GCF Project Toolkit 2017

GUIDE TO DEVELOP A PROJECT PROPOSAL FOR THE GREEN CLIMATE FUND (GCF)

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Produced by Acclimatise

Acclimatise is a specialist consulting, communications and digital application company providing world-class expertise in climate change adaptation and finance. Understanding the rapidly evolving landscape of climate finance is an essential feature of our work.

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Partner organisations

The Climate and Development Knowledge Network (CDKN) aims to help decision makers in developing countries design and deliver climate compatible development. It provides demand-led research and technical assistance, channelling the best available knowledge on climate change and development to support policy processes at the country level.

The International Centre for Climate Change and Development (ICCCAD) is based at the Independent University in Bangladesh. The aim of ICCCAD is to develop a world-class institution that is closely related to local experience, knowledge and research in one of the countries that is most affected by climate change. It is our mission to gain and distribute knowledge on climate change and, specifically, adaptation and thereby helping people to adapt to climate change with a focus on the global south.

The International Institute for Environment and Development (IIED) is a policy and action research organisation. We promote sustainable development to improve livelihoods and protect the environments on which these livelihoods are built. We specialise in linking local priorities to global challenges.

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Contents

Acronyms

AE	Accredited Entities
CDKN	Climate and Development Knowledge Network
CIF	Climate Investment Funds
COP	Conference of Parties
EE	Executing Entities
ECOSOC	Economic and Social Council
ERD	Economic Relations Division of the Ministry of Finance of Bangladesh
ESIA	Environment and Social Impact Assessment
ESMP	Environmental and Social Management Plan
ESMS	Environmental and Social Management System
FAA	Funded Activity Agreement (FAA)
FP	Funding Proposal
GCF	Green Climate Fund
GEF	Global Environment Facility
IE	Implementing Entities
IFC	International Finance Corporation
IEU	Independent Evaluation Unit
LDCs	Least Developed Countries
MSME	Micro, Small and Medium Enterprises
NDC	Nationally Determined Contributions
NDAs	National Designated Authorities
PMF	Performance Measurement Framework
PPCR	Pilot Program for Climate Resilience
PS	Performance Standards
PSF	Private Sector Facility
RBP	Results-based payment
RFP	Request for Proposal
REDD	Reducing emissions from deforestation and forest degradation
RMF	Results Management Framework
SAPRs	Semi-annual progress reports
SIDS	Small Island Developing States
UN	United Nations
UNFCCC	United Nations Framework Convention on Climate Change

Glossary of key terms

Accredited Entities: an entity that is accredited by the Board in accordance with the Governing Instrument and relevant Board Decisions.

Adaptation: adjustment in natural or human systems in response to actual or expected climatic stimuli or their effects, which moderates harm or exploits beneficial opportunities.

Climate change: a change of climate which is attributed directly or indirectly to human activity that alters the composition of the global atmosphere and which is in addition to natural climate variability observed over comparable time periods.

Concept Note: a project or programme concept document which provides basic information about a project or programme to seek feedback on whether the concept is broadly aligned with objectives and policies of the Fund.

Environmental and Social Impact Assessment (ESIA): comprehensive document of a project's potential environmental and social risks and impacts which is developed based on key process elements generally consisting of (i) initial screening of the project and scoping of the assessment process; (ii) examination of alternatives; (iii) stakeholder identification (focusing on those directly affected and other stakeholders) and gathering of environmental and social baseline data; (iv) impact identification, prediction, and analysis; (v) generation of mitigation or management measures and actions; (vi) significance of impacts and evaluation of residual impacts; (vii) consultation with and disclosure to project affected people including setting up a grievance mechanism; and (viii) and documenting the assessment process in form of an ESIA report.

Environmental and Social Management Plan (ESMP): a document prepared either as part of an ESIA or as a separate document accompanying the ESIA describing the process of management of the mitigation measures and actions identified in the ESIA study including the associated responsibility, timeline, costs, and monitoring of key environmental and social indicators, described in the ESMP.

Environmental and Social Management System (ESMS): a collection of policies, management processes and procedures that allow analysis, control and reduction of the environmental and social impacts.

Environmental and Social Safeguards (ESS): a reference point for establishing criteria for accrediting institutional capacities and entities seeking accreditation to the Fund, and for identifying, measuring and managing environmental and social risks. The main purpose of the ESS is to determine the key environmental and social risks the accredited entity intends to address in the conceptualisation, 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 (PS) of the International Finance Corporation.

Evaluation: is a systematic assessment of the worth or utility of an intervention at a specific point in time, for example whether a policy has been effective in achieving set objectives.

Executing Entities: with respect to the Green Climate Fund, organisations that execute eligible activities supported by the GCF under the oversight of accredited Implementing or Funding Entities.

Exit strategy: a strategy which ensures that the ongoing activities, impact and results of the project/programme sustain after the Fund's intervention.

Feasibility Study: a strategy which ensures that the ongoing activities, impact and results of the project/programme sustain after the Fund's intervention.

Funding Proposal: accredited entities can access GCF resources to undertake climate change projects and programmes by submitting funding proposals to the Fund.

Green Climate Fund: at COP 16 in Cancun in 2010, Governments established a Green Climate Fund (GCF) as an operating entity of the financial mechanism of the Convention under Article 11. The GCF will support projects, programmes, policies and other activities in developing country Parties. The Fund will be governed by the GCF Board.

Indicator: a measurable characteristic or variable which helps to describe an existing situation and to track changes or trends – i.e. progress – over time.

Intermediation: activities involving investments through financial intermediation functions or through delivery mechanisms involving financial intermediation.

Investment criteria: six investment criteria adopted by the Board, namely impact potential, paradigm shift potential, sustainable development potential, needs of the recipient, country ownership and efficiency and effectiveness. There are coverage areas, activity-specific subcriteria, and indicative assessment factors that provide further elaboration. Please refer to the Board Decision on Further Development of the Initial Investment Framework which provides more detailed explanation of the Fund's investment criteria.

Least Developed Countries (LDCs): the world's poorest countries. The criteria currently used by the Economic and Social Council (ECOSOC) for designation as an LDC include low income, human resource weakness and economic vulnerability.

Logframe: one of the most used methods to articulate and clarify how a set of activities will achieve the desired outcomes and objective of a project (or its 'theory of change'). The logframe represents a results map or results framework which is part of Result Management Framework (RMF). The logframe also captures basic monitoring and evaluation (M&E) requirements. The project/programme's logframe is critical to determining the costs at the activity level required in the proposal template, the overall budget, and the timeline and key milestones.

Mitigation: in the context of climate change, a human intervention to reduce the sources or enhance the sinks of greenhouse gases. Examples include using fossil fuels more efficiently for industrial processes or electricity generation, switching to solar energy or wind power, improving the insulation of buildings, and expanding forests and other "sinks" to remove greater amounts of carbon dioxide from the atmosphere.

Monitoring: is the systematic and continuous collection of information that enables stakeholders to check whether an intervention is on track or achieving set objectives.

National Designated Authority (NDA): a core interface and the main point of communication between a country and the Fund. NDA seeks to ensure that activities supported by the Fund 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 no-objections for project proposals.

Paradigm shift: is a fundamental shift of all countries towards low-carbon and climate-resilient sustainable development, in accordance with the GCF agreed results areas and consistent with a country-driven approach (Eco Ltd, 2016). It should be noted that this definition is not an official definition from the GCF and also the terms 'paradigm shift' and transformational change' are often used interchangeably. The paradigm shift of a project corresponds to the degree to which the proposed activity can catalyse impact beyond a one-off project/programme investment. This can be emphasised by providing further details on the four related factors:

1. *Potential for scaling up and replication*: the proposal should illustrate how the proposed project/programme's expected contributions to global low-carbon and/or climate-resilient development pathways could be scaled-up and replicated including a description of the steps necessary to accomplish it.
2. *Potential for knowledge and learning*: any potential for the creation or the strengthening of knowledge, collective learning processes, or institutions should be highlighted.
3. *Contribution to the creation of an enabling environment*: the sustainability of outcomes and results beyond the completion of the intervention should be highlighted. The proposal should explain how proposed measures will create conditions that are conducive to effective and sustained participation of private and public sector actors in low-carbon and/or resilient development that go beyond the program.
4. *Contribution to regulatory framework and policies*: the proposal should elaborate in which way the proposed project/programme advances national/local regulatory or legal frameworks to systematically drive investment in low-emission technologies or activities, promote development of additional low-emission policies, and/or improve climate-responsive planning and development.

Pre-Feasibility Study: a preliminary study undertaken to determine if it would be worthwhile to proceed to the feasibility study stage.

Project: a set of activities with a collective objective(s) and concrete outcomes and outputs that are narrowly defined in scope, space, and time; and that are measurable, monitorable, and verifiable.

Programme: a set of interlinked individual sub-projects or phases, unified by an overarching vision, common objectives and contribution to strategic goals, which will deliver sustained climate results and impact in the GCF result areas efficiently, effectively and at scale.

Quantitative indicators: measures of quantity, including numbers, indexes, ratios or percentages.

Qualitative indicators: measures of changes in qualitative impacts and will allow for measurement and aggregation of non-numerical, non-material and often complex multi-dimensional impacts.

Results Management Framework (RMF): is a life-cycle approach to results management through measurements to improve decision making, transparency and accountability. The approach is in line with improving the way that the Fund functions by achieving outcomes through implementing performance measurement, learning and adapting, in addition to reporting performance.

Small Islands Developing States (SIDs): low-lying coastal countries that tend to share similar sustainable development challenges, including small but growing populations, limited resources, remoteness, susceptibility to natural disasters, vulnerability to external shocks, excessive dependence on international trade, and fragile environments. The SIDS were first recognised as a distinct group of developing countries at the United Nations Conference on Environment and Development in June 1992.

UNFCCC: the United Nations Framework Convention on Climate Change (UNFCCC) is an international environmental treaty negotiated at the Earth Summit in Rio de Janeiro from 3 to 14 June 1992, then entered into force on 21 March 1994.

Vulnerability: the degree to which a system is susceptible to, or unable to cope with, adverse effects of climate change, including climate variability and extremes.

Summary

Responding to the climate challenge requires collective action from all countries, cities, businesses, and private citizens. With currently USD 10.3 billion pledged, the Green Climate Fund (GCF), is the world's largest climate fund and is designed to be the main financial instrument to meet the global commitment made by advanced economies to jointly mobilise $100 billion per year by 2020, from a variety of sources, to address the pressing mitigation and adaptation needs of developing countries.

What does the GCF support?

The GCF aims to support developing countries in achieving a paradigm shift to low-emission pathways and to increase climate-resilient development, by funding transformative projects and programmes on adaptation and/or mitigation to climate change. A key characteristic of the Fund is that it also seeks to encourage private sector investments in these areas through the Private Sector Facility (PSF). The PSF aims to support the private sector to engage in climate relevant activities through two alternative mechanisms, which address the supply side and the demand side of private sector financing – institutional investing, and small and medium sized enterprise financing.

How to submit a funding proposal to the GCF?

A private sector organisation can submit - through an Accredited Entity (AE)- funding proposals to the GCF spontaneously on an ongoing basis or by responding to a request for proposals (RFP) published on the GCF website. The Ministry of Finance's Economic Relations Division (ERD) has been appointed by the Bangladesh government to act as the focal agency and point of contact with the GCF. Funding proposals submitted to the GCF should include a no-objection letter signed by the NDA. Through the no-objection procedure, ERD is responsible to ensure funding proposals are aligned with national priorities.

The GCF project cycles includes five main steps:

1) The AE or the NDA submit a concept note (voluntary);
2) The AE submit the project proposal to the GCF, in conjunction with a no-objection letter signed by the NDA;
3) The GCF reviews selected sections of the proposal and the Independent Technical Advisory Panel (ITAP) of the Fund undertakes a technical assessment and provides recommendations;
4) Based on the review and the technical assessment, the GCF decides whether or not to approve the funding; and,
5) If the proposal is approved, a Funded Activity Agreement (FAA) is negotiated and signed between the AE and the GCF.

The GCF funding proposal template

Preparing a GCF's funding proposal requires considerable research, consultation, and thought regarding the design and costing. The funding proposal template includes the following sections:

a. Project/programme summary;
b. Financing/cost information; Detailed project/programme description;
c. Rationale for GCF involvement;
d. Expected performance against investment criteria;
e. Appraisal summary;
f. Risk assessment and management; Results monitoring and reporting;
g. Annexes.

Project proponents are expected to develop their funding proposals, in close consultation with the NDA, and with due consideration of the GCF's Investment Framework and Result Management Framework. This toolkit provides guidance on how to fill in the project proposal template and analyses the key sections that will make a proposal successful.

Key GCF project development requirements:

One of the key GCF proposal requirements is the provision of a Results Management Framework (RMF) which is based on a logic model or log-frame that demonstrates how inputs and activities are converted to changes in the form of results achieved at the project/programme, country, strategic impact and paradigm shift levels. The log-frame also captures basic monitoring and evaluation (M&E) requirements which are also key aspects of the RMF Framework. The AEs are primarily responsible for the M&E of their projects or programmes and will report accordingly to the GCF.

The integration of gender considerations within a project proposal is another key requirement to access the Fund. As per the GCF's Gender policy, all project proposals should: include qualitative and quantitative gender indicators; be aligned with the national policies and priorities on gender; and include equitable opportunities for women in stakeholder consultations and decision-making processes throughout the entire project cycle. Additionally, it is highly recommended that project proponents include in their proposal a Gender Action Plan (GAP), which provides an overview of how gender equality will be promoted within the project.

AEs should also provide a brief description of the expected performance of the proposed project/programme against the GCF investment criteria. These are defined in the GCF's Investment Framework and include: climate impact potential, paradigm shift, sustainable development, responsiveness to the needs of the recipient, country ownership, efficiency and effectiveness.

So, how can you get started?

Project proponents can decide to prepare a one-step (full proposal) or two-step application (concept note followed by full proposal). While it is a voluntary step, developing a concept note is highly recommended as experience has shown that it leads to better proposals. Indeed, this provides the opportunity to start a dialogue with the GCF Secretariat and receive valuable feedback and guidance.

it should be noted that while recommended, this is not mandatory to identify an AE at the concept note stage. The NDA can also submit a concept note without an associated AE and solicit feedback.

If you decide to prepare a two-step application (concept note followed by full proposal), this toolkit provide useful guidance and a detailed checklist to help you prepare your GCF project concept.

Once the concept note has been submitted, further support is available to turn a project concept note into a fully-fledged funding proposal. The Board will approve requests for support under the Project Preparation Facility (PPF), based on the concept providing full justification of the need, and an appropriate review and assessment against GCF's investment criteria and a justification of needs for project preparation funding with information on the underlying project.

1. Introduction

The Green Climate Fund (GCF), the world's largest climate fund, is designed to help developing countries achieve their ambition for low-carbon resilient development. This toolkit aims to guide Bangladesh's private sector to prepare and submit GCF project proposals, by providing a snapshot of the GCF's project cycle and proposal requirements.

This present toolkit was commissioned through the Climate and Development Knowledge Network (CDKN)'s 'Building readiness of the private sector in Bangladesh for GCF accreditation' project. One of the aims of the project is also to build the skills and capacities of private sector entities in Bangladesh that will enable them to finance and implement climate compatible projects. To this end, this toolkit aims to help private sector entities understand the key considerations to take into account and fulfil the GCF's requirements when developing funding proposals for the GCF, by acquainting entities with the following:

1. **Essentials to know before developing a GCF project:**
   - What does the GCF support?
   - What are the roles of different actors?
   - What about the private sector?

2. **The GCF project cycle**

3. **The GCF proposal template**

4. **Key GCF project development requirements:**
   - Results Management Framework (RMF)
   - Developing a logframe
   - Assigning indicators to measure progress
   - Gender, including developing a Gender Action Plan (GAP)
   - Environmental and Social Safeguards (ESS), including the information disclosure policy
   - Investment criteria
   - Monitoring, Evaluation and Reporting requirements, including management fees

5. **How to get started?**

6. **Support available from the GCF to support full proposal preparation**

2. Limitations of the document

It should be noted that this toolkit does not present the new simplified process for micro-scale and small-scale funding proposals that are assessed to fall under the low/no risk Category C/Intermediation 3. The latter is still under discussion. It is envisaged that this simplified process will include a revised full funding proposal template for micro-and small-scale activities, and will involve simplifying the level of details required in terms of feasibility studies and other supporting documentation for these proposals. It also decided to review the simplified process". Users of this toolkit should also bear in mind that the GCF's Results Based Framework and interim ESS are likely to evolve following the completion of the initial resource mobilisation period, based on experience gained and lessons learned.

