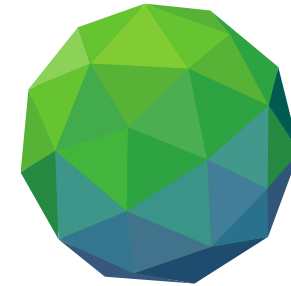


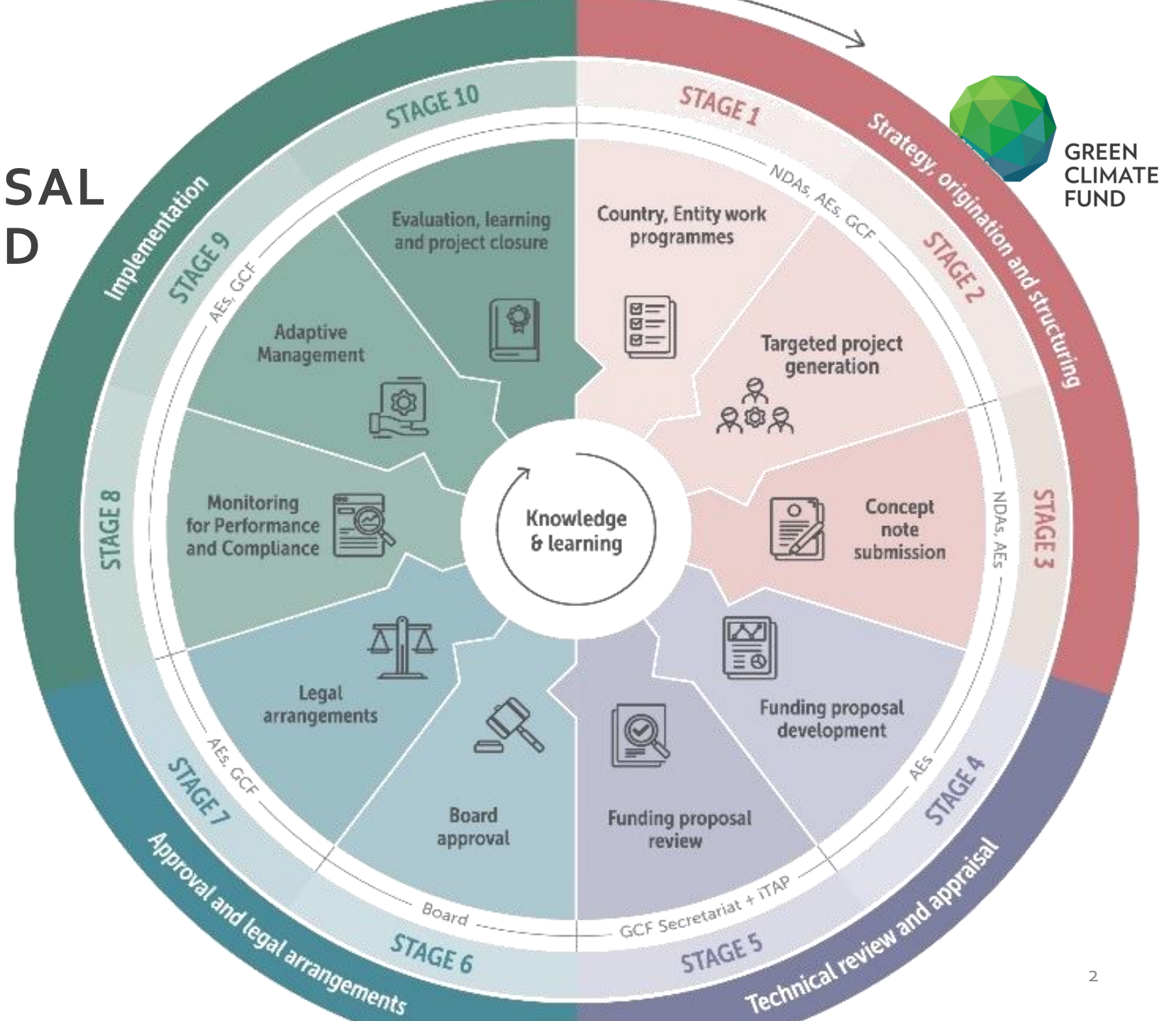
INTRODUCTION TO THE GCF PROGRAMMING MANUAL



