptation project requires careful planning and preparation, as described in this section.

**Needs Assessment and Vulnerability Analysis:** A robust needs assessment and vulnerability analysis is the cornerstone of a successful climate adaptation project. It provides the foundation for understanding the specific challenges faced by a community and identifying appropriate interventions.

A **needs assessment** focuses on identifying the gaps between the current situation and the desired state. In the context of climate adaptation, it involves determining:

- **Community priorities:** Understanding the most pressing needs and concerns of the target population.
- **Resource gaps:** Identifying shortages in human, financial, and material resources.
- **Institutional capacity:** Assessing the capacity of local organizations to implement adaptation measures.
- **Knowledge and awareness:** Evaluating the level of understanding of climate change and its impacts.

A **vulnerability analysis** goes deeper by examining the factors that increase a community's susceptibility to climate change impacts. It involves:

- **Identifying climate hazards:** Determining the types of climate-related events (e.g., floods, droughts, storms) that affect the area.
- **Assessing exposure:** Evaluating the degree to which people, assets, and systems are exposed to these hazards.
- **Analysing sensitivity:** Understanding the potential negative impacts of climate hazards on people and systems.
- **Evaluating adaptive capacity:** Assessing the ability of a community to cope with and adapt to climate change.

By combining these two approaches, you can identify the specific vulnerabilities that require adaptation measures. This information will help you:

- **Prioritize interventions:** Focus on the most pressing needs and vulnerabilities.
- **Tailor projects:** Design projects that address the unique circumstances of the target community.
- **Build community resilience:** Develop adaptation strategies that strengthen the community's capacity to cope with future shocks.
- **Measure impact:** Establish baseline data for monitoring and evaluating project outcomes.

### **Adaptation Project Prioritizing**

Prioritising adaptation projects is crucial due to limited resources and the pressing need to address multiple climate impacts. There are a few methods available to conduct a prioritisation exercise in selecting your project idea:

<b>Multi-criteria analysis (MCA)</b>	Assign weights to different criteria and score potential projects based on these criteria.
<b>Cost-benefit analysis (CBA)</b>	Evaluate the economic benefits of a project compared to its costs.

<b>Stakeholder participation</b>	Involve communities and other stakeholders in identifying and prioritising needs.
<b>Risk assessment</b>	Prioritise projects based on the likelihood and severity of potential climate impacts and level of vulnerability of affected communities.

**Stakeholder Engagement** is crucial for the success of any adaptation project. It ensures that the project addresses real needs, builds local ownership, strengthens agency of marginal populations, and increases the likelihood of sustainability. Project developers can engage stakeholders through various methods including participatory workshops, focus groups, interviews, surveys and also social media. The following table propose a list of the most important principles of stakeholder engagement in adaptation project design, based on benchmarking and experiences:

<b>Early involvement</b>	Include stakeholders from the project inception to ensure their needs and perspectives are considered.
<b>Inclusivity</b>	Engage a diverse group of stakeholders, including local communities, government agencies, NGOs, private sector, and academia.
<b>Multi-way communication</b>	Create opportunities for open dialogue and information sharing between project team and stakeholders.
<b>Capacity strengthening</b>	Build the capacity of stakeholders to participate effectively in the project.
<b>Power-sharing</b>	Share decision-making power with stakeholders to promote ownership.
<b>Trust-building</b>	Foster trust and mutual respect among stakeholders.

**Project cycle, investment criteria and priorities:** The project cycle encompasses the various stages a project undergoes from submission, approval, inception, implementation to completion. The project cycle is different from one funding mechanism to another. It is important that the adaptation project promoter fully comprehends and internalizes the requirements of the climate funder to which they intend to submit a proposal. Indeed, understanding the project cycle of a funder like the Green Climate Fund is crucial for effective project design and implementation.

The project cycle of a climate funder typically involves several distinct phases. Some funds are continuously open while other funders have distinct time windows for submitting proposals. The specific steps may vary between funders, as well as their priorities, funding instruments used, their investment criteria and their concept note and/or funding proposal templates. All of these aspects need to be considered.

## Session 2 – The Green Climate Fund Adaptation proposals development

### 2.1. Introduction

The Green Climate Fund (GCF) is a global fund established to support the efforts of developing countries in adapting to the impacts of climate change. To access this vital funding, project proponents must develop compelling adaptation proposals that align with the GCF's objectives and criteria.

Developing a successful GCF adaptation proposal requires a deep understanding of the fund's priorities, as well as a strong grasp of project development methodologies. This course will equip you with the necessary knowledge and skills to craft impactful proposals that contribute to building climate resilience.

The session provides a background for the following hand-on training focusing on GCF Concept Note development.

The key areas of focus of this session are the following:

- Understanding the GCF's mandate and priorities
- Mastering the GCF's application process and requirements
- Introducing the GCF investment criteria
- Introducing the GCF Concept Note Template
- Understanding the role of the partners and key players and how to build robust partnerships and stakeholder engagement in GCF project design process
- Introducing the way to transitioning from the Concept Note to the Full Funding proposals in the context of the GCF.

By the end of this session, you will be well-prepared to start drafting a GCF proposal and move to the practical phase in the following session. For further information on the GFC, consult Short Course 4 in this series: *Fundamentals of Developing a Climate Rationale*.

### 2.1. Learning objective

This session of the course aims to equip participants with the knowledge and skills to comprehend the GCF's mandate, strategic goals, and investment criteria, grasp the GCF's funding windows and eligibility criteria with focus on adaptation. The session also presents an overview of the GCF Project cycle and project approval process, the key elements to master when preparing a GCF concept note and how to transition from GCF Concept Note to Funding Proposals.

## 2.3. The GCF mission, investment criteria and templates

The Green Climate Fund (GCF) is a global fund established to support the efforts of developing countries in adapting to the impacts of climate change and mitigating greenhouse gas emissions. Its primary goal is to channel significant financial resources to the countries that need it most.

To ensure that funds are allocated effectively, the GCF has established a set of investment criteria. These criteria guide the fund in selecting projects that align with its mission and have the potential to deliver significant impact.

The GCF has established six key investment criteria to guide its funding decisions and ensure that resources are allocated effectively to projects that deliver significant impact. These criteria are:

1. **Impact potential:** The project must demonstrate a clear and measurable impact on climate change mitigation or adaptation.
2. **Paradigm shift potential:** The project should introduce innovative approaches or solutions to address climate challenges.
3. **Sustainable development potential:** The project should contribute to broader sustainable development goals.
4. **Needs of the recipient:** The project should prioritise support for countries and communities most affected by climate change.
5. **Country ownership and drive:** The project should be led and owned by the target country.
6. **Efficiency and effectiveness:** The project must demonstrate cost-effectiveness, financial sustainability, and strong management.

By adhering to these criteria, project proponents can increase their chances of securing GCF funding and contributing to the fund's overall mission.

The fund provides a specific [Template for Concept Notes](#) and [Template for Funding Proposals](#) to guide applicants through the application process. These templates outline the required information and format for each section of the proposal. In addition to the URL's you can refer to the Annex section at the end, for the two templates.

GCF DOCUMENTATION PROJECTS

# Concept Note

Project/Programme Title: \_\_\_\_\_

Country(ies): \_\_\_\_\_

National Designated Authority(ies) (NDA): \_\_\_\_\_

Accredited Entity(ies) (AE): \_\_\_\_\_

Date of first submission/  
version number: [YYYY-MM-DD].[V.0]

Date of current submission/  
version number: [YYYY-MM-DD].[V.0]



Please submit the completed form to [fundingproposal@gcfund.org](mailto:fundingproposal@gcfund.org), using the following name convention in the subject line and file name: "CN-[Accredited Entity or Country]-YYYYMMDD"

GCF DOCUMENTATION PROJECTS

# Funding Proposal

Project/Programme title: *Please indicate the project title. Ideally this should reference the country where the project/programme will be implemented and be less than 100 characters, approximately 10-15 words.*

Country(ies): *List all the countries where the project/programme will be implemented.*

Accredited Entity: *Indicate the Accredited Entity submitting this proposal.*

Date of first submission: [YYYY/MM/DD]

Date of current submission: [YYYY/MM/DD]

Version number: [V.000]



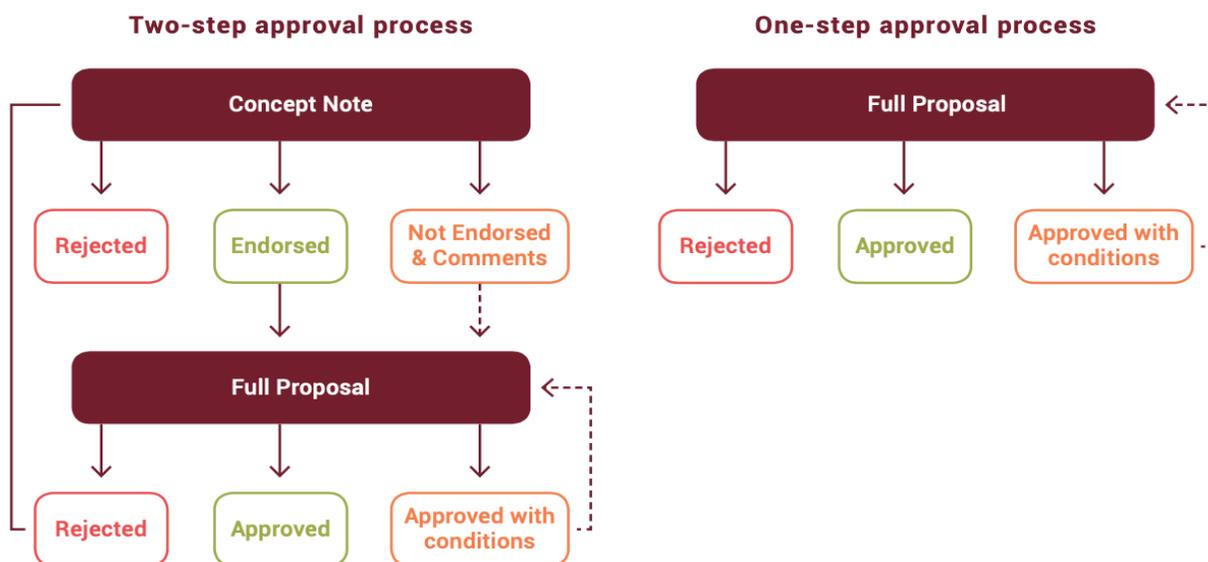
While the GCF offers general templates, it's essential to tailor your proposal to the specific funding window or program you are applying to. Some funding windows may have additional requirements or specific focus areas.

## 2.4. Overview of the GCF Project cycle and project approval process

The GCF project cycle outlines the key stages involved in a project, from inception to completion. The project approval process is a critical part of this cycle.

According to GCF procedures, there are two independent cycles (see figure below) for the submission of funding proposals:

- The **short cycle** (*one-step approval process*) occurs when a full project proposal is directly submitted to the GCF.
- The **long cycle** (*two-step approval process*) occurs when a project concept note is first submitted to the GCF for its review and endorsement before moving on to the full proposal stage. This is the cycle recommended by the GCF.

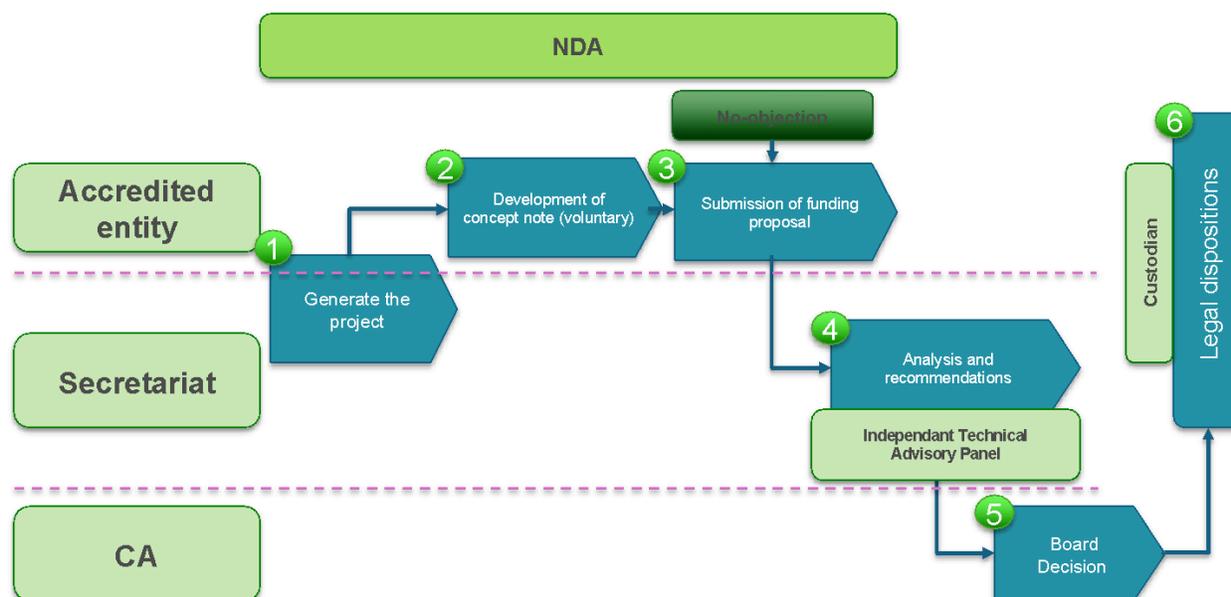


Source: adapted from GCF infographics.

Overall, the GCF Project Cycle is presented as follow:

1. **Project Identification and Development:** This stage involves identifying potential project ideas, conducting feasibility studies, and developing concept notes.
2. **Proposal Development:** Based on the concept note, a full project proposal is prepared, including detailed budget, work plan, and monitoring and evaluation plan.
3. **Submission and Review:** The proposal is submitted to the GCF Secretariat for initial review.
4. **Independent Technical Advisory Panel (ITAP) Review:** The ITAP conducts a technical assessment of the proposal.
5. **GCF Board Approval:** The GCF Board makes the final decision on whether to approve the project.
6. **Project Implementation:** The approved project is implemented by the Accredited Entity (AE).
7. **Monitoring, Evaluation, and Learning (MEL):** Project progress is tracked, and lessons learned are captured.
8. **Closure:** The project is formally closed, and final reports are submitted.

In practice, the GCF project approval process is rigorous and involves multiple steps (see figure below).



The process described in the above figure involves multiple stages, from the initial concept development to final board approval.

### Stage 1: Concept Note Development

- **Project Identification:** Identifying a potential project that aligns with the GCF's funding windows and the country's climate change priorities.
- **Concept Note Preparation:** Developing a concise document outlining the project's objectives, expected outcomes, target beneficiaries, and preliminary budget.
- **Submission:** Submitting the concept note to the GCF Secretariat for initial review.

### Stage 2: Concept Note Review and Feedback

- **Initial Assessment:** The GCF Secretariat conducts a preliminary assessment of the concept note to determine its alignment with the fund's strategic priorities and eligibility criteria.
- **Feedback Provision:** The GCF provides feedback to the project proponent on the concept note's strengths and weaknesses, suggesting potential improvements.

### Stage 3: Full Proposal Development

- **Proposal Preparation:** Based on the feedback received, the project proponent develops a comprehensive funding proposal, including detailed project design, budget, implementation plan, monitoring and evaluation framework, and risk management strategies.

- **Data Gathering:** Collecting necessary data and information to support the proposal.
- **Stakeholder Consultation:** Engaging with relevant stakeholders to ensure their input and support.

#### **Stage 4: Proposal Submission and Screening**

- **Submission:** Submitting the full funding proposal to the GCF Secretariat.
- **Initial Screening:** The Secretariat conducts an initial screening to assess the proposal's completeness and compliance with GCF requirements.

#### **Stage 5: Technical Review and Due Diligence**

- **Technical Assessment:** The GCF Secretariat conducts a detailed technical assessment of the proposal, evaluating its feasibility, environmental and social safeguards, gender equality, and climate change impact.
- **Independent Technical Advisory Panel (iTAP) Review:** The iTAP provides an independent assessment of the proposal.
- **Due Diligence:** The GCF conducts due diligence on the project proponent and its partners.

#### **Stage 6: Board Approval**

- **Board Consideration:** The GCF Board reviews the project proposal, considering its alignment with the Fund's strategic priorities, financial viability, and environmental and social safeguards.
- **Approval or Rejection:** The Board makes a final decision on whether to approve the project and allocate funds.

In addition, please note that the National Designated Authorities (NDAs) are government entities designated by countries to serve as the primary interface between the country and the Green Climate Fund (GCF). They play a pivotal role in ensuring that GCF resources are aligned with national climate priorities and effectively channelled towards low-emission and climate-resilient development. In project development and approval processes, they support the development of high-quality project proposals by providing guidance and technical assistance, reviews and endorses project proposals before submission to the GCF, and ensures that project proposals meet the GCF's eligibility criteria and national priorities.

Also note that the GCF offers a streamlined process for smaller projects that meet specific criteria, called the Simplified Approval Process (SAP). The project proponents can become accredited entities, which allows them to directly access GCF funding without going through the full approval process for each project. The GCF encourages co-financing from other sources to leverage additional resources for projects.

Finally, the specific requirements and timelines for the GCF project approval process may vary depending on the project type, size, and complexity. It is essential to consult the GCF's guidelines and procedures for the most accurate and up-to-date information.

## 2.5. Key elements to master when preparing a GCF concept note

After reviewing the GCF Concept Note Template, there are three key elements to master in order to design a strong concept note and later a funding proposal. They are the **climate rationale** (Demonstrating how the project directly addresses the impacts of climate change and contributes to building resilience), the **theory of change** (a roadmap that outlines how and why a specific set of activities will lead to achieving a desired outcome), and the **GESI mainstreaming** (Integrating gender equality and social inclusion considerations into every aspect of the project cycle, from planning and design to implementation, monitoring, evaluation, and learning).

### 2.5.1. Climate Rationale in project design

Short course 4 in this series: *Fundamentals of Developing a Climate Rationale* for adaptation projects is part of this series of five short courses. It is highly recommended to the facilitator and participants to refer to the Short Course 4 training materials packages, in order to better understand the process for developing a strong climate rationale as well as the availability of different tools and approaches used in accessing climate data.