3. Essentials to know before developing a GCF project

The Green Climate Fund (GCF) is a financial mechanism established within the United Nations Framework Convention on Climate Change (UNFCCC) and acts as the operating entity for implementing the 2015 Paris Agreement.

It was established through an agreement by 194 member countries at the 16th Conference of Parties in 2010 under the Cancun Agreement to help developing countries respond to climate change by investing in low-carbon resilient development.

The fund is expected to make a significant contribution to delivering the global objective of providing US$100 billion in climate finance per year from public and private sources by 2020. Figure 1 illustrates the two funding windows countries can access GCF funds through: **adaptation and mitigation.**

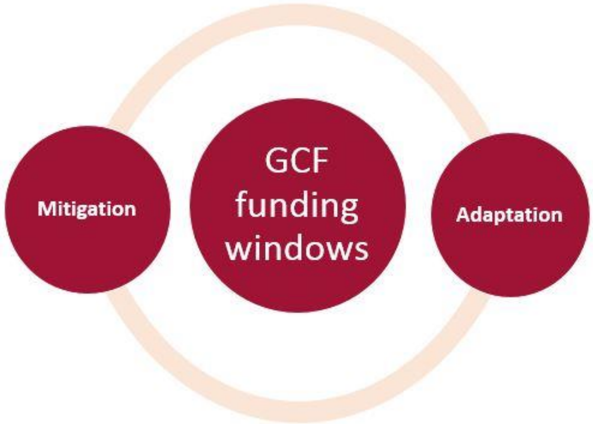


Figure 1: GCF Funding windows

3.1. What does the GCF support?

The GCF finances low-emission (mitigation) and climate resilient (adaptation) projects and programmes developed by the public and the private sector to contribute to the climate change priorities of countries. Cross-cutting projects that deliver co-benefits in terms of both mitigation and adaptation are eligible for funding by the GCF. A such, a project proponent will have to demonstrate the climate change impact of its proposed project or programme (either in terms of mitigation, adaptation or both).

When developing a GCF project, a project proponent should identify which strategic impact areas its proposed project or programme contributes towards (noting that for an individual project or programme, several can apply). Figure 2 below presents the eight strategic impact areas for adaptation and mitigation. The full list of approved project by the Fund is presented in Annex 1.

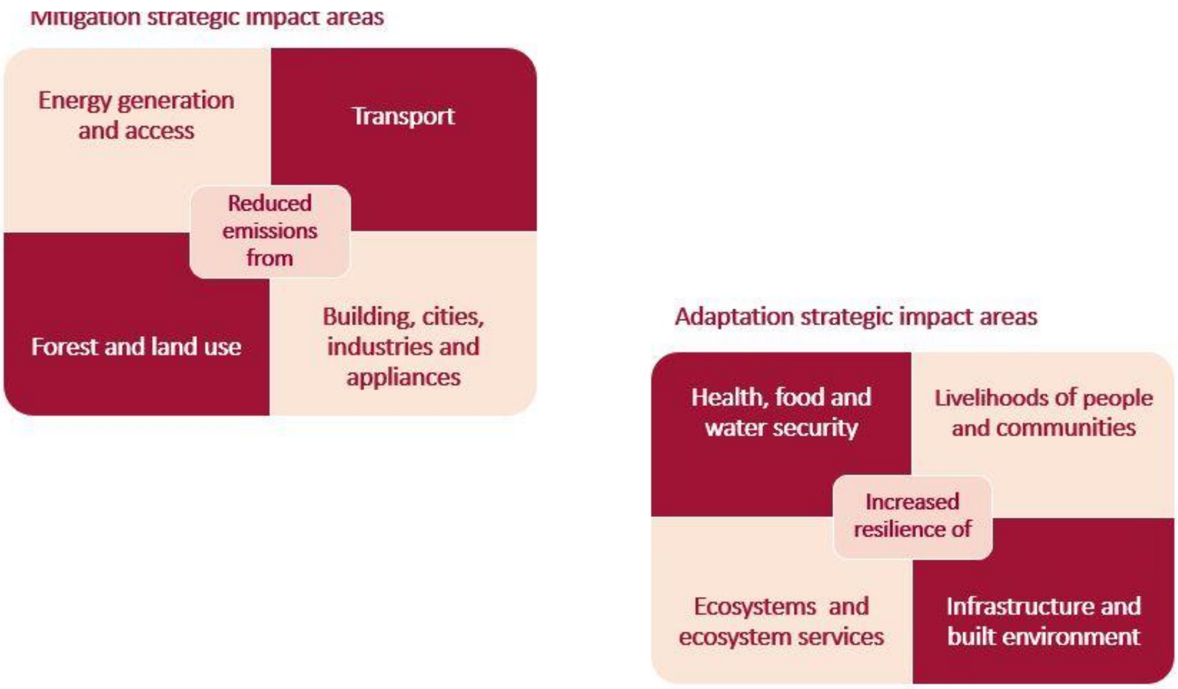


Figure 2: GCF Strategic impact areas (source: reproduced by authors from GCF Infographics)

The proposed project or programme submitted will fall into one of the four GCF project size categories (see Figure 3).

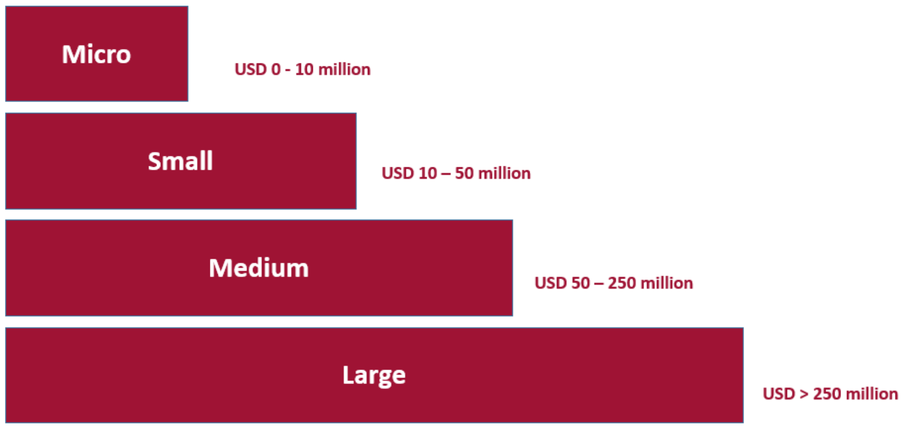


Figure 3: Total Project Costs (source: reproduced by authors from GCF Infographics)

3.2. What are the roles of different actors?

There are three main actors that have a role to play in interacting with the GCF, putting a funding proposal together and, if successfully approved, overseeing and managing the implementation and completion of the project.

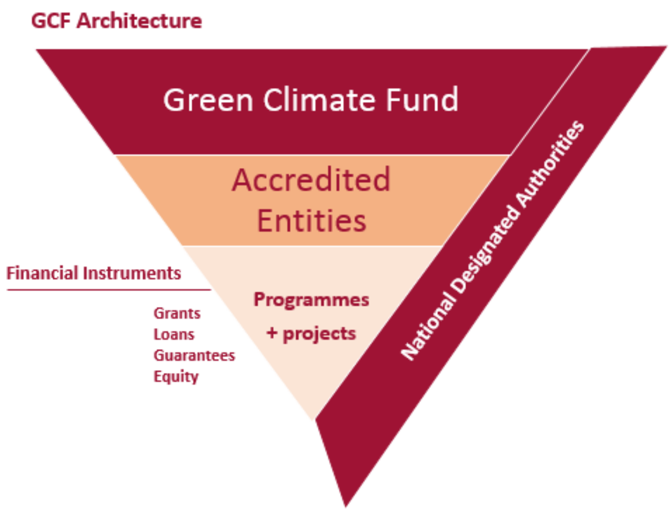


Figure 4. GCF Architecture
(source: reproduced by authors from GCF Infographics)

The **National Designated Authority (NDA)**[1] is the focal agency and point of contact with the GCF. The NDA develops work programmes and oversees proposals. In **Bangladesh,** this is the **Ministry of Finance's Economic Relations Division (ERD).**

The **Accredited Entities (AEs)** are accountable directly to the GCF's Board for the overall management of projects, as well as for the financial, monitoring and reporting aspects of project activities. AEs can be:

- **Direct access entities:** these correspond to subnational, national or regional entities. They can be both public and private. For instance, they can include national ministries or government agencies, national development banks, national climate funds, commercial banks and other financial institutions etc.
- **Indirect access entities:** these can be bilateral (e.g. GIZ), multilateral (e.g. multilateral and regional development banks or United Nations (UN) agencies) and regional (regional development banks and intergovernmental organisations). They can be both public and private.

In addition to project management responsibilities, AEs can be **intermediaries** which administer grants and loans while blending funds with their own and others.

While the AEs act as a country's fund programme managers, the **Executing Entities (EEs)** are in charge of executing eligible activities supported by the GCF under the oversight of AEs. AEs can also perform project execution themselves. The table below summarises the main functions of the three actors.

[1] The NDA and the Focal point are the government counterpart of the GCF. The main difference between the two is that the Focal point is an individual and not an institution mandated to the liaise with the Fund.

Table 1. National Designated Authority, Implementing Entity, and Executing Entity.

Type of Entity	Role
National Designated Authority (NDA)	• Strategic oversight of a country's priorities • Convening national stakeholders • Providing nomination letters for the accreditation of NIEs • Providing no-objection letters for projects and programmes, and • Approving readiness support.
Accredited Entity (AE)	• Develop and submit funding proposals for projects and programmes • Oversee project and programme management and implementation • Deploy and administer a range of financial instruments (grants, concessional loans, equity and guarantees), and • Mobilise private sector capital for blending with GCF and/or own resources.
Executing Entity (EE)	• Develop and submit funding proposals for projects and programmes through AEs • Execute funding proposals • No need for accreditation but work under the supervision and overall management of the AE

When developing a GCF project, a project proponent should identify an AE which will oversee the implementation and management of the proposed project or programme. By December 2016, the GCF secretariat had accredited around 48 entities worldwide to access the funds. Table 2 shows the relevant existing AEs through which a private sector organisation in Bangladesh can submit a proposal to the GCF.

Table 2: Relevant AEs for Bangladesh (as of 20th December 2016)

Accredited Entity	Entity Type
Asian Development Bank (ADB)	International
Agence Française de Développement (AFD)	International
Deutsche Bank AktienGesellschaft (KFW)	Private
European Investment Bank (EIB)	International
Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH	International
HSBC Holdings plc and subsidiaries	Private
International Bank for Reconstruction and Development and International Development Association (World Bank)	International
International Fund for Agricultural Development (IFAD)	International
International Union for Conservation of Nature (IUCN)	International
International Finance Corporation (IFC)	International
Food and Agriculture Organization (FAO)	International
Kreditanstalt für Wiederaufbau (KfW)	International
Netherlands Development Finance Company (FMO)	International
Société de Promotion et de Participation pour la Coopération Economique (PROPARCO)	International
United Nations Development Programme (UNDP)	International
United Nations Environment Programme (UNEP)	International
World Food Programme (WFP)	International
World Meteorological Organization (WMO)	International
World Wildlife Fund (WWF)	International

3.3. What about the private sector?

The **Private Sector Facility (PSF)** is an instrument of the Fund aimed at supporting the private sector to engage in climate relevant activities through two alternative mechanisms, which address the supply side and the demand side of private sector financing – institutional investing, and small and medium sized enterprise financing.

By targeting institutional investors, the GCF is seeking to mobilise funds at scale, such as from commercial banks, investment funds, insurance companies, pension funds, and sovereign wealth funds. To engage with these institutional investors, the Fund intends to develop a range of investible financial products, some of which include: Green Bonds, commercial paper, syndications and club deals. Institutional investors can benefit from these products, and can help them to raise additional third part capital for climate related investments in Bangladesh.

Secondly, the Fund intends to use public finance to work with local private sector entities in climate change adaptation and mitigation, particularly small and medium sized enterprises, through its SME Pilot Programme. The Private Sector Facility will use Request for Proposals (RFP), to which all entities accredited with the GCF can respond to. Further information on the GCF's Micro, Small and Medium Enterprises (MSME) support programme for which a Request for Proposal (RFP) framework was approved at the 13th Board meeting in Songdo in June 2016, can be found in a previous toolkit published by IIED 'How can Bangladesh's private sector engage with GCF'.

4. The GCF project cycle

A private sector organisation from Bangladesh can submit - through an AE - funding proposals to GCF spontaneously on an ongoing basis or by responding to a RFP published on the GCF website. The NDA-ERD in Bangladesh- may also conduct a multi-stakeholder workshop to generate proposal ideas aligned with the national climate change strategy, Nationally Determined Contribution (NDC) and other national plans.

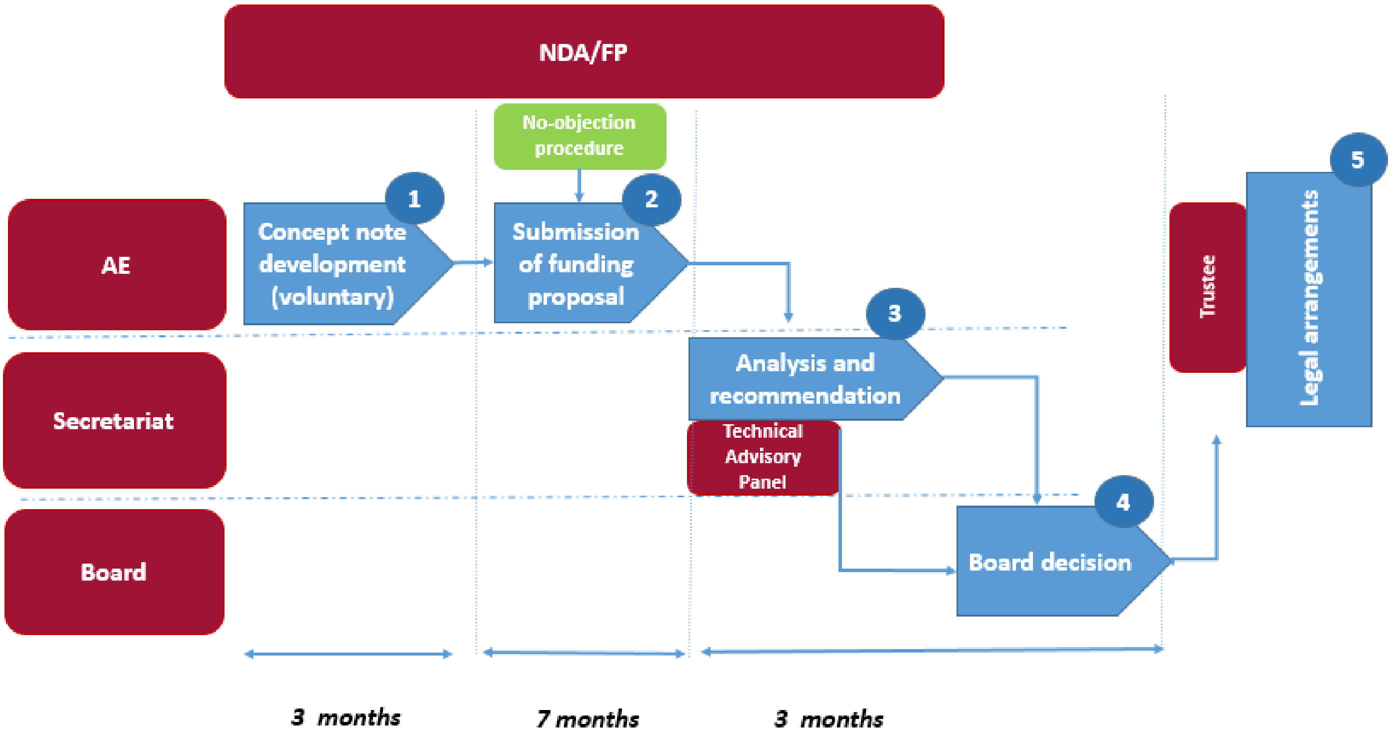


Figure 5: Overview of the GCF project cycle and different actors involved at each stage[2] (source: adapted from GCF Flow Chart for Initial Proposal Approval Process)

[2] The timeline for each stage is to be considered indicative and is based on a survey conducted by Eco Ltd (June 2016) with National Designated Authorities (NDAs), Accredited Entities, Implementing Entities, Project Developers and other key stakeholders. Inputs were provided by 173 respondents, working in all regions, with the majority from Africa, and Asia and the Pacific. These include: private sector representatives (23%), government (22%), NGOs /CSOs (19%) and multilateral organisations (18%).