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Green Climate Fund

OVERVIEW OF THE STAGES OF PROPOSAL DEVELOPMENT AND IMPLEMENTATION

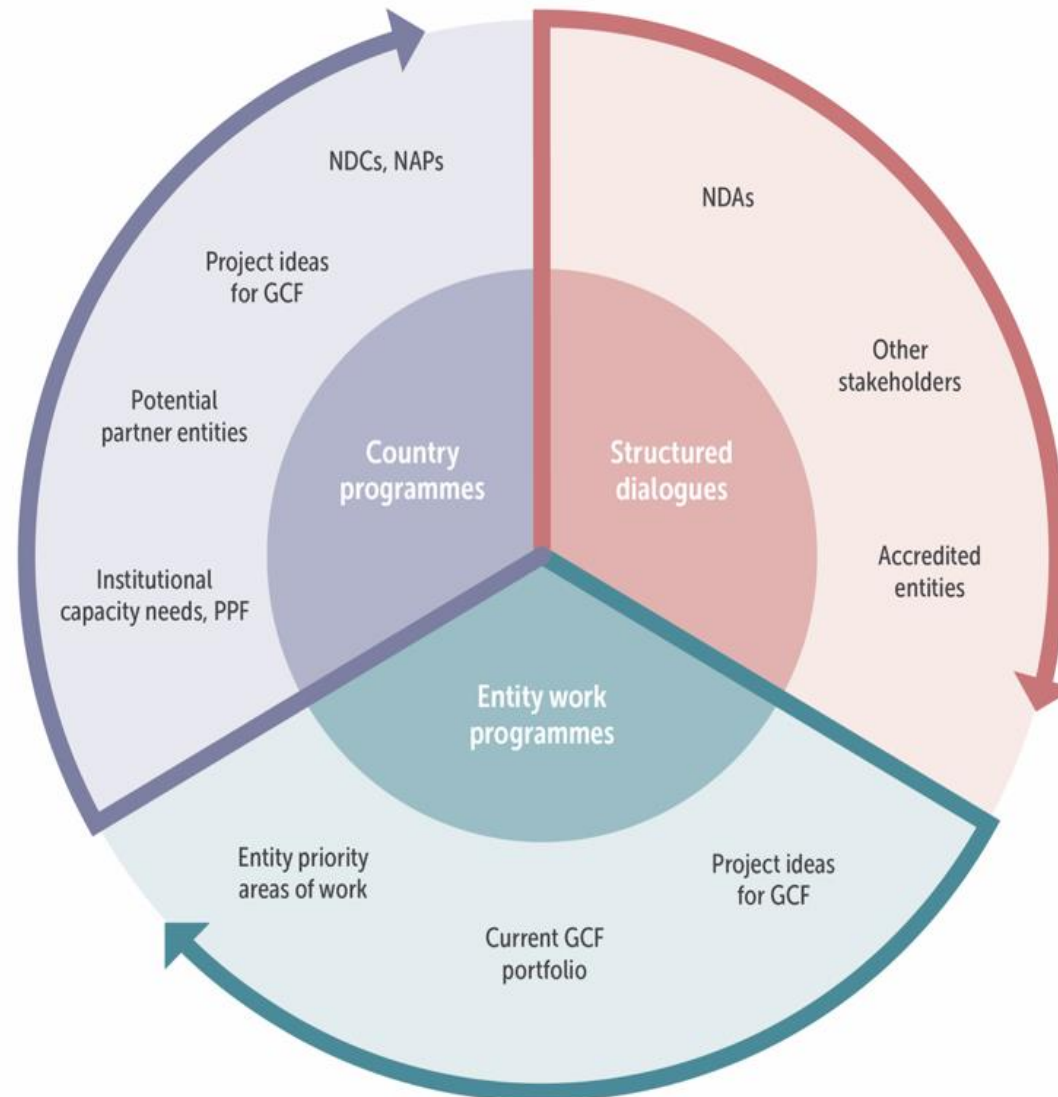


STAGE I: COUNTRY, REGIONAL AND/OR ACCREDITED ENTITY PROGRAMMES



Lead: Division of Country Programming

- Country Programmes and Entity Work Programmes are key origination tools
- Priorities are planned for GCF-1 cycle and beyond
- Culminates in Climate Investment Committee 1 Review
- Objective: to align AE programming with Country priorities