### 2.5.2. Theory of Change (ToC) in project design

A ToC represents the narrative/graphical statement that logically links activities of a project with the outcomes that are needed to be achieved to satisfy the project's long-term vision or goal. For the GCF, the ToC justifies the rationale of the project and provides information on how it serves to shift the development pathway towards low-carbon and/or climate resilient development, in line with its goals and objectives. There is a difference between the theory of change and the classic Logframe.

Firstly, a ToC gives the 'big picture' and summarises work at a **strategic level**, while a logical framework illustrates a **program (implementation) level** understanding of the change process. In other words, the Logical Framework is like a microscopic lens that zooms in on a specific pathway within the TOC.

Secondly, the ToC focuses on the complex social, economic, political and institutional processes that underlie societal change. The ToC also shows all the different pathways that might lead to change, even if those pathways are not related to your program. This is why many ToCs end up being graphical representations offered in a variety of shapes and forms. The Logical Framework on the other hand, true to its name, presents the intervention in a 'logical', sequential way. Neat, clean and tidy where 'X leads to Y'. With the Logical Framework, only components directly connected to the programme are depicted. It is linear which means that all activities lead to outputs which lead to outcomes and the goal – there are no cyclical processes or feedback loops.

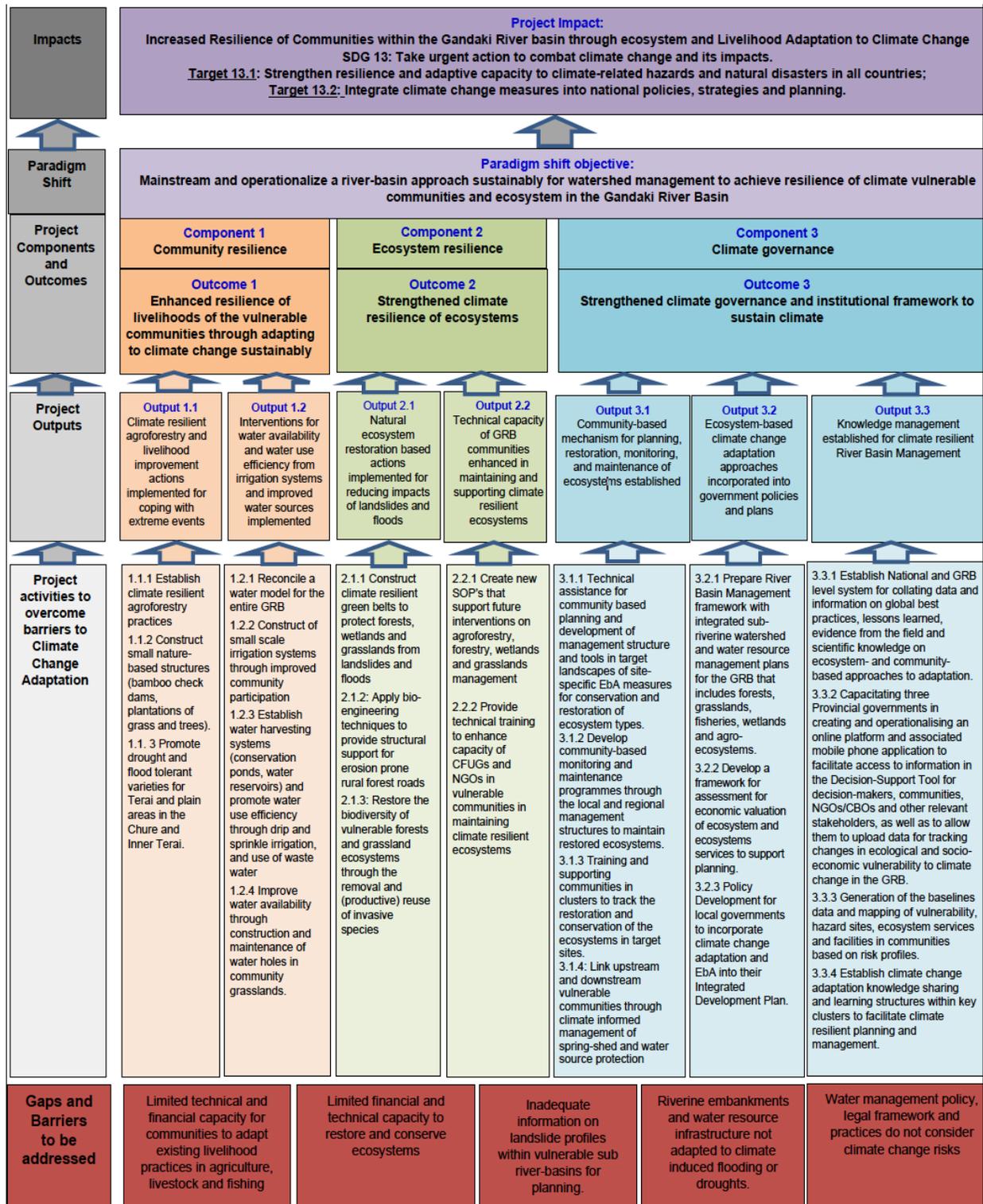
Third, the development of a ToC usually begins from the 'top', with the identification of a 'Big Hairy Audacious Goal (BHAG)' and then working backwards to map the outcome pathways. In developing the ToC, the question that is asked is **'if we do X then Y will change because...'**. In other words, the *Logical Framework usually does not start with the BHAG*, but starts at the 'bottom', depicting the inputs, activities, outputs etc., that lead to the goal. The question that would be asked in developing a Logical Framework is **'If we plan to do X, then this will give Y result.'**

Below are examples in which ToCs are understood and presented:

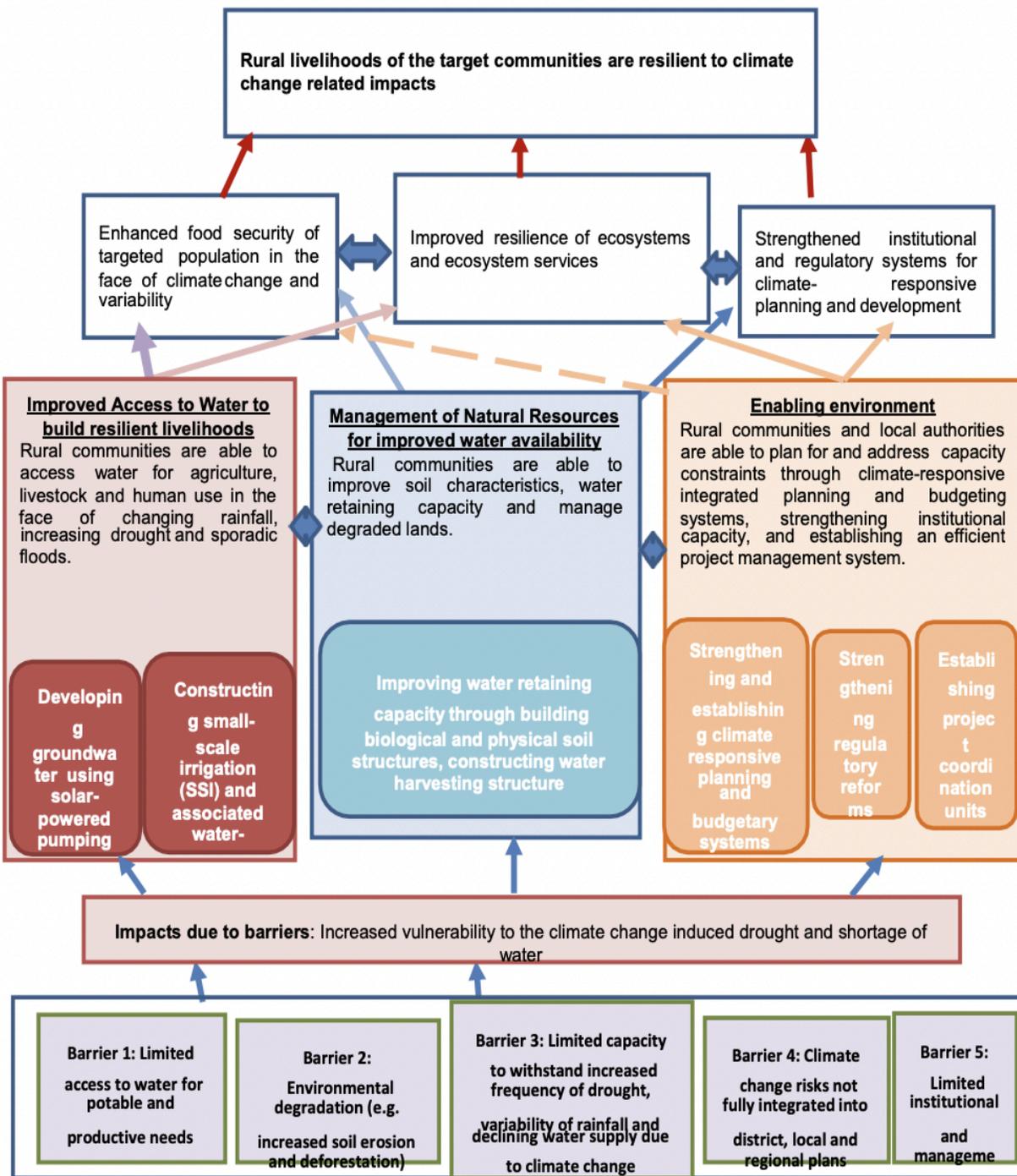


Two examples of TOC's from GCF approved projects.

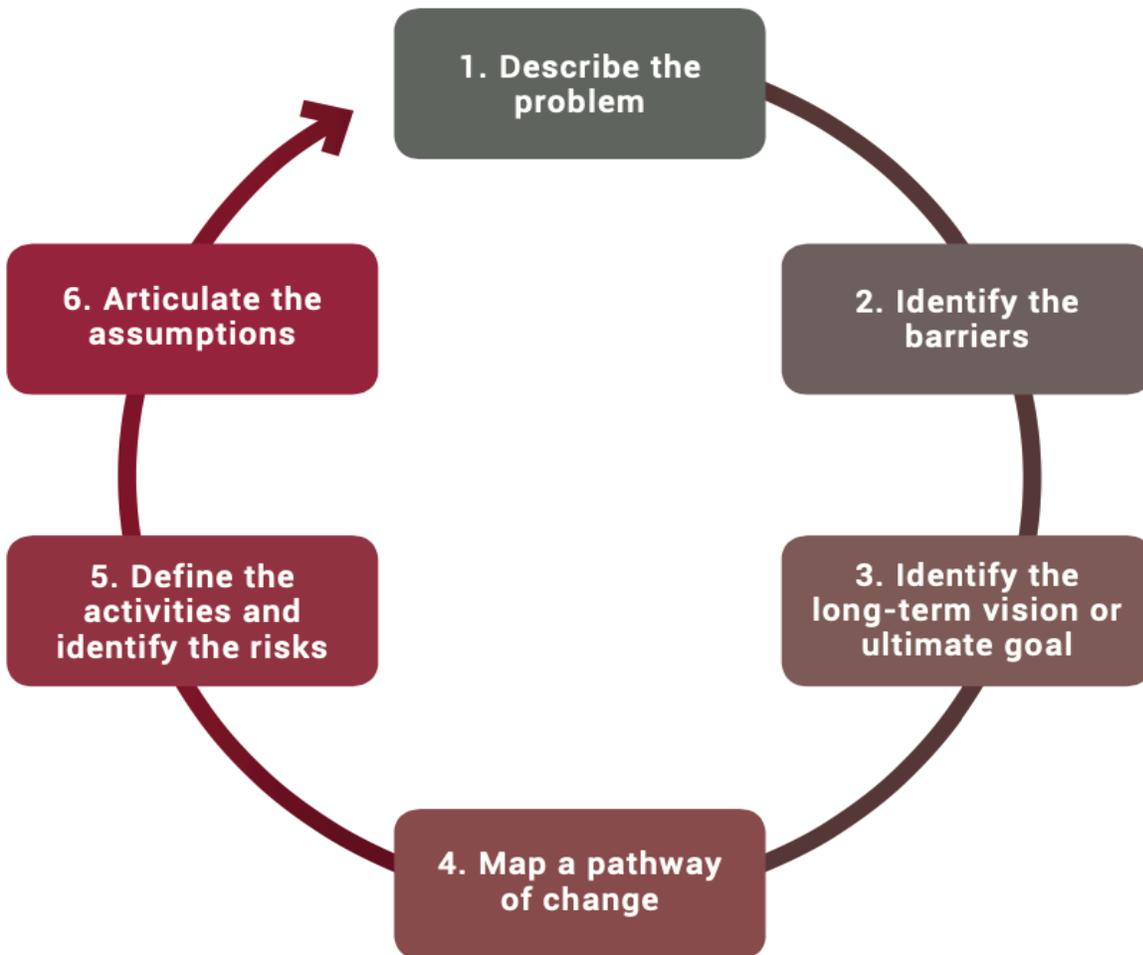
**Example 1: GCF FP131: Improving Climate Resilience of Vulnerable Communities and Ecosystems in the Gandaki River Basin, Nepal**



**Example 2:** F058: Responding to the Increasing Risk of Drought: Building Gender- responsive Resilience of the Most Vulnerable Communities



The key steps to design a successful ToC are:



**Step 1:** What is the climate-induced problem that my project aims to address?

**Step 2:** What barriers prevent my climate-induced problem to get solved without additional intervention?

**Step 3:** What is the long-term vision that my project aims to achieve? Informed by the barriers, this is where you give an explanation of how your project will contribute to a shift towards a low carbon (mitigation-related) and/or a climate-resilient (adaptation-related) development pathway. It is imperative that the ultimate project goal is aligned with national goals.

**Step 4:** For my long-term vision to happen, what outcomes need to be in place? Map a pathway of change that will illustrate the cause-and-effect relationships between the long-term vision, and outcomes.

**Step 5:** What activities do I need to undertake so that each condition is set up for success to achieve the outcome I want from this project? What potential risks may threaten the successful achievement of the proposed activities?

**Step 6:** What assumptions am I making about the change pathway that would allow for the activities to successfully result into outcomes which will feed into achieving the long-term vision?

Session 3 of this short course focuses on the practice of a GCF Concept Note development as whole with focus on key elements from the climate rationale, to the Theory of Change and the GESI mainstreaming.

### 2.5.3. GESI Mainstreaming/Action Plan for GCF proposals

Short course 3 in this series: *Gender Equality and Social Inclusion (GESI) for Climate Finance* examines GESI and climate finance in significant detail. It is highly recommended to the facilitator and participants to examine that short course's training materials related to processes for mainstreaming GESI and for developing a strong GESI Action Plan for your concept note and funding proposal.

In addition to the GESI Training materials package, it is recommended to the facilitator and participants the GCF toolkit on [Mainstreaming Gender in Green Climate Fund Projects](#), as well as the [Gender assessment and action plan: Annex 8 to Funding Proposals](#).



## 2.6. Transitioning from GCF Concept Note to Funding Proposals

Transitioning from a concept note to a full funding proposal requires a significant expansion of detail and analysis. While the concept note provides a high-level overview, the funding proposal delves deeper into project specifics.

### 2.6.1. Considerations for transitioning

This section provides information on considerations needed for transitioning from a Concept Note to a full GCF Funding Proposal.

1	<b>Incorporate Feedback</b>	<b>GCF</b>	Carefully consider the feedback received on the concept note and incorporate necessary changes.
2	<b>Detailed Project Design</b>		Develop a comprehensive project design, including clear objectives, activities, outputs, outcomes, and impact.
3	<b>Robust Methodology</b>		Outline the specific methodologies and approaches to be used for project implementation.
4	<b>Financial Analysis</b>		Prepare a detailed budget, including personnel costs, equipment, materials, and other expenses.
5	<b>Risk Assessment</b>		Identify potential risks and develop mitigation strategies.
6	<b>Monitoring and Evaluation Framework</b>		Develop a comprehensive plan for tracking project progress and measuring impact.

7	<b>Partnership and Stakeholder Engagement</b>	Strengthen partnerships and outline stakeholder involvement plans.
8	<b>Gender Equality and Social Inclusion (GESI) Action Plan</b>	Develop a detailed plan for integrating GESI into the project. You are not required to propose a GESI Action Plan at Concept Note phase. However, you should briefly describe how GESI dimensions will be incorporated into the project development phase and its implementation.
9	<b>Environmental and Social Safeguards</b>	Conduct a thorough assessment and develop ESS mitigation measures.
10	<b>Financial Sustainability</b>	Outline strategies for ensuring the project's long-term financial viability.

*The stronger your Concept Note is, the easier the development of your Funding Proposal will be.*

Things to consider:

- A well-drafted concept note serves as a solid foundation for developing a comprehensive and compelling GCF funding proposal. It clearly articulates the project's goals, objectives, and expected outcomes, which provides a clear direction for developing a full proposal.
- A concept note helps identify key stakeholders and their roles. This information can be expanded upon in the funding proposal to demonstrate stakeholder engagement and support.
- A preliminary feasibility studies (or pre-feasibility study) conducted for the concept note can be deepened in the funding proposal, providing a more comprehensive analysis, through a comprehensive technical feasibility study.
- The concept note can identify potential funding sources and partnerships, which can be further explored and expanded in the funding proposal. Even at a later stage of the project development, new co-financers can be mobilised. In fact, the GCF funding funds are often used as leverage for additional funding mobilisation or even for private sector engagement.
- Developing a concept note helps establish a project timeline, which can be refined and detailed in the funding proposal.
- Initial risk identification in the concept note can be expanded into a comprehensive risk management plan for the funding proposal.
- By laying a strong groundwork with a well-developed concept note, project proponents can save time and resources when transitioning to the full funding proposal. It also increases the chances of securing funding by demonstrating a clear understanding of the project and its potential impact.

For your consideration, both latest versions in use, of the [GCF Concept Note](#) and [GCF Fund Proposal](#) are in annexes of this short course 5 workbook.

## 2.6.2. The GCF Project Preparation Facility (PPF)

The Green Climate Fund (GCF) recognizes that developing countries may face capacity constraints in developing climate finance proposals. To address this, they provide financial and technical assistance through the **Project Preparation Facility (PPF)**.

