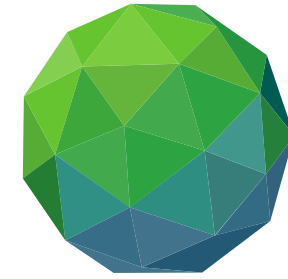


# LDC ACCESS TO THE GFC FOR NAP AND ADAPTATION PROJECTS



GREEN  
CLIMATE  
FUND

LEG NAP Workshop for African LDCs and Haiti

21-24 February 2023

**Kabishi Tshilumba**  
Regional Manager for Africa  
Division of Country Programming



01

The world's largest  
climate fund



02

Set up by the  
UNFCCC, and serving  
the Paris Agreement

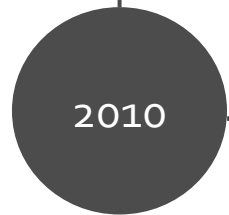


03

Supporting developing  
countries to transition to  
low-emission, climate-  
resilient societies

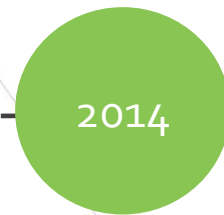
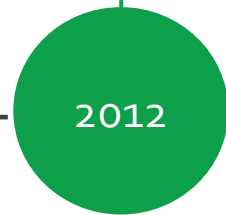
# THE GCF AT A GLANCE

Established  
at COP16



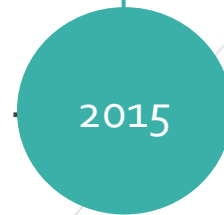
Governing  
Instrument

First Board  
Meeting

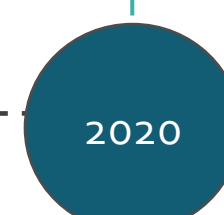


USD 7.2bn  
received for IRM

First Projects  
Approved



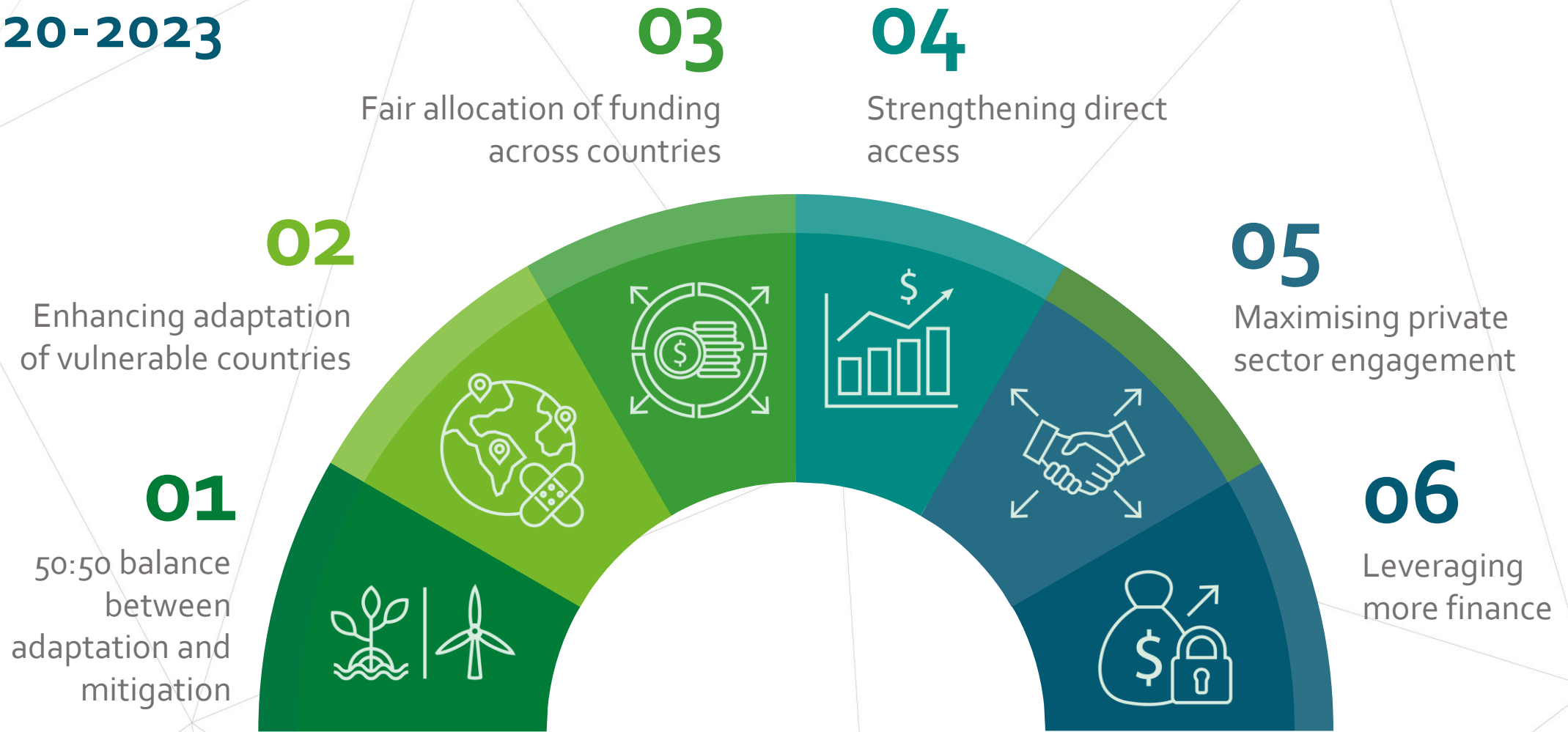
USD 9.99bn  
pledged for GCF-1



GCF is an operating entity of the UNFCCC financial mechanism. It aims to foster a paradigm shift to low-emission and climate-resilient development pathways in developing countries

- 200 Projects – USD 10.8 billion
- 163 projects under implementation (7.3 billion)
- 113 Accredited Entities
- 128 countries with approved projects

# GCF-1 TARGETS 2020-2023



# HOW WE WORK

## COUNTRY-DRIVEN

- Readiness programme supports country planning
- GCF programming is aligned with country priorities



## A RANGE OF FINANCING INSTRUMENTS

- leverage blended finance
- Piloting support for new financial structures



## RISK-TAKING, PATIENT CAPITAL

- accept higher risks to support early-stage project development & innovations to catalyse climate finance