STAGE I: KEY ELEMENTS OF COUNTRY PROGRAMME AND ENTITY WORK PROGRAMME REVIEW BY CIC₁



Main Question	Expected inputs from teams/divisions	Expected outputs from CIC
How will this Country Programme or Entity Work Programme lead to a pipeline of high-impact projects for GCF? What steps can be taken to ensure the pipeline delivers high-impact?	<p>Country Programmes and Entity Work Programmes, with a focus on:</p> <ul style="list-style-type: none">• Impact potential, including climate context and problems• Paradigm shift potential• Country ownership (for EWPs)• AE comparative advantages (for EWPs)• Opportunity to promote complementarity and coherence	<p>CIC decides whether to:</p> <ul style="list-style-type: none">• Endorse pipelines contained in CPs and EWPs for further development into CNs and FPs; or• Recommend to NDAs and AEs further development and a possibility of resubmission

STAGE II: TARGETED GENERATION OF PROJECT OR PROGRAMME FUNDING PROPOSALS



Example: CIP (Climate Investment Platform)

Structured Programming meetings and webinars

- Generation of Project Ideas through Structured Programming events, Dedicated Project Preparation Partnerships and Platforms

TRACK 1: TARGETS	TRACK 2: POLICIES & REGULATIONS
<p>Objective: Raising ambition of targets in all NDCs</p> <p>Energy transition service line: clean energy access targets</p>	<p>Objective: Transparent, long-term and clear policies and regulations for climate investments, to attract commercial capital at scale</p> <p>Energy transition service line: clean energy and energy efficiency policies and regulations</p>
TRACK 3: MARKET PLACE	TRACK 4: FINANCIAL DE-RISKING
<p>Objective: Climate investment deal-making, matching project sponsors with investors</p> <p>Energy transition service line: clean energy and energy efficiency projects</p>	<p>Objective: Increased access to risk transfer instruments that ensure the bankability of climate investment opportunities and crowd-in private sector capital</p> <p>Energy transition service line: clean energy and energy efficiency projects</p>

STAGE III: CONCEPT NOTE CONSIDERATION



CONCEPT NOTE

Voluntary

Submitted by either AE or NDA

Contains basic project information

Annexes are optional

Lead: DMA and DCP Project team managers

- Review by DMA and DCP Project Team leads, focusing on climate impact assessment
- Online tracking system will provide transparency
- CIC2 endorsement needed before moving to next stage or for PPF consideration