Accredited Entities can submit a PPF application to the GCF Secretariat. If approved, they receive financial and technical support to prepare a full funding proposal. The prepared proposal is then submitted to the GCF for consideration. Project promoters can partner with the AEs and DAEs to benefit from this mechanism for their projects.

The PPF aims to:

- Enhance the quality of project proposals submitted to the GCF
- Increase the number of successful proposals from developing countries
- Build capacity within developing countries to access and manage climate finance

Key Features of the PPF:

- **Financial support:** Provides up to USD 1.5 million per application for project preparation activities.
- **Technical assistance:** Offers expertise in project design, financial modelling, and other relevant areas.
- **Eligibility:** Open to Accredited Entities (AEs) and Direct Access Entities (DAEs).
- **Focus on small projects:** Prioritises support for micro and small-sized projects.

## Session 3 – Practical session on Designing the GCF Concept Notes and Funding Proposals

### 3.1. Introduction

A well-crafted GCF concept note is the foundation for a successful project proposal. This practical session aims to equip participants with the essential knowledge and skills to develop compelling concept notes that align with the GCF's priorities and increase the chances of securing funding.

Indeed, the concept note presents a summary of a proposed project/programme to the GCF in order to receive feedback from the Secretariat on whether the concept is aligned with the GCF's objectives, policies and investment criteria. The feedback will provide information to further develop and strengthen the project/programme idea.

The concept note is not mandatory but strongly encouraged to promote early feedback from the GCF Secretariat, to streamline with the Project Preparation Facility (PPF), and to allow for a faster review process.

This session present successively:

- Green Climate Fund Concept Note Template
- Guidance for writing the GCF Concept Note Section by Section,
- Best practices and recommendations in addressing GCF investment criteria.

### 3.2. Learning objective

Building on the previous session, Session 5.3 examines the preparation of GCF Concept Notes and Funding Proposals. The process for climate rationale development for GCF proposals is built on the tools and case studies presented in Short Course 4.

This session presents best practices in addressing each of the six (6) investment criteria (impact potential, paradigm shift potential, sustainable development potential, the needs of recipient, the country ownership, the efficiency and effectiveness) through providing examples of approved proposals and how the project promoters have responded to those criteria. The Gender Equality and Social Inclusion (GESI) mainstreaming in proposals is built on the tools and case studies presented in the short course 3. The issues of institutional arrangements and how the engagement among the National Designated Authorities, Accredited Entities, and other relevant stakeholders in the countries should be organised has been presented.

Refer to Short Course 1: *Basics of Climate Finance in the LDC Context* for further information about structure and functions of key entities such as the NDA, AE, etc.

### 3.3. Guidelines to drafting the GCF Concept Note sections

The following table summarises the different sections of the GCF Concept Note template.

Concept Note (version 2.2 March 2016)
<p><b>A. Project/Program summary (1 page)</b></p> <p><b>B. Project/Program Information (8 pages)</b></p> <ul style="list-style-type: none"> <li>• B1. Background and baseline (2 pages)</li> <li>• B2. Project/program description (3 pages)</li> <li>• B3. Expected performance against GCF investment criteria (3 pages)</li> <li>• B4. Stakeholder consultation and engagement (1/2 page)</li> </ul> <p><b>C. Indicative financial information (3 pages)</b></p> <ul style="list-style-type: none"> <li>• C1. Financing by component (1/2 page)</li> <li>• C2. Justification of funding request (1 page)</li> <li>• C3. Sustainability and reproducibility (1 page)</li> </ul>
<p><b>D. Appendices</b></p> <ul style="list-style-type: none"> <li>• Location map</li> <li>• Theory of Change diagram</li> <li>• Economic and financial model with key assumptions and potential stress scenarios</li> <li>• Pre-feasibility study</li> <li>• Evaluation report on other projects</li> <li>• Results of environmental and social risk screening</li> </ul>

#### 3.3.1. Section A: Project/Program summary

**Section A** of the concept note intends to obtain essential information about the proposed project or programme.

In A.1. of the Template, select if your idea is a project or program. If the proposal refers to a combination of multiple projects, then it is considered a program. While both projects and programs are undertaken to achieve specific goals, they differ in scope, complexity, and duration. In essence, a program is a collection of related projects that work together to achieve a larger strategic goal.

In A.5., where you are asked to indicate the result areas for the project/programme, please mark the result areas that are applicable to the proposed project/programme. As shown in the checklist, there are eight result areas: four mitigation and four adaptations. In some cases,

proposed projects/ programmes may bring multiple co-benefits and several result areas. For example, efforts to invest in climate-compatible cities may deliver impacts related to emission reductions from low emission transport as well as from buildings, cities, industries and appliances. They may also support adaptation, particularly by helping to strengthen the resilience of the livelihoods of urban people and communities; and to increase the resilience of urban infrastructure. In this case, a total of four boxes can be ticked. If the proposal aims to bring both mitigation and adaptation result areas, then it is considered a cross-cutting project/programme. Refer to the GCF's Performance Measurement Frameworks.

In A.7., on estimated adaptation impact, it is anticipated from you to provide the expected total number of direct and indirect beneficiaries, and number of beneficiaries relative to total population.

At the end, the most important part of this section A of the Concept Note Template is A.19, where you are asked to present the project/program rationale, objectives and approach of the program/project in no more than 100 words. In the implementation approach, it is important to highlight how the potential beneficiaries and local communities will participate in the project, own it and ensure the sustainability of the outcomes.

### 3.3.2. Section B: Project/Program Information

This is the most important section of the Concept Note. Section B intends to collect information to assess the economic and technical viability of the proposed project/programme. It is important to provide relevant details while adhering to the maximum number of pages.

**B.1. Context and baseline:** Describe the climate vulnerabilities and impacts, greenhouse gas emissions profile, and mitigation and adaptation needs that the prospective intervention is expected to address. Indicate how the project is aligned with the country's national priorities and level of ownership the country will take in the implementation of the project/program. Explain the project/program's contribution to national climate strategies and other plans such as Nationally Appropriate Mitigation Actions, National Adaptation Plans or equivalent. Describe which priorities identified in these documents the proposed project is aiming to address and/or improve. Describe the main causes and barriers (social, gender, fiscal, regulatory, technological, financial, environmental, institutional, etc.) that need to be addressed. Where relevant, and particularly for private sector proposals, describe the key characteristics and dynamics of the sector or market in which the project/programme will operate.

**B.2. Project/programme description (including objectives):** Describe the expected set of components/outputs and subcomponents/activities to address the above-identified barriers that will lead to the expected outcomes. In terms of a rationale, please describe the theory of change and provide information on how it serves to shift the development pathway toward a

more low-emissions and/or climate resilient direction, in line with the GCF's goals and objectives. Explain the climate rationale by describing the benefits of the proposed investment relative to the consequences of not making any investments. Describe how activities in the proposal are consistent with national regulatory and legal frameworks, if applicable. Describe in what way the accredited entity(ies) are well placed to undertake the planned activities and what will be the implementation arrangements with the executing entity(ies) and other relevant partners. Provide a brief overview of the key financial and operational risks and any mitigation measures identified at this stage.

**B.3. Expected project results aligned with the GCF investment criteria:** Provide information that enables an understanding of the project/programme's expected performance against the GCF's investment criteria, namely: impact potential; paradigm shift; sustainable development; needs of recipients; country ownership; and efficiency and effectiveness. Accredited entities should provide a brief description of the expected impacts of the proposed project/programme aligned with these criteria. For example, indicators should have specific values (e.g. 5 million t CO<sub>2</sub>eq to be reduced or avoided, or 500,000 expected direct beneficiaries) wherever possible. The GCF's Investment Framework also includes activity-specific sub-criteria and indicative assessment factors which may or may not be applicable or relevant for the proposed project/programme. Accredited entities are expected to respond to all six of the investment criteria but only the applicable and relevant sub-criteria and indicative assessment factors.

A detailed explanation of each criterion in the GCF's *Investment Framework* is provided in the table below. Source: [GCF Concept Note User's Guide](#)

Criteria	GCF guidance
<b>Impact potential</b>	<p>Specify the climate mitigation and/or adaptation impact. The GCF's Investment Framework has four core indicators to which every concept note should respond, two of which are contained within the subsection of impact potential, including:</p> <ul style="list-style-type: none"> <li>▪ Mitigation core indicator: Total tons of CO<sub>2</sub> eq to be avoided or reduced per annum</li> <li>▪ Adaptation core indicator: Expected total number of direct and indirect beneficiaries and number of beneficiaries relative to total population (e.g. total lives to be saved from disruption due to climate-related disasters)</li> </ul> <p>The methodology used for calculating the above indicators and values should be provided. The GCF's <i>Investment Framework</i> details possible indicative assessment factors that may help entities to quantify impact potential. For example, a renewable energy</p>

	<p>project/programme may wish to provide the expected reduction of megawatts as a result of low-emission energy capacity installed, generated and/or rehabilitated. This is consistent with an indicative assessment factor within the Investment Framework, which contains a range of mitigation and adaptation factors to consider.</p> <p>In addition to the core indicators above, accredited entities are encouraged to provide specific values for other indicators as they see relevant. Accredited entities may also wish to supplement the concept with more qualitative information, such as the degree to which the proposed activity avoids lock-in of long-lived, high-emission infrastructure (mitigation) or long-lived, climate-related infrastructure (adaptation). The accredited entity therefore has significant leeway to respond to quantitative and qualitative factors that will strengthen their concept note.</p> <p>Finally, the accredited entity should provide a benchmark in a comparable context (e.g. country, sector and/or technology) against which the indicator(s) can be compared.</p>
<p><b>2. Paradigm shift potential</b></p>	<p>In terms of paradigm shift, the concept note may emphasise one or multiple factors below. Provide the estimates and details of the below and specify other relevant factors.</p> <p><b>Innovation:</b> innovative ideas or elements should be highlighted and described. For example, fostering new market segments, creation of business models and/or the development or adoption of new technologies. Innovation is context-specific, and the concept note should specify the circumstances in which the innovation takes place.</p> <p><b>Potential for scaling-up and replication (e.g. multiples of initial impact size) for both mitigation and adaptation:</b> the concept note should present specific values for scaling-up and replication (e.g. a 30-megawatt hydroelectric power station that can be replicated at four different specific sites in the region). A proposal with a high potential for scaling-up, for example an early warning system for an individual province that can be scaled up to several surrounding provinces, should present a concrete plan to do so. A proposal with high replication potential, for example a hydroelectric power station in a region with several potential sites identified in a supporting technical study, should also present specific replication opportunities that can be explored. Scaling up and replication</p>

	<p>potential will have a number representing the multiples of initial impact size combined with supporting justification.</p> <p><b>Potential for knowledge and learning:</b> any potential for knowledge sharing or learning at a project or institutional level should be highlighted. For example, if the project/programme will generate useful lessons learned, a plan should be elaborated that specifies how those lessons can then be captured and shared with other individuals, projects or institutions, including through the monitoring and evaluation of the project/programme.</p> <p><b>Contribution to the creation of an enabling environment:</b> the sustainability of outcomes and results beyond the completion of the intervention should be highlighted. The concept note may elaborate on the arrangements that provide for long-term and financially sustainable continuation of key outcomes and activities. In cases where the planned activities do not generate financial reflows, a thorough explanation of long-term financial sustainability is needed. Accredited entities may also wish to highlight the aspects of market development and transformation in which the project/programme creates new markets and business activities at the local, national or international levels. If the project/programme addresses or eliminates systematic barriers to low-carbon and climate resilient solutions, or changes incentives by reducing costs and risks, these aspects can be highlighted.</p> <p><b>Contribution to the regulatory framework and policies:</b> if the project/programme advances national/local regulatory or legal frameworks and is expected to bring significant benefits in this regard, please elaborate. Of particular interest is the shifting or alignment of incentives to promote investment in low-emission or climate-resilient development, and/or the mainstreaming of climate change considerations into policies and regulatory frameworks at all decision-making levels.</p> <p><b>Overall contribution to climate-resilient development pathways consistent with a country's climate change adaptation strategies and plans:</b> show the degree to which the programme or project reduces proposed risks of investment in technologies and strategies that promote climate resilience in developing countries.</p>
<b>3. Sustainable development potential</b>	Provide the expected environmental, social and health, and economic co-benefits. Also provide the gender-sensitive

development impact, which will aim to reduce gender inequalities in climate change impacts. These co-benefits and wider positive impacts may be drawn from an economic analysis of the proposed activities and can be strengthened with more qualitative factors. As with the impact potential indicators in a previous subsection, quantitative sustainable development potential indicators are welcome and should be supported by an analysis or study. The calculation methodology should also be provided. Examples of sustainable development indicators include the following:

- Economic co-benefits
  - Total number of jobs created
  - Amount of foreign currency savings
  - Amount of government's budget deficits reduced
- Social co-benefits
  - Improved access to education
  - Improved regulation or cultural preservation
  - Improved health and safety
- Environmental co-benefits
  - Improved air and/or water quality
  - Improved soil quality
  - Improved biodiversity and ecosystem services
- Gender-sensitive development impact
  - Proportion of men and women in jobs created
  - The proposal should explain how project activities will address the needs of women and men in order to correct the prevailing inequalities. Accredited entities are strongly encouraged to create projects/programmes aligned with the objectives of GCF's *Gender Policy*, which include:
    - a) To achieve greater, more effective, sustainable, and equitable climate change results; and
    - b) To build equally women and men's resilience to and ability to address climate change; and
    - c) To address and mitigate against potential risks for women and men in projects; and

	<p>d) To help reduce the gender gap of climate change-exacerbated social, economic and environmental vulnerabilities.</p> <p>Accredited entities may propose their own indicators that highlight the sustainable development potential of the project/programme. In addition to the indicators above and any other indicators included, a strong narrative of the expected co-benefits may also supplement and further contextualise the concept note.</p>
<p><b>4. Needs of recipient</b></p>	<p>Describe the scale and intensity of vulnerability of the country and beneficiary groups and elaborate how the project/programme addresses the identified needs. Examples include:</p> <p><b>Vulnerability of the country and beneficiary groups</b> (adaptation only): address the scale and intensity of exposure to climate risks for the beneficiary country and groups, which could include the exposure of people, social or economic assets or capital to risks derived from climate change. Exposure could be expressed in terms of size of population and/or social or economic assets or capital. The proposed activities may support specific beneficiary groups which are identified as particularly vulnerable in national climate or development strategies, which should then be highlighted with relevant sex disaggregation.</p> <p><b>Economic and social development level</b> of the country and affected population: describe the level of social and economic development (including income level) of the country and target population. Examples of the target population may include minorities, disabled, elderly, children, female heads of households, indigenous peoples or others.</p> <ul style="list-style-type: none"> <li>▪ Absence of alternative sources of financing: describe the barriers that have created the lack of alternative funding sources for the project/programme.</li> <li>▪ Needs for strengthening institutions and implementation capacity: describe the opportunities to strengthen institutional and implementation capacity in relevant institutions.</li> </ul>
<p><b>5. Country ownership</b></p>	<p>Country ownership is fundamental to all concept notes submitted to the GCF. Provide details of the below, plus other relevant factors:</p> <p><b>Coherence and alignment with the country's national climate strategy and priorities</b> as well as other existing policies: detail how its objectives are aligned with the priorities in the country's</p>

	<p>national climate strategy. Accredited entities may reference nationally appropriate mitigation actions (NAMAs), national adaptation plans (NAPs) technology needs assessments (TNAs) or others, as appropriate. Also describe the degree to which the activity is supported by a country's enabling policy and institutional framework, or includes policy or institutional changes.</p> <p><b>Capacity of accredited entities or executing entities to deliver:</b> provide a brief description of accredited or executing entities (e.g. local developers, partners and service providers) and the roles these entities will play, respectively. The track record and relevant experience of the entities in similar or relevant project/programme circumstances can be elaborated.</p> <p><b>Stakeholder engagement process and feedback</b> received from civil society organisations and other relevant stakeholders: emphasise the consultative process in the description of country ownership, both with the relevant national designated authority and with the wider group of stakeholders.</p>
<p><b>6. Efficiency and effectiveness</b></p>	<p>Economic and financial analysis primarily drives the efficiency and effectiveness criterion, and the concept note should make the case for strong cost effectiveness and financial soundness. The efficiency and effectiveness of the proposed financial structure is particularly important, as the requested funding should be the appropriate amount necessary, and in the proper form (i.e. proposed financial instrument) to make the project/programme viable, but not more.</p> <p>Efficiency and effectiveness includes two core mitigation indicators.</p> <p>Provide values and supporting justification, including the calculation methodology and citations of relevant studies, for these core indicators (if applicable):</p> <ul style="list-style-type: none"> <li>▪ Estimated cost per tCO<sub>2</sub> eq. (total investment cost/expected lifetime emission reductions)</li> <li>▪ Expected volume of finance to be leveraged as a result of the GCF's financing, disaggregated by public and private sources</li> </ul> <p>In general, the economic and financial analysis, including a financial model if applicable, should guide the preparation of the response</p>

	<p>to this criterion. Accredited entities may specify the following factors as relevant, including:</p> <p><b>Financial adequacy and appropriateness of concessionality:</b> along with the financial model and analysis, specify how the proposed financial structure (funding amount, financial instrument, tenor and term) is adequate and reasonable, and further demonstrates that the structure provides the appropriate concessionality to make the proposal viable.</p> <p><b>Amount of co-financing:</b> the ratio of co-financing (total amount of the GCF's investment as percentage of project) should be provided and detailed. For projects/programmes that may not leverage a significant level of up-front co-financing, the accredited entity may instead demonstrate a significant level of indirect or long-term investment mobilised as a result of the proposed activities.</p> <p><b>Financial viability and other financial indicators:</b> indicators of particular interest include the economic rate of return (with vs. without the project) and the financial rate of return (with and without the GCF's support). Other financial indicators, including the debt service coverage ratio, may be provided as applicable. A description of the financial soundness in the long term beyond the GCF's intervention may also be helpful for the reader.</p> <p><b>Application of best practices and degree of innovation:</b> an explanation of how the best available technologies and/or best practices are considered and applied. Best practices may also take the form of indigenous knowledge.</p>
--	---

### 3.3.3. Section C: Indicative financial information

Section C provides an overview of the financing/cost information for both the requested GCF amount and co-financing amount. The GCF uses six financial instruments: grants, reimbursable grants, senior loans, subordinate loans, guarantees and equity investments that provide a breakdown of estimated costs according to the financing instrument, and specify co-financing information.