## AN OPEN, PARTNERSHIP ORGANISATION

- over 200 Accredited Entities and delivery partners



## BALANCED ALLOCATION

- targeting 50:50 allocation between mitigation & adaptation

# WHERE WE FOCUS

## Reduced Emissions from:



Energy generation  
and access



Transport



Buildings, cities,  
industries and  
appliances



Forests and  
land use

## Increased Resilience of:



Livelihoods of people  
and communities



Health, food and  
water security



Infrastructure and  
the built environment



Ecosystems and  
ecosystem services

# GCF'S SIX INVESTMENT CRITERIA AGAINST WHICH FUNDING PROPOSALS ARE ASSESSED



Impact potential

Potential to contribute to achievement of Fund's objectives and result areas

Paradigm shift potential

Catalyze long-term impact beyond a one-off investment

Sustainable development potential

Wider economic, environmental, social (gender), health co-benefits

Country ownership

Degree to which the project fits within the beneficiary country's existing policies, strategies and institutions

Efficiency & effectiveness

Economic (and financial) soundness, as well as cost-effectiveness and leveraging of co-financing

Needs of recipients

Vulnerability and financing needs of beneficiary country and extent to which the project targets vulnerable groups

# Impact potential



DECISION B.33/12 ESTABLISHED HIGH-LEVEL PRINCIPLES FOR DEMONSTRATING THE IMPACT POTENTIAL OF GCF-SUPPORTED ACTIVITIES. THESE PRINCIPLES REAFFIRM AND SUPPORT THE SIX CRITERIA OF THE GCF INITIAL INVESTMENT FRAMEWORK

For mitigation

For adaptation

- Alignment of the activities with host country priorities, including its nationally determined contribution (NDC)
- A methodological approach for the quantification of the mitigation results of the activity should be selected and used
- Quantification of mitigation impact should use consistent assumptions (e.g. emission factors) to those made in national GHG reporting
- Proposals should describe the establishment of a measurement, reporting, and verification system
- Identification: Adaptation proposals should show how the activity addresses current or future projected climate change risk or impact
- Response: Proposals should explain how the activity will reduce the exposure or vulnerability and lessen the risk
- Alignment: Proposals should confirm alignment of the proposed activity with the host country's national plans and climate strategies (including NAPs, NAPAs, or long-term climate strategies)
- Monitoring and evaluation: Projects with a well-designed theory of change are more likely to result in successful outcomes

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



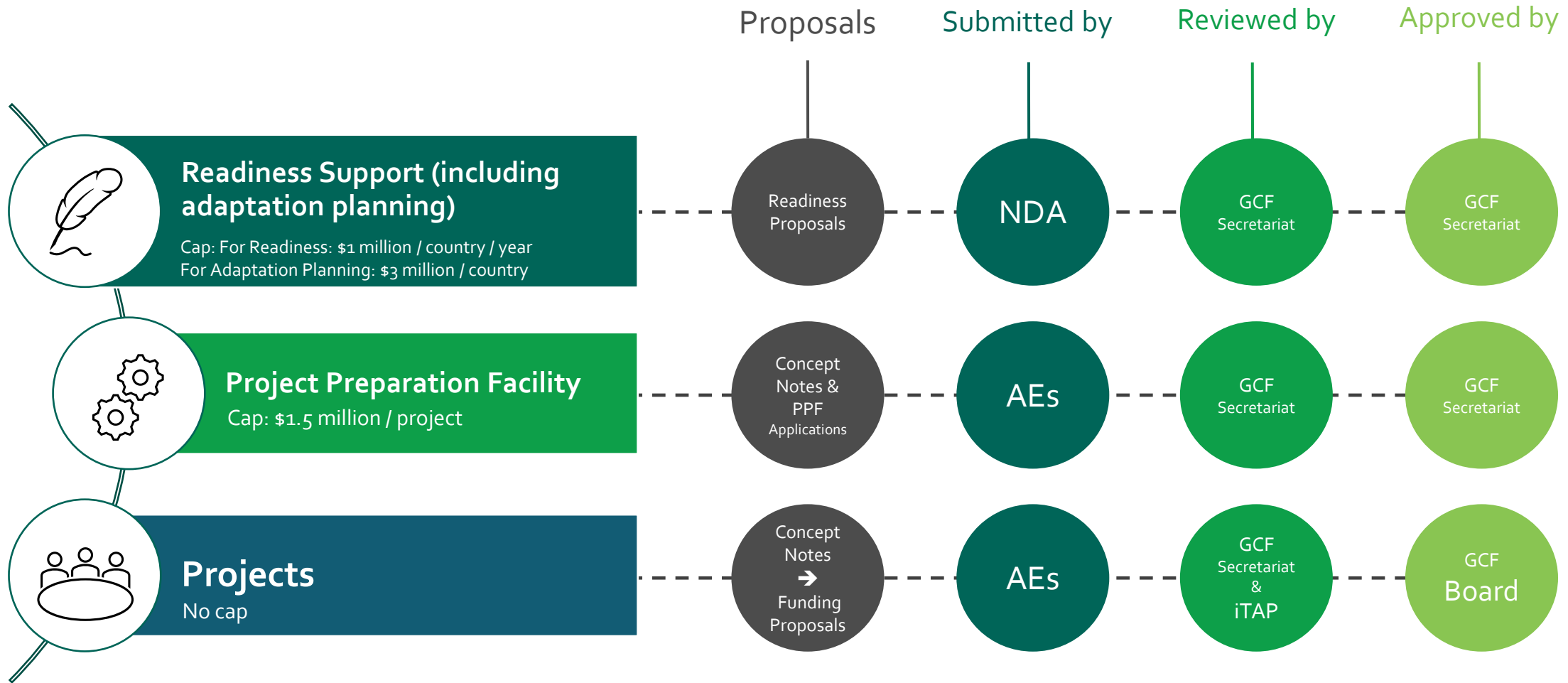
# GUIDANCE ON THE APPROACH AND SCOPE FOR PROVIDING SUPPORT TO ADAPTATION ACTIVITIES

## (DECISION B.33/13)

- Reinforces the GCF's mandate and vision for adaptation: (1) The GCF is committed to dedicate half its programming to adaptation with a focus on the particularly vulnerable to the adverse effects of climate change; (2) the GCF vision is to deploy adaptation support inclusively and catalytically to accelerate systemic adaptation responses
- The GCF's strategic approach to adaptation programming follows a four-pronged approach:
  - Transformational planning - creating an enabling environment
  - Catalyzing innovation in climate adaptation: through investments in new and innovative technologies and business models
  - De-risking high impact adaptation projects: establishing commercial viability for new adaptation solutions
  - Aligning finance with sustainable development: empowering domestic financial institutions in developing countries
- GCF modalities support adaptation activities from conceptualization to implementation: Readiness and Preparatory Support (including for NAPs); Project Preparation Facility; thematic tools and guidance (e.g. sector guides)