STAGE III: KEY ELEMENTS OF PROJECT REVIEW AT CIC₂

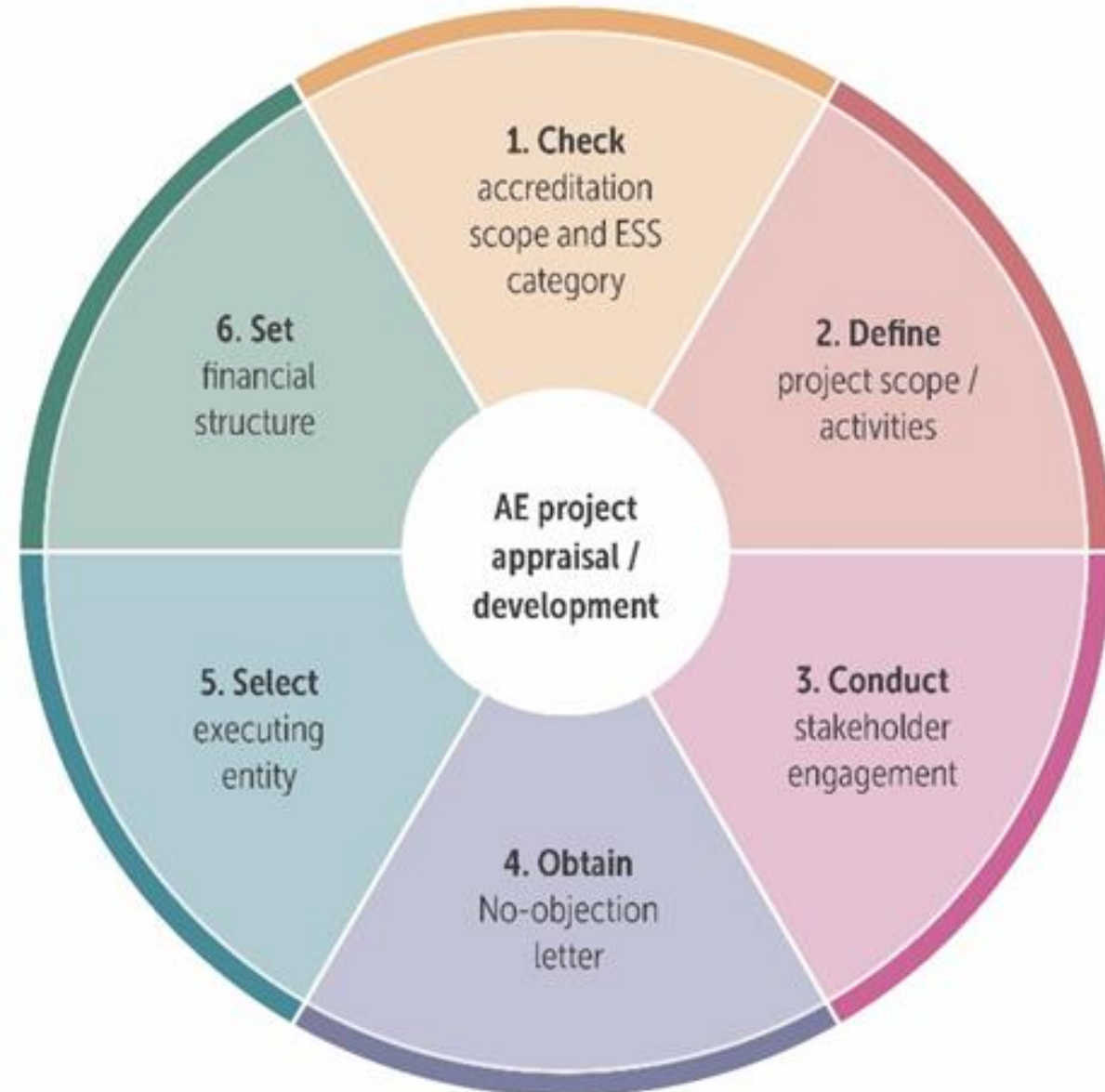


Main Question	Expected inputs from teams/divisions	Expected outputs from CIC
Does this proposed project or programme have the potential to fully meet GCF investment criteria in line with climate impact, paradigm shift potential, country ownership)?	<p>Concept Notes and Funding Proposals, with a focus on:</p> <ul style="list-style-type: none"> • Project description • Theory of change • Preliminary assessment of investment criteria • Impact potential, including additionality • Paradigm shift potential, including sustainability and scalability • Country ownership • Fit with GCF portfolio-level goals • Strengths and challenges 	<p>CIC decides whether to:</p> <ul style="list-style-type: none"> • Endorse the proposal for further FP development; • Recommend for further refinement or improvement, possibly including PPF; • Reject the CN; or • Return FP to AE for revisions and possibility of resubmission <p>CIC provides guidance on issues that need to be addressed before CIC₃</p>

STAGE IV: DEVELOPMENT OF FUNDING PROPOSALS

Lead: Division of Mitigation and Adaptation

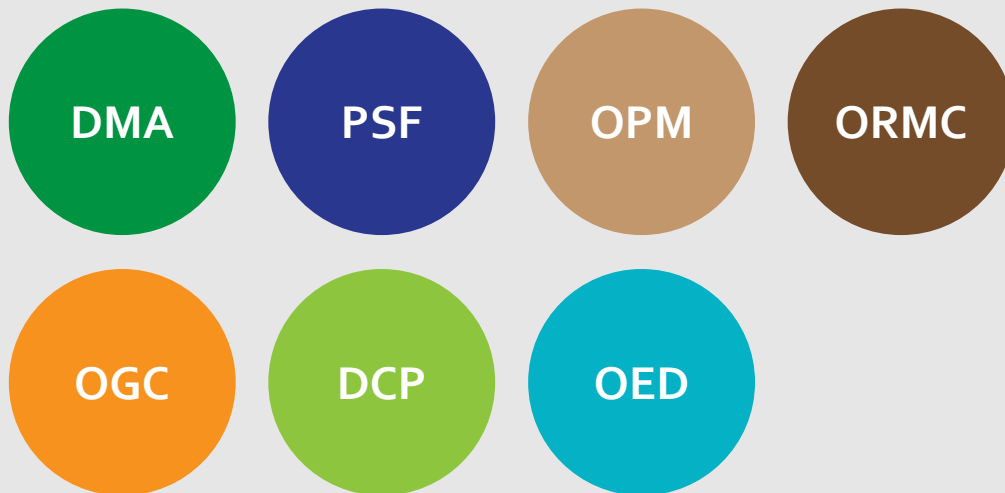
- Funding Proposals submitted without Concept Note also go to CIC2 before interdivisional review
- GCF Sectoral Guidelines available for all sectors that point to transformative pathways for GCF finance.