Table 3: Five phases of the project cycle

1- Concept note (voluntary)	The project proponent may submit – through an AE – a concept note for feedback and recommendations from the GCF, in consultation with ERD. Alternatively, the concept note can be submitted by ERD, without an associated AE. The recommendation will clarify whether the concept is (1) endorsed; (2) not endorsed with a possibility of resubmission; or, (3) rejected. Ideally, ERD will need to be copied on the submission. The GCF Secretariat will review the alignment of the concept with the investment framework, RMF and other Fund criteria, responds to the submitter (with copy to ERD) and provides feedback on alignment with Fund's objectives.
2- Proposal submission	The project proponent may submit a proposal to the GCF- through an AE- in conjunction with the no-objection letter signed by ERD. At this stage, the GCF acknowledges the submission and reviews it for completeness. The NDA should be included in the different stages of communication.
3- Analysis and recommendation	The GCF will carry out a desktop review that includes (a) review of the expected performance of the project against each of its six investment criteria and the activity specific sub-criteria of the fund (b) a review of consistency with its interim environmental and social safeguards, gender policy and other policy guidelines. Once the proposal has passed this initial review stage, the Secretariat provides the proposal, supporting documentation and the preliminary outcome of the review to the Independent Technical Advisory Panel (ITAP) of the Fund. The ITAP provides an independent assessment regarding the expected performance of the project or programme against the activity-specific criteria. A funding proposal may require additional clarifications from the AE based on assessment of the ITAP and the secretariat which the AE is expected to clarify. After the ITAP assessment, the Secretariat compiles the funding proposal package including (a) the funding proposal (b) the no-objection letter issued by ERD (c) Secretariat's review outcome (d) independent assessment's outcome. The funding package is then submitted to the GCF Board for consideration no later than 3 weeks before the Board Meeting where the funding proposal will be considered.
4- Board decision	Based on the funding package provided by the Secretariat, the GCF Board will then make the following decisions: • Approve funding, • Provide an approval which is conditional upon modifications to the project or subject availability of funding, or • Reject the funding proposal. GCF sends a notification to the AE, interim trustee and the NDA about the funding decision.
5- Legal arrangements	Following the approval of funding for the proposal, a Funded Activity Agreement (FAA) is negotiated and signed between the AE and the GCF. The project then moves into the implementation period whereby funds are transferred to the AE according to agreed tranches, the Fund's fiduciary standards and ESS are applied, and an external audit report is submitted. Following these steps, the project becomes effective, and the process of monitoring and evaluation commences and continues until the project or programme closes and exits the Fund's portfolio.

5. The GCF proposal template

The GCF's proposal template requires considerable research, consultation, and thought put into its design and costing. This requires investment of time and human resources. It is important to note that proposals need to be submitted at least three weeks before the Board meeting. As Board meetings are time constrained, it is advisable to submit proposals as early as possible to be reviewed at a particular Board meeting. The applicant can then work backwards to allow enough time to develop their funding proposal. It is also important to identify and inform the selected AE and the NDA - ERD in Bangladesh - of the intention to submit a proposal so that they are aware and can provide the appropriate support

How many human and financial resources do I need to prepare a GCF proposal?

Depending on how much baseline information is already available, it takes on average 34 person months over 6.5 months to complete a GCF project proposal. According to a survey conducted by Eco Group Limited (2016), it was estimated that on average 3 people working full time and 4 working part time are required to work on the funding proposal and can cost up to US$ 150,000. It was also estimated that it takes on average three months to obtain the no-objection letter from the NDA or FP (Eco Group Limited, 2016)[3]. It should be noted that the development costs and the process to obtain the no-objection letter from the NDA will vary considerably depending on the project scale, the financial instruments used, the country of implementation and the AE selected.

Writing the proposal (completing the template) should be done once all the information required to complete it is available, and by using the GCFs proposal template. The full proposal template is available on the GCF website. Sections A, B, D, E and H of the funding proposal (see an overview in Table 4) require detailed inputs from the project proponent. For all other sections, project proponents have discretion in how they wish to present the information. Project proponents can either directly incorporate information into the proposal, or provide summary information in the proposal with cross-reference to other project documents such as a project appraisal document.

Project proponents are expected to develop their funding proposals in close consultation with the country's NDA- ERD in Bangladesh, and with due consideration of the GCF's Investment Framework and RMF.

[3] These estimates should therefore be considered as indicative only and are based on a survey conducted by Eco Ltd (June 2016) with NDAs, AEs, Project Developers and other key stakeholders. Inputs were provided by 173 respondents, working in all regions, with the majority from Africa, and Asia and the Pacific. These include: private sector representatives (23%), government (22%), NGOs /CSOs (19%) and multilateral organisations (18%).

Table 4: Structure of the GCF Funding Proposal Template Form

Section		Description	Information Source
A – PROJECT/PROGRAMME SUMMARY			
A.1. Brief Project / Programme Information			
A.1.1.	Project / programme title	Provide the full title of the proposed project/programme.	
A.1.2.	Project or programme	Indicate if the proposal is associated with a project or a programme.	
A.1.3.	Country (ies) / region	Enter the country (or countries) or region in which the proposed project/programme will be implemented	
A.1.4.	National designated authority (ies)	Insert the name of the NDA	
A.1.5.	Accredited entity	Insert the name of the AE	
A.1.5.a.	Access modality	Indicate which mode of access the entity is using to access the Fund's resources: direct or international	
A.1.6.	Executing entity / beneficiary	Insert the name of the EE(s) who will channel funds, execute, carry out or implement the funded activity under the overall management and supervision of the AE	
A.1.7.	Project size category (Total investment, million USD)	Indicate the scale of intended activities for the proposed project/programme: micro (≤10), small (10<x≤50), medium (50<x≤250) and large (>250).	
A.1.8	Mitigation / adaptation focus	Indicate if the proposed project/programme targets mitigation, adaptation or cross-cutting (both mitigation and adaptation)	
A.1.11	Results areas	Mark all the relevant results areas of the Fund's Initial Results Management Framework that are applicable to the proposed programme/project.	
B – FINANCING / COST INFORMATION			
B.1.	Description of Financial Elements of the Project / Programme	Provide a breakdown of cost estimates analysed according to major cost categories. Present a financial model that includes projection covering the period from financial closing through final maturity of the proposed GCF financing with detailed assumptions and rationale. Summarise the financial instrument(s) to be used in support of the project/programme, and how the choice of financial instrument(s) will overcome barriers and leverage additional public and/or private finance to achieve project objectives.	
B.2.	Project Financing Information	State the amount of financial contributions needed for the proposed project/programme. The 'Total Project Financing' should be the sum of 'Requested GCF Amount' and 'Co-financing' amount. Provide a breakdown by financial instrument. Provide strong economic and financial justification for the concessionality that GCF provides, particularly in the case of grants. Please note that the level of concessionality should correspond to the level of	Detailed Budget

		the proposal's expected performance against the investment criteria.	
B.3.	Financial Market Overview if applicable	Provide an overview of the size of total banking assets, debt capital markets and equity capital markets which could be tapped to finance the proposed project/programme. Provide also an overview of market rates (i.e. 1-year T-Bill, 5-year government bond, 5-year corporate bond (specify credit rating) and 5-year syndicate loan.	
C – DETAILED PROJECT/PROGRAMME DESCRIPTION			
C.1.	Strategic Context	Describe relevant national, sub-national, regional, global, political, and/or economic factors that help to contextualise the proposal, including existing national and sector policies and strategies.	
C.2.	Project/Programme Objective against Baseline	Describe the baseline scenario (i.e. emissions baseline, climate vulnerability baseline, key barriers, challenges and/or policies) and the outcomes and the impact that the project/programme will aim to achieve in improving the baseline scenario.	
C.3.	Project / Programme Description	Describe the main activities and the planned measures of the project/programme according to each of its components. Provide information on how the activities are linked to objectives, outputs and outcomes that the project/programme intends to achieve.	Log framework (section H)
C.4.	Background Information on Project / Programme Sponsor (Executing Entity)	Describe the quality of the management team, overall strategy and financial profile of the Sponsor (Executing Entity) and how it will support the project/programme in terms of equity investment, management, operations, production and marketing.	
C.5.	Market Overview (if applicable)	Describe the market for the product(s) or services including the historical data and forecasts. Describe the competitive environment including the list of competitors with market shares and customer base and key differentiating factors (if applicable). Provide pricing structures, price controls, subsidies available and government involvement (if any).	
C.6.	Regulation, Taxation and Insurance (if applicable)	Provide details of government licenses or permits required for implementing and operating the project/programme, the issuing authority, and the date of issue or expected date of issue. Describe applicable taxes and foreign exchange regulations and details on insurance policies related to project/programme.	
C.7.	Institutional/ Implementation Arrangements	Describe in detail the governance structure of the project/programme, including but not limited to the organisation structure, roles and responsibilities of the project/programme management unit, steering committee, executing	

		entities and so on, as well as the flow of funds structure.	
C.8.	Timetable of Project/Programme Implementation	Provide a project/programme implementation timetable.	
D – RATIONALE FOR GCF INVOLVEMENT			
D.1.	Value Added for GCF Involvement	Describe the value added by the Fund's support and the project/programme's long-term sustainability after the Fund intervention. Provide a justification for the amount of funding requested and the financial instrument(s) proposed, in order to close the funding gap and bring the project/programme to fruition. In the case of grant funding without repayment contingency, present a convincing financial and/or economic argument to ensure that the Fund maximises its use of resources. Additionally, explain how the project/programme sustainability will be ensured in the long run, after the project/programme is implemented with support from the GCF and other sources.	
D.2.	Exit Strategy	Provide the justification for the amount of funding requested and the financial instrument(s) proposed, in order to close the funding gap and bring the project/programme to fruition. Additionally, explain how the project/programme sustainability will be ensured in the long run, after the project/programme is implemented with support from the GCF and other sources.	
E – EXPECTED PERFORMANCE AGAINST INVESTMENT CRITERIA			
Demonstrate the project/programme's **expected performance against the Fund's investment** criteria. For each investment criterion, identify activity-specific sub-criteria and indicators in the Fund's Investment Framework.			
E.1.	Impact Potential	Specify the climate mitigation and/or adaptation impact, using the four core indicators provided in the Fund's Investment Framework.	Pre-feasibility studies or feasibility studies Fund's Investment Framework
E.2.	Paradigm Shift Potential	(1) Potential for scaling-up and replication (e.g. multiples of initial impact size) for both mitigation and adaptation; (2) Potential for knowledge and learning; (3) Contribution to the creation of an enabling environment: (4) Contribution to the regulatory framework and policies.	
E.3.	Sustainable Development Potential	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

		economic analysis of the proposed activities and can be strengthened with more qualitative factors.	
E.4.	Needs of the Recipient	Describe the scale and intensity of vulnerability of the country and beneficiary groups and elaborate how the project/programme addresses the identified needs.	Fund's Investment Framework
E.5.	Country Ownership	Demonstrate the following factors, amongst others: (1) Existence of a national climate strategy and coherence with existing plans and policies; (2) Capacity of accredited entities or executing entities to deliver; and, (3) Engagement with NDAs, civil society organisations and other relevant stakeholders.	Fund's Investment Framework
E.6.	Efficiency and Effectiveness	Make the case for strong cost effectiveness and financial soundness.	Economic and financial analysis, including the financial model
F – APPRAISAL SUMMARY			
The information to fill this section can be drawn from the **project/programme appraisal document.**			
F.1.	Economic and Financial Analysis	Provide the results of the detailed economic and financial analysis (including the financial model). Also, demonstrate the economic and financial justification (both qualitative and quantitative) for the concessionality that GCF provides.	Economic and financial analysis, including the integrated financial model
F.2.	Technical Evaluation	Provide an assessment from the technical perspective. If a particular technological solution has been chosen.	
F.3.	Environmental, Social Assessment, including Gender Considerations	Describe the main outcome of the Environment and Social Impact Assessment (ESIA) and specify the Environmental and Social Management Plan (ESMP), and how the project/programme will avoid or mitigate negative impacts in accordance with the Fund's Environmental and Social Safeguard (ESS) standard. Also describe how the gender aspect is considered in accordance with the Fund's Gender Policy and Action Plan.	Environment and Social Impact Assessment (ESIA) Environmental and Social Management Plan (ESMP) Gender Action Plan (GAP) Fund's ESS
F.4.	Financial Management and Procurement	Describe the project/programme's financial management and procurement, including financial accounting, disbursement methods and auditing.	Procurement Plan
G – RISK ASSESSMENT AND MANAGEMENT			
G	Risk assessment and management	Identify any substantial technical, operational, financial, social and environmental risks that the project/programme may face, and propose respective risk mitigation measures.	Fund's ESS

H – RESULTS MONITORING AND REPORTING			
H	Results monitoring and reporting	Provide the logic framework of the proposed project/programme.	GCF's PMF under the RMF
SUPPORTING DOCUMENTS			
Annexes	☐ No-objection letter from NDA- ERD in Bangladesh ☐ Feasibility Study ☐ Integrated Financial Model that provides sensitivity analysis of critical elements (xls format) ☐ Confirmation letter or letter of commitment for co-financing commitment ☐ Project/programme confirmation (Term Sheet) ☐ Environmental and Social Impact Assessment (ESIA) or Environmental and Social Management Plan ☐ Appraisal Report or Due Diligence Report with recommendations ☐ Evaluation Report of the baseline project ☐ Map indicating the location of the project/programme ☐ Timetable of project/programme implementation ☐ Procurement plan ☐ Detailed budget ☐ Gender Action Plan (GAP) ☐ Economic analysis		

6. Key GCF proposal requirements

6.1. Results Management Framework

The GCF's **Results Management Framework (RMF)** defines the elements of a paradigm shift towards low-emission and climate resilient country-driven development pathways within individual countries, and is aggregated across the Fund's activities. It is based on two key elements: the initial logic model and the Performance Measurement Frameworks (PMFs).

The logic model demonstrates how inputs and activities are converted to changes in the form of results achieved at the project/programme, country, strategic impact and paradigm shift level. Figure 6 below describes each level of the logic model and indicates the estimated time required to achieve the relevant results from the time of project inception. Generally speaking, the attribution of funded activities to results achieved becomes increasingly difficult as one moves from inputs to results achieved at the paradigm shift level.

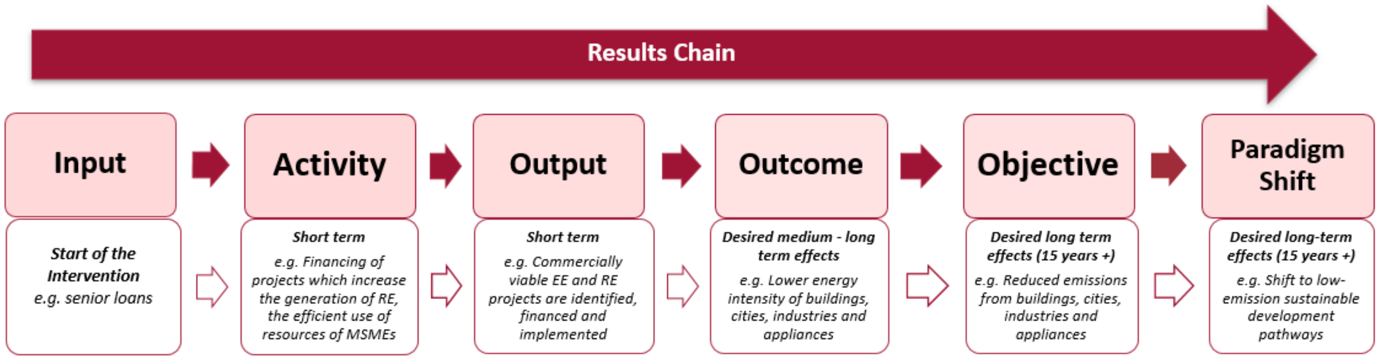


Figure 6: Six levels of the logic model (adapted from GCF, 2014. Initial Results Management Framework of the Fund)

Table 5 and Table 6 respectively present the **mitigation logic model** and the **adaptation logic model.** The purpose of these logic models is to summarise the steps required to create a shift towards low-emission development pathways (in the case of the mitigation logic model) and increased climate-resilient sustainable development (in the case of the adaptation logic model). For cross-cutting projects or programmes (i.e. a project or programme that contributes to both mitigation and adaptation), a logical model for both adaptation and mitigation needs to be prepared by the project proponent.