The Secretariat will enhance technical support and guidance, and encourage and facilitate the use of RPSP and PPF, to advance the development of NDCs, NAPs and other adaptation planning; to support country-driven programmes of adaptation investments; and in the preparation of high-quality CNs and FPs for adaptation

# Windows to access GCF funding



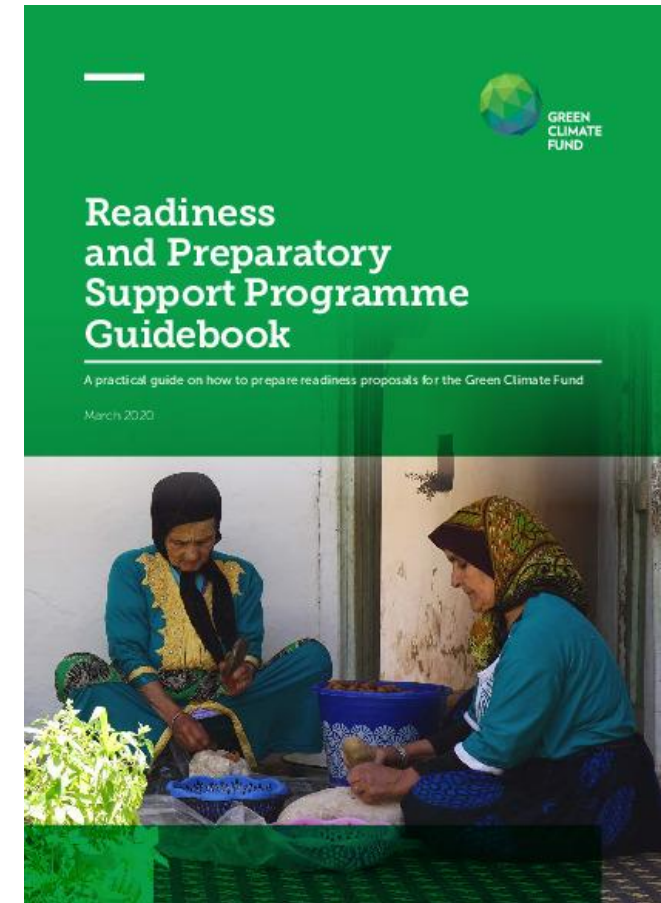
# READINESS PROGRAMME



## Objectives:

1. Capacity building for climate finance coordination
2. Strategic frameworks for low-emission investment
3. Strengthened adaptation planning
4. Paradigm-shifting pipeline development
5. Knowledge sharing and learning

Available at <https://www.greenclimate.fund/document/readiness-and-preparatory-support-guidebook>



**Readiness**

**USD 1 million per country per year**

**Adaptation Planning**

**3 million USD per country (not per year)**

# PROJECT PREPARATION FACILITY



What?

- To support the preparation of a full Funding Proposal for a project/programme from a Concept Note

Who?

- **All accredited entities (AEs)**, especially Direct Access Entities, can request support from the PPF

Funding cap?

- Each application will be subject to a cap of **USD 1.5 million**

In what form?

- PPF can be in the form of **grant, repayable grant and equity**

Timeline?

- Proposals developed with PPF should be submitted within **two years** after the PPF approval

# PPF DELIVERY MODALITIES

## PPF Funding

## PPF Service

### Features



Standard PPF Funding allows AEs

to receive up to

**USD 1.5 million**

whereas Simplified PPF Funding

supports up to

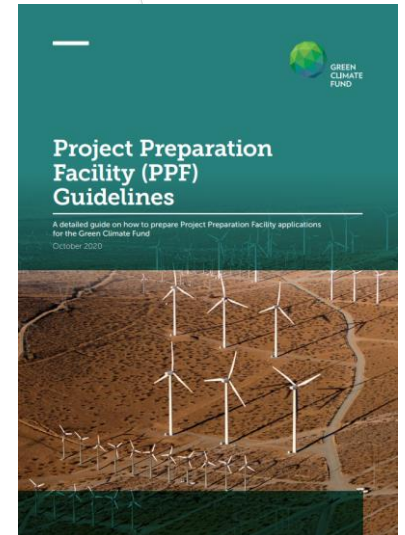
**USD 300,000**

in the form of grants, repayable grants, and equity.



One project development firm, which will work directly with AEs, will be selected from a roster of independent project development firms administered by GCF.

*Details can be found in the GCF PPF guidelines, available in English, French, Spanish and Arabic.*



Available at:  
<https://www.greenclimate.fund/projects/ppf>

# Technical Assistance Available



Type	Scope	Individual or Firm	Budget Implications	Steps to Access
Country Programme Development	<ul style="list-style-type: none"> <li>✓ Develop inputs to feed into the country programme</li> <li>✓ Support development of the country programme</li> </ul>	Roster of firms	<ul style="list-style-type: none"> <li>✓ Resources draw down from annual Readiness budget in year of approval</li> </ul>	<ol style="list-style-type: none"> <li>1. NDA send email to Regional Team requesting TA support from roster of firms</li> <li>2. Develop a ToR to be listed to the roster of firms</li> <li>3. GCF and NDA select firm</li> <li>4. GCF leads on procurement then commence work</li> </ol>
Readiness Proposal Development	<ul style="list-style-type: none"> <li>✓ Advisory support in the origination, conceptualization and development of readiness proposal includes both NAP and non-NAP proposals</li> <li>✓ Support addressing GCF comments through interdivisional review process</li> </ul>	Individual Consultant	<ul style="list-style-type: none"> <li>✓ GCF covers TA costs</li> <li>✓ No impact on annual country cap for Readiness</li> </ul>	<ol style="list-style-type: none"> <li>1. NDA/DAE/DP send email to Regional Team requesting TA then a consultant will be deployed virtually</li> <li>2. Develop a statement of work outlining roles, responsibilities and relative timelines. After agreed, GCF will commence work by circulating finalized SoW</li> </ol>
Project Concept Note Development	<ul style="list-style-type: none"> <li>✓ Sectoral specialist consultant reviews and provides feedback on project ideas/ concept note drafts</li> <li>✓ Provide sectoral guidance in line with GCF investment criteria</li> <li>✓ Draft PPF application (post CIC II endorsement)</li> <li>✓ Provide inputs in development of ToR for roster of firms</li> </ul>	Individual Sectoral Expert consultant	<ul style="list-style-type: none"> <li>✓ GCF covers TA costs</li> <li>✓ No impact on annual country cap for Readiness</li> </ul>	<ol style="list-style-type: none"> <li>1. NDA/DAE send email to Regional Team requesting TA then a consultant will be deployed virtually</li> <li>2. Develop a statement of work outlining roles, responsibilities and relative timelines. After agreed, GCF will commence work by circulating finalized SoW</li> </ol>
	<ul style="list-style-type: none"> <li>✓ Develop a project idea into a concept note including drafting a concept note with guidance from and in cooperation with NDA/AE</li> <li>✓ Wide scope of sectoral experts within firms</li> <li>✓ Services can include the recruitment of local consultants to support in-country</li> </ul>	<u>Roster of firms</u>	<ul style="list-style-type: none"> <li>✓ Resources draw down from annual Readiness budget in year of approval</li> </ul>	<ol style="list-style-type: none"> <li>1. NDA/DAE send email to Regional Team requesting TA support from roster of firms</li> <li>2. Develop a ToR to be listed to the roster of firms</li> <li>3. GCF and NDA/DAE select firm</li> <li>4. GCF leads on procurement then commence work</li> </ol>