STAGE V: FUNDING PROPOSAL REVIEW PROCESS – OVERVIEW



Interdivisional Project Team (IPT)



Secretariat review of Funding proposal process includes the following 3 steps:

1

Initial review/assessment of the concept/project idea/draft funding proposal against the GCF investment criteria led by the Task manager with participation of the IPT-OST and clearance by the Climate Investment Committee (CIC2).

2

Detailed technical assessment of full funding proposal package through inter-divisional review: lead by Task manager and the IPT-TR, which includes representatives from other divisions, such as DCP, Risk, Finance, OPM, OGC and others.

3

Independent appraisal of the funding proposal (second level due diligence) and clearance for the funding proposal to proceed to the ITAP led by ORMC and the Climate Investment Committee (CIC3).

CIC clearance is only required if the concept note was not submitted or not cleared by CIC at the concept note stage.

STAGE V: FUNDING PROPOSAL REVIEW PROCESS – IPT-TR



















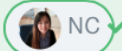









Review Status

Sector

All (57) Active (1) Completed (56)

All (57) Public (48) Private (9)

IPMS ID	BM	Sector	Entity	TM/TS	CO	ES	FC	FN	GD	PM	PC	PL	RC	N/A	Deadline
14630#1	B.26	Public	UNDP	  	 	 	 	  	 	 	  	  	 	 	Ended

Project Review & Tracking Platform

STAGE V: FUNDING PROPOSAL REVIEW PROCESS – ORMC APPRAISAL



- **Independent appraisal provided by ORMC at CIC₃**
 - Check the sectoral assumptions underpinning a project proposal and review the fit with the Investment Criteria
 - Risk assessment, including a review of the risk section of the Secretariat assessment based on the term sheet, grant equivalency calculation, financial models, and probability of project success
 - Other independent reviews, such as Compliance, ESS – to address any changes to the funding proposal after completion of the Secretariat assessment – and adherence to GCF policies and standards



STAGE V: FUNDING PROPOSAL REVIEW PROCESS – CIC₃ CRITERIA FOR CLEARANCE



Key elements for consideration as part of the project review by IPT/CIC₃

	Main Question	Expected inputs from teams/divisions	Expected outputs from CIC
Comments from CIC ₂	Is this funding proposal ready for ITAP review and Board approval?	<p>Funding Proposals, with a focus on: Memo/presentation seeking CIC decision that includes:</p> <ul style="list-style-type: none"> Comments from CIC₂ and how they have been addressed Pricing and fees, including grant equivalence, based on advanced draft of term sheet Evaluation against investment criteria, based on draft Secretariat Assessment and Investment Criteria Scorecard <p>Independent Appraisal Assessment including Sectors, Risk, Sustainability, Compliance and Project policy review</p>	<p>CIC decides whether to:</p> <ul style="list-style-type: none"> Approve financial terms and conditions for inclusion in the term sheet; Endorse final FP package, including advanced draft of term sheet and interim draft of Secretariat Assessment, to be presented to the Board; and Endorse the FP to proceed to ITAP; or Return FP to AE for revisions and resubmission
Pricing and fees			
Investment Criteria			
ORMC appraisal			