The Performance Measurement Frameworks (PMFs) are the performance measurement systems intended to monitor the Fund's results at the project, programme and aggregate portfolio levels. They are comprised of a set of indicators that measure progress towards intended results based on the paradigm-shift objective, Fund-level impacts and project/programme outcomes outlined in the Fund's mitigation and adaptation logic models. The PMF is presented in Annex 3.

Table 5: Initial Logic Model for Mitigation. Source: GCF (2014) Initial Results Management Framework of the Fund. *Note: Table should be read from bottom to top or from inputs to the paradigm shift objective.*

Paradigm shift objective	**Shift to low-emission sustainable development pathways**			
↑	↑	↑	↑	↑
Impacts *(Strategic level)*	**1.0** Increased low-emission energy access and	**2.0** Increased access to low-emission transport	**3.0** Increased energy efficiency in buildings, cities and industries	**4.0** Sustainable land use and forest management, including REDD+
↑	↑			
Project/programme outcomes *(Country- driven from climate change strategies and policies, etc.)*	**5.0** Increased gender-sensitive low-emission development mainstreamed in government **6.0** More small, medium and large low-emission power suppliers **7.0** Lower country energy intensity trajectory **8.0** Increased use of low carbon transport **9.0** Stabilisation of forest coverage			
↑	↑			
Programme/project outputs *(to be defined by executing entities)*	<u>*Possible examples include*</u>*:* • More small, medium and large low-emission power suppliers; • Increased use of incentives and technologies for low-carbon transport; • Improved management systems of entities responsible for forests and protected areas; • Increased energy efficiency of building, industry and appliances.			
↑	↑			
Indicative activities *(to be defined by executing entities)*	<u>*Possible examples include*</u>*:* • Capacity-building to foster government support for policy reforms through training and knowledge-sharing; • Upgrading the legal and regulatory framework; • Increased investment in renewable energies; • Increased investment in energy efficiency; • Increased investment in low-emission transport; • Increased support for decreased deforestation and increased afforestation.			
Inputs	Grants, concessional loans			

Table 6: Initial Logic Model for Adaptation. Source: GCF, 2014. Initial Results Management Framework of the Fund. *Note: Table should be read from bottom to top or from inputs to the paradigm shift objective.*

<table>
<tr><td>Paradigm shift objective</td><td colspan="4">Increased climate-resilient sustainable development</td></tr>
<tr><td>↑</td><td>↑</td><td>↑</td><td>↑</td><td>↑</td></tr>
<tr><td>Impacts
(Strategic level)</td><td>1.0 Increased resilience and enhanced livelihoods of the most vulnerable people, communities, and regions</td><td>2.0 Increased resilience of health and well-being, and food and water security</td><td>3.0 Increased resilience of infrastructure and the built environment to climate change threats</td><td>4.0 Improved resilience of ecosystems</td></tr>
<tr><td>↑</td><td colspan="4">↑</td></tr>
<tr><td>Project/prog-ramme outcomes
(Country-driven drawn from continuous planning as reflected in NAPs.)</td><td colspan="4">5.0 Strengthened government institutional and regulatory systems for climate-responsive development planning
6.0 Increased generation and use of climate information in decision-making
7.0 Strengthened adaptive capacity and reduced exposure to climate risks
8.0 Strengthened awareness of climate threats and risk-reduction processes</td></tr>
<tr><td>↑</td><td colspan="4">↑</td></tr>
<tr><td>Programme/ project outputs
(to be defined by executing entities)</td><td colspan="4"><u>Possible examples include</u>:
• Increased knowledge of climate threats and coping mechanisms;
• Strengthened knowledge and awareness of climate-resilient options and technologies;
• Improved sector planning and coordination and information-sharing;
• Improved water and soil management;
• Increased climate-proofing of infrastructure.</td></tr>
<tr><td>↑</td><td colspan="4">↑</td></tr>
<tr><td>Indicative activities
(to be defined by executing entities)</td><td colspan="4"><u>Possible examples include</u>:
• Train, share experiences, revise/develop policy/standards;
• Identify and promote flagship themes;
• Transfer experience and technologies, with emphasis on “green” solutions;
• Identify and scale-up effective community-based adaptation;
• Establish knowledge hubs</td></tr>
<tr><td>Inputs</td><td colspan="4">Grants, concessional loans</td></tr>
</table>

Table 7: Example of Logic Model. Source: Business loan programme for GHG emissions reduction, submitted by XacBank LLC. ***Note: Table should be read from bottom to top or from inputs to the paradigm shift objective.***

Paradigm shift objective	**The proposed Business Loan Programme for GHG Emissions Reduction will be a $60 million facility aimed at promoting the use of energy efficient and renewable energy solutions in the Mongolian MSME market. Currently, XacBank has roughly 200 active corporate clients, more than 3,400 active SME clients and many more micro-sized clients at hand. As a result of this programme, a paradigm shift can be achieved as many of these entities, as well as the rest of the roughly 60,000 registered MSMEs in Mongolia, will reap the benefits of a low cost, high efficiency loan product.**	
↑	↑	↑
Fund-level *Impacts*	***M1.0*** *Reduced emissions through increased low-emission energy access and power generation*	**M3.0** *Reduced emissions from buildings, cities, industries and appliances*
↑	↑	
Project/ programme outcomes	• M6.0 Increased number of small, medium and large low-emission power suppliers • M7.0 Lower energy intensity of buildings, cities, industries and appliances	
↑	↑	
Programme/ project outputs	• Component 1: Commercially viable EE and RE projects are identified, financed and implemented • Component 2: Sustainable energy project identification awareness capacity increased across local institutions • Component 3: Increased awareness of benefits of EE and RE projects	
↑	↑	
Indicative activities	<u>*Sample of activities*</u> ***1.Financing of projects which increase the generation of renewable energy, the efficient use of resources of MSMEs*** *1.1. Financing of MSMEs* *1.2. Reporting* *1.3. Financing women-led MSMEs* ***2.Capacity building of financial institutions in originating, assessing, financing and tracking sustainable energy and climate resilience projects*** *2.1. Internal Training* *2.2. Customer Training* ***3.Awareness raising among MSMEs and individual clients*** *3.1. Development of Marketing Strategy* *3.2. Marketing events* *3.3. Website update* *3.4. Awareness raising*	
Inputs	Senior loans	

6.1.1. Developing a logframe

The **logframe** or logical framework is one of the most used methods to articulate and clarify how a set of activities will achieve the desired outcomes and objectives of a project (or its 'theory of change'). The logframe represents a results map or results framework which is part of a Result Management Framework (RMF). The logframe also captures basic monitoring and evaluation (M&E) requirements which are also key aspects of the RMF. The project/programme's logframe is critical to determine the costs at the activity level required in the proposal template, the overall budget, and the timeline and key milestones.

There are several ways to develop a logframe. The RMF's method proposed by the GCF develops the logframe through a process of *'backcasting'.* **Backcasting** (opposite of forecasting) is a planning process that starts with the desired future (= objective) and works backwards to identify the outcomes (e.g. infrastructure, policy, training etc.) needed to connect the future and the present (baseline) situation. The logic of the model can then be verified by working from the baseline, up through the activities and onwards to the objective. The sequential process to develop the project description for the log frame using backcasting is represented diagrammatically in Figure 7 below.

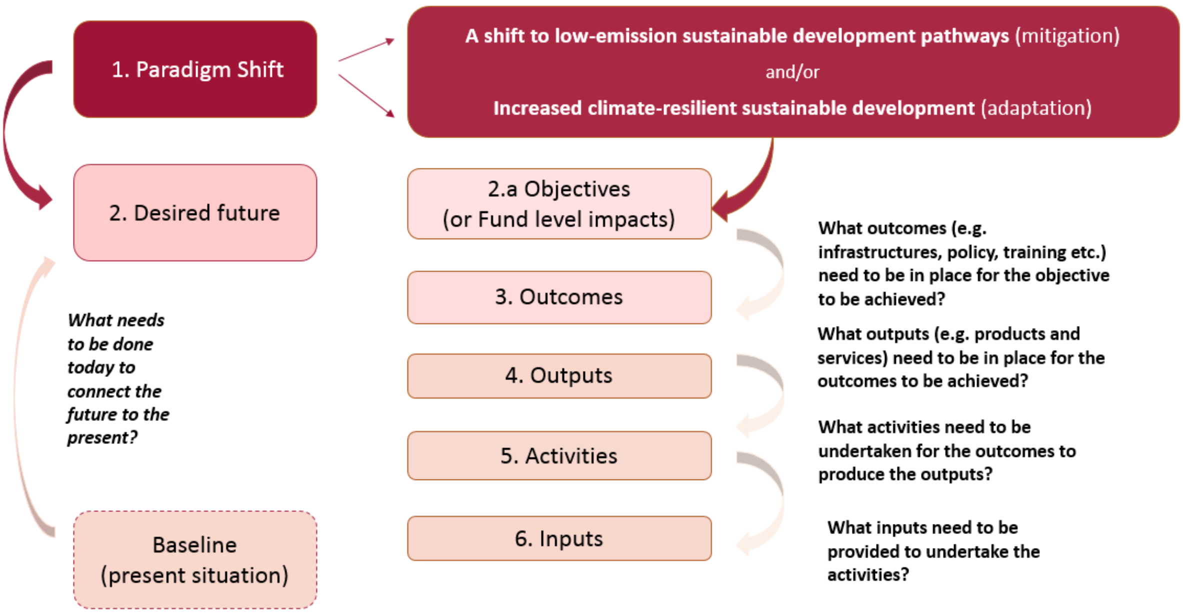


Figure 7: Back casting approach to develop a logical framework

6.1.2. Assigning indicators to measure progress

Indicators should be identified at the Fund-level impact, outcome and output levels. The sets of indicators to be used are different for mitigation and adaptation interventions and include:

Mitigation core indicators:

- Tonnes of carbon dioxide equivalent (t CO_2 eq) reduced as a result of Fund-funded projects or programmes;
- Cost per tCO_2eq decreased for all Fund-funded mitigation projects or programmes; and,
- Volume of finance leveraged by Fund funding (disaggregated by public and private sources).

Adaptation core indicators:

- Total number of direct and indirect beneficiaries; number of beneficiaries relative to total population.

The core indicators inform the logic models for adaptation and mitigation. Additional indicators can be used to complement the adopted core indicators. Gender disaggregation for the indicators should be applied where applicable (see next section on Gender). Annex 2 presents the full list of indicators presented in the GCF's Performance Measurement Framework (PMF). In order to be useful, the process of selecting indicators must include the perspectives of a range of project stakeholders, most importantly the intended beneficiaries, national and local governments, and executing agencies.

6.2. Gender

The GCF recognises the importance of gender equality in terms of access and impact of climate funding. The Governing Instrument of the Fund pursues gender-balance in the appointments of members of its Board and Secretariat, and establishes a clear mandate to enhance a gender sensitive approach in the Fund's processes and operations.

As such, the GCF adopted a Gender Policy which aims to:

- Achieve greater, more effective, sustainable, and equitable climate change results, outcomes and impacts, through the adoption of a gender sensitive approach;
- Build resilience to climate change equally for men and women, as well as to ensure that men and women equally contribute and benefit from activities supported by the Fund;
- Address or mitigate risks for women and men associated with adaptation and mitigation activities financed by the Fund; and,
- Reduce the gender gap of social, economic and environmental vulnerabilities exacerbated by climate change.

The GCF's Gender Policy is based on the following six fundamental principles:

- Commitment to gender equality and equity;
- Inclusiveness in terms of applicability to all the Fund's activities;
- Accountability for gender and climate change results and impacts;
- Country ownership in terms of alignment with national policies and priorities, and inclusive stakeholder participation;
- Competencies throughout the Fund's institutional framework; and
- Equitable resource allocation so that women and men benefit equitably from the Fund's adaptation and mitigation activities.

The Fund promotes gender-sensitive solutions to all its activities in all countries, while taking into account different national realities and priorities. The integration of gender considerations within a project proposal is one of the key requirements to access the Fund and takes place at three inter-related levels that are captured in a Gender Action Plan (see section 6.1.1.):

- The project's RMF and PMFs shall include qualitative and quantitative gender indicators;
- When looking at the alignment of the proposed project or programme with national priorities; this should include alignment with national policies and priorities on gender; and,
- When developing the project, stakeholder consultations and decision-making processes should include equitable opportunities for women and men to be involved and lead activities.

6.2.1. Gender Action Plan

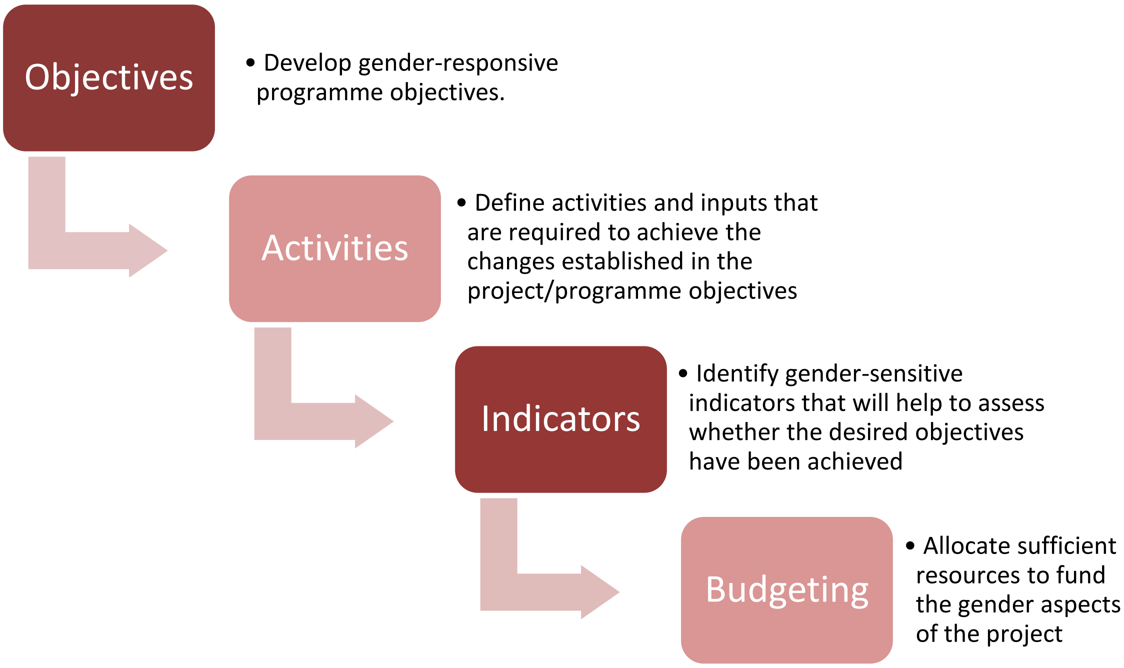
While it is not mandatory, it is highly recommended that project proponents include in their proposal a Gender Assessment and Action Plan (GAP). The GAP serves to provide the Fund and all implementation partners with an overview of how gender equality will be promoted within the project.

The GAP should include the following aspects:

1. **Gender-responsive programme objectives:** The GAP provides gender related goals that should be aligned to the overall purpose of the project. This is vital for the formulation of gender responsive deliverables and reporting against indicators on gender issues. The participation of people from diverse socio-economic and ethnic backgrounds is necessary in the goal setting process.
2. **Mainstreaming gender in the project activities:** Project proponents must undertake a socioeconomic and gender analysis (mandatory as per Environmental Social Safeguards – ESS requirements). The GAP should draw on this analysis and define activities and inputs that are required to achieve the changes established in the project/programme objectives. The AEs/EEs will be required to collect gender and age-disaggregated baseline data to inform the GAP and to:
    - Determine how the project/programme can respond to the needs and interests of women and men in view of the specific climate change issue to be addressed;
    - Identify the drivers of change and the gender dynamics to achieve the project/programme adaptation or mitigation goals;
    - Identify and design the specific gender elements to be included in the project/programme activities;
    - Estimate the implementation budgets;
    - Select output, outcome and impact indicators;
    - Design project/programme implementation and monitoring institutional arrangements; and,
    - Plan for gender equitable stakeholders' consultations and engagement at all phases of the project/programme
3. **Outputs, outcomes and impact indicators for monitoring and reporting purposes:** Each objective results in activity(ies) which require(s) inputs (e.g. budget line) and is evaluated by indicator(s). Gender sensitivity has been integrated into the Fund's RMF for both adaptation and mitigation (i.e. gender measurement of climate change resilience of women and men, and women and men's behaviours to sustain low-emission development).
4. **Resource allocation and budgeting:** Project proponents should allocate sufficient resources to fund the gender elements within the project and should verify that AEs' budgets are adequate for the supervision and reporting of the project gender elements implemented by EEs.