**C.1. Financing by components:** Provide an estimate of the total cost per component and disaggregate the source of financing.

- The '*Indicative total cost*' should be the sum of '*GCF financing*' amount and the '*Co-financing*' amount.

- On the '*GCF financing*', provide a breakdown by component and financial instrument. For each financing instrument, specify the amount. If you select '*senior loans*' and/or '*subordinated loans*', please specify tenor in years and pricing in percentage.
- On the '*Co-financing*' section, specify the financial instrument; provide amount and indicate currency; list the name of institutions that provide support for the proposed project/programme.

**C.2. Justification of GCF funding request:** Explain why the project/programme requires GCF funding, i.e. explaining why this is not financed by the public and/ or private sector(s) of the country. Describe alternative funding options for the same activities being proposed in the concept note, including an analysis of the barriers for the potential beneficiaries to access to finance and the constraints of public and private sources of funding. Justify the rationale of the GCF financial instrument(s) as well as how this will be passed on to the end-users and beneficiaries. Describe in detail the mechanisms that will make this happen. Justify why this is the minimum required to make the investment viable and most efficient considering the incremental cost or risk premium of the project/programme. The justification for grants and reimbursable grants is mandatory. In the case of private sector proposals, concessional terms should be minimised and justified as per the guiding principles applicable to the private sector operations.

The concept note should include strong economic and financial justification for the grant elements and concessionality level that GCF provides. The concept note should describe – to the extent possible – how it will address all the guiding principles listed below:

- Grant elements should be tailored to incremental cost, or the risk premium required to make the investment viable, or to cover specific activities such as technical assistance that cannot be financed otherwise.
- Seeking the right level of concessionality, so as not to displace investments that would otherwise have occurred, including for private sector investment and avoid crowding out commercial financing.
- Levels of indebtedness capacity of the recipient should be taken into account so as not to encourage excessive indebtedness.
- Structure terms on a case-by-case basis to address specific barriers.
- Leveraging other financing, seeking to maximise potential leverage in the case of private financing.
- The grant element of concessional finance will be tailored to provide the appropriate incentive to facilitate the implementation of mitigation and adaptation activities.

- Concessional forms of finance will be designed to minimise market distortions and potential disincentives to private investment.
- The expertise and capacity of financial intermediaries and implementing entities in implementing similar projects successfully.
- The risk sharing between public and private investment, when relevant.
- The subsidy element provided through grants and/or concessional lending will be the minimum amount necessary to make the project or programme viable and help achieve the GCF's paradigm shift objective.
- Proposed financial structure (funding amount, financial instrument, tenor and term) is adequate and reasonable in order to achieve the proposal's objectives, including addressing existing bottlenecks and/or barriers.

**C.3. Sustainability and replicability of the project:** Explain how the project/programme sustainability will be ensured in the long run. Describe how this will be monitored after the project/programme is implemented with support from the GCF and other sources. For example, give a brief explanation of how the proposed activities will be continued after the grant has been fully disbursed. For non-grant instruments, explain how the capital invested will be repaid and over what duration of time. The monitoring procedures should comply with GCF requirements.

### 3.3.4. Section D: Appendices

Section D includes the documents which can be submitted with the concept note but are optional.

- Map indicating the location of the project/programme
- Diagram of theory of change
- Economic and financial model with key assumptions and potential stressed scenarios
- Pre-feasibility study
- Evaluation report of previous project/s
- Results of environmental and social risk screening

While the GCF concept note template may not explicitly require a diagram, including one can significantly strengthen your proposal. Indeed, a diagram of the Theory of Change (ToC) is highly recommended in a GCF concept note for several reasons:

- **Visual clarity:** A diagram provides a clear and concise overview of the project's logic, making it easier for reviewers to understand the relationships between inputs, activities, outputs, outcomes, and impact.
- **Logical coherence:** It helps demonstrate that all project components are interconnected and contribute to the overall goal.

- **Risk identification**: By visualising the project's logic, potential risks and assumptions become more apparent.
- **Stakeholder understanding**: A diagram facilitates understanding and buy-in from stakeholders, as it clearly outlines the project's objectives and expected results.

### 3.4. Best practices and recommendations in addressing GCF investment criteria

A main aim of the GCF is to fund proposals that create a paradigm shift towards low-emission and climate resilient development. Thus, the paradigm shift potential criterion relates to the potential for the activities to catalyse impact beyond a one-off project or programme investment. The paradigm shift potential discussion should include, among other aspects, the following:

- a) A description of how the project can be scaled up or replicated in different areas, and/or the innovative aspects of the project,
- b) How the project creates an enabling environment for further climate change activities.
- c) How the proposal addresses knowledge sharing and learning and contributions to building institutional capacity to promote climate change activities beyond the GCF investment.

The country ownership criterion of the GCF proposals involves considering how well the project fits within the beneficiary country's strategic policies, climate strategies and institutions that support the shift to low-carbon climate resilient sustainable development. GCF proposals that align with national strategies, policies, frameworks and priorities, and engage local and regional stakeholders, as well as ministries and other national institutions, are more likely to fulfil this criterion.

A GCF proposal should discuss how the project fits with the country's Nationally Determined Contribution (NDC) or other planning documents such as National Adaptation Plans (NAPs). This briefing discusses further guidance on making such linkages. In addition, a no-objection procedure from the national designated authority bolsters the country ownership criterion, but elaboration within the proposal either through a description of the capacity of the Accredited Entities (AE) or Executing Entities (EE) to deliver and implement or of the meaningful stakeholder engagement process can support this criterion as well.

The Needs of the Recipient criterion addresses vulnerability and financing needs of the beneficiary country and population, including: (i) Intensity of exposure to climate risks and the degree of vulnerability, (ii) Exposure to slow onset events as well as the size of population, and/or (iii) Social or economic assets or capital of the country exposed to climate change risks and impacts. In an adaptation context, addressing the needs of the recipient criterion requires an explanation of how vulnerability in the context of the proposal will be reduced (from a baseline and future projections) and information on how the project promotes social and economic development. Different tools should be considered here including the vulnerability

assessments and financial analyses, that can contribute to building the needs of the recipient narrative. Fulfilling these needs of the Recipient criterion requires project proponents to undertake or refer to existing vulnerability studies and financial analyses that justify the need for the proposed GCF interventions.

The Efficiency and effectiveness criterion seeks to address questions related to the financial soundness or viability of the proposed interventions. To address this criterion, project proponents must undertake economic and financial analyses to prove that the project is cost-effective. Proponents should also explain options for co-financing, or the lack thereof. Proposals benefit from explanations of how the project will mobilise funds for long-term investment as well.

## Glossary

Term	Definition
<b>Accreditation Master Agreement (AMA)</b>	an agreement signed between an accredited entity and the GCF that is a prerequisite for the disbursement of funds for a GCF-approved project. It contains the general terms and conditions applicable to all GCF-funded activities of the AE including conditions precedent to disbursement, fiduciary standards, and privileges and immunities.
<b>Accredited entity (AE)</b>	An entity that is accredited by the GCF Board in accordance with the Governing Instrument and relevant Board Decisions. Please refer to the <i>accredited entity directory</i> to see the full list of AEs.
<b>Adaptation Finance</b>	Financial resources dedicated to activities that help communities, regions, and countries adapt to the impacts of climate change, such as building resilient infrastructure or supporting climate-resilient agriculture.
<b>Adaptation project</b>	It is an initiative designed to reduce the vulnerability of communities and systems to the adverse effects of climate change. This involves taking actions to prepare for and adjust to both current and expected impacts of climate change.
<b>Blended Finance</b>	A mix of public and private financing aimed at attracting private investment to projects that contribute to climate adaptation, reducing the risk for private investors.
<b>Climate Change</b>	It is the significant variation of average weather conditions becoming, for example, warmer, wetter, or drier—over several decades or longer. It is the longer-term trend that differentiates climate change from natural weather variability.
<b>Climate Change Adaptation (CCA)</b>	It is the process of adjusting to the effects of climate change. These can be both current and expected impacts.
<b>Climate Finance</b>	It refers to financial resources and instruments that are used to support action on climate change.
<b>Climate Resilience</b>	The ability of communities, ecosystems, or economies to withstand and recover from the effects of climate change, ensuring they can sustain development gains despite climate impacts.
<b>Co-Benefits</b>	Secondary benefits of climate adaptation projects, such as improved air quality, job creation, or biodiversity conservation, beyond the primary aim of reducing climate vulnerability.
<b>Concept Note (CN)</b>	A document which provides essential information about a proposal to seek feedback on whether the concept is aligned with the objectives, policies and investment criteria of the GCF. The <i>concept note template</i> can be downloaded from the GCF website.
<b>Ecosystem-Based Adaptation (EbA)</b>	The use of biodiversity and ecosystem services as part of an overall strategy to help people adapt to the adverse effects of climate change, such as mangrove restoration for coastal protection.

Term	Definition
<b>Entity Work Programme (EWP)</b>	a document developed by accredited entities with support from the Country Programming Division of the GCF that provides an overview of the AE's areas of

	work, priority sectors and experience in implementing projects and programmes across the GCF's eight Strategic Impact Areas. It also summarises their indicative projects as well as programmes and outlines an action plan for engagement with the GCF.
<b>Environmental and Social Safeguards (ESS)</b>	A reference point for identifying, measuring and managing environmental and social risks. The purpose of the ESS is to determine the key environmental and social risks the accredited entity intends to address in the conceptualization, preparation and implementation of funding proposals, and to provide guidance on how these risks are to be managed. ESS is based on the eight performance standards of the International Finance Corporation. Please refer to the <i>Interim Environmental and Social Safeguards</i> of the GCF for more detailed information about the performance standards.
<b>Executing entity (EE)</b>	An entity through which GCF proceeds are channelled for the purposes of a funded activity or part thereof; and/or any entity that executes, carries out or implements a funded activity, or any part thereof. An accredited entity may carry out the functions of an executing entity, though it is preferable if local and national actors execute projects/programmes.
<b>Financial instruments</b>	A total of six financial instruments in the GCF that can be utilised through different modalities and at various stages of the financing cycle: grants, reimbursable grants, senior loans, subordinated loans, guarantees, and equity investments. A project/programme may include one or multiple financial instruments
<b>Focal point</b>	An individual or authority designated by a developing country party to the United Nations Framework Convention on Climate Change (UNFCCC) to fulfil all functions of a National Designated Authority (NDA) on a temporary basis, until it has designated an NDA.
<b>Funding proposal (FP)</b>	A document that is submitted by entities who want to get access to GCF resources for climate change projects and programmes. Funding Proposals can be submitted to the GCF at any time or as a response to a Request for Proposals (RFP). Funding Proposals that are submitted to GCF are subject to a review process, culminating in a decision by the GCF Board as to whether to support the project.
<b>Green Climate Fund (GCF)</b>	It is a fund for climate finance that was established within the framework of the United Nations Framework Convention on Climate Change. Its objective is to assist developing countries with climate change adaptation and mitigation activities.
<b>Independent Technical Advisory Panel (iTAP)</b>	A panel responsible for conducting technical assessments of funding proposals after the internal review of the GCF Secretariat and before submission to the GCF Board.
<b>Logical Framework (Logframe)</b>	It is a project planning tool used to outline a project's goals, objectives, activities, and expected outcomes. It helps to visualise the project's logic, ensuring that all components are aligned and contribute to the overall objective.
<b>Loss and Damage</b>	Refers to the negative impacts of climate change that people have not been able to cope with or adapt to, which require financial compensation or other forms of support.
<b>National Adaptation Plan (NAP)</b>	A strategic planning process that enables countries to identify and address their medium- and long-term adaptation needs, integrating climate resilience into national development planning. The NAP process was established under the

	Cancun Adaptation Framework (2010) in order to prepare countries for addressing climate risks. The main objectives of the NAPs are to reduce vulnerability to climate change, and to mainstream climate change adaptation in all levels of planning.
<b>National Designated Authority (NDA)</b>	A core interface and the main point of communication between a country and the GCF. The NDA seeks to ensure that activities supported by the GCF align with strategic national objectives and priorities, and help advance ambitious action on adaptation and mitigation in line with national needs. A key role of NDAs is to provide letters of nomination to direct access entities. Please refer to the <i>country directory</i> to see the full list of NDAs.
<b>Nature-Based Solutions (NbS)</b>	Strategies that involve the protection, sustainable management, and restoration of natural or modified ecosystems to address societal challenges, effectively and adaptively contributing to human well-being and biodiversity benefits.
<b>Private Sector Engagement</b>	Involvement of private businesses and investors in financing and implementing climate adaptation measures, leveraging private sector innovation, efficiency, and resources.
<b>Programme</b>	It is a group of related projects, sub-programs, and program management activities managed in a coordinated manner to achieve strategic objectives and benefits. It is a larger, ongoing effort with multiple components.
<b>Project</b>	In the context of climate change, it is an initiative designed to address climate change by reducing greenhouse gas emissions, increasing carbon sequestration, or building resilience to climate impacts. They can range from large-scale infrastructure developments to community-based initiatives.
<b>Project Preparation Facility (PPF)</b>	A funding window that supports AEs in project and programme preparation. It covers pre-feasibility and feasibility studies; project design; environmental, social and gender studies; risk assessments; and other project preparation activities, where necessary, provided that sufficient justification is available. The PPF is designed in particular to support Direct Access Entities for projects in the micro-to-small size category. Refer to the <i>PPF request template</i> for more information.
<b>Public-Private Partnership (PPP)</b>	Collaborative agreements between government entities and private sector companies to finance and implement projects, including those related to climate adaptation, which may involve shared risks and benefits.
<b>Request for Proposals (RFP)</b>	On occasion, the GCF Board may call for Requests for Proposals to guide the development of the GCF portfolio in specific areas in accordance with the initial strategic plan. RFPs have specific eligibility standards. Entities that are not yet accredited by the GCF can submit proposals to the Fund as a response to RFPs. It is possible to check ongoing <i>Request for Proposals</i> through the GCF website.
<b>Result areas</b>	Eight result/impact areas which will deliver major mitigation and adaptation benefits in the developing world to promote a paradigm shift towards low-emission and climate-resilient development. Mitigation includes four result areas, namely low-emission energy access and power generation; low-emission transport; energy efficient building, cities and industries; and sustainable land use and forest management. Adaptation covers the other four, namely enhanced livelihoods of the most vulnerable people, communities and regions; increased health and well-being, and food and water security; resilient infrastructure and built environment to climate change threats; and resilient ecosystems. All

	proposals must reflect one or more of the result/impact areas. More on these result areas can be found in this document: <i>Mitigation and Adaptation Performance Measurement Frameworks</i> .
<b>Simplified Approval Process (SAP)</b>	A process for small-scale low risk proposals which allots less time and effort from both the entity and GCF to go from project conception to implementation. The documentation to be provided is reduced while the review and approval processes are streamlined. The SAP has three main eligibility criteria including a GCF contribution of up to USD 10 million; an ESS category of minimal to none; and a potential for scaling-up, transformation and promotion of a paradigm shift to low-emission and climate-resilient development. Further information on the <i>Simplified Approval Process</i> , including a SAP concept note template with an ESS checklist, is available on the GCF website.
<b>Sustainable Development Goals (SDGs)</b>	A collection of 17 global goals set by the United Nations General Assembly in 2015, which include specific targets related to climate action (SDG 13), as well as goals that support climate adaptation through sustainable development.
<b>Technical Assistance</b>	Support provided to countries and organisations in the form of expertise, training, and knowledge transfer to help design, implement, and manage climate adaptation projects effectively.
<b>Theory of Change (ToC)</b>	It is a roadmap that outlines how a specific intervention or program is expected to lead to desired social change. It's a comprehensive explanation of the causal links between activities, outputs, outcomes, and impacts.