# SOME KEY LESSON LEARNED FROM READINESS

*Many project concepts struggle to find a pathway to GCF investment because:*

- 1. they are not sufficiently clearly derived from an analysis of the adaptation and mitigation needs or opportunities*
- 2. they have not fully considered appropriate matching of different financial sources to different types of project ideas*

*Why?*

- 1. Lack of climate evidence; and*
- 2. NDAs and entities often lack access to the experts who could help draw the dots between climate evidence, project design and financial structuring.*

# ADDRESSING THE LACK OF EVIDENCE



## 2 NDC/LTS/NAP implem. planning

- Macro-economic planning
- National budgeting
- Sector & subnational planning
- Socio-economic analysis
- Action gap analysis

## 3 Evidence-based option identification

- Emissions scenarios
- Climate risk and vulnerability assessment
- Option identification analysis & costing

### Opportunities:

- Systems-level analysis to ID transformations and key interventions needed
- Options/methodologies responsive to LTS/2.1c

## 4 Investment planning

- Assess funding needs for prioritized interventions
- Assess financing barriers
- Assess financing options (private/blended/public)

### Opportunities:

- Optimize solutions for barriers & comparative advantages or financiers
- Sequence programmes of investments

## 5a • Public financing • Financial de-risking

- ### 5b • Policy de-risking • Private financing

## 6 Proposal development

- FP development
- Project & financial structuring
- Investor roadshows
- National budget prioritization

### Opportunities:

- Co-investment platforms
- Aggregators

## 7 Implementation & monitoring

- Project implementation
- Project monitoring & evaluation

### Opportunities:

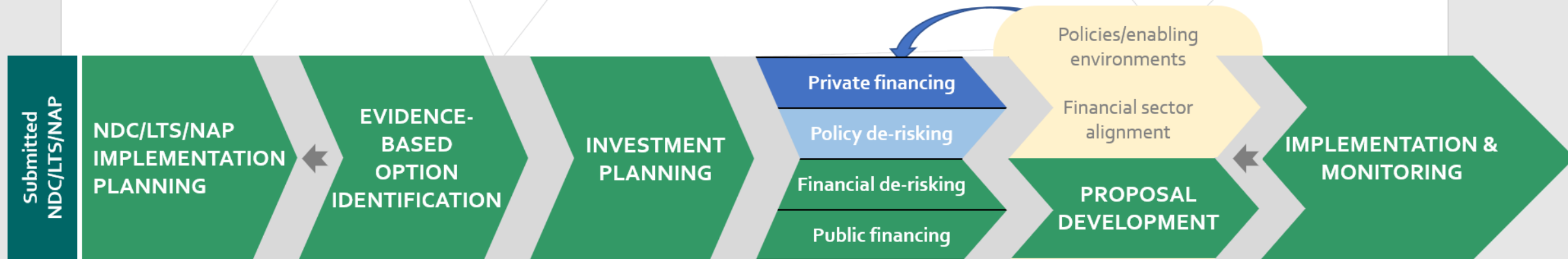
- Tracking of finance flows
- Performance analytics
- Evidence generation for revised NDCs/NAPs formulation



# ADDRESSING THE LACK OF EVIDENCE



## NDC/NAP implementation & investment planning



- Macro-economic planning
- National budgeting
- Sector & subnational planning
- Socio-economic analysis
- Action gap analysis

- Emissions scenarios
- Climate risk and vulnerability assessment
- Option identification, analysis & costing
- **Systems-level analysis to ID transformations and key interventions needed**
- **Options/methodologies responsive to LTS/2.1c**

- Assess funding needs for prioritized interventions
- Assess financing barriers
- Assess financing options (private/blended/public)
- **Optimize solutions for barriers & comparative advantages of financiers**
- **Sequence programmes of investments**

- FP development
- Project & financial structuring
- Investor roadshows
- National budget prioritization
- **Co-investment platforms**
- **Aggregators**

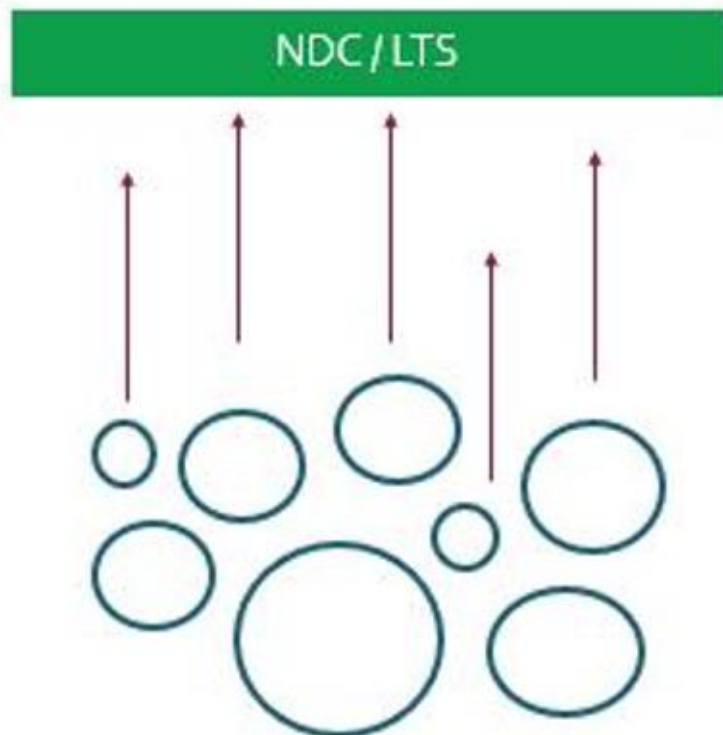
- Project implementation
- Project monitoring & evaluation
- **Tracking of finance flows**
- **Performance analytics**