The figure below synthesises the key steps to develop a GAP.

Figure 8: Steps to develop a Gender Action Plan. Adapted from "A user friendly manual to follow the Guidelines for integrating gender considerations into climate change related activities under the UNFCCC, CDKN/ODI"



Whereby dedicated focal point(s) should monitor gender mainstreaming at the various stages of the project preparation, approval and monitoring process; the NDAs, AEs and EEs will be trained on gender-sensitivity as part of the Fund's readiness and preparatory support work programme or through partnerships with other organisations (bilateral, multilateral or NGOs).

The table below provides an example of how to mainstream gender in the project activities, outputs, and outcomes, and the use of relevant indicators. This GAP was developed by XacBank (FP 028) to support a funding proposal '*Business Loan Programme for GHG Emission Reduction*' approved by the GCF Board in December 2016.

Table 8: Example of GAP from an approved project proposal 'Business Loan Programme for GHG Emission Reduction' (XacBank, FP028).

<table>
<tr><th>Activities</th><th>Indicators and Targets</th><th>Timeline</th><th>Responsible organisations (excluding the FP)</th></tr>
<tr><td colspan="4">Impact: Increased number of energy efficiency and renewable energy related business enterprises managed by women and men.
Outcome: Improved access to energy efficiency and renewable energy finance by women and men.
Means of verification: Gender disaggregated data assessed against appropriate indicator to measure enhanced access for women to energy efficiency and renewable energy loans</td></tr>
<tr><td colspan="4">Output 1: 50% of loan clients fund-wide are women-led MSMEs</td></tr>
<tr><td>• Develop outreach programmes targeted at industries with high rates of women involvement (e.g. light industry, service industry)
• Develop outreach programmes targeted at existing XacBank clients that are women-led MSMEs
• Create materials and train bank employees in how to formalise informal SMEs, as many women-led SMEs are informal and operated out of their homes in the Ger district
• Provide information to non-women-led MSMEs on how to become classified as women-led, and aid them in doing so
• Work with women-led MSMEs to ensure that the offerings are able to match up with their particular financing needs
• Implement knowledge-sharing and client recommendation practices with local women's Economic empowerment NGOs</td><td>Loan data of MSME clients disaggregated by gender and classified as women-led based upon achieving one of the three criteria below:
1. Greater than 50% ownership by women
2. At least 30% women on company board or in senior management positions
3. At least 40% of employees are women.

At least 50% of participating MSMEs must be women-led</td><td>Gender ratio achieved by third year of programme operation and until programme completion</td><td>XacBank branch offices</td></tr>
</table>

Activities	Indicators and Targets	Timeline	Responsible organisations (excluding the FP)
Output 2: Equal interest from men and women-led MSMEs in participating in programme			
• Undertake targeted advertising in women in business forums and organisations. • Undertake knowledge-sharing with local women's economic empowerment NGOs, in both directions. On the one hand, the MSME programme will receive input regarding the needs of these organisations, on the other hand, they will become aware of the gender-focused programme, and encourage women-led MSMEs they aid to incorporate energy efficiency and renewable energy measures in their businesses. • Spread awareness on the gender diversity dimensions of the project through marketing and publicity strategies	• Data on potential SME programme client meetings and inquiries disaggregated by sex • All inquiring companies to be classified as either women-led or not, regardless of if they end up participating in the programme. This data will be compared to target ratios • Aim for 50% of company inquiries from women-led SMEs, adjust gender-targeted marketing based.	Throughout the programme operation	XacBank marketing department and other relevant departments
Output 3: Ensure local businesses' capacity building on climate finance competencies is equally shared between genders			
• Establish gender equity in local talent identification and recruitment	• Outsourcing employment statistics to be disaggregated by gender • Aim for 50% of all external advisors to be women	At all points wherein local outsourcing is conducted	Relevant local organisation/consultants
Output 4: Knowledge management products highlighting equal gender access to climate finance programmes to be prepared and Disseminated			
• Highlight gender goal achievement status and report on gender disaggregated statistics in progress report • Publish case studies to represent gender diversity of the programme and disseminate these on public forums	Every quarter of programme operation		XacBank Marketing team XacBank Business Banking department

6.3. Environmental and social safeguards (ESS)

The GCF follows on an interim basis the International Finance Corporations (IFC) Performance Standards (PSs) as its safeguard standards. The IFC PSs consist of one overarching standard (PS 1) and seven standards covering specific issue areas (PS 2-8). PS 1 covers the elements that need to be in place to ensure the remaining seven standards are implemented. Together these elements are called the Environmental and Social Management System (ESMS). Table 9 below gives an overview of the topics covered in IFC's PS 1-8 (GIZ and WRI, 2015).

Table 9: The IFC's Performance Standards

OVERARCHING	
PS 1	Assessment and Management of Environmental and Social Risks and Impacts:
	• Policy (or equivalent documents) • Process for identifying risks & impacts • Management programme • Organisational capacity & competency • Process for monitoring & evaluation • External communications
SUBJECT SPECIFIC	
PS 2	Labour and Working Conditions
PS 3	Resource Efficiency and Pollution Prevention
PS 4	Community Health, Safety, and Security
PS 5	Land Acquisition and Involuntary Resettlement
PS 6	Biodiversity Conservation and Sustainable Management of Living Natural Resources
PS 7	Indigenous Peoples
PS 8	Cultural Heritage

The GCF asks all project proponents to assess and manage the environmental and social risks associated with their activities and adopt the IFC's approach to risk categorisation, which consists of three risk categories, low (category C), medium (category B) and high (category A) risk. Table 10 below provides an overview of the risks and relevant categories.

Table 10: Risk levels and categories (source: GCF, 2016. Accreditation to the Green Climate Fund)

Risk level	Funding proposals	Intermediation[4]	Examples
High	**Category A** Activities with potential significant adverse environmental and/or social risks and/or impacts that are diverse, irreversible, or unprecedented.	**Intermediation 1 (I1)** When an intermediary's existing or proposed portfolio includes, or is expected to include, substantial financial exposure to activities with potential significant adverse environmental and/or social risks and/or impacts that are diverse, irreversible, or unprecedented.	Activities with potentially significant adverse environmental and/or social risks and impacts, which are diverse, irreversible or unprecedented, such as large scale forestry, agriculture or renewable energy projects; projects affecting highly sensitive ecosystems; projects with large resettlements; projects affecting indigenous or tribal populations; projects with serious occupational or health risks; and projects which pose serious socio-economic concerns.
Medium	**Category B** Activities with potential mild adverse environmental and/or social risks and/or impacts that are few in number, generally site-specific, largely reversible, and readily addressed through mitigation measures.	**Intermediation 2 (I2)** When an intermediary's existing or proposed portfolio includes, or is expected to include, substantial financial exposure to activities with potential limited adverse environmental or social risks and/or impacts that are few in number, generally-site specific, largely reversible, and readily addressed through mitigation measures; or includes a very limited number of activities with potential significant adverse environmental and/or social risks and/or impacts that are diverse, irreversible, or unprecedented.	Activities with mild adverse environmental and/or social risks and/or impacts which are few in number, generally site-specific, such as adaptation of crops or farming; forest management; energy efficiency of industry; small to medium scale renewables; small scale agricultural initiatives.
Low/No	**Category C** Activities with minimal or no adverse environmental and/or social risks and/or impacts	**Intermediation 3 (I3)** When an intermediary's existing or proposed portfolio includes financial exposure to activities that predominantly have minimal or negligible adverse environmental and/or social impacts.	Activities with minimal or no adverse environmental and/or social risks and/or impacts, such as education and training; public broadcasting; small-scale reforestation; health and family planning; monitoring programmes; plans and studies; advisory services.

[4] Activities involving investments through financial intermediation functions or through delivery mechanisms involving financial intermediation.

6.3.1. Information disclosure policy

Proposals should include reference to the **information disclosure policy**. The AEs shall disclose and announce to the public and, via the GCF's Secretariat, to the Board and Active Observers:

- In case of Category A[5] projects, the Environmental and Social Impacts Assessment (ESIA) and an Environmental and Social Management Plan (ESMP) at least 120 days in advance of the AE's or GCF's Board decision, whichever is earlier;
- In the case of Category I-1 programmes, the Environmental and Social Management System (ESMS) at least 120 days in advance of the AE's or GCF's Board decision, whichever is earlier;
- In the case of Category B projects, the ESIA3 and an Environmental and Social Management Plan (ESMP) at least 30 days in advance of the AE's or GCF's Board decision, whichever is earlier; and
- In the case of Category I-2 programmes, the ESMS at least 30 days in advance of the AE's or GCF's Board decision, whichever is earlier.

The reports will be made available in both English and the local language (if not English) via electronic links in both the AE's and the GCF's website (in the case of the GCF website, upon submission of a funding proposal to the Board). Proposals relating to projects and programmes that do not have any significant environmental or social impact (i.e. Category C project or Category I-3) do not require any additional advance information disclosure.

[5] Annex 1 of Decision B.07/02 defines the level of environmental and social risk of the activities to be funded by the GCF using three categories for projects and programmes: Category A being the highest risk and Category C being low to no risk project; and three categories for financial intermediation: I-1 being intermediation of the highest risk activities and I-3 being intermediation of low to no risk activities.

6.4. Investment criteria

In formulating the proposal, the project proponent is expected to **demonstrate the project alignment with six investment criteria which are defined in the GCF's Investment Framework.** The latter details possible indicators (or indicative assessment factors) that may help entities to quantify impact potential. For example, a renewable energy project/programme may wish to provide the expected number of megawatts (MWs) of low-emission energy capacity installed, generated and/or rehabilitated.

For each of these investment criteria, the project proponent should select only the applicable and relevant sub-criteria and indicators as follows:

- The activity-specific sub-criteria inform the approval process for project and programme allocation decisions, and apply to both adaptation and mitigation actions.
- The indicators (indicative assessment factors) seek to provide clarity on how the sub-criteria can be assessed.

A list of potential activity-specific sub-criteria and indicators are provided in Annex 2. The methodology used for calculating the indicators and values should be provided. Project proponents can complement quantitative indicators with qualitative ones. However, not all indicators are applicable to all activities, and funding proposals are to focus only on those relevant to the proposal, country context and the priorities of the GCF the project focusses upon (2015d).

Impact potential	• Does the programme or project contribute to the achievement of fund's objectives & result areas?
Paradigm shift potential	• To what degree can the proposed programme or project catalyse impact beyond a project investment?
Sustainable development potential	• What are the programme or project's wider benefits and priorities, including environmental, social and economic co-benefits? What is its gender sensitive development impact?
Responsive to recipient's needs	• Does it fulfil the vulnerability and financing needs of the beneficiary country and population in the targeted group?
Promote country ownership	• Does the beneficiary country own the programme or project? Does it have the capacity — including the policies, climate strategies and institutions — to implement a funded project or programme?
Efficiency and effectiveness	• Is the programme or project economically and financially sound? In the case of mitigation-specific programmes or projects, are they cost effective and is co-financing available?

Figure 9: GCF Investment Criteria and their definitions (source: GCF, 2014)

Investment criterion 1: Impact potential

The proposal should specify the climate mitigation and/or adaptation impact of the proposed project or programme. The Fund's Investment Framework has four core indicators to which every proposal note should respond. These core indicators should be based on supporting evidence for the project/programme, if possible from evidence gathered from pre-feasibility or feasibility studies.

The two core indicators for impact potential include.

- Mitigation core indicator: Total tons of Carbon dioxide equivalent (CO_2 eq.) to be avoided or reduced per annum; and,
- 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).

In addition to the core indicators above, specific values for other indicators can be provided by the project proponent as necessary. Examples of qualitative indicators include the degree to which the proposed activity avoids lock-in of long-lived, high-emission infrastructure (mitigation) or long-lived, climate-vulnerable infrastructure (adaptation).

Investment criterion 2: Paradigm shift potential

To demonstrate the paradigm shift potential of the project or programme, the proposal should demonstrate the extent to which the proposed activity can catalyse impact beyond a one-off project/programme investment, by emphasising and providing evidence for as many as the following paradigm shift factors:

- **Potential for scaling-up and replication (e.g. multiples of initial impact size) for both mitigation and adaptation**: present specific values for scaling-up and replication (e.g. a 30 MW hydroelectric power station that can be replicated at 4 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.
- **Potential for knowledge and learning**: highlight any potential for knowledge sharing or learning at a project or institutional level. For example, if the project or 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.
- **Contribution to the creation of an enabling environment**: provide 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. Project proponents can also

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 or 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.

- **Contribution to the regulatory framework and policies**: if the project or 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.
- **Innovation**: describe any innovative ideas or elements, such as fostering new market segments, creation of business models and/or the development or adoption of new technologies. As innovation is context-specific, the proposal should specify the circumstances in which the innovation takes place.

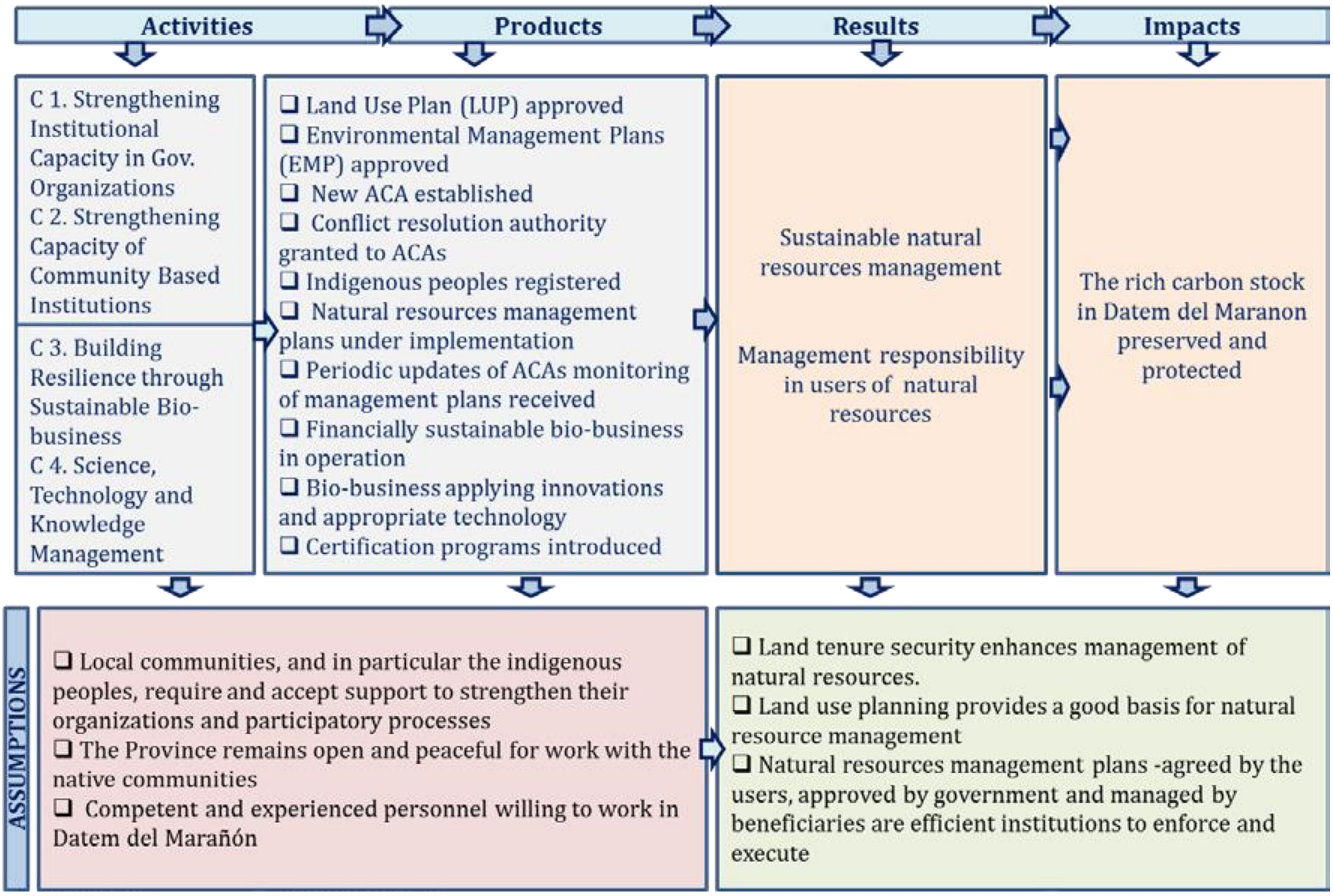


Figure 10: Example of the use of the Theory of Change- Profananpe's funding proposal "Building the Resilience of Wetlands in the Province of Datem del Marañón, Peru"

Investment criterion 3: Sustainable development potential

To demonstrate the sustainable development potential of the proposed project or programme, the project proponent should describe the expected environmental, social and health, and economic co-benefits, as well as 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. Examples of sustainable development indicators are presented in the table below.