## References

- Fayolle V., Odianose S. and Soanes M. (2017), GCF Project Toolkit 2017. Guide to develop a Project proposal for the Green Climate Fund (GCF). Acclimatise, London. January 2017. Available here: [https://reliefweb.int/sites/reliefweb.int/files/resources/GCF%20project%20Toolkit\\_20.01.2017\\_For%20Publication.pdf](https://reliefweb.int/sites/reliefweb.int/files/resources/GCF%20project%20Toolkit_20.01.2017_For%20Publication.pdf)
- Fayolle, V. and Odianose, S. (2017) Green Climate Fund Proposal toolkit 2017. London: Acclimatise and Climate and Development Knowledge Network. Available here: <https://cdkn.org/wp-content/uploads/2017/06/GCF-project-development-manual.pdf>
- GCF 2015. GCF Adaptation results areas, investment criteria, results and indicators – an overview. URL: [https://unfccc.int/files/adaptation/application/pdf/nwa\\_8.2\\_gcf.pdf](https://unfccc.int/files/adaptation/application/pdf/nwa_8.2_gcf.pdf)
- GCF 2016. GCF Concept Note template. URL: <https://www.greenclimate.fund/document/concept-note-template>
- GCF 2022. Funding Proposal template. URL: <https://www.greenclimate.fund/document/funding-proposal-template>
- GCF iTAP, 2021. Developing a Theory of Change GCF Projects. URL: <https://www.greenclimate.fund/sites/default/files/event/meet-itap-webinar-theory-change-1-oct-2021-fv.pdf>
- GCF project portfolio for different funding proposal documentation, available here:
- GCF, 2016. GCF Concept Note User's Guide. URL: <https://www.greenclimate.fund/sites/default/files/document/gcf-concept-note-user-s-guide.pdf>
- GCF, 2017. Funding Proposal F058: Responding to the Increasing Risk of Drought: Building Gender- responsive Resilience of the Most Vulnerable Communities. URL: <https://www.greenclimate.fund/sites/default/files/document/funding-proposal-fp058-mofec-ethiopia.pdf>
- GCF, 2019. Gender assessment and action plan: Annex 8 to Funding Proposals. Template. URL: <https://www.greenclimate.fund/document/gender-assessment-and-action-plan-annex-8-funding-proposals>
- GCF, 2020. Funding Proposal FP131: Improving Climate Resilience of Vulnerable Communities and Ecosystems in the Gandaki River Basin, Nepal. URL: [https://www.greenclimate.fund/sites/default/files/document/fp131-iucn-nepal\\_0.pdf](https://www.greenclimate.fund/sites/default/files/document/fp131-iucn-nepal_0.pdf)
- GCF, 2023. Investment framework for GCF-2. URL: [https://www.greenclimate.fund/sites/default/files/document/investment-framework\\_1.pdf](https://www.greenclimate.fund/sites/default/files/document/investment-framework_1.pdf)
- GCF. 2017. Mainstreaming gender in Green Climate Fund projects. URL: [https://www.greenclimate.fund/sites/default/files/document/guidelines-gcf-toolkit-mainstreaming-gender\\_0.pdf](https://www.greenclimate.fund/sites/default/files/document/guidelines-gcf-toolkit-mainstreaming-gender_0.pdf)

- GIZ, 2017. Guidebook: Writing a Green Climate Fund Funding Proposal. URL: [https://current-future.org/wp-content/uploads/2017\\_GIZ\\_GCF-Funding-Proposal-Guidebook.pdf](https://current-future.org/wp-content/uploads/2017_GIZ_GCF-Funding-Proposal-Guidebook.pdf)  
<https://www.greenclimate.fund/what-we-do/projects-programmes>
- Mahlet Eyassu Melkie, Rodrigo Narvaez, Kristin Qui (Climate Analytics), 2020. Elements of a Strong GCF Proposal. URL: [https://ca1-clm.edcdn.com/assets/elements\\_gcf\\_proposal\\_03.30.2020\\_final.pdf?v=1679478147](https://ca1-clm.edcdn.com/assets/elements_gcf_proposal_03.30.2020_final.pdf?v=1679478147)
- Mahlet Eyassu Melkie, Rodrigo Narvaez, Kristin Qui (Climate Analytics), 2020. Addressing the GCF Investment Criteria. URL: [https://ca1-clm.edcdn.com/assets/addressing\\_the\\_gcf\\_investment\\_criteria\\_final\\_edited\\_version\\_30.03.2020.pdf?v=1679478367](https://ca1-clm.edcdn.com/assets/addressing_the_gcf_investment_criteria_final_edited_version_30.03.2020.pdf?v=1679478367)

## Annex 1. GCF Criteria for assessing programme/project proposals

Criterion	Definition	Coverage area
Impact potential	Potential of the programme/project to contribute to the achievement of the Fund's objectives and result areas	<ul style="list-style-type: none"> <li>▪ Mitigation impact</li> <li>▪ Adaptation impact</li> </ul>
Paradigm shift potential	Degree to which the proposed activity can catalyse impact beyond a one-off project or programme investment	<ul style="list-style-type: none"> <li>▪ Potential for scaling-up and replication and its overall contribution to global low-carbon development pathways, consistent with a temperature increase of less than 2 °C</li> <li>▪ Potential for knowledge and learning</li> <li>▪ Contribution to the creation of an enabling environment</li> <li>▪ Contribution to the regulatory framework and policies</li> <li>▪ Overall contribution to climate-resilient development pathways consistent with a country's climate change adaptation strategies and plans</li> </ul>
Sustainable development potential	Wider benefits and priorities	<ul style="list-style-type: none"> <li>▪ Environmental co-benefits</li> <li>▪ Social co-benefits</li> <li>▪ Economic co-benefits</li> <li>▪ Gender-sensitive development impact</li> </ul>
Needs of the recipient	Vulnerability and financing needs of the beneficiary country and population	<ul style="list-style-type: none"> <li>▪ Vulnerability of the country</li> <li>▪ Vulnerable groups and gender aspects</li> <li>▪ Economic and social development level</li> </ul>

		<ul style="list-style-type: none"> <li>▪ of the country and the affected population</li> <li>▪ Absence of alternative sources of financing</li> <li>▪ Need for strengthening institutions and implementation capacity</li> </ul>
Country ownership	Beneficiary country ownership of and capacity to implement a funded project or programme (policies, climate strategies and institutions)	<ul style="list-style-type: none"> <li>▪ Existence of a national climate strategy</li> <li>▪ Coherence with existing policies</li> <li>▪ Capacity of implementing entities, intermediaries or executing entities to deliver</li> <li>▪ Engagement with civil society organizations and other relevant stakeholders</li> </ul>
Efficiency and effectiveness	Economic and, if appropriate, financial soundness of the programme/project	<ul style="list-style-type: none"> <li>▪ Cost-effectiveness and efficiency regarding financial and non-financial aspects</li> <li>▪ Amount of co-financing<sup>4</sup></li> <li>▪ Programme/project financial viability and other financial indicators</li> <li>▪ Industry best practices</li> </ul>

Source: [https://www.greenclimate.fund/sites/default/files/document/investment-framework\\_1.pdf](https://www.greenclimate.fund/sites/default/files/document/investment-framework_1.pdf)

## Annex 2. Practical exercises

### SC5 - Developing Concept Note for the Green Climate Fund (GCF)

#### General guidelines (to be adapted to country context – by the facilitator)

Choose a project idea from one of the adaptation sectors below:

- *Agriculture*
- *Coastal zones*
- *Human health*
- *Biodiversity conservation*

The Facilitator, will guide the participant to:

- Build a strong **CLIMATE RATIONALE**
- Design a problem tree and transit to **THEORY OF CHANGE (TOC)**
- Propose a **GENDER EQUALITY AND SOCIAL INCLUSION (GESI)** Action Plan.

#### Guidelines:

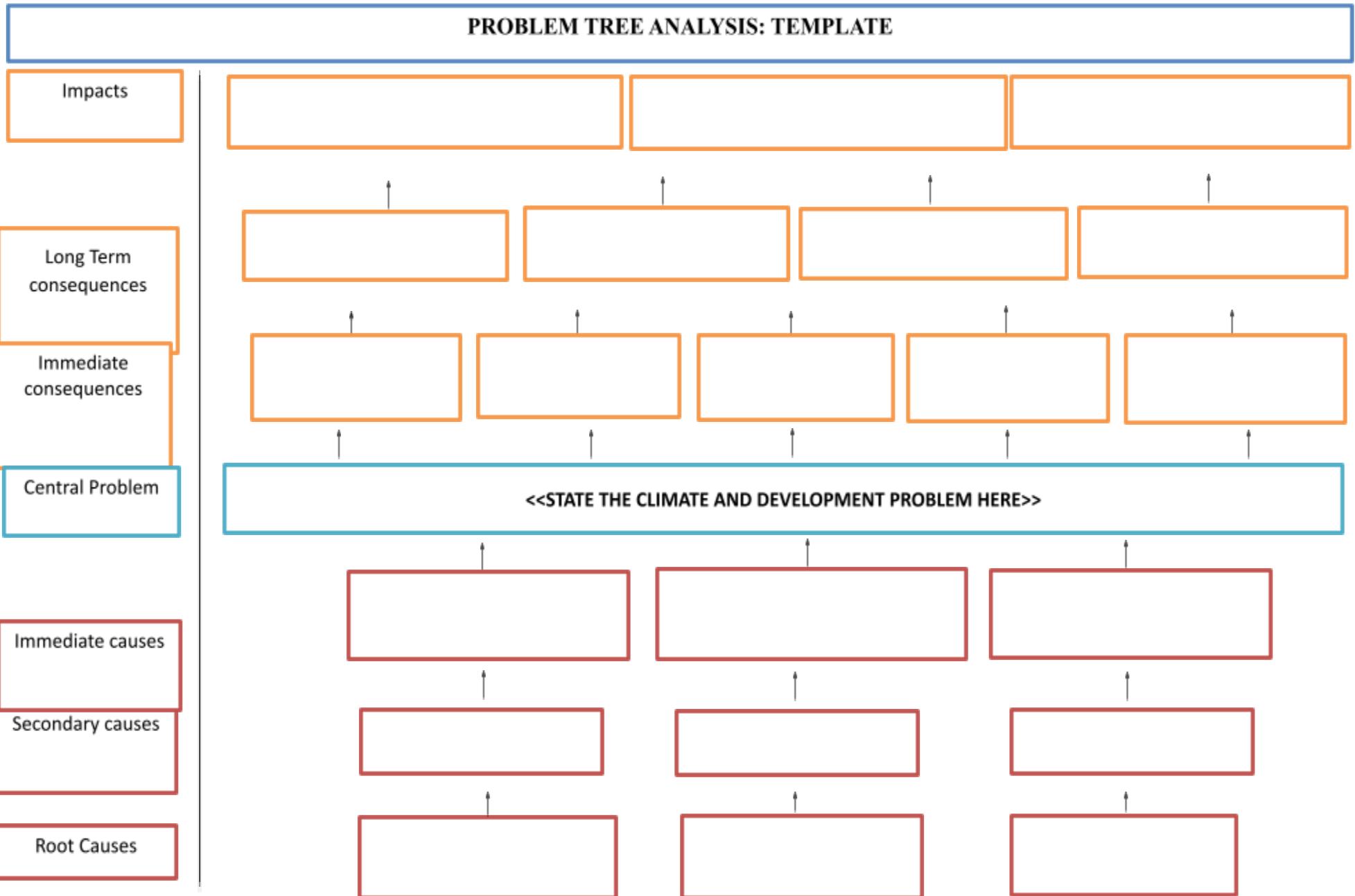
Please use the below templates.

## 1. Climate Rationale

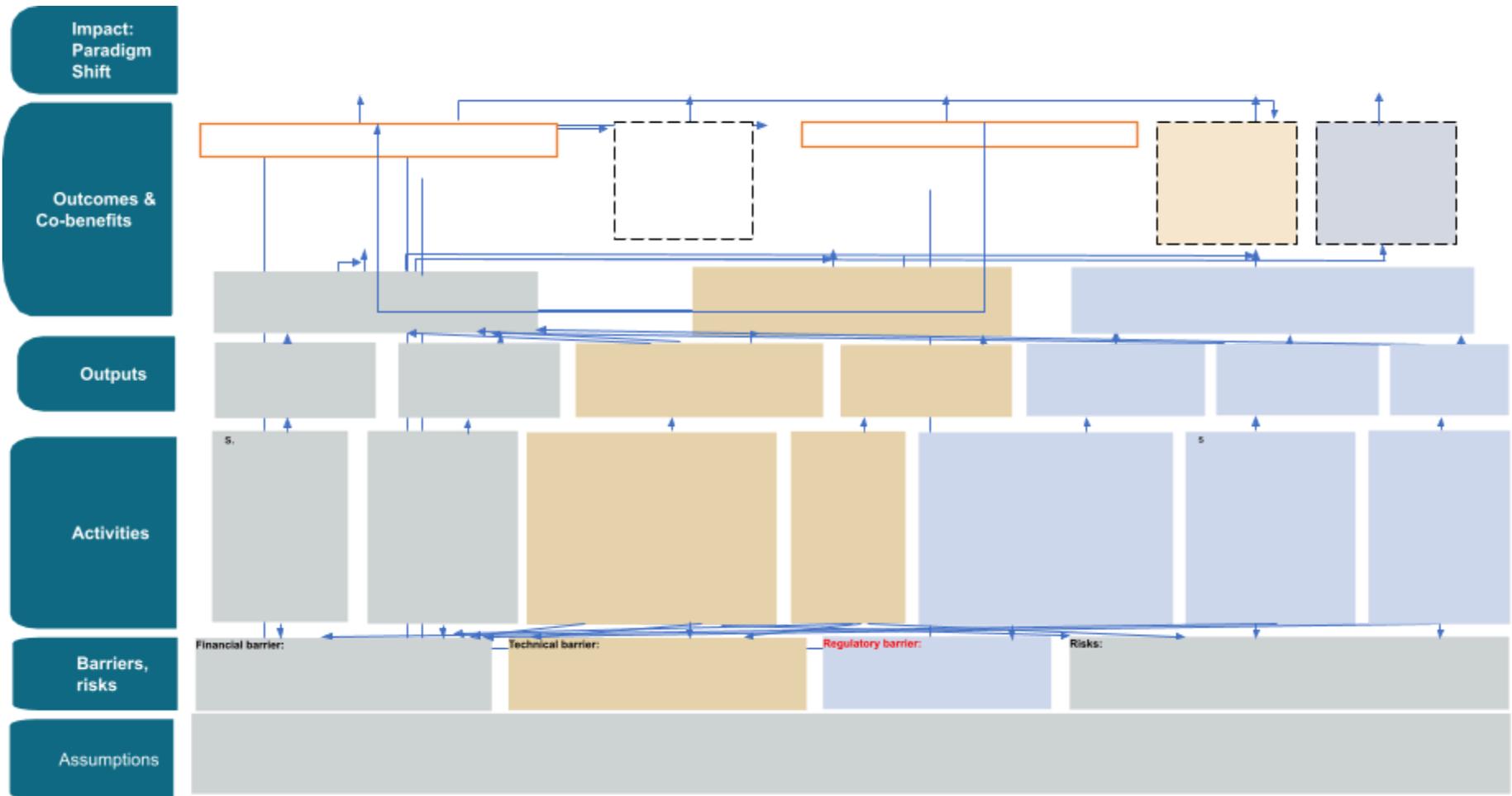
The climate rationale of your project or program provides the basis for ensuring that the project responds specifically to the challenges of climate change.