STAGE V: FUNDING PROPOSAL REVIEW PROCESS – ITAP

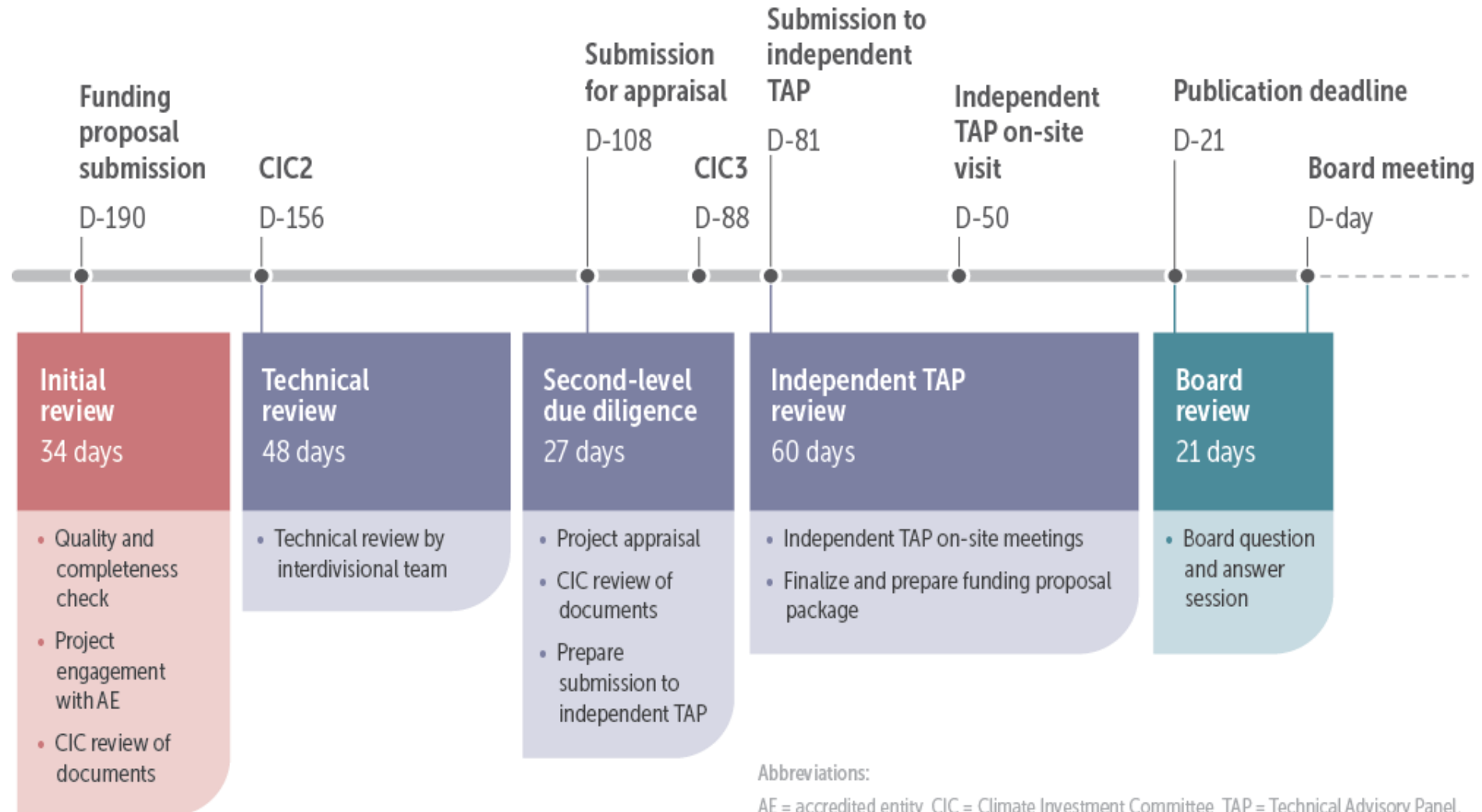


KEY CHANGES & STANDARDS

- ITAP reviews according to 6 investment criteria
- Recent ITAP reviews have been more stringent on climate rationale

Review of FP package 4 weeks	On-site meeting 1 week	Drafting of assessment 1 week
Shared with ITAP 3 weeks in advance Questions and comments from ITAP shared with AEs	All FPs discussed among ITAP members Calls with AEs organized Unanimous decision made on each FP	Includes recommendations and conditions, if any

STAGE V: FUNDING PROPOSAL REVIEW PROCESS – BEST CASE TIMELINE



Abbreviations:

AE = accredited entity, CIC = Climate Investment Committee, TAP = Technical Advisory Panel.