Table 11: Examples of sustainable development indicators

Economic co-benefits	Social co-benefits	Environmental co-benefits	Gender-sensitive development impact
• Total number of jobs created • Amount of foreign currency savings • Amount of government's budget deficits reduced	• Improved access to education • Improved regulation or cultural preservation • Improved health and safety	• Improved air quality • Improved soil quality • Improved biodiversity	• Proportion of men and women in jobs created

Investment criterion 4: Needs of the recipient

To demonstrate the needs of the recipient[6], the project proponent should describe the scale and intensity of vulnerability within the country and beneficiary groups to climate change, and elaborate on how the project or programme addresses the identified needs. Examples include the following:

- **Vulnerability of the country and beneficiary groups (*adaptation only*):** describe 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 population size and/or social or economic assets or capital, including relevant gender disaggregation indicators.
- **Economic and social development level 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.
- **Absence of alternative sources of financing**: describe the barriers that have created the lack of alternative funding sources for the project/programme.
- **Needs for strengthening institutions and implementation capacity:** describe the opportunities to strengthen institutional and implementation capacity in relevant institutions.

[6] The country recipient includes all the stakeholders and beneficiaries of the project.

Investment criterion 5: Country ownership

To demonstrate country ownership of the proposed project or programme, the project proponent should ensure that activities to be financed by the GCF align with strategic national objectives and priorities, and help advance ambitious action on adaptation and mitigation in-line with national priorities. In particular, the project proponent should demonstrate that the project is coherent and aligned with Bangladesh climate strategy and action plan and in particular, how its objectives are aligned with the priorities identified in national climate policies and action plans.

For Bangladesh, the national climate change priorities are identified in the following policy documents:

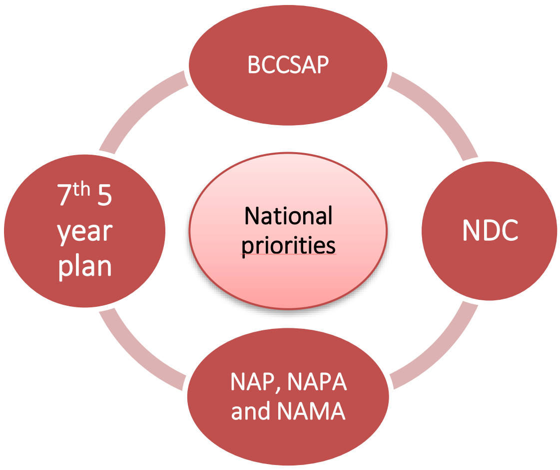


Figure 11: Key National policy documents on climate change for Bangladesh

- **Bangladesh Climate Change Strategic Action Plan (BCCSAP) 2009-2018,** which specifies 44 programmes under six thematic areas:
    - Food security, social protection and health
    - Comprehensive disaster management
    - Infrastructure
    - Research and knowledge management
    - Mitigation and low carbon development
    - Capacity building and institutional strengthening
- **The 7th five-year plan (2016-2020),** which specifies climate change as a priority within development planning of the country.
- **Intended Nationally determined contributions document (INDC) of Bangladesh 2015[7],** which specifies mitigation and adaptation related priorities and programmes as follows:

[7] It should be noted that sectoral action plans are being developed for implementation of the NDC, focusing on mitigation in the industry, power and transport sectors in Bangladesh.

Table 12: Key mitigation programmes for Bangladesh

i. Improved energy efficiency in production and consumption of energy
ii. Lower emissions from agricultural land
iii. Management of urban waste
iv. Afforestation and reforestation programme

Table 13: Adaptation priorities for Bangladesh

i. Improved early warning system for tropical cyclone, flood, flash flood and drought
ii. Disaster preparedness and construction of flood and cyclone shelters
iii. Tropical cyclones and storm surge protection
iv. In-land monsoon flood-proofing and protection
v. Climate resilient infrastructure and communication
vi. Climate resilient housing
vii. Improvement of urban resilience through improvement of drainage systems to address urban flooding
viii. River training and dredging (including excavation of water bodies, canals and drains)
ix. Stress tolerant (salinity, drought and flood) variety improvement and cultivation (including livestock and fisheries)
x. Research and knowledge management
xi. Adaptation on local-level perspectives etc.
xii. Adaptation to climate change impacts on health
xiii. Biodiversity and ecosystem conservation
xiv. Capacity building at individual and institutional level to plan and implement adaptation

Further readings about Bangladesh's national climate change priorities:

- National Adaptation Programme of Action (NAPA), 2005 *{http://unfccc.int/resource/docs/napa/ban01.pdf}*
- Bangladesh Climate Change Strategy and Action Plan (BCCSAP), 2009 *{http://www.climatechangecell.org.bd/Documents/climate_change_strategy2009.pdf)}*
- Perspective Plan of Bangladesh 2010 – 2021, 2012 *{http://www.plancomm.gov.bd/perspective-plan/}*
- Climate Fiscal Framework, 2014 *{https://www.climatefinance-developmenteffectiveness.org/sites/default/files/event/CFSDforum2015/climate/Bangladesh%20Climate%20Fiscal%20Framework.pdf}*
- Intended Nationally Determined Contributions (INDC), 2015 *{http://www4.unfccc.int/ndcregistry/PublishedDocuments/Bangladesh%20First/INDC_2015_of_Bangladesh.pdf}*

It should be noted that a process for integrating the 7th 5-year plan with the BCCSAP and between the INDC with these documents is underway. The project proponent should also demonstrate the roles and responsibilities of the AE and EE(s) to deliver the project. The track record and relevant experience of the entities in similar or relevant project/programme circumstances can be emphasised. In addition, information regarding stakeholder engagement processes and feedback received from relevant project stakeholders should be emphasised in the description of country ownership, both with the relevant NDA or FP- ERD in Bangladesh- and with the wider group of stakeholders.

Investment criterion 6: Efficiency and effectiveness

To demonstrate efficiency and effectiveness of the proposed project or programme, the project proponent should conduct an economic and financial analysis, making the case for strong cost effectiveness and financial soundness. Project proponents should demonstrate the following as relevant:

- **Cost-effectiveness and efficiency:** how the proposed financial structure (funding amount, financial instrument, tenor and term) is adequate and reasonable in order to achieve the project or programme's objectives, including addressing existing bottlenecks and/or barriers; and further demonstrates that the structure provides the appropriate concessionality to make the proposal viable, and without crowding out private and other public investment.
- **Co-financing, leveraging and mobilised long-term investments (*mitigation only):*** for mitigation projects/programmes, the co-financing ratio (total amount of the Fund's investment as percentage of total project costs) should be provided. For projects/programmes that may not leverage a significant level of up-front co-financing, the project proponents may instead demonstrate a significant level of indirect or long-term low emission investment mobilised as a result of the proposed activities.
- **Financial viability:** the economic and financial rate of return (with and without the Fund'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 Fund's intervention as well as the Fund financial exit strategy in case of private sector operations should also be included.
- **Application of best practices:** how the best available technologies and/or best practices are considered and applied, including if applicable any innovations, modifications, adjustments that are made based on industry best practices.
- **Key efficiency and effectiveness indicators (*mitigation only*):** includes two core indicators:
    - Estimated cost per ton of carbon dioxide tCO_2 equivalent to total investment cost divided by the expected lifetime of emission reductions;
    - Expected volume of finance to be leveraged by the proposed project/programme and as a result of the Fund's financing, disaggregated by public and private sources.

6.5. Monitoring, Evaluation and Reporting requirements

The AEs are primarily responsible for the Monitoring and Evaluation (M&E) of their funded projects or programmes, and will report accordingly to the GCF.

Monitoring and evaluation (M&E) requirements for the project or programme include:

- Logframe and identification of indicators in the funding proposal;
- Annual Performance Reports from the project or programme; and
- Interim and final evaluations at the project or programme level.

At the project funding proposal stage, the project proponent is requested to indicate the activities, outputs, outcomes and results that they intend to achieve in relation to the results areas of the RMF and mitigation and adaptation PMFs. The AE shall provide indicators at activity and output level and report on the PMF indicators at outcome and impact level. The GCF Secretariat will undertake second-level monitoring by requesting the AEs to regularly report on the indicators mentioned above and other relevant project performance indicators. In addition, during the mid-term reviews it will be verified that the AE has performed the required oversight on activities under the monitoring plans of projects financed by the Fund. These include among other things, periodic supervision missions, audit reviews and multi-stakeholder engagement.

Reporting requirements for the project implementation and post- implementation period are presented in the table below.

Table 14: GCF reporting requirements GCF (2015b)

Report	Description	Timing / Frequency
Quarterly financial management reports	These reports should provide dates and amounts disbursed for each funded activity and compliance with financial covenants	During the implementation period Quarterly
Semi-annual [8] progress reports (SAPRs)	SAPRs should include a narrative report (with supporting data as needed) on implementation progress based on the logical framework submitted in the funding proposal and considerations on the ongoing performance of the project/programme against the GCF investment framework criteria, including updates on the indicators and a report on ESS as well as gender. The report should align with the modalities set out in the GCF results management framework and its performance measurement frameworks for adaptation and mitigation, as amended and updated from time to time.	During the post implementation period Semi-annual
An interim evaluation report and a final evaluation report for each funded activity	These documents are to assess the performance of the funded activity against the GCF investment framework criteria, including financial/economic performances as part of the project/programme efficiency and effectiveness criterion.	During the implementation period Twice/mid-point during the implementation and at the project completion

Beyond the standard reporting requirements for a standalone project, a programme should also include additional programme-level reporting. For example, the AE may report on experience gained and lessons learned from the design and implementation of the programme and how well the programme is achieving added value beyond what a collection of standalone projects would have achieved.

[8] Progress report to submit every six months or twice a year.

6.5.1. Management Fees

The table below presents the fees structure for AEs. The percentages shown represent the maximum fees for the different project size categories.

Table 15: Schedule of cap on fees applicable to public sector projects/programmes[9]

Project/programme's Size	Fee cap % of GCF funding (on grant)
Micro (< USD 10 million)	10%
Small (USD 10 – 50 million)	9%
Medium (USD 50 – 250 million)	8%
Large (> USD 250 million)	7%

The present value of the fees paid over the life of a loan (disbursement and repayment periods) will be equivalent to the total amount of fees paid for a similar grant-funded project. The fees cap on readiness grants will be 10%. Additionally, the Fund established that the financial terms and conditions for non-grant instruments to the public sector, other than concessional loans, will be established on a case-by-case basis. Similarly, the fees for the private sector for both non-grant instruments and concessional loans should be decided on a case-by-case basis.

The GCF fees cover the following items:

- Project or programme implementation and supervision;
- Project or programme completion and evaluations; and
- Reporting.

In terms of disbursement, the fees on grants will be proportionally paid along with each grant instalment; while the fees on loans will be paid semi-annually in advance.

[9] Green Climate Fund, *Agenda item 15: Initial monitoring and accountability framework for accredited entities*, Annex II p.8

7. How to get started?

Project proponents can decide to prepare a one-step (full proposal) or two-step application (concept note followed by full proposal). While it is a voluntary step, developing a concept note is highly recommended as experience has shown that it leads to better proposals. Indeed, this provides the opportunity to start a dialogue with the GCF Secretariat and receive valuable feedback and guidance. In writing up a concept note, project proponents should use the GCF's concept note template. Specific guidance on how to use the concept note template is available on the GCF website { http://www.greenclimate.fund/documents/20182/300732/GCF_Concept_Note_Template.docx}.

If you decide to prepare a two-step application (concept note followed by full proposal), you can use the following checklist as a guide to help you prepare your GCF project concept.

☐ Set up a team to work on the project concept

☐ Engage with the NDA- ERD in Bangladesh- to communicate intention of developing a GCF project concept and seek assistance.

☐ Identify an AE to work through on your concept (it should be noted that while recommended, this is not mandatory at the concept note stage. The NDA can also submit a concept note without an associated AE and solicit feedback). When selecting an AE, identify areas of expertise that they can provide to assist the development of the proposal (e.g. budgeting, economic and financial analysis, Prefeasibility and feasibility studies, M&E, etc.).

☐ Check the fund calendar for upcoming submission deadlines which generally coincide with the Fund Board meetings. Proposals need to be submitted at least three weeks before the Board to be considered. Ensure you leave yourself enough time to prepare the proposal.

☐ Read the GCF concept note template and guidance documents.

☐ Review examples of past proposals submitted to the selected fund to see what may be expected from a proposal.

☐ Collect and review baseline information:

- Relevant scientific information about the impacts of and risks posed by climate change in your country, if an adaptation project; national greenhouse gas inventories[10] if a mitigation project;
- Information on your country's relevant national priorities and strategic frameworks for sustainable development, poverty reduction, and climate change etc.

[10] The National Greenhouse Gas Inventory for Bangladesh is available in its INDC.

- National vulnerability and risk assessments, economic studies, and other research including past project evaluations, undertaken by other organisations (research centres, universities, NGOs etc.).
- Any new data required to fill in gaps in knowledge (e.g. vulnerability mapping, surveys, CBA etc.).

☐ Consult with key stakeholders including the target group (especially vulnerable communities, minority groups etc.), government staff from different ministries or departments, other relevant organisations, and sector experts.