<b>Project idea:</b>	
Description of your climate rationale	

## 2. From a problem tree to developing a Theory of Change



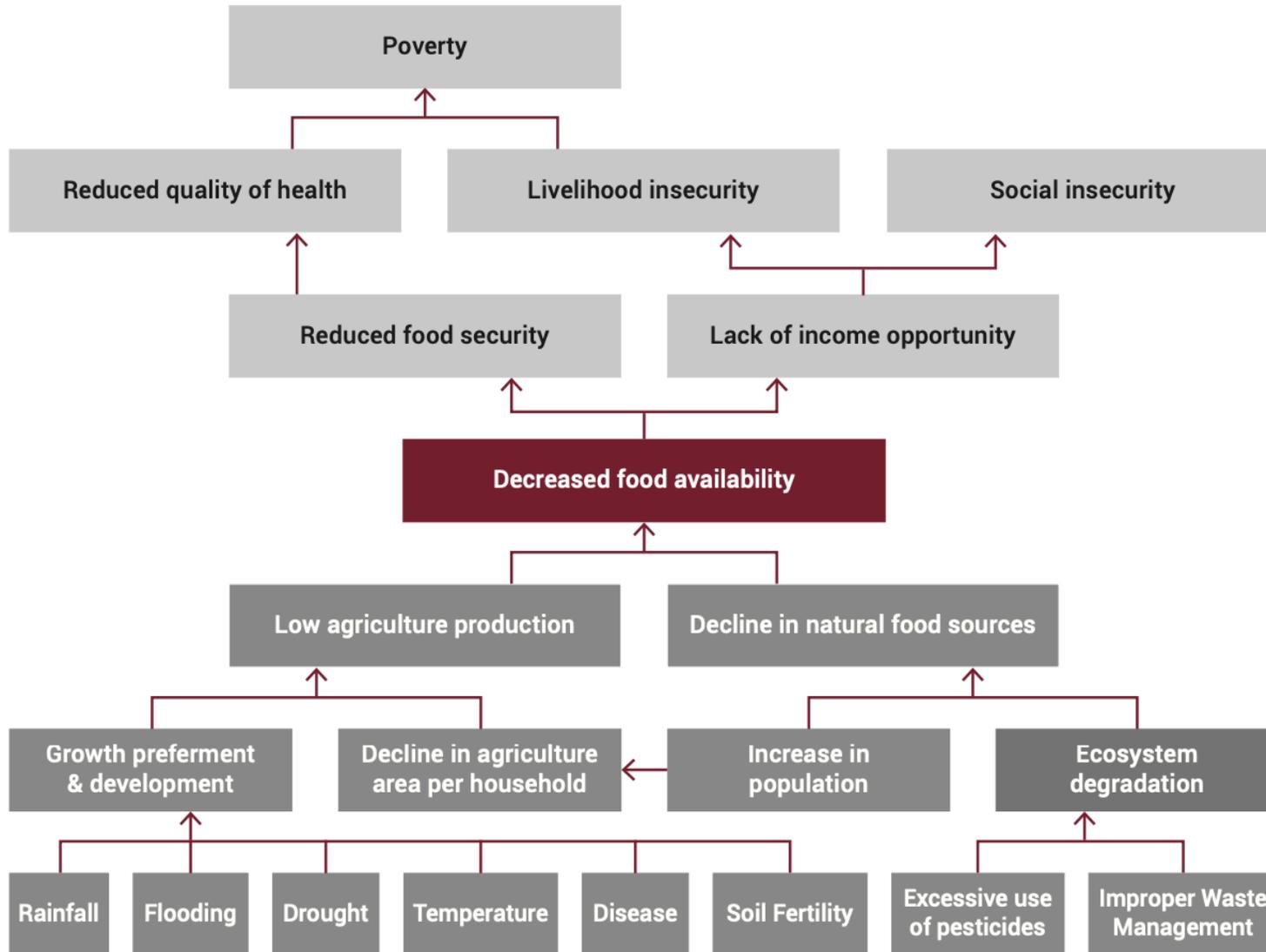
GCF ToC diagram Template



### 3. Gender and Social Inclusion Action Plan: [Template](#)

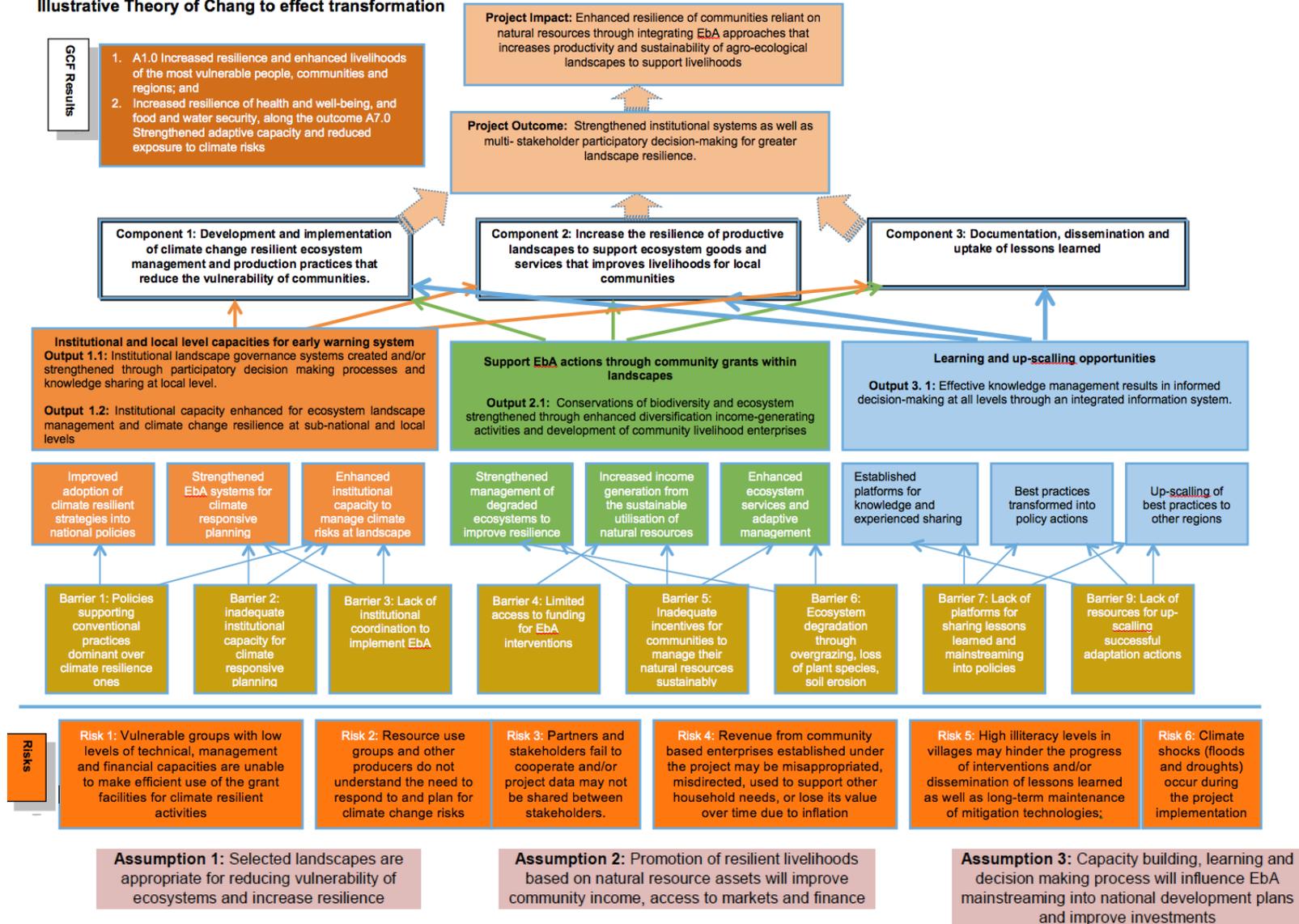
Activities	Indicators and Targets	Timeline	Responsibilities	Costs
<p><b>Impact Statement:</b></p>				
<p><b>Output(s) Statement:</b></p>				
<p>(This is the place where the project/program team inserts a brief list of activities. Activities are those that tell us what the project/program will do; sometimes referred to as interventions.</p>	<p>Outline the indicators and targets here (Note: A good indicator should be able to measure the quantity, quality and timeliness of products (goods or services) that are the result of an activity, project or program. On the other hand, a target should – in the case of the GAP – be disaggregated by sex. Targets, disaggregated by sex, is an effective way to measure quantifiable [and differential] results for women, men, girls and boys.</p>	<p>(This is the place where the project/program team inserts the timeline for each of the indicators/targets.</p>	<p>(Highlight here which party/organization /entity/partner will be responsible for ensuring the achievement of targets, as outlined in the indicator and targets column.</p>	<p>(This is the column to insert the approximate budgetary allocation for undertaking each activity.</p>
<p>...</p>	<p>...</p>	<p>...</p>	<p>...</p>	<p>...</p>
<p>...</p>	<p>...</p>	<p>...</p>	<p>...</p>	<p>...</p>

## Annex 3. Example of problem tree



## Annex 4. Illustrative Theory of Change

### Illustrative Theory of Change to effect transformation





## **Annex 5. GCF Concept Note Template**

# Concept Note

Project/Programme Title:	_____
Country(ies):	_____
National Designated Authority(ies) (NDA):	_____
Accredited Entity(ies) (AE):	_____
Date of first submission/ version number:	<u>[YYYY-MM-DD] [v.0]</u>
Date of current submission/ version number	<u>[YYYY-MM-DD] [v.0]</u>



Please submit the completed form to [fundingproposal@gcfund.org](mailto:fundingproposal@gcfund.org),  
using the following name convention in the subject line and file name:  
“CN-[Accredited Entity or Country]-YYYYMMDD”

### Notes

- The maximum number of pages should **not exceed 12 pages**, excluding annexes. Proposals exceeding the prescribed length will not be assessed within the indicative service standard time of 30 days.
- As per the Information Disclosure Policy, the concept note, and additional documents provided to the Secretariat can be disclosed unless marked by the Accredited Entity(ies) (or NDAs) as confidential.
- The relevant National Designated Authority(ies) will be informed by the Secretariat of the concept note upon receipt.
- NDA can also submit the concept note directly with or without an identified accredited entity at this stage. In this case, they can leave blank the section related to the accredited entity. The Secretariat will inform the accredited entity(ies) nominated by the NDA, if any.
- Accredited Entities and/or NDAs are encouraged to submit a Concept Note before making a request for project preparation support from the Project Preparation Facility (PPF).
- Further information on GCF concept note preparation can be found on GCF website [Funding Projects Fine Print](#).

A. Project/Programme Summary (max. 1 page)			
<b>A.1. Project or programme</b>	<input type="checkbox"/> Project <input type="checkbox"/> Programme	<b>A.2. Public or private sector</b>	<input type="checkbox"/> Public sector <input type="checkbox"/> Private sector
<b>A.3. Is the CN submitted in response to an RFP?</b>	Yes <input type="checkbox"/> No <input type="checkbox"/> If yes, specify the RFP:	<b>A.4. Confidentiality<sup>1</sup></b>	<input type="checkbox"/> Confidential <input type="checkbox"/> Not confidential
<b>A.5. Indicate the result areas for the project/programme</b>	<p><u>Mitigation</u>: Reduced emissions from:</p> <input type="checkbox"/> Energy access and power generation <input type="checkbox"/> Low emission transport <input type="checkbox"/> Buildings, cities and industries and appliances <input type="checkbox"/> Forestry and land use <p><u>Adaptation</u>: Increased resilience of:</p> <input type="checkbox"/> Most vulnerable people and communities <input type="checkbox"/> Health and well-being, and food and water security <input type="checkbox"/> Infrastructure and built environment <input type="checkbox"/> Ecosystem and ecosystem services		
<b>A.6. Estimated mitigation impact (tCO<sub>2</sub>eq over lifespan)</b>		<b>A.7. Estimated adaptation impact (number of direct beneficiaries and % of population)</b>	
<b>A.8. Indicative total project cost (GCF + co-finance)</b>	Amount: USD _____	<b>A.9. Indicative GCF funding requested</b>	Amount: USD _____
<b>A.10. Mark the type of financial instrument requested for the GCF funding</b>	<input type="checkbox"/> Grant <input type="checkbox"/> Reimbursable grant <input type="checkbox"/> Guarantees <input type="checkbox"/> Equity <input type="checkbox"/> Subordinated loan <input type="checkbox"/> Senior Loan <input type="checkbox"/> Other: specify _____		
<b>A.11. Estimated duration of project/ programme:</b>	a) disbursement period: b) repayment period, if applicable:	<b>A.12. Estimated project/ Programme lifespan</b>	This refers to the total period over which the investment is effective.
<b>A.13. Is funding from the Project Preparation Facility requested?<sup>2</sup></b>	Yes <input type="checkbox"/> No <input type="checkbox"/> Other support received <input type="checkbox"/> If so, by who:	<b>A.14. ESS category<sup>3</sup></b>	<input type="checkbox"/> A or I-1 <input type="checkbox"/> B or I-2 <input type="checkbox"/> C or I-3
<b>A.15. Is the CN aligned with your accreditation standard?</b>	Yes <input type="checkbox"/> No <input type="checkbox"/>	<b>A.16. Has the CN been shared with the NDA?</b>	Yes <input type="checkbox"/> No <input type="checkbox"/>
<b>A.17. AMA signed (if submitted by AE)</b>	Yes <input type="checkbox"/> No <input type="checkbox"/> If no, specify the status of AMA negotiations and expected date of signing:	<b>A.18. Is the CN included in the Entity Work Programme?</b>	Yes <input type="checkbox"/> No <input type="checkbox"/>
<b>A.19. Project/Programme rationale, objectives and approach of</b>	Brief summary of the problem statement and climate rationale, objective and selected implementation approach, including the executing entity(ies) and other implementing partners.		

<sup>1</sup> Concept notes (or sections of) not marked as confidential may be published in accordance with the Information Disclosure Policy ([Decision B.12/35](#)) and the Review of the Initial Proposal Approval Process ([Decision B.17/18](#)).

<sup>2</sup> See [here](#) for access to project preparation support request template and guidelines

<sup>3</sup> Refer to the Fund's environmental and social safeguards ([Decision B.07/02](#))



<b>programme/project (max 100 words)</b>	
--	--

**B. Project/Programme Information (max. 8 pages)**

**B.1. Context and baseline (max. 2 pages)**

*Describe the climate vulnerabilities and impacts, GHG emissions profile, and mitigation and adaptation needs that the prospective intervention is envisaged to address.*

*Please indicate how the project fits in with the country’s national priorities and its full ownership of the concept. Is the project/programme directly contributing to the country’s INDC/NDC or national climate strategies or other plans such as NAMAs, NAPs or equivalent? If so, please describe which priorities identified in these documents the proposed project is aiming to address and/or improve.*

*Describe the main root causes and barriers (social, gender, fiscal, regulatory, technological, financial, ecological, institutional, etc.) that need to be addressed.*

*Where relevant, and particularly for private sector project/programme, please describe the key characteristics and dynamics of the sector or market in which the project/programme will operate.*

**B.2. Project/Programme description (max. 3 pages)**

*Describe the expected set of components/outputs and subcomponents/activities to address the above barriers identified that will lead to the expected outcomes.*

*In terms of rationale, please describe the theory of change and provide information on how it serves to shift the development pathway toward a more low-emissions and/or climate resilient direction, in line with the Fund’s goals and objectives.*

*Describe how activities in the proposal are consistent with national regulatory and legal framework, if applicable.*

*Describe in what way the Accredited Entity(ies) is well placed to undertake the planned activities and what will be the implementation arrangements with the executing entity(ies) and implementing partners.*

*Please provide a brief overview of the key financial and operational risks and any mitigation measures identified at this stage.*

**B.3. Expected project results aligned with the GCF investment criteria (max. 3 pages)**

*The GCF is directed to make a significant and ambitious contribution to the global efforts towards attaining the goals set by the international community to combat climate change, and promoting the paradigm shift towards low-emission and climate-resilient development pathways by limiting or reducing greenhouse gas emissions and adapting to the impacts of climate change.*

*Provide an estimate of the expected impacts aligned with the GCF investment criteria: impact potential, paradigm shift, sustainable development, needs of recipients, country ownership, and efficiency and effectiveness.*

**B.4. Engagement among the NDA, AE, and/or other relevant stakeholders in the country (max ½ page)**

*Please describe how engagement among the NDA, AE and/or other relevant stakeholders in the country has taken place and what further engagement will be undertaken as the concept is developed into a funding proposal.*

**C. Indicative Financing/Cost Information (max. 3 pages)**

**C.1. Financing by components (max ½ page)**

*Please provide an estimate of the total cost per component/output and disaggregate by source of financing.*

Component/Output	Indicative cost (USD)	GCF financing		Co-financing		
		Amount (USD)	Financial Instrument	Amount (USD)	Financial Instrument	Name of Institutions



<b>Indicative total cost (USD)</b>						

For private sector proposal, provide an overview (diagram) of the proposed financing structure.

**C.2. Justification of GCF funding request (max. 1 page)**

Explain why the Project/ Programme requires GCF funding, i.e. explaining why this is not financed by the public and/ or private sector(s) of the country.

Describe alternative funding options for the same activities being proposed in the Concept Note, including an analysis of the barriers for the potential beneficiaries to access to finance and the constraints of public and private sources of funding.

Justify the rationale and level of concessionality of the GCF financial instrument(s) as well as how this will be passed on to the end-users and beneficiaries. Justify why this is the minimum required to make the investment viable and most efficient considering the incremental cost or risk premium of the Project/ Programme (refer to Decisions B.12/17; B.10/03; and B.09/04 for more details). The justification for grants and reimbursable grants is mandatory.

In the case of private sector proposal, concessional terms should be minimized and justified as per the Guiding principles applicable to the private sector operations (Decision B.05/07).

**C.3. Sustainability and replicability of the project (exit strategy) (max. 1 page)**

Please explain how the project/programme sustainability will be ensured in the long run and how this will be monitored, after the project/programme is implemented with support from the GCF and other sources.

For non-grant instruments, explain how the capital invested will be repaid and over what duration of time.

**D. Supporting documents submitted (OPTIONAL)**

- Map indicating the location of the project/programme
- Diagram of the theory of change
- Economic and financial model with key assumptions and potential stressed scenarios
- Pre-feasibility study
- Evaluation report of previous project
- Results of environmental and social risk screening

**Self-awareness check boxes**

Are you aware that the full Funding Proposal and Annexes will require these documents? Yes  No

- Feasibility Study
- Environmental and social impact assessment or environmental and social management framework
- Stakeholder consultations at national and project level implementation including with indigenous people if relevant
- Gender assessment and action plan
- Operations and maintenance plan if relevant
- Loan or grant operation manual as appropriate
- Co-financing commitment letters

Are you aware that a funding proposal from an accredited entity without a signed AMA will be reviewed but not sent to the Board for consideration? Yes  No



# **Annex 6. GCF Funding Proposal Template**

# Funding Proposal

Project/Programme title:	<i><u>Please indicate the project title. Ideally this should reference the country where the project/programme will be implemented and be less than 100 characters, approximately 10-15 words.</u></i>
Country(ies):	<i><u>List all the countries where the project/programme will be implemented.</u></i>
Accredited Entity:	<i><u>Indicate the Accredited Entity submitting this proposal.</u></i>
Date of first submission:	<i><u>[YYYY/MM/DD]</u></i>
Date of current submission	<i><u>[YYYY/MM/DD]</u></i>
Version number	<i><u>[v.000]</u></i>



## Contents

Section A	<u><a href="#">PROJECT / PROGRAMME SUMMARY</a></u>
Section B	<u><a href="#">PROJECT / PROGRAMME INFORMATION</a></u>
Section C	<u><a href="#">FINANCING INFORMATION</a></u>
Section D	<u><a href="#">EXPECTED PERFORMANCE AGAINST INVESTMENT CRITERIA</a></u>
Section E	<u><a href="#">LOGICAL FRAMEWORK</a></u>
Section F	<u><a href="#">RISK ASSESSMENT AND MANAGEMENT</a></u>
Section G	<u><a href="#">GCF POLICIES AND STANDARDS</a></u>
Section H	<u><a href="#">ANNEXES</a></u>

### **NOTE TO ACCREDITED ENTITIES ON THE USE OF THE FUNDING PROPOSAL TEMPLATE**

- Accredited Entities should provide summary information in the proposal with cross-reference to annexes such as feasibility studies, gender action plan, term sheet, etc.
- Accredited Entities should ensure that annexes provided are consistent with the details provided in the funding proposal. Updates to the funding proposal and/or annexes must be reflected in all relevant documents.
- The total number of pages for the funding proposal (excluding annexes) **should not exceed 60**. Proposals exceeding the prescribed length will not be assessed within the usual service standard time.
- The recommended font is Arial, size 11.
- Under the [GCF Information Disclosure Policy](#), project and programme funding proposals will be disclosed on the GCF website, simultaneous with the submission to the Board, subject to the redaction of any information that may not be disclosed pursuant to the IDP. Accredited Entities are asked to fill out information on disclosure in section G.4.