# ADDRESSING THE LACK OF EXPERTS

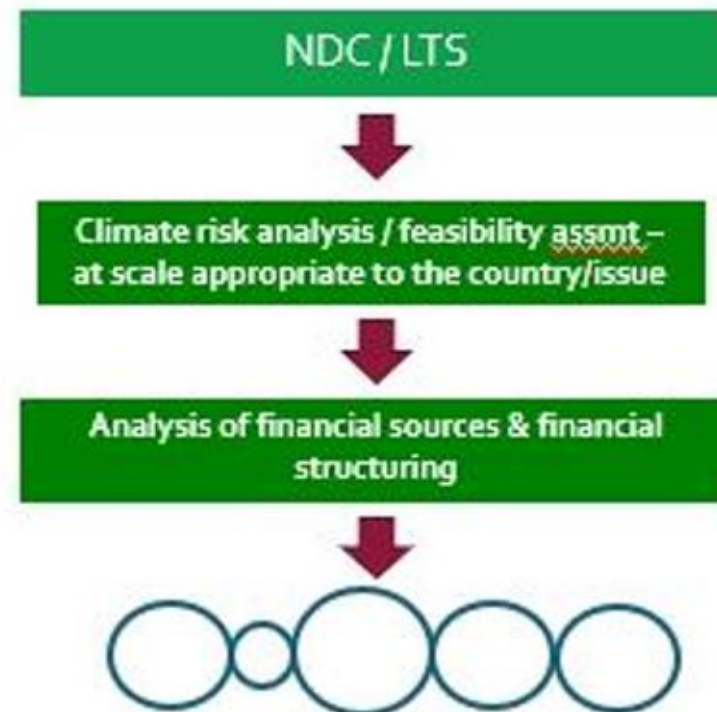
*The secretariat will:*

- *Develop robust guidance on how to build the climate evidence*
- *Deploy its climate experts to:*
  - *guide and train key developing country partners,*
  - *connect them with the needed tools and expertise, and*
  - *build collaborations to expand best practice guidance and climate resources.*
  - *Identify gaps in climate information*
  - *Help develop and articulate project concepts*

# HOW TO SHIFT FROM QUICK WINS TO SYSTEMIC RESPONSES?



AEs and countries identify discrete project ideas, usually within one sector/area, and fit them into the NDC narrative. Climate risk assessments, feasibility studies and project structuring done on a case-by-case basis



NDCs guide priority intervention areas. Climate risk assessments and feasibility studies done at a systems level, looking at trade-offs/synergies across sectors. Leads to analysis of financial sources & structuring of an integrated programme of investments

# NAP SUPPORT (GLOBAL)

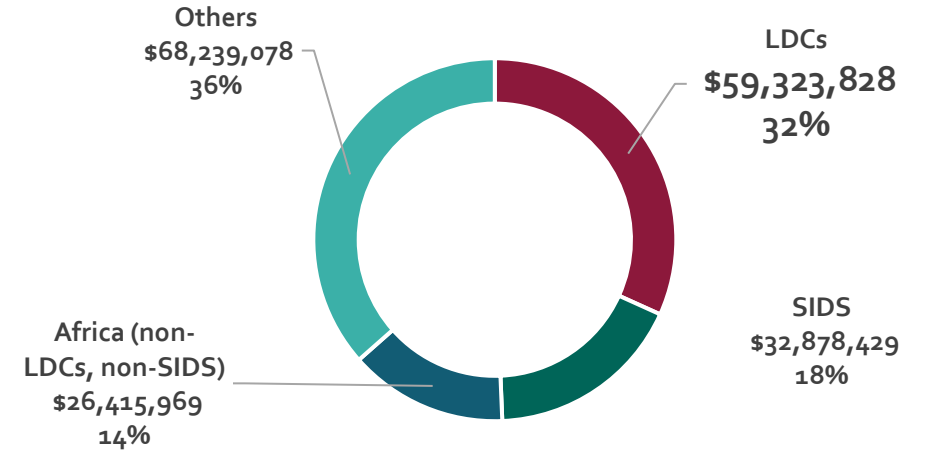
NAP support (including LDCs) as of 15 February 2023



26 LDCs have accessed NAP support from GCF.  
 13 LDCs have NAP proposals in the GCF pipeline.  
 5 LDCs are yet to submit a NAP proposal to GCF.

- |  |                      |                   |                     |                         |                             |                                       |                         |                             |                       |
|--|----------------------|-------------------|---------------------|-------------------------|-----------------------------|---------------------------------------|-------------------------|-----------------------------|-----------------------|
| 1. Liberia - 2017                          | 4. Niger - 2018      | 7. Bhutan - 2019  | 10. Haiti - 2019    | 11. Madagascar - 2019** | 14. Rwanda - January 2020   | 17. Zambia - March 2020**             | 20. Lesotho - June 2020 | 23. Uganda - June 2021      | 26. Togo - March 2022 |
| 2. Nepal - 2017                            | 5. Bangladesh - 2018 | 8. Benin - 2019** | 11. Chad - 2019*/** | 12. Somalia - 2019      | 15. Myanmar - February 2020 | 18. Sudan - June 2020**               | 21. Tuvalu - 2021       | 24. Tanzania - Aug 2021     |                       |
| 3. Democratic Republic of the Congo 2018** | 6. Mauritania - 2018 | 9. Malawi - 2019  |                     | 13. Chad - 2019*/**     | 16. Guinea - March 2020**   | 19. Sao Tome and Principe - June 2020 |                         | 25. Burkina Faso - Jan 2022 |                       |

Approved (LDCs, SIDS, Africa)



Status	# of proposals	USD Value
Total	127	252m
Approved	87	182m
Endorsed	3	5m
Various stages of review	27	65m

# NAP IMPLEMENTATION



**NAP implementation is supported through the Readiness Programme, the Project Preparation Facility, and the funding proposal window (SAP and PAP).**

- If a country already has a NAP, the country may access the \$3m USD from GCF to use it for subnational or sectoral adaptation planning, or for NAP implementation.
- NAP implementation can be funded through Readiness, if the intended activities align with the objectives of the Readiness Programme (capacity building, strategic frameworks, pipeline development and knowledge management).
- PPF support may be accessed to develop funding proposals out of concept notes drafted during the NAP process.
- Simplified and regular funding proposals may be submitted to access funds for implementation of priority adaptation actions identified in the NAP.
- Of the 30 developing countries that had submitted NAPs to UNFCCC by COP26, 19 had pipeline or portfolio projects with GCF to implement priorities in their NAP.