☐ Write your project concept

- Use simple, clear language to answer all the questions.
- Use tables and bullet points where required to present information clearly and simply.
- Provide relevant documentation
  - ☐ Map indicating the location of the project/programme
  - ☐ Financial Model
  - ☐ Pre-feasibility Study
  - ☐ Feasibility Study (if applicable)
  - ☐ Environmental and Social Impact Assessment (if applicable)
  - ☐ Evaluation Report (if applicable)

8. Support available to support full proposal preparation

Once the concept note has been submitted to the Fund, further support is available to turn a project concept note into a full funding proposal. The Board will approve requests for support under the Project Preparation Facility (PPF), based on the concept providing full justification of the need, and an appropriate review and assessment against GCF's investment criteria and a justification of needs for project preparation funding with information on the underlying project. The PPF is available for all AEs, both public and private, with preference given to direct access entities (including private entities) submitting projects under the micro-to-small size categories (up to US$10 million) (GCF 2016c). The PPF can support the following activities:

- Pre-feasibility and feasibility studies and project design
- Environmental, social and gender studies
- Risk assessments
- Identifying programme and project level indicators
- Pre-contract services including revision of tender documents, and
- Other project preparation activities

Requests for PPF support are usually in the form of grants, but private sector projects may include other instruments, such as grants with repayment contingency and equity instruments. The grant is capped at 10% of total funding requested, or a maximum of US$1.5 million. The application template is available on the GCF website {http://www.greenclimate.fund/documents/20182/104167/Project_Preparation_Funding_Application_Template.docx/65e91043-7122-4479-8778-b563b8ee3ee2}

Stage	Support available	Conditions & access modalities
Concept note	Readiness support	**Submitted by:** NDA **Financing limit:** subject to the readiness funding limit of USD 1 million per year
Full funding proposal	Project Preparation Facility (PPF)	**Submitted by :** AE **Financing limit:** up to 10% of GCF financing with a limit of USD 1.5 million for 1 proposal

Figure 12. Readiness support available for project preparation

9. Useful readings

GCF (2015a) Concept Note User Guide. See: http://www.greenclimate.fund/ventures/portfolio/fine-print

Rai N., Hossain I., Soanes M., Fayolle V., Nasir N. and Y. Mahid (2016) How can Bangladesh's private sector engage with the Green Climate Fund? IIED, London. See: http://pubs.iied.org/pdfs/10162IIED.pdf

Steeves, J et al. (2016) Business case for the Bangladeshi private sector to invest in climate change and access international climate finance. See: http://cdkn.org/wp-content/uploads/2016/06/Business-case-for-the-Bangladeshi-private-sector-to-invest-in-climate-change-and-access-international-climate-finance.pdf

10. References

Acclimatise (2015) The Green Climate Fund: The Essentials. Available at: http://www.acclimatise.uk.com/login/uploaded/resources/IOC-ISLANDS%20-%20Climate%20Finance%20-%20Brief%20Note%20-%20Final%20-%2014072015.pdf

Adaptation Fund (undated) Operational policies and guidelines for parties to access resources from the adaptation fund. Available at: http://unfccc.int/files/adaptation/implementing_adaptation/adaptation_funding_interface/application/pdf/afbguide.pdf

Anderson, S., Khan, F., Fikreyesus, D. and M. Gomes, (2014) Forwards and backwards evidence-based learning on climate adaptation. Available at: http://pubs.iied.org/pdfs/17257IIED.pdf

Eco Ltd (2016). GCF insight story in advance of the 13th GCF Board Meeting. 27th June 2016. Available at: http://www.ecoltdgroup.com/wp-content/uploads/2016/03/Eco-GCF-insight-16-2-Key-Findings-v1.pdf

GCF (2013) Business Model Framework: Results Management Framework. Available at: https://www.greenclimate.fund/documents/20182/24937/GCF_B.05_03_-_Business_Model_Framework__Results_Management_Framework.pdf/d6e50312-fbbf-4cb4-b96b-a47e47cc6f4d

GCF (2014a) Investment framework. Meeting of the board 18–21 May 2014, Songdo, Republic of Korea, agenda item 9. Available at: https://www.greenclimate.fund/documents/20182/24943/GCF_B.07_06_-_Investment_Framework.pdf/

GCF (2014b) Initial Results Management Framework of the Fund. Available at: http://www.greenclimate.fund/ventures/portfolio/fine-print

GCF (2014c) Further Development of the Initial Results Management Framework. Available at: http://www.greenclimate.fund/ventures/portfolio/fine-print

GCF (2014d) Initial Logic Model and Performance Measurement Framework for REDD+ Results-based Payments. Available at: http://www.greenclimate.fund/ventures/portfolio/fine-print

GCF (2014f) Guiding Framework and Procedures for Accrediting National, Regional and International Implementing Entities and Intermediaries, Including the Fund's Fiduciary Principles and Standards and Environmental and Social Safeguards. Available at: https://www.greenclimate.fund/documents/20182/24943/GCF_B.07_02_-_Guiding_Framework_for_Accreditation.pdf/a855fdf1-e89b-47fb-8a41-dfa2050d38b9

GCF (2015a) Concept Note User Guide. Available at: http://www.greenclimate.fund/ventures/portfolio/fine-print

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11. Annexes

Annex 1: Table 2: List of projects approved as per 15th Board Meeting (13th – 15th December 2016)

RF No.	Title of project	Implementing Entity	Country/Region	Thematic Area
RFP001	Building the Resilience of Wetlands in the Province of Datem del Marañón	Peruvian Trust Fund for National Parks and Protected Areas, PROFONANPE	Peru	Crosscutting
RFP002	Scaling Up the Use of Modernized Climate Information and Early Warning Systems	United Nations Development Programme, UNDP	Malawi	Adaptation
RFP003	Increasing the resilience of ecosystems and communities through the restoration of the productive bases of salinized lands	Centre de Suivi Ecologique, CSE	Senegal	Adaptation
RFP004	Climate Resilient Infrastructure Mainstreaming (CRIM)	Kreditanstalt für Wiederaufbau, KfW	Bangladesh	Adaptation
RFP005	KawiSafi Ventures Fund	Acumen Fund, Inc., Acumen	Kenya, Rwanda, Uganda	Crosscutting
RFP006	Energy Efficiency Green Bond	Inter-American Development Bank, IDB	Latin America and the Caribbean	Mitigation
RFP007	Supporting vulnerable communities to manage climate change-induced water shortages	United Nations Development Programme, UNDP	Maldives	Adaptation
RFP008	Urban Water Supply and Wastewater Management Project	Asian Development Bank, ADB	Republic of Fiji	Adaptation
FP009	Energy Savings Insurance for private energy efficiency investments by Small and Medium-Sized Enterprises	Inter-American Development Bank, IDB	El Salvador	Mitigation
FP010	De-Risking and Scaling-up Investment in Energy Efficient Building Retrofits	United Nations Development Programme, UNDP	Armenia	Mitigation
FP011	Large-scale Ecosystem-based Adaptation in The Gambia: developing a climate-resilient, natural resource-based economy	UNEP	The Gambia	Adaptation
FP012	Africa Hydromet programme – Strengthening Climate Resilience in Sub-Saharan Africa	World Bank	Mali	Adaptation

FP013	Improving the resilience of vulnerable coastal communities to climate change related impacts	UNDP	Vietnam	Adaptation
FP014	Project to support the World Bank's Climate Adaptation and Mitigation Programme for the Aral Sea Basin	World Bank	Tajikistan and Uzbekistan	Adaptation, Mitigation
FP015	Tuvalu Coastal Adaptation Project	UNDP	Tuvalu	Adaptation
FP016	Strengthening the resilience of smallholder farmers in the Dry Zone to climate variability and extreme events through an integrated approach to water management	UNDP	Sri Lanka	Adaptation
FP017	Climate Action Solar Energy Development Programme in the Tarapacá Region	CAF	Chile	Mitigation
FP018	Scaling-up of Glacial Lake Outburst Flood (GLOF) risk reduction in Northern Pakistan	UNDP	Pakistan	Adaptation
FP019	Priming Financial and Land-Use Planning Instruments to Reduce Emissions from Deforestation	UNDP	Ecuador	Mitigation
FP020	Sustainable Energy Facility for the Eastern Caribbean	IDB	Dominica, Grenada, Saint Kitts and Nevis, Saint Lucia, and Saint Vincent and the Grenadines	Mitigation
FP021	Senegal Integrated Urban Flood Management Project3	AFD	Senegal	Adaptation
FP022	Development of Argan Orchards in Degraded Environment	ADA Morocco	Morocco	Cross-cutting
FP023	Climate Resilient Agriculture in Three of the Vulnerable Extreme Northern Crop Growing Regions (CRAVE)	EIF	Namibia	Adaptation
FP024	Empower to Adapt: Creating Climate Change Resilient Livelihoods through Community- Based Natural Resource Management in Namibia	EIF	Namibia	Adaptation
FP025	Sustainable Energy Financing Facilities (SEFF)	EBRD	Albania, Armenia, Egypt, Georgia, Jordan, Kyrgyz Republic, Moldova, Mongolia, Montenegro,	Cross-cutting

			Morocco, Serbia, Tajikistan and Tunisia	
FP026	Sustainable Landscapes in Eastern Madagascar	CI/EIB	Madagascar	Cross-cutting
FP027	Universal Green Energy Access Programme (UGEAP)	Deutsche Bank AG	Benin, Kenya, Namibia, Nigeria and Tanzania	Mitigation
FP028	Business loan programme for GHG emissions reduction	XacBank	Mongolia	Mitigation
FP029	SCF Capital Solutions	Development Bank of Southern Africa	South Africa	Mitigation
FP030	Catalyzing private investment in sustainable energy in Argentina – Part 1	Inter-American Development Bank	Argentina	Mitigation
FP033	Accelerating the Transformational Shift to a Low-Carbon Economy in the Republic of Mauritius	UNDP	Republic of Mauritius	Mitigation
FP034	Building Resilient Communities and Ecosystems through Restoration of Wetlands and Associated Catchments in Uganda	UNDP	Uganda	Adaptation
FP035	Climate Information Services for Resilient Development in Vanuatu (Van CIS RDP)	Secretariat of the Pacific Regional Environment Programme	Vanuatu	Adaptation
FP036	Pacific Islands Renewable Energy Investment Programme	Asian Development Bank	Cook Islands (COO), Tonga (TON), Republic of Marshal Islands (RMI), Federated States of Micronesia (FSM), Papua New Guinea (PNG), Nauru (NAU), and Samoa (SAM)	Mitigation
FP037	Integrated Flood Management to Enhance Climate Resilience of the Vaisigano River Catchment in Samoa	UNDP	Samoa	Adaptation

Annex 2: GCF's PMF for REDD+ activities

REDD+ activities use a separate performance measurement framework for results-based payments. The logic model presents results specific to REDD+ results-based payments (RBPs) at the levels of Programme outputs and Activities and shows how they relate to the existing Paradigm shift objective, Impacts (Fund level), and Programme outcomes that are defined in the Fund's mitigation logic model

Level		**Results**				
Elements of the Fund's initial mitigation logic model	**Paradigm Shift**	Shift to low-emission sustainable development pathways (forest cover and forest carbon loss is slowed, halted, and reversed)				
		↑				
	Impacts (Fund level)	4.0 Reduced emissions from land use, deforestation, forest degradation, and sustainable management of forests, and conservation and enhancement of forest carbon stocks				
		REDD+ results-based payments (for verified tCO_2e)				
		↑	↑	↑	↑	↑
Elements defined for REDD+ results-based payments	**Programme outcomes (national or sub-national)**	A. Reduced emissions (tCO_2eq) from deforesta-tion	B. Reduced emissions (tCO_2eq) from forest degradation	C. Reduced emissions increased removals 2eq) the conservation of forest carbon	D. Reduced emissions and increased removals (tCO_2eq) through the sustainable management of forests	E. Increased removals (tCO_2eq) through the enhancement of forest carbon stocks
		↑	↑	↑	↑	↑
	Programme outputs (national or sub-national (as deemed appropriate by each country)	Reduced deforesta tion	Reduced forest degradation	Increased conservation of forest carbon stocks	Increased application of sustainable management methods	Forest carbon stocks enhanced

Annex 3: Performance Management Framework

Initial mitigation performance measurement framework. Adapted from *GCF (2014) Initial Results Management Framework of the Fund.*

Expected results	Indicators (indicative)	Baseline data	Targets	Data sources and collection methods	Frequency	Respon-sibility	Assumptions/notes
Paradigm shift objective							
Shift to low-emission, sustainable development pathways	**M.1** Tonnes of carbon dioxide equivalent (t CO2 eq) emitted by countries receiving mitigation funding	Assumed business-as-usual emissions trajectory measured in t CO2 equiv. emitted by countries		The Fund would coordinate with the UNFCCC data	Every five years	Fund Secretariat	
	M.2 Cost per t CO2 eq decreased for all Fund-funded mitigation projects	Not required		Executing entity (EE)/implementing entity (IE) results reports and energy balances	Every five years	Fund Secretariat	Provides information to help reduce the expected cost of mitigation
	M.3 Volume of public and private funds catalysed by the Fund (core indicator)			Project/ programme proposals and end-of-project reports	Beginning and end of an investment	IEs	To effectively bring about a paradigm shift in the way that societies approach mitigation, the private sector must be engaged given its sizeable role in the energy sector. This indicator – consistent with the Fund's Governing Instrument – is a proxy indicator that measures catalysed funding, including private sector funding. It should be tracked by all projects and programmes.

Expected results	Indicators (indicative)	Baseline data	Targets	Data sources and collection methods	Frequency	Respon-sibility	Assumptions/notes
Impacts (strategic level)							
1.0 Increased low-emission energy access and power generation	**1.1** Level of national/regional capacity (MW) from low emission sources (renewable energy).	Existing mix of power generation		Data from the transmission system operator or dispatch centre	Mid-term and end of investment	IEs	
2.0 Increased access to low-emission transport	**2.1** Emissions levels from vehicles	Existing transport emissions		Data from Ministry of Transport	Annually	IEs	Draw on data available from UNFCCC reporting
3.0 Increased energy efficiency in buildings, cities and industries	**3.1** Annual energy savings (GWh)	Energy balance data		Statistics office or Ministry of Energy	Mid-term and end of investment	IEs	

Expected results	Indicators (indicative)	Baseline data	Targets	Data sources and collection methods	Frequency	Respon-sibility	Assumptions/notes
4.0 Sustainable land use and forestry management including REDD+	**4.1** Forest area under improved management and reduced carbon emissions practices	Existing levels		Ministry of Forestry and remote sensing	Mid-term and end of investment	IEs	The approach to the measurement of forestry management will draw on UNFCCC decisions 9/CP.19 to 15/CP.19 and related decisions regarding REDD+ Decision B.05/03, Annex I, from the October 2013 Board meeting included (g) Sustainable land use management to support mitigation and adaptation; and (h) Sustainable forest management to support mitigation as initial result areas
Project/programme outcomes							
5.0 Increased gender sensitive low-emission development mainstreamed in government	**5.1** Number and gender sensitivity of policy, laws and sector strategies supported by the Fund	Existing legislation		Gender sensitive analysis of the low-carbon enabling environment	Annually	EEs	This indicator will measure the government's enabling environments for low-carbon development.

Expected results	Indicators (indicative)	Baseline data	Targets	Data sources and collection methods	Frequency	Respon-sibility	Assumptions/notes
6.0 More small, medium and large low-emission power suppliers	**6.1** MW of capacity from low emission sources	Existing set of low emissions suppliers		Data from the transmission system operator or dispatch centre	Annually	EEs	This will focus on solar, wind, geothermal and similar suppliers.
7.0 Lower country energy intensity trajectory	**7.1** Energy savings (GWh)	Existing energy use		Utilities are expected to be the primary source of data	Annually	EEs	This may require aggregating country-level statistics in key emitting sectors of each city.
8.0 Increased use of low-carbon transport	**8.1** Number of passengers (disaggregated by gender where possible) using low emission vehicles	Existing transport use		Records of Ministry of Transport or licensing bureau	Annually	EEs	Assumes that a portion of investments will target vehicle fleets and possible car manufacturers.
	8.2 Modal share (by transportation type)	Existing transport use		Transportation household survey with sex disaggregated data	Annually	EEs	Survey would determine the predominant types of transportation used (pedestrian, bicycle, bus, rickshaw, collective taxi, rail, car, etc.) by women and men. Repeated over time to determine any movement to low-emission modes.

Expected results	Indicators (indicative)	Baseline data	Targets	Data sources and collection methods	Frequency	Respon-sibility	Assumptions/notes
9.0 Stabilization of forest coverage	**9.1** Rate of net deforestation and forest degradation	Existing levels of deforestation and degradation		REDD+ action areas compared to baseline using records of forest management agencies	Annually	EEs	The approach to forestry measurement will draw on UNFCCC decisions 9/CP.19 to 15/CP.19 and related decisions regarding REDD+. Decision B.05/03, Annex I, from the October 2013 Board meeting included: (g) Sustainable land use management to support mitigation and adaptation; and (h) Sustainable forest management to support mitigation
	9.2 Trend in women/men's livelihood from sustainable forestry	Current trend		Household surveys with sex-disaggregated data.	Annually	EEs	

Initial mitigation performance measurement framework. Adapted from *GCF (2014) Initial Results Management Framework of the Fund.*

Expected results	Indicators (indicative)	Baseline data	Targets	Data sources and collection methods	Frequency	Respon-sibility	Assumptions/notes
Paradigm shift objective: increased climate resilient sustainable development							
Impacts (strategic level)							
1.0 Increased resilience and enhanced livelihoods of the most vulnerable people, communities and regions	**1.1** Percentage reduction in the number of people affected (c.f. CRED definition[1]) by climate-related disasters, including the differences between vulnerable groups (women, elderly, etc.) and the population as a whole.	Baseline already available through CRED		Third-party monitoring plus survey of targeted populations, disaggregated by sex and income levels	Annually	Implementing entities (IEs)/ (Independent Evaluation Unit)	Direct measure of impact, but the results will depend on whether and when extreme climate events occur. An indicator over the long-term
	1.2 Number (percentage) of households adopting a wider variety of livelihood strategies/coping mechanisms	Pre-project/ programme assessment		Household survey of men and women	Mid-term and end of investment	IEs	Outcome based on Global Environment Facility (GEF) Outcome 1.3, and Pilot Program for Climate Resilience (PPCR) A1.1 (core), and Adaptation Fund Outcome 6 Indicator is consistent with GEF Least Developed Countries Fund (LDCF)/Special Climate Change Fund (SCCF) indicator 1.3.1.
2.0 Increased resilience of health and well-being, and food and water security	**2.1** Percentage of food-secure households (reduced food gaps)	Pre-project/ Programme assess-ment		Household survey of men and women	Mid-term and end of investment	IEs	Variant of GEF LDCF/SCCF indicator 1.2.