**Please submit the completed proposal to:**

[fundingproposal@gcfund.org](mailto:fundingproposal@gcfund.org)

**Please use the following name convention for the file name:**

“FP-[Accredited Entity Short Name]-[Country/Region]-[YYYY/MM/DD]”

PROJECT/PROGRAMME SUMMARY				
<b>A.1. Project or programme</b>	<u>Choose an item.</u>	<b>A.2. Public or private sector</b>	<u>Choose an item.</u>	
<b>A.3. Request for Proposals (RFP)</b>	<p>If the funding proposal is being submitted in response to a specific GCF <a href="#">Request for Proposals</a>, indicate which RFP it is targeted for. Please note that there is a separate template for the Simplified Approval Process and REDD+.</p> <p><u>Choose an item.</u></p>			
<b>A.4. Result area(s)</b>	<p>Check the applicable <a href="#">GCF result area(s)</a> that the <u>overall</u> proposed project/programme targets below. For each checked result area(s), indicate the estimated percentage of <b>GCF and Co-financers' contribution</b> devoted to it. The total of the percentages when summed should be 100% for GCF and Co-financers' contribution respectively.</p>			
		<b>GCF contribution</b>	<b>Co-financers' contribution<sup>4</sup></b>	
	<b>Mitigation total</b>	<u>Enter number %</u>	<u>Enter number %</u>	
	<input type="checkbox"/> Energy generation and access	<u>Enter number %</u>	<u>Enter number %</u>	
	<input type="checkbox"/> Low-emission transport	<u>Enter number %</u>	<u>Enter number %</u>	
	<input type="checkbox"/> Buildings, cities, industries and appliances	<u>Enter number %</u>	<u>Enter number %</u>	
	<input type="checkbox"/> Forestry and land use	<u>Enter number %</u>	<u>Enter number %</u>	
	<b>Adaptation total</b>	<u>Enter number %</u>	<u>Enter number %</u>	
	<input type="checkbox"/> Most vulnerable people and communities	<u>Enter number %</u>	<u>Enter number %</u>	
	<input type="checkbox"/> Health and well-being, and food and water security	<u>Enter number %</u>	<u>Enter number %</u>	
<input type="checkbox"/> Infrastructure and built environment	<u>Enter number %</u>	<u>Enter number %</u>		
<input type="checkbox"/> Ecosystems and ecosystem services	<u>Enter number %</u>	<u>Enter number %</u>		
<b>A.5. Expected mitigation outcome</b>  <i>(Core indicator 1: GHG emissions reduced, avoided or removed / sequestered)</i>	Indicate greenhouse gas (GHG) emission reductions or removals in tCO <sub>2</sub> eq over total lifespan of the project/programme <sup>5</sup>	<b>A.6. Expected adaptation outcome</b>  <i>(Core indicator 2: direct and indirect beneficiaries reached)</i>	Indicate total number of direct and indirect beneficiaries	
			Indicate number of direct beneficiaries	Indicate number of indirect beneficiaries
			Indicate % of direct beneficiaries vis-à-vis total population	Indicate % of indirect beneficiaries vis-à-vis total population

<sup>4</sup> Co-financer's contribution means the financial resources required, whether Public Finance or Private Finance, in addition to the GCF contribution (i.e. GCF financial resources requested by the Accredited Entity) to implement the project or programme described in the funding proposal.

<sup>5</sup> The total lifespan of the project/programme is defined as the maximum number of years over which the outcomes of the investment are expected to be effective. This is different from the project/programme implementation period.

A.7. Total financing (GCF + co-finance <sup>6</sup> )	_____ <a href="#">Choose an item.</a>	A.9. Project size	<a href="#">Choose an item.</a>
A.8. Total GCF funding requested	_____ <a href="#">Choose an item.</a> <i>For multi-country proposals, please fill out annex 17.</i>		

A.10. Financial instrument(s) requested for the GCF funding	<p>Mark all that apply and provide total amounts. The sum of all total amounts should be consistent with A.8.</p>		
	<input type="checkbox"/> Grant <a href="#">Enter number</a> <input type="checkbox"/> Loan <a href="#">Enter number</a> <input type="checkbox"/> Guarantee <a href="#">Enter number</a>	<input type="checkbox"/> Equity <a href="#">Enter number</a> <input type="checkbox"/> Results-based payment <a href="#">Enter number</a>	
A.11. Implementation period	<p>Indicate the number of years and months the project/ programme is expected to be implemented.</p>	A.12. Total lifespan	<p>Indicate the maximum number of years over which the outcomes of the investment are expected to be effective, i.e. to lead to adaptation and/or mitigation results.</p>
A.13. Expected date of AE internal approval	<p>This is the date that the Accredited Entity obtained/will obtain its own approval to implement the project/ programme, if available.</p> <p><a href="#">Click or tap to enter a date.</a></p>	A.14. ESS category	<p>Refer to the AE's safeguard policy and <a href="#">GCF ESS Standards</a> to assess your FP category.</p> <p><a href="#">Choose an item.</a></p>
A.15. Has this FP been submitted as a CN before?	Yes <input type="checkbox"/> No <input type="checkbox"/>	A.16. Has Readiness or PPF support been used to prepare this FP?	Yes <input type="checkbox"/> No <input type="checkbox"/>
A.17. Is this FP included in the entity work programme?	Yes <input type="checkbox"/> No <input type="checkbox"/>	A.18. Is this FP included in the country programme?	Yes <input type="checkbox"/> No <input type="checkbox"/>
A.19. Complementarity and coherence	<p>Does the project/programme complement other climate finance funding (e.g. GEF, AF, CIF, etc.)? If yes, please elaborate in section B.1.</p> <p>Yes <input type="checkbox"/> No <input type="checkbox"/></p>		
A.20. Executing Entity information	<p>If not the Accredited Entity, please indicate the full legal name of the Executing Entity(ies) and provide its country of registration and ownership type. Note that there can be more than one Executing Entity. Also indicate if an Executing Entity is the National Designated Authority. Refer to the definition of Executing Entity in the Accreditation Master Agreement.</p>		
A.21. Executive summary (max. 750 words, approximately 1.5 pages)			

<sup>6</sup> Refer to the [Policy of Co-financing](#) of the GCF.

*Provide an executive summary of the project/programme including:*

- 1. Climate change problem*
- 2. Proposed interventions*
- 3. Climate results/benefits*



**B.1. Climate context (max. 1000 words, approximately 2 pages)**

*Climate change problem:* Describe the climate change problem the proposal is expected to address. Describe the mitigation needs (GHG emissions projections) and/or adaptation needs (climate hazards and associated risks based on impacts, exposure, and vulnerabilities) that the proposed interventions are expected to address. Also describe the most likely scenario (prevailing conditions or other alternative) that would remain or continue in the absence of the proposed interventions. Include baseline information. The methodologies used to derive such information, including the mitigation and adaptation needs, should be included in the feasibility study.

*Context:* In describing the mitigation and/or adaptation needs, briefly describe the target region/area of the proposed interventions including information on the demographics, economy, topography, etc.

*Related projects/interventions:* Also describe any recent or ongoing projects/interventions that are related to the proposal from other domestic or international sources of funding, such as the Global Environment Facility, Adaptation Fund, Climate Investment Funds, etc., and how they will be complemented by this project/programme (e.g. scaling up, replication, etc.). Please identify current gaps and barriers regarding recent or ongoing projects and elaborate further how this project/programme complements or addresses these.

**B.2 (a). Theory of change narrative and diagram (max. 1500 words, approximately 3 pages plus diagram)**

Present the theory of change (ToC) that contains a goal statement and describes how the proposed project/programme will contribute towards the goal statement by using results chain links from activities, outputs, to outcomes. By referring to the sample ToC diagram template available in the guidance note, present a ToC diagram (approximately 1 page) which visually represents the same logic in the narrative description. The ToC diagram and narrative may include a wide range of co-benefits<sup>7</sup> as applicable in the context of the project/programme. Note all co-benefits will need to be further elaborated in section D.3 (sustainable development potential) and correspondent co-benefit indicators should be provided under section E.5 (project/programme specific indicators).

The theory of change should also include any relevant barriers (social, gender, fiscal, regulatory, technological, financial, ecological, institutional, etc.) that need to be addressed as well as risks and assumptions. Note that the assumptions can be elaborated further in sections E.3 (GCF outcome level: reduced emissions and increased resilience) and E.5 (project/programme specific indicators) for each relevant indicator, as appropriate.

**B.2 (b). Outcome mapping to GCF results areas and co-benefit categorization**

Fill in the GCF results area table below to map each project/programme outcome identified in section B.2(a) to the contributing GCF results area(s) by referring to the description of eight results areas provided in the guidance note.

Outcome number	GCF Mitigation Results Area (MRA 1-4)				GCF Adaptation Results Area (ARA 1-4)			
	MRA 1 Energy generation and access	MRA 2 Low-emission transport	MRA 3 Building, cities, industries, appliances	MRA 4 Forestry and land use	ARA 1 Most vulnerable people and communities	ARA 2 Health, well-being, food and water security	ARA 3 Infrastructure and built environment	ARA 4 Ecosystems and ecosystem services
Outcome 1	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Outcome 2	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Outcome 3	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Outcome 4	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Outcome ...	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Outcome ...	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

If any co-benefits have been identified in section B.2(a), fill in the Co-benefit table below to map each co-benefit to the corresponding category as defined in the FP guidance note.

Co-benefit number	Co-benefit					
	Environmental	Social	Economic	Gender	Adaptation	Mitigation
Co-benefit 1	<input type="checkbox"/>					
Co-benefit 2	<input type="checkbox"/>					

<sup>7</sup>GCF categorizes co-benefits into six areas which are: environmental, social, economic, gender, adaptation (relevant for pure mitigation projects) and mitigation (relevant for pure adaptation projects). Further guidance is available in the funding proposal (FP) guidance note.

Co-benefit ...	<input type="checkbox"/>					
Co-benefit ...	<input type="checkbox"/>					

**B.3. Project/programme description (max. 2500 words, approximately 5 pages)**

*Define the project/programme. Describe the proposed set of components, outputs and activities that will be undertaken by the project/programme to attain the intended outcomes elaborated in Section B.2 (a). Please also elaborate how the project/programme activities will address the barriers described in Section B.2.*

*This section of the funding proposal should be consistent with sections C.2 (financing by component), E.5 (project/programme results level) and E.6 (project/programme activities and deliverables).*

*Referring to the feasibility study, describe why this set of interventions was selected instead of alternative solutions and how the project/programme can help unlock the needed support in a sustainable manner. Also identify trade-offs of the selected interventions, if applicable.*

*For Enhanced Direct Access (EDA) proposals and projects/programmes with financial intermediation (loans or on-granting), describe the selection criteria of the sub-project and types.*

**B.4. Implementation arrangements (max. 1500 words, approximately 3 pages plus diagrams)**

*Provide a description of the project/programme implementation structure, outlining legal, contractual, institutional and financial arrangements from and between the GCF, the Accredited Entity (AE) and/or the Executing Entity(ies) (EE) or any third parties (if applicable) and beneficiaries.*

- *Provide information on governance arrangements (supervisory boards, consultative groups among others) set to oversee and guide project implementation. Provide a composition of the decision-making body and oversight function, particularly for Enhanced Direct Access (EDA) proposals.*
- *Provide information on the financial flows and implementation arrangements (legal and contractual) between the AE and the EE, between the EE or any third party and beneficiaries. For EEs that will administer GCF funds, indicate if a Capacity Assessment has been carried out. Where applicable, summarize the results of the assessment.*
- *Describe the experience and track record of the AE and EEs with respect to the activities (sector and country/region) that they are expected to undertake in the proposed project/programme.*

*Provide a diagram(s) or organogram(s) that maps such arrangements including the governance structure, legal arrangements, and the flow and reflow of funds between entities.*

**B.5. Justification for GCF funding request (max. 1000 words, approximately 2 pages)**

*Explain why the project/programme requires GCF funding to address mitigation or adaptation measures, i.e. Why is the project/programme not currently being financed by public and/or private sector? Which market failure is being addressed with GCF funding? Are there any other domestic or international sources of financing?*

*Explain why the proposed financial instruments were selected in light of the proposed activities and the overall financing package. i.e. What is the coherence between activities financed by grants and those financed by reimbursable funds? How were co-financing amounts and prices determined? How does the concessionality of the GCF financing compare to that of the co-financing? If applicable, provide a short market read on the prevailing of the pricing and/or financial markets for similar projects/programmes.*

*Justify why the level of concessionality of the GCF financial instrument(s) is the minimum required to make the investment viable. Additionally, how does the financial structure and the proposed pricing fit with the concept of minimum concessionality? Who benefits from concessionality?*

*In your answer, please consider the risk sharing structure between the public and private sectors, the barriers to investment and the indebtedness of the recipient. Please reference relevant annexes, such as the feasibility study, economic analysis or financial analysis when appropriate.*

**B.6. Exit strategy (max. 500 words, approximately 1 page)**

*Explain how the project/programme will successfully exit once implementation is completed, including how results and benefits will continue beyond the project/programme period and how the contribution to paradigm shift will be maintained.*

*Include information pertaining to the longer-term ownership, project/programme exit strategy, operations and maintenance of investments (e.g. key infrastructure, assets, contractual arrangements). In case of private sector, please describe the GCF's financial exit strategy through Initial Public Offerings, trade sales, etc.*

*Provide information on additional actions to be undertaken by public and private sector or civil society as part of the project/programme to ensure sustainability of the results attained.*

FINANCING INFORMATION						
<b>C.1. Total financing</b>						
<b>(a) Requested GCF funding (i + ii + iii + iv + v + vi + vii)</b>	<b>Total amount</b>			<b>Currency</b>		
	<u>Enter amount</u>			<u>Options</u>		
<b>GCF financial instrument</b>	<b>Amount</b>	<b>Tenor</b>	<b>Grace period</b>	<b>Pricing</b>		
(i) Senior loans	<u>Enter amount</u>	<u>Enter years</u>	<u>Enter years</u>	<u>Enter %</u>		
(ii) Subordinated loans	<u>Enter amount</u>	<u>Enter years</u>	<u>Enter years</u>	<u>Enter %</u>		
(iii) Equity	<u>Enter amount</u>			<u>Enter % equity return</u>		
(iv) Guarantees	<u>Enter amount</u>	<u>Enter years</u>				
(v) Reimbursable grants	<u>Enter amount</u>					
(vi) Grants	<u>Enter amount</u>					
(vii) Results-based payments	<u>Enter amount</u>					
<b>(b) Co-financing information</b>	<b>Total amount</b>			<b>Currency</b>		
	<u>Enter amount</u>			<u>Options</u>		
<b>Name of institution</b>	<b>Financial instrument</b>	<b>Amount</b>	<b>Currency</b>	<b>Tenor &amp; grace</b>	<b>Pricing</b>	<b>Seniority</b>
Click here to enter text.	<u>Options</u>	<u>Enter amount</u>	<u>Options</u>	<u>Enter years</u> <u>Enter years</u>	<u>Enter%</u>	<u>Options</u>
Click here to enter text.	<u>Options</u>	<u>Enter amount</u>	<u>Options</u>	<u>Enter years</u> <u>Enter years</u>	<u>Enter%</u>	<u>Options</u>
Click here to enter text.	<u>Options</u>	<u>Enter amount</u>	<u>Options</u>	<u>Enter years</u> <u>Enter years</u>	<u>Enter%</u>	<u>Options</u>
Click here to enter text.	<u>Options</u>	<u>Enter amount</u>	<u>Options</u>	<u>Enter years</u> <u>Enter years</u>	<u>Enter%</u>	<u>Options</u>
<b>(c) Total financing (c) = (a)+(b)</b>	<b>Amount</b>			<b>Currency</b>		
	<u>Enter amount</u>			<u>Options</u>		
<b>(d) Other financing arrangements and contributions (max. 250 words, approximately 0.5 page)</b>	<p>Please explain if any of the financing parties including the AE would benefit from any type of guarantee (e.g. sovereign guarantee, MIGA guarantee). Please also explain other contributions such as in-kind contributions including tax exemptions and contributions of assets. Please also include parallel financing associated with this project or programme (refer to the co-financing policy).</p>					
<b>C.2. Financing by component</b>						
Please provide an estimate of the total cost per component and output as outlined in section B.3. above and disaggregate by source of financing. More than one co-financing institution can fund a single component or output. Provide the summarised cost estimates in the table below and the detailed budget plan as annex 4.						

Component	Output	Indicative cost Options	GCF financing		Co-financing		
			Amount Options	Financial Instrument	Amount Options	Financial Instrument	Name of Institutions
Click here to enter text.	Click here to enter text.	Enter amount	Enter amount	Choose an item.	Enter amount	Choose an item.	Click here to enter text.
	Click here to enter text.	Enter amount	Enter amount	Choose an item.	Enter amount	Choose an item.	Click here to enter text.
Click here to enter text.	Click here to enter text.	Enter amount	Enter amount	Choose an item.	Enter amount	Choose an item.	Click here to enter text.
	Click here to enter text.	Enter amount	Enter amount	Choose an item.	Enter amount	Choose an item.	Click here to enter text.
Click here to enter text.	Click here to enter text.	Enter amount	Enter amount	Choose an item.	Enter amount	Choose an item.	Click here to enter text.
	Click here to enter text.	Enter amount	Enter amount	Choose an item.	Enter amount	Choose an item.	Click here to enter text.
<b>Indicative total cost (USD)</b>		Enter amount	Enter amount		Enter amount		

*This table should match the one presented in the term sheet and be consistent with information presented in other annexes including the detailed budget plan and implementation timetable.*

*In case of a multi-country/region programme, specify indicative requested GCF funding amount for each country in annex 17, if available.*

**C.3 Capacity building and technology development/transfer (max. 250 words, approximately 0.5 page)**

C.3.1 Does GCF funding finance capacity building activities? Yes  No

C.3.2. Does GCF funding finance technology development/transfer? Yes  No

*If the project/programme is expected to support capacity building and technology development/transfer, please provide a brief description of these activities and quantify the total requested GCF funding amount for these activities, to the extent possible.*

**EXPECTED PERFORMANCE AGAINST INVESTMENT CRITERIA**

*This section refers to the performance of the project/programme against the investment criteria as set out in the GCF's [Initial Investment Framework](#).*

**D.1. Impact potential (max. 500 words, approximately 1 page)**

*Describe the potential of the project/programme to contribute to the achievement of the Fund's objectives and result areas. As applicable, describe the envisaged project/programme benefits for mitigation and/or adaptation. Provide the intended outcomes for mitigation by elaborating on how the project/programme contributes to low-emission sustainable development pathways. Provide the intended outcomes for adaptation by elaborating on how the project/programme contributes to increased climate-resilient sustainable development. Calculations should be provided as an annex. This should be consistent with section E.3 reporting GCF's core indicators.*

**D.2. Paradigm shift potential (max. 500 words, approximately 1 page)**

*Paradigm shift potential is defined as 'degree to which the proposed activity can catalyse impact beyond a one-off project or programme investment'. In this section, elaborate on the contribution to paradigm shift and how the proposed project/programme aims to contribute towards it based on the theory of change described in section B2(a). Also describe how and to what extent the project/programme will be able to promote or contribute to paradigm shift through the below.*

- *Potential for scaling up and replication*
- *Potential for knowledge sharing and learning*
- *Contribution to the creation of an enabling environment*
- *Contribution to the regulatory framework and policies*
- *Overall contribution to climate-resilient development pathways consistent with relevant national climate change adaptation strategies and plans*

**D.3. Sustainable development (max. 500 words, approximately 1 page)**

*Describe the wider benefits and priorities of the project/programme in relation to the Sustainable Development Goals and provide the potential in terms of:*