# PROGRAMMING OVERVIEW

NDCs,  
Climate  
Change  
Strategy

COUNTRY &  
ENTITY WORK  
PROGRAMMES

READINESS  
(including  
Adaptation  
Planning)

PROJECT  
CONCEPT  
NOTES

PPF  
(Optional)

FUNDING  
PROPOSALS

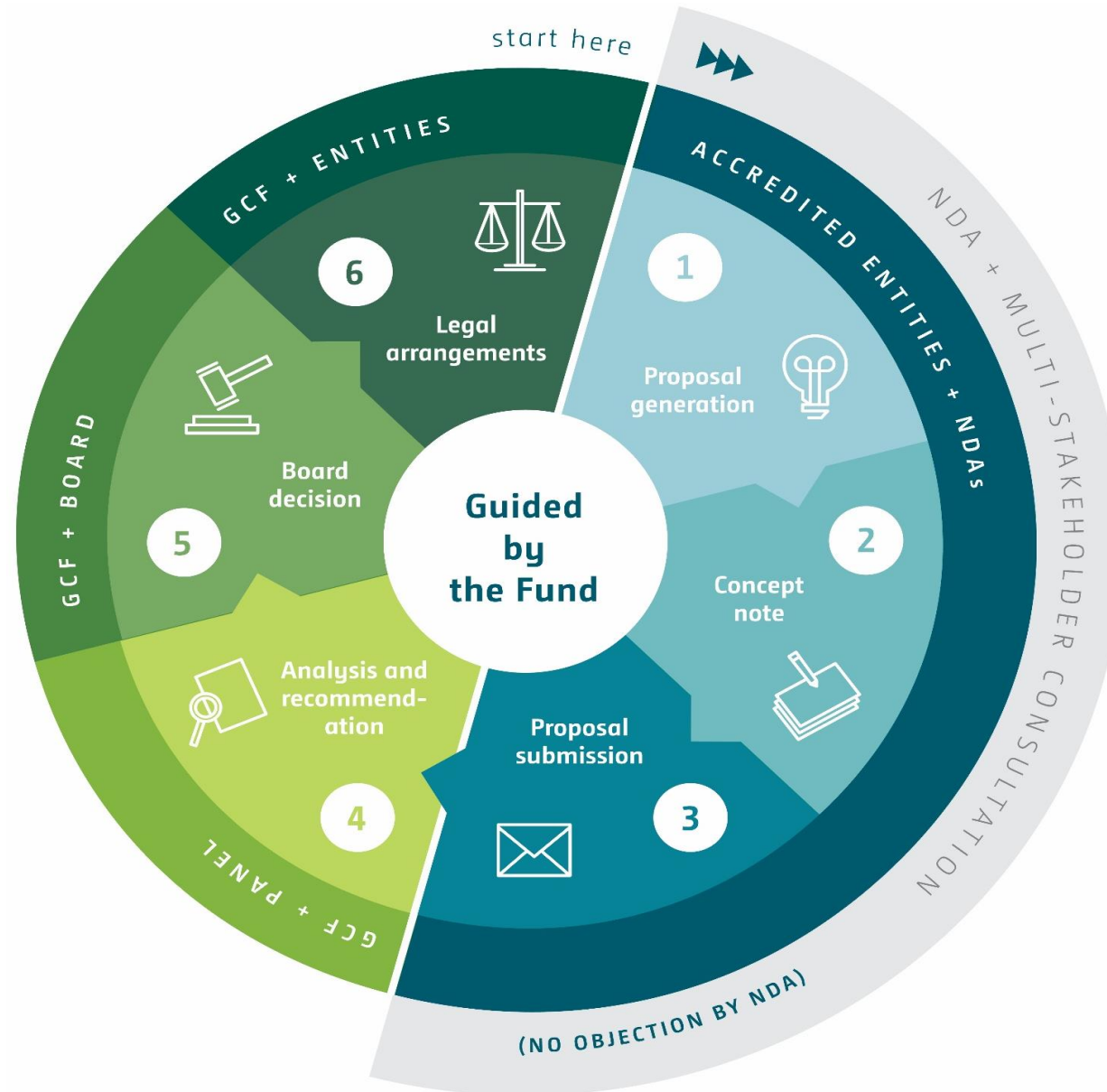
Country and Entity Work Programmes are the foundation, resulting in project proposals

Structured dialogues and direct access events further support funding proposal quality