STAGE VI: BOARD CONSIDERATION AND DECISION



KEY CHANGES & STANDARDS

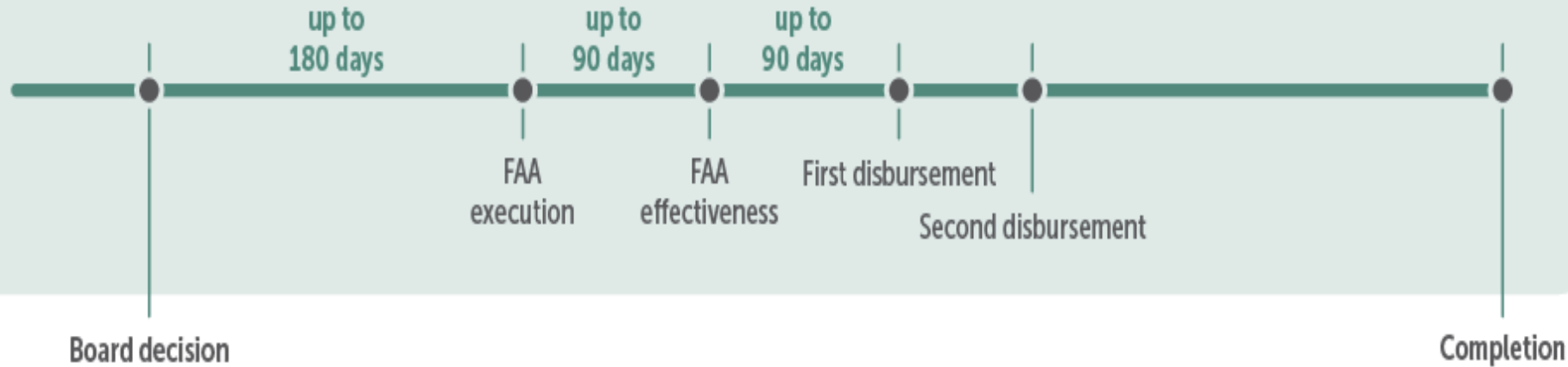
- Several rounds of Board Q and As – written, during informal day and Board meeting



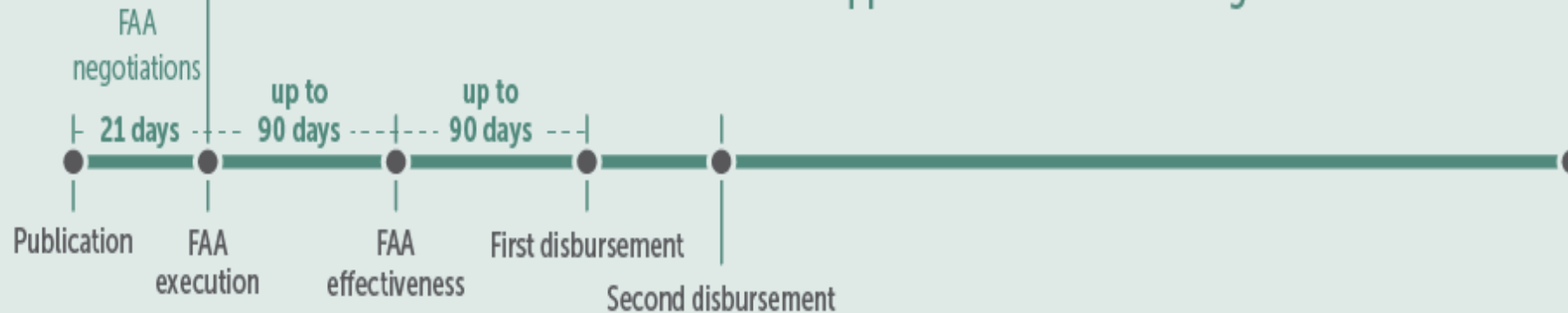
STAGE VII: LEGAL ARRANGEMENTS FOR APPROVED PROPOSALS



FAA execution after Board approval



FAA execution after Board approval at Board meeting

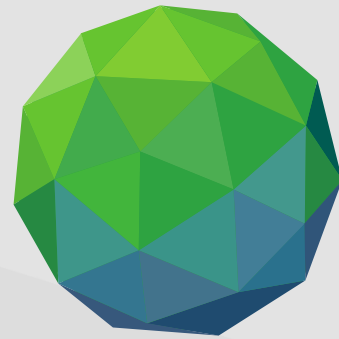


**STAGE VIII: MONITORING FOR
PERFORMANCE & COMPLIANCE**



STAGE IX: ADAPTIVE MANAGEMENT

**STAGE X: EVALUATION, LEARNING AND
PROJECT CLOSURE**



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