- *Environmental co-benefits*
- *Social co-benefits including health co-benefit*
- *Economic co-benefits*
- *Gender-sensitive development benefit*

**D.4. Needs of recipient (max. 500 words, approximately 1 page)**

*Describe the scale and intensity of vulnerability of the country and beneficiary groups and elaborate how the project/programme addresses the issue (e.g. the level of exposure to climate risks for beneficiary country and groups, overall income level, etc.). Describe how the project/programme addresses the following needs:*

- *Vulnerability of the country and/or specific vulnerable groups, including gender aspects (for adaptation only)*
- *Economic and social development level of the country and the affected population*
- *Absence of alternative sources of financing (e.g. fiscal or balance of payments gap that prevents government from addressing the needs of the country; and lack of depth and history in the local capital market)*
- *Need for strengthening institutions and implementation capacity*

**D.5. Country ownership (max. 500 words, approximately 1 page)**

*Please describe how the beneficiary country takes ownership of and implements the funded project/programme. Describe the following:*

- *Existing national climate strategy*
- *Existing GCF country programme*
- *Relevance to and alignment with existing policies such as Nationally Determined Contributions (NDCs), Nationally Appropriate Mitigation Actions (NAMAs), and National Adaptation Plans (NAPs)*
- *NDCs, NAMAs, and NAPs*

- *Capacity of Accredited Entities or Executing Entities to deliver*
- *Role of National Designated Authority*
- *Engagement with civil society organizations and other relevant stakeholders, including indigenous peoples, women and other vulnerable groups*

**D.6. Efficiency and effectiveness (max` . 500 words, approximately 1 page)**

*Describe how the financial structure is adequate and reasonable in order to achieve the proposal's objectives, including addressing existing bottlenecks and/or barriers, and providing the minimum concessionality to ensure the project is viable without crowding out private and other public investments. Refer to section B.5 on the justification of GCF funding requested as necessary.*

*Please describe the efficiency and effectiveness of the proposed project/programme, taking into account the total financing and mitigation/adaptation outcome the project/programme aims to achieve, and explain how this compares to an appropriate benchmark.*

*Please specify the expected economic rate of return based on a comparison of the scenarios with and without the project/programme.*

*Please specify the expected financial rate of return with and without the Fund's support to illustrate the need for GCF funding to illustrate overall cost effectiveness.*

*Please explain how best available technologies and practices have been considered and applied. If applicable, specify the innovations/modifications/adjustments that are made based on industry best practices.*

## LOGICAL FRAMEWORK

*This section refers to the project/programme's logical framework in accordance with the GCF's Integrated Results Management Framework to which the project/programme contributes as a whole, including in respect of any co-financing.*

### E.1. Project/Programme Focus

*Please indicate whether this proposal is for a mitigation or adaptation project/programme. For cross-cutting proposals, select both.*

- Reduced emissions (mitigation)  
 Increased resilience (adaptation)

### E.2. GCF Impact level: Paradigm shift potential (max 600 words, approximately 1-2 pages)

*This section of the logical framework is meant to help a project/programme monitor and assess how it contributes to the paradigm shift described in section D.2 above by applying three assessment dimensions - scale, replicability, and sustainability.*

*Accordingly, for each assessment dimension (see the definition per assessment in the accompanying guidance note), describe the current state (baseline) and the potential scenario (target) and rate the current state (baseline) by using the three-point-scale rating (low, medium, and high) provided in the guidance note. Also describe how the project/programme will contribute to that shift/transformation under respective assessment dimensions (scale, replicability and sustainability). In doing so, please refer to section B.2(a) (theory of change).*

Assessment Dimension	Current state (baseline)		Potential target scenario (Description)	How the project/programme will contribute (Description)
	Description	Rating		
Scale		<u>Choose an item.</u>		<i>Describe key applicable outputs and or resulting outcomes relevant to increasing (scaling up) quantifiable results within and beyond the scope of the intervention.</i>
Replicability		<u>Choose an item.</u>		<i>Describe key applicable outputs and resulting outcomes that will be replicated to other sectors, markets, geographical regions, or countries.</i>
Sustainability		<u>Choose an item</u>		<i>Describe key applicable outputs and resulting outcomes that will be sustained beyond the project/programme period.</i>

### E.3. GCF Outcome level: Reduced emissions and increased resilience (IRMF core indicators 1-4, quantitative indicators)

Select appropriate IRMF core and supplementary indicators to monitor project/programme progress. More than one IRMF (core and or supplementary) indicators may be selected as applicable for each GCF results area and project/programme outcome (as defined in the table in section B.2(b)). If IRMF indicators are unable to measure any given project/programme outcomes, project/programme-specific indicators should be developed under section E.5 (project/programme specific indicators).

GCF Result Area	IRMF Indicator	Means of Verification (MoV)	Baseline	Target		Assumptions / Note
				Mid-term	Final <sup>8</sup>	
<u>Choose an item.</u>	<u>Choose appropriate indicators and supplementary indicators</u>	Sources of information and methods used to collect and report data /information to measure progress against targets	The starting point or current value of the indicators before the implementation of the project	The estimated value of the indicator at the mid-point of the implementation	The estimated value of the indicator at the completion of the implementation	Externalities and factors outside project management's control that may impact the outcomes Data sources and methodologies applied for estimating baseline and targets
<u>Choose an item.</u>	<u>Choose appropriate indicators and supplementary indicators</u>					
<u>Choose an item.</u>	<u>Choose appropriate indicators and supplementary indicators</u>					

**E.4. GCF Outcome level: Enabling environment (IRMF core indicators 5-8 as applicable)**

Select at least two relevant IRMF core (enabling environment) indicators to monitor and elaborate the baseline context and project/programme's targeted outcome against the respective indicators. Rate the current state (baseline) vis-à-vis the target scenario and select the geographical scope of the outcome to be assessed. Describe how the project/programme will contribute towards the target scenario. Refer to a case example in the accompanying guidance to complete this section.

<sup>8</sup> The final target means the target at the end of project/programme implementation period. However, for core indicator 1 (GHG emission reduction), please also provide the target value at the end of the total lifespan period which is defined as the maximum number of years over which the impacts of the investment are expected to be effective.

Core Indicator	Baseline context (description)	Rating for current state (baseline)	Target scenario (description)	How the project will contribute	Coverage
<u>Choose an item.</u>		<u>Choose an item.</u>			<u>Choose an item.</u>
<u>Choose an item.</u>		<u>Choose an item.</u>			<u>Choose an item.</u>
<u>Choose an item.</u>		<u>Choose an item.</u>			<u>Choose an item.</u>
<u>Choose an item.</u>		<u>Choose an item.</u>			<u>Choose an item.</u>

#### E.5. Project/programme specific indicators (project outcomes and outputs)

This section should list out project/programme-specific performance indicators (outcomes and outputs) that are not covered in sections above (E.1-E.4). List down tailored indicators to monitor /track progress against relevant project/programme results (outcomes/outputs). AEs have the freedom to decide against which outcomes they would like to set project/programme specific indicators. If any co-benefits are identified in sections B.2(a)(b), and D.3, AEs are encouraged to add and monitor co-benefit indicators under the “**Project/programme co-benefit indicators**” section in table below. Add rows as needed.

Please number each outcome and output as shown below to indicate association of outputs to the contributing outcome. The numbering for outputs under this section should correspond to the output numbering in annex 4 (detailed budget plan).

Project/programme results (outcomes/ outputs)	Project/programme specific Indicator	Means of Verification (MoV)	Baseline	Target		Assumptions / Note
				Mid-term	Final	
<b>Outcome 1</b>		Sources of information and methods used to collect and report data/information to measure progress against targets	The starting point or current value of the indicators before the implementation of the project	The estimated value of the indicator at the mid-point of the implementation	The estimated value of the indicator at the completion of the implementation	Externalities and factors outside project management's control that may impact on the Component  Data sources and methodologies applied for estimating baseline and targets
Output 1.1						
Output 1.2						
<b>Outcome 2</b>						
Output 2.1						

Output 2.2						
<b>Project/programme co-benefit indicators</b>						
Co-benefit 1						
Co-benefit 2						
Co-benefit 3						
<b>E.6. Project/programme activities and deliverables</b>						
<p><i>All project activities should be listed here with a description and sub-activities. Significant deliverables should be reflected in annex 5 implementation timetable. Add rows as needed. Please number the activities as shown below to indicate association of activities to the related outputs provided above in section E.5. Similarly, please number sub-activities as shown below to associate to the related activity.</i></p>						
Activities	Description	Sub-activities	Deliverables			
Activity 1.1.1		Sub-activity 1.1.1.1 Sub-activity 1.1.1.2 Sub-activity 1.1.1.3				
Activity 1.1.2						
Activity 1.2.1						
Activity 1.2.2						
Activity 2.1.1						
Activity 2.1.2						
<b>E.7. Monitoring, reporting and evaluation arrangements (max. 500 words, approximately 1 page)</b>						
<p><i>Besides the arrangements (e.g. annual performance reports) laid out in Accreditation Master Agreement (AMA), please give a summary of the project/programme specific arrangements for monitoring, reporting and evaluation including a description of the monitoring and reporting system that will be used to assess the climate results of the proposed activity. Please also summarize the types of interim and final evaluations. Describe Accredited Entity (AE) project reporting relationships, including to the National Designated Authority (NDA)/Focal Point and between AE and Executing Entity (EE) as relevant, identifying reporting obligations from the EE to the AE. This should relate to the frequency of reporting on project indicators, implementation challenges and financial status. Please note that interim and final evaluations are expected to embed an assessment of project/programme's contributions to a paradigm shift and enabling environment using a three-point scale rating. Refer to the guidance note for the summary requirements and factor in additional evaluation /assessment activities under this section accordingly.</i></p>						

**RISK ASSESSMENT AND MANAGEMENT**

**F.1. Risk factors and mitigations measures (max. 3 pages)**

Please describe financial, technical, operational, macroeconomic/political, money laundering/terrorist financing (ML/TF), sanctions, prohibited practices, and other risks that might prevent the project/programme objectives from being achieved. Also describe the proposed risk mitigation measures. Insert additional rows if necessary.

For probability: High has significant probability, Medium has moderate probability, Low has negligible probability  
 For impact: High has significant impact, Medium has moderate impact, Low has negligible impact  
 Prohibited practices include abuse, conflict of interest, corruption, retaliation against whistleblowers or witnesses, as well as fraudulent, coercive, collusive, and obstructive practices

**Selected Risk Factor 1**

Category	Probability	Impact
<u>Select</u>	<u>Select</u>	<u>Select</u>

**Description**

Please describe the risk to the best of your knowledge at this point in time.

**Mitigation Measure(s)**

Please describe how the identified risk will be mitigated or managed. Do the mitigation measures lower the probability of risk occurring? If so, to what level?

**Selected Risk Factor 2**

Category	Probability	Impact
<u>Select</u>	<u>Select</u>	<u>Select</u>

**Description**

Please describe the risk to the best of your knowledge at this point in time.

**Mitigation Measure(s)**

Please describe how the identified risk will be mitigated or managed. Do the mitigation measures lower the probability of risk occurring? If so, to what level?

**Selected Risk Factor 3**

Category	Probability	Impact
<u>Select</u>	<u>Select</u>	<u>Select</u>

**Description**

Please describe the risk to the best of your knowledge at this point in time.

**Mitigation Measure(s)**

Please describe how the identified risk will be mitigated or managed. Do the mitigation measures lower the probability of risk occurring? If so, to what level?

## GCF POLICIES AND STANDARDS

### G.1. Environmental and social risk assessment (max. 750 words, approximately 1.5 pages)

Provide the environmental and social risk category assigned to the proposal as a result of screening and the rationale for assigning such category. Present also the environmental and social assessment and management instruments developed for the proposal (for example, Environment and Social Impact Assessment (ESIA), Environment and Social Management Framework (ESMF), Environmental and Social Management Plan (ESMP), Environmental and Social Management System (ESMS), environmental and social audits, etc.). Provide a summary of the main outcomes of these instruments. Present the key environmental and social risks and impacts and the measures on how the project/programme will avoid, minimize and mitigate negative impacts at each stage (e.g. preparation, implementation and operation), in accordance with GCF's Environmental and Social Safeguard (ESS) standards. If the proposed project or programme involves investments through financial intermediations, describe the due diligence and management plans by the Executing Entities (EEs) and the oversight and supervision arrangements. Describe the capacity of the EEs to implement the ESMP and ESMF and arrangements for compliance monitoring, supervision and reporting. Include a description of the project/programme-level grievance redress mechanism, a summary of the extent of multi-stakeholder consultations undertaken for the project/programme, the plan of the Accredited Entity (AE) and EEs to continue to engage the stakeholders throughout project implementation, and the manner and timing of disclosure of the applicable safeguards reports following the requirements of the GCF [Information Disclosure Policy](#) and [Environmental and Social Policy](#).

Describe any potential impacts on indigenous peoples and the measures to address these impacts including the development of an Indigenous Peoples Plan and the process for meaningful consultation leading to free, prior and informed consent, pursuant to the GCF [Indigenous Peoples Policy](#).

Attach the appropriate assessment and management instruments or other applicable studies, depending on the environmental and social risk category as annex 6.

### G.2. Gender assessment and action plan (max. 500 words, approximately 1 page)

Provide a summary of the gender assessment and project/programme-level gender action plan that is aligned with the objectives of GCF's [Gender Policy](#). Confirm a gender assessment and action plan exists describing the process used to develop both documents. Provide information on the key findings (who is vulnerable and why) and key recommendations (how to address the vulnerability identified) of the gender assessment. Indicate if stakeholder consultations have taken place and describe the key inputs integrated into the action plan, including how addressing the vulnerability will ensure equal participation and benefits from funds investment; key gender-related results to be expected from the project/programme with targets; implementation arrangements that the AE has put in place to ensure activities are implemented and expected outcomes will be achieved, monitored and evaluated.

Provide the full gender assessment and project-level gender action plan as annex 8.

### G.3. Financial management and procurement (max. 500 words, approximately 1 page)

Describe the project/programme's financial management including the financial monitoring systems, financial accounting, auditing, and disbursement structure and methods. Refer to section B.4 on implementation arrangements as necessary. Articulate any procurement issues that may require attention, e.g. procurement implementation arrangements and the role of the AE under the respective proposal, articulation of procurement risk assessment undertaken and how that will be managed by the AE or the implementing agency. Provide a detailed procurement plan as annex 10.

### G.4. Disclosure of funding proposal

Note: The Information Disclosure Policy (IDP) provides that the GCF will apply a presumption in favour of disclosure for all information and documents relating to the GCF and its funding activities. Under the IDP, project and programme funding proposals will be disclosed on the GCF website, simultaneous with the submission to the Board, subject to the redaction of any information that may not be disclosed pursuant to the IDP. Information provided in confidence is one of the exceptions, but this exception should not be applied broadly to an entire document if the document contains specific, segregable portions that can be disclosed without prejudice or harm.

Indicate below whether or not the funding proposal includes confidential information.

No confidential information: The accredited entity confirms that the funding proposal, including its annexes, may be disclosed in full by the GCF, as no information is being provided in confidence.

With confidential information: The accredited entity declares that the funding proposal, including its annexes, may not be disclosed in full by the GCF, as certain information is being provided in confidence. Accordingly, the accredited entity is providing to the Secretariat the following two copies of the funding proposal, including all annexes:

- full copy for internal use of the GCF in which the confidential portions are marked accordingly, together with an explanatory note regarding the said portions and the corresponding reason for confidentiality under the accredited entity's disclosure policy, and
- redacted copy for disclosure on the GCF website.

The funding proposal can only be processed upon receipt of the two copies above, if containing confidential information.

## ANNEXES

### H.1. Mandatory annexes

- ANNEX 1** NDA no-objection letter(s) ([template provided](#))
- ANNEX 2** Feasibility study - and a market study, if applicable
- ANNEX 3** Economic and/or financial analyses in spreadsheet format
- ANNEX 4** Detailed budget plan ([template provided](#))
- ANNEX 5** Implementation timetable including key project/programme milestones ([template provided](#))
- ANNEX 6** E&S document corresponding to the E&S category (A, B or C; or I1, I2 or I3):  
[\(ESS disclosure form provided\)](#)
  - Environmental and Social Impact Assessment (ESIA) or
  - Environmental and Social Management Plan (ESMP) or
  - Environmental and Social Management System (ESMS)
  - OTHERS** (PLEASE SPECIFY – E.G. RESETTLEMENT ACTION PLAN, RESETTLEMENT POLICY FRAMEWORK, INDIGENOUS PEOPLE’S PLAN, LAND ACQUISITION PLAN, ETC.)
- ANNEX 7** Summary of consultations and stakeholder engagement plan
- ANNEX 8** Gender assessment and project/programme-level action plan ([template provided](#))
- ANNEX 9** LEGAL DUE DILIGENCE (REGULATION, TAXATION AND INSURANCE)
- ANNEX 10** Procurement plan ([template provided](#))
- ANNEX 11** Monitoring and evaluation plan ([template provided](#))
- ANNEX 12** AE fee request ([template provided](#))
- ANNEX 13** Co-financing commitment letter, if applicable ([template provided](#))
- ANNEX 14** Term sheet including a detailed disbursement schedule and, if applicable, repayment schedule

### H.2. Other annexes as applicable

- ANNEX 15** EVIDENCE OF INTERNAL APPROVAL ([template provided](#))
- Annex 16 Map(s) indicating the location of proposed interventions
- Annex 17 Multi-country project/programme information ([template provided](#))
- Annex 18 Appraisal, due diligence or evaluation report for proposals based on up-scaling or replicating a pilot project
- Annex 19 Procedures for controlling procurement by third parties or executing entities undertaking projects financed by the entity
- Annex 20 First level AML/CFT (KYC) assessment
- Annex 21 Operations manual (Operations and maintenance)

- Annex 22 Assessment of GHG emission reductions and their monitoring and reporting (for mitigation and cross cutting-projects)<sup>9</sup>
- Annex X Other references

*\* Please note that a funding proposal will be considered complete only upon receipt of all the applicable supporting documents*

---

<sup>9</sup> Annex 22 is mandatory for mitigation and cross-cutting projects.