# PROPOSAL APPROVAL PROCESS



From project origination to Board approval



1- project idea

2- concept note

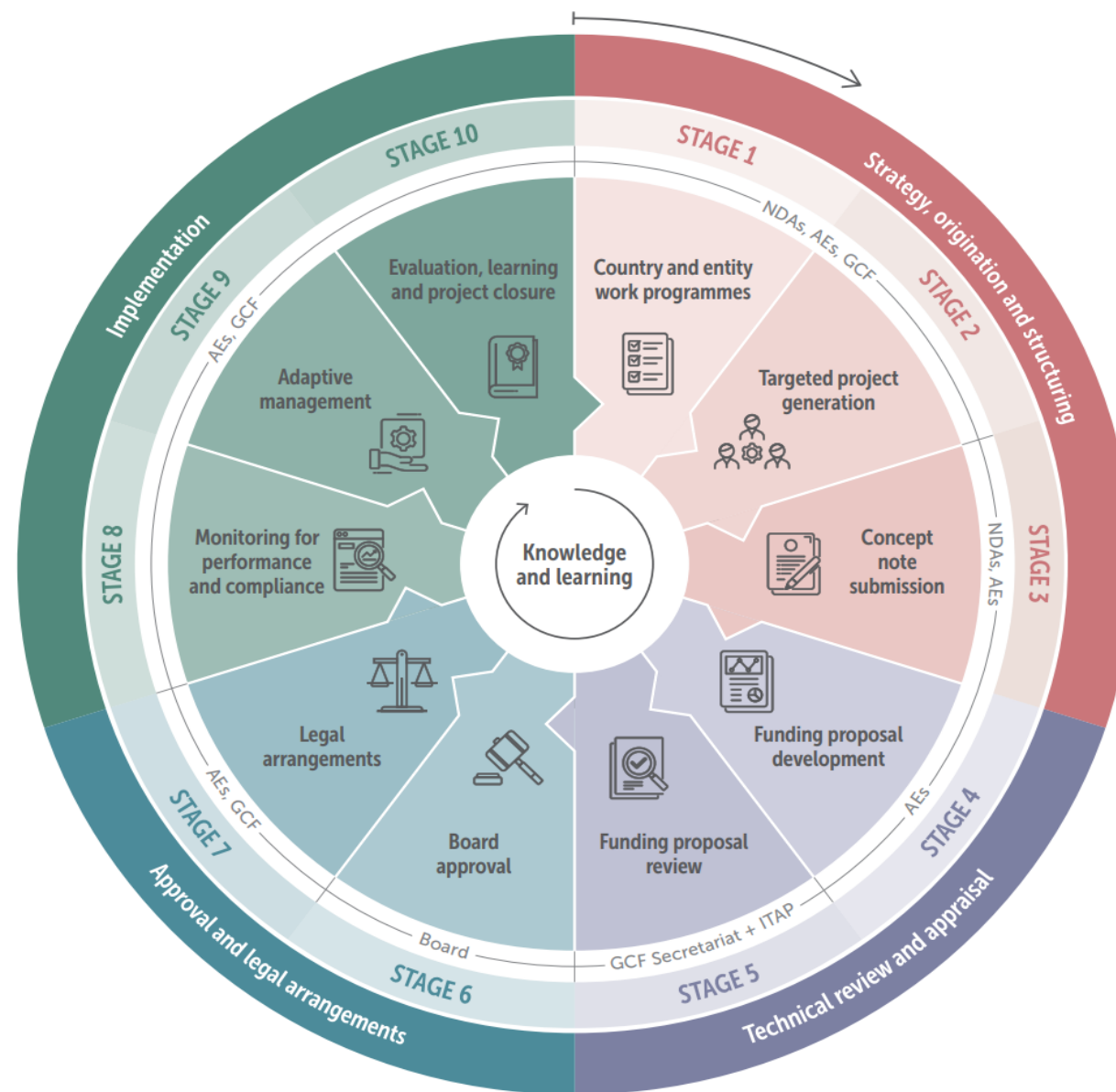
3- funding proposal submission

4- proposal review and assessment by Secretariat + iTAP

5- Board decision

6- Legal arrangements

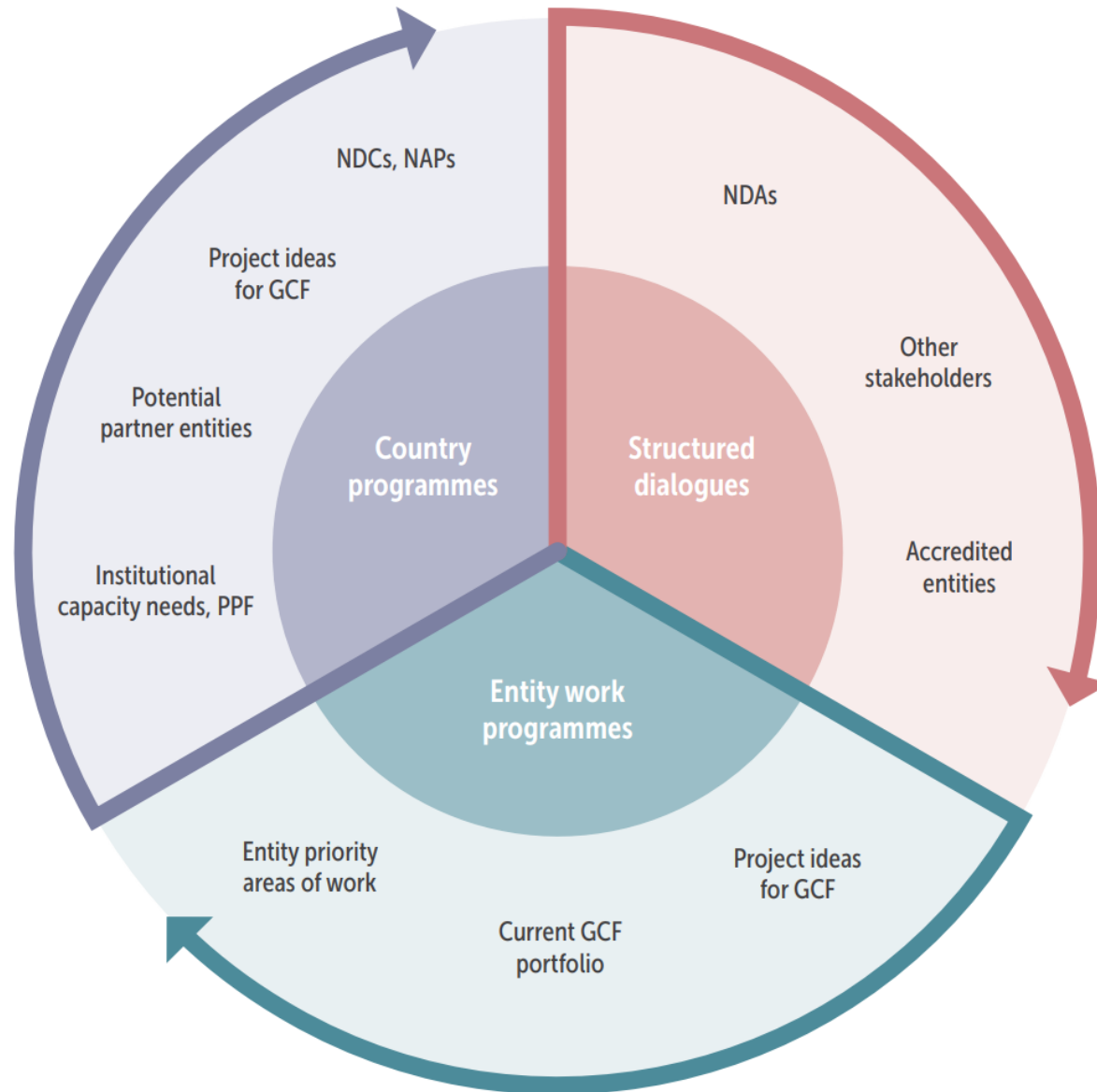
FIGURE 6. GCF PROJECT/PROGRAMME ACTIVITY CYCLE



Abbreviations: AE = accredited entity, NDA = national designated authority, ITAP = independent Technical Advisory Panel.

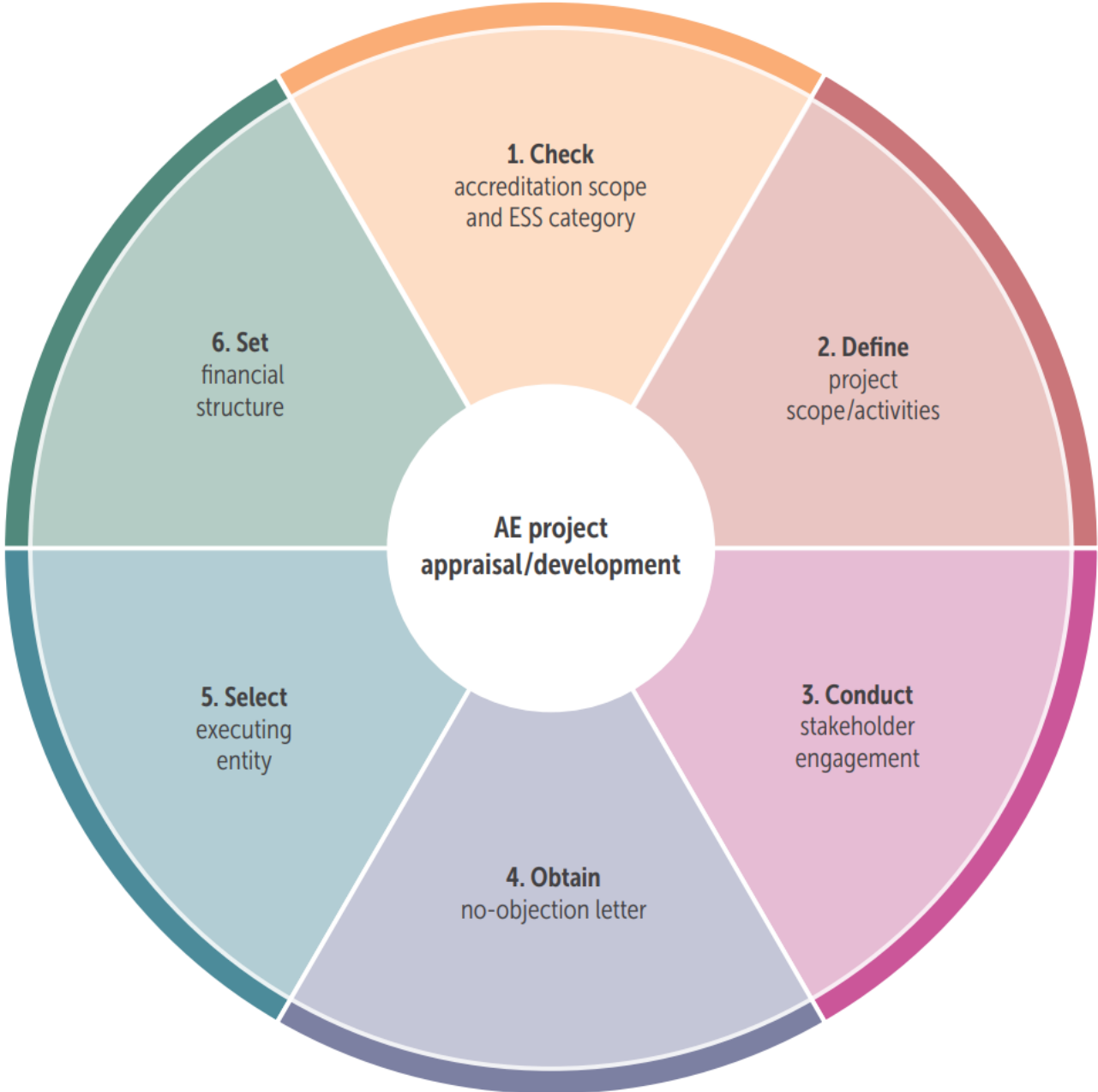


FIGURE 7. GCF ORIENTATION TOOLS



Abbreviations: NAP = national adaptation plan, NDA = national designated authority, NDC = nationally determined contribution, PPF = Project Preparation Facility

FIGURE 10. DEVELOPMENT AND SUBMISSION OF FUNDING PROPOSALS



# Mobilising finance at scale

## A FLEXIBLE RANGE OF INSTRUMENTS



**Loans**



**Guarantees**

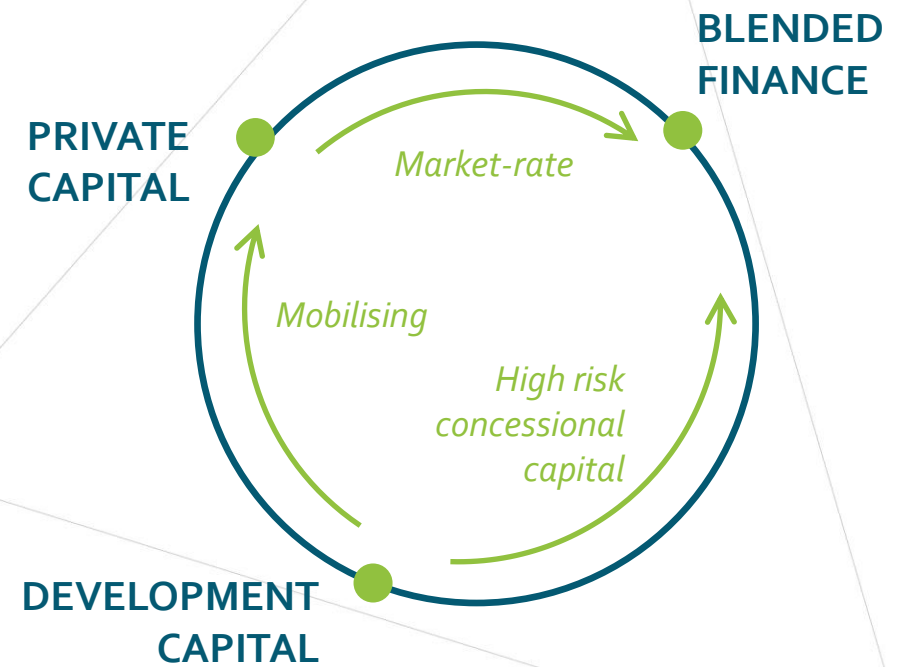


**Equity**



**Grants**

## TO MAKE BLENDED FINANCE WORK





# 2021 ANNUAL RESULTS REPORT



@GCFOfficial



green-climate-fund



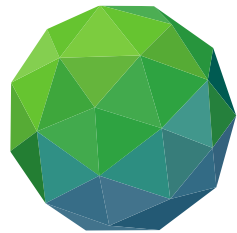
greencimatefund



@theGCF



*Scan this QR code  
to download the report*



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CLIMATE  
FUND

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