Expected results	Indicators (indicative)	Baseline data	Targets	Data sources and collection methods	frequency	Respon-sibility	Assumptions/notes
	2.2 Percentage of households with year-round access to adequate water (quality and quantity for household use)	Pre-project/ Programme assessment		Household survey of men and women	Mid-term and end of investment	IEs	Replication of PPCR indicator A1 (non-core)
	2.3 Climate induced disease incidence in areas where adaptation health measures have been introduced (% of population)	Pre-project/ Programme assessment		Hospitals and health centre records disaggregated by sex (Aid Agency records)	Mid-term and end of investment ; and continuing (IEU)	IEs/IEU	This outcome is based on GEF Outcome 1.2 and PPCR A1.2 This indicator replicates the GEF (LDCF/SCCF) indicator 1.2.1 with a slight rewording for clarification. IEs would select from a range of indicators similar to those provided in GEF Outcome 1.2 and various tool kits.
	2.4 Area (ha) of agricultural land made more resilient to climate change through changed agricultural practices (e.g. planting times, new and resilient native varieties, efficient irrigation systems adopted)	Not required		Programme reports and records	Mid-term and end of investment	IEs	This is a fairly simple measure that tracks Fund-funded activities in this thematic area.

Expected results	Indicators (indicative)	Baseline data	Targets	Data sources and collection methods	frequency	Respon-sibility	Assumptions/notes
3.0 Increased resilience of infrastructure and the built environment to climate change threats	**3.1** Value of infrastructure made more resilient to rapid-onset events (e.g. floods, storm surges, heat- waves) and slow-onset processes (e.g. sea level rise)	**Not required**		Replacement cost of infrastructure estimated to have been saved from weather events (weather intensity factored in)	Mid-term and end of investment	**IEs**	Must ensure that inflated property values not included in these calculations.
	3.2 Number of new infrastructure projects or physical assets strengthened or constructed to withstand conditions resulting from climate variability and change (e.g. to heat, humidity, wind velocity and floods).	Not required		Programme reports and records	Mid-term and end of investment	**IEs**	Replication of Adaptation Fund Indicator 4.1.2

Expected results	Indicators (indicative)	Baseline data	Targets	Data sources and collection methods	frequency	Respon-sibility	Assumptions/notes
4.0 Improved resilience of ecosystems	**4.1** Area (ha) of habitat or kilometers of coastline rehabilitated (e.g. reduced external pressures such as overgrazing and land degradation through logging/collecting); restored (e.g. through replanting); or protected (e.g. improved fire management; flood plain/buffer maintenance)	Not required		Programme reports and records	Mid-term and end of investment ; with climate-related damage to the project area continued to be monitored via IEU	IEs/IEU	Consistent with Adaptation Fund Outcome 5. These (process) indicators measure the interventions made but not the ability of ecosystems to withstand weather events. However, the area of ecosystems requiring rehabilitation or restoration due to recent events should decline as
	4.2 Number and area of agroforestry projects, forest-pastoral systems, or ecosystem-based adaptation systems established or enhanced.	Not required		Programme reports and records	Mid-term and end of investment	IEs	From GCF IR8
Project/programme outcomes (country-driven)							
5.0 Strengthened government institutional and regulatory systems for climate-responsive development planning	**5.1** Degree of integration/ mainstreaming of climate change in national and sector planning and coordination in information sharing and project implementation **[Core indicator]**	Pre-project/ programme assessment		Quality scorecard with standards	Annually	Executing entities (EEs)	Indicator is consistent with the Climate Investment Funds (CIF)-PPCR indicator A2.1 (core) and Adaptation Fund Outcome 7

Expected results	Indicators (indicative)	Baseline data	Targets	Data sources and collection methods	Frequency	Respon-sibility	Assumptions/notes
6.0 Increased generation and use of climate information in decision-making	**6.1** Evidence that climate data is collected, analysed and applied to decision-making in climate-sensitive sectors at critical times by the government, private sector and men/women. **[Core indicator]**	Pre-project/ programme assessment		Scorecards to measure climate information generation, analysis and communication	Annually	EEs	This indicator aligns with CIF-PPCR B3, but adds an additional component of "collecting and analysing" climate data, critical aspects of reliable climate information systems that must continuously assess climate variability.
	6.2 Perception of men, women, vulnerable populations, and emergency response agencies of the timeliness, content and reach of early warning systems **[Core indicator]**	Pre-project/ programme assessment		Household survey and survey of managers of emergency response agencies with data disaggregated by sex.	Annually	EEs	Consistent with GEF Outcome 2.1
7.0 Strengthened adaptive capacity and reduced exposure to climate risks	**7.1** Extent to which vulnerable households, communities, businesses, and public sector services use improved tools, instruments, strategies and activities (including those supported by the Fund) to respond to climate variability and climate change **[Core indicator]**	Not required		Programme reports and records	Annually	EEs	Replication of CIF-PPCR indicator B1 (Core) and linked to GEF Outcome 2.1
8.0 Strengthened awareness of climate threats and risk reduction processes	**8.1** Percent of target population aware of the potential impacts of climate change and range of possible responses **[Core indicator]**	Pre-project/ programme assessment		Survey of targeted populations, disaggregated by sex and income levels	Annually	EEs	Consistent with GEF Outcome 2.3.1 and AF Outcome 3

Expected results	Indicators (indicative)	Baseline data	Targets	Data sources and collection methods	Frequency	Respon-sibility	Assumptions/notes
Additional tracking measure							
	Number of direct and indirect beneficiaries, disaggregated by sex and income level	Not required		Project records	Annually	EEs	Consistent with Adaptation Fund and PPCR tracking indicators *This measure tracks the scope and developmental potential of Fund-funded project and programmes by counting and categorising the number of vulnerable people it supports.*

Annex 4: Indicative indicators to select for each of the 6 GCF investment criteria (source: GCF, 2015. Initial investment framework)

Criterion	Definition	Coverage area	Activity-specific sub-criteria	Indicative indicators (or assessment factors)
Impact potential	Potential of the programme/project to contribute to the achievement of the Fund's objectives and result areas	Mitigation impact	Contribution to the shift to low-emission sustainable development pathways	• Expected tonnes of carbon dioxide equivalent (t CO_2 eq) to be reduced or avoided (PMF-M Core 1)2 • Degree to which activity avoids lock-in of long-lived, high-emission infrastructure • Expected increase in the number of households with access to low-emission energy • Degree to which the programme/project supports the scaling up of low-emission energy in the affected region by addressing key barriers • Expected number of MW of low-emission energy capacity installed, generated and/or rehabilitated • Expected increase in the number of small, medium and large low-emission power suppliers (PMF-M 6.0 and related indicator(s)), and installed effective capacity • Expected decrease in energy intensity of buildings, cities, industries and appliances (PMF-M 7.0 and related indicator(s)) • Expected increase in the use of low-carbon transport (PMF-M 8.0 and related indicator(s)) • Expected improvement in the management of land or forest areas • Contributing to emission reductions • (PMF-M 9.0 and related indicator(s)) • Expected improvement in waste management contributing to emission reductions (e.g. the change in the share of waste managed using low-carbon strategies and/or the change in the

Criterion	Definition	Coverage area	Activity-specific sub-criteria	Indicative indicators (or assessment factors)
				share of waste that is recovered through recycling and composting); and/or • Other relevant indicative assessment factors, taking into account the Fund's objectives, priorities and result areas, as appropriate on a case-by-case basis
		Adaptation impact	Contribution to increased climate-resilient sustainable development	• Expected total number of direct and indirect beneficiaries, (reduced vulnerability or increased resilience); number of beneficiaries relative to total population (PMF-A Core 1), particularly the most vulnerable groups • Degree to which the activity avoids lock-in of long-lived, climate-vulnerable infrastructure • Expected reduction in vulnerability by enhancing adaptive capacity and resilience for populations affected by the proposed activity, focusing particularly on the most vulnerable population groups and applying a gender-sensitive approach • Expected strengthening of institutional and regulatory systems for climate-responsive planning and development (PMF-A 5.0 and related indicator(s)) • Expected increase in generation and use of climate information in decision-making (PMF-A 6.0 and related indicator(s)) • Expected strengthening of adaptive capacity and reduced exposure to climate risks (PMF-A 7.0 and related indicator(s)) • Expected strengthening of awareness of climate threats and risk-reduction processes (PMF-A 8.0 and related indicator(s)); and/or • Other relevant indicative assessment factors, taking into account the Fund's objectives, priorities and result areas, as appropriate on a case-by-case basis

Criterion	Definition	Coverage area	Activity-specific sub-criteria	Indicative indicators (or assessment factors)
Paradigm shift potential	Degree to which the proposed activity can catalyse impact beyond a one-off project or programme investment	Potential for scaling up and replication, and its overall contribution to global low-carbon development pathways being consistent with a temperature increase of less than 2 degrees Celsius (mitigation only)	Innovation Level of contributions to global low-carbon development pathways, consistent with a temperature increase of less than 2 degrees Celsius Potential for expanding the scale and impact of the proposed programme or project (scalability) Potential for exporting key structural elements of the proposed programme or project elsewhere within the same sector as well as to other sectors, regions or countries (replicability)	• Opportunities for targeting innovative solutions, new market segments, developing or adopting new technologies, business models, modal shifts and/or processes • Expected contributions to global low-carbon development pathways consistent with a temperature increase of less than 2 degrees Celsius as demonstrated through: • A theory of change for scaling up the scope and impact of the intended project/programme without equally increasing the total costs of implementation • A theory of change for replication of the proposed activities in the project/programme in other sectors, institutions, geographical areas or regions, communities or countries
		Potential for knowledge and learning	Contribution to the creation or strengthening of knowledge, collective learning processes, or institutions	• Existence of a monitoring and evaluation plan and a plan for sharing lessons learned so that they can be incorporated within other projects

Criterion	Definition	Coverage area	Activity-specific sub-criteria	Indicative indicators (or assessment factors)
		Contribution to the creation of an enabling environment	Sustainability of outcomes and results beyond completion of the intervention Market development and transformation	• Arrangements that provide for long-term and financially sustainable continuation of relevant outcomes and key relevant activities derived from the project/programme beyond the completion of the intervention • Extent to which the project/programme creates new markets and business activities at the local, national or international levels • Degree to which the activity will change incentives for market participants by reducing costs and risks, eliminating barriers to the deployment of low-carbon and climate-resilient solutions • Degree to which the proposed activities help to overcome systematic barriers to low-carbon development to catalyse impact beyond the scope of the project or programme
		Contribution to the regulatory framework and policies	Potential for strengthened regulatory frameworks and policies to drive investment in low-emission technologies and activities, promote development of additional low-emission policies, and/or improve climate-responsive planning and development	• Degree to which the project or programme advances the national/local regulatory or legal frameworks to systemically promote investment in low-emission or climate-resilient development • Degree to which the activity shifts incentives in favour of low-carbon and/or climate-resilient development or promotes mainstreaming of climate change considerations into policies and regulatory frameworks and decision-making processes at national, regional and local levels, including private-sector decision-making

Criterion	Definition	Coverage area	Activity-specific sub-criteria	Indicative indicators (or assessment factors)
		Overall contribution to climate-resilient development pathways consistent with a country's climate change adaptation strategies and plans (adaptation only)	Potential for expanding the proposal's impact without equally increasing its cost base (scalability) Potential for exporting key structural elements of the proposal to other sectors, regions or countries (replicability)	• Scaling up the scope and impact of the intended project/programme without equally increasing the total costs of implementation • A theory of change for replication of the proposed activities in the project/programme in other sectors, institutions, geographical areas or regions, communities or countries • Degree to which the programme or project reduces proposed risks of investment in technologies and strategies that promote climate resilience in developing countries
Sustainable development potential	Wider benefits and priorities	Environmental co-benefits	Expected positive environmental impacts, including in other result areas of the Fund, and/or in line with the priorities set at the national, local or sectoral level, as appropriate	• Degree to which the project or programme promotes positive environmental externalities such as air quality, soil quality, conservation, biodiversity, etc.

Criterion	Definition	Coverage area	Activity-specific sub-criteria	Indicative indicators (or assessment factors)
	Social co-benefits	Expected positive social and health impacts, including in other result areas of the Fund, and/or in line with the priorities set at the national, local or sectoral levels, as appropriate	Potential for externalities in the form of expected improvements, for women and men as relevant, in areas such as health and safety, access to education, improved regulation and/or cultural preservation	• Social co-benefits
	Economic co-benefits	Expected positive economic impacts, including in other result areas of the Fund, and/or in line with the priorities set at the national, local or sectoral level, as appropriate	Potential for externalities in the form of expected improvements in areas such as expanded and enhanced job markets, job creation and poverty alleviation for women and men, increased and/or expanded involvement of local industries; increased collaboration between industry and academia; growth of private funds attracted; contribution to an increase in productivity and competitive capacity; improved sector income-generating capacity; contribution to an increase in energy security; change in water supply and agricultural	• Economic co-benefits

Criterion	Definition	Coverage area	Activity-specific sub-criteria	Indicative indicators (or assessment factors)
			productivity in targeted areas, etc.	
	Gender-sensitive development impact	Potential for reduced gender inequalities in climate change impacts and/or equal participation by gender groups in contributing to expected outcomes	Explanation of how the project activities will address the needs of women and men in order to correct prevailing inequalities in climate change vulnerability and risks	• Gender-sensitive development impact
Needs of the recipient	Vulnerability and financing needs of the beneficiary country and population	Vulnerability of the country (adaptation only)	Scale and intensity of exposure of people, and/or social or economic assets or capital, to risks derived from climate change	• Intensity of exposure to climate risks and the degree of vulnerability, including exposure to slow onset events • Size of population and/or social or economic assets or capital of the country exposed to climate change risks and impacts
		Vulnerable groups and gender aspects (adaptation only)	Comparably high vulnerability of the beneficiary groups	• Proposed project/programme supports groups that are identified as particularly vulnerable in national climate or development strategies, with relevant sex disaggregation
		Economic and social development level of the country and the affected population	Level of social and economic development of the country and target population	• Level of social and economic development (including income level) of the country and target population (e.g. minorities, disabled, elderly, children, female heads of households, indigenous peoples, etc.)

Criterion	Definition	Coverage area	Activity-specific sub-criteria	Indicative indicators (or assessment factors)
		Absence of alternative sources of financing	Opportunities for the Fund to overcome specific barriers to financing	• Explanation of the existing barriers that create absence of alternative sources of financing and how they will be addressed
		Need for strengthening institutions and implementation capacity	Opportunities to strengthen institutional and implementation capacity in relevant institutions in the context of the proposal	• Potential of the proposed programme or project to strengthen institutional and implementation capacity
Country ownership	Beneficiary country ownership of, and capacity to implement, a funded project or programme (policies, climate strategies and institutions)	Existence of a national climate strategy Coherence with existing policies	Objectives are in line with priorities in the country's national climate strategy Proposed activity is designed in cognizance of other country policies	• Programme or project contributes to country's priorities for low-emission and climate-resilient development as identified in national climate strategies or plans, such as nationally appropriate mitigation actions (NAMAs), national adaptation plans (NAPs) or equivalent, and demonstrates alignment with technology needs assessments (TNAs), as appropriate • Degree to which the activity is supported by a country's enabling policy and institutional framework, or includes policy or institutional changes
		Capacity of accredited entities or executing entities to deliver	Experience and track record of the Accredited Entity or executing entities in key elements of the proposed activity	• Proponent demonstrates a consistent track record and relevant experience and expertise in similar or relevant circumstances as described in the proposed project/programme (e.g. sector, type of intervention, technology, etc.)

Criterion	Definition	Coverage area	Activity-specific sub-criteria	Indicative indicators (or assessment factors)
		Engagement with civil society organisations and other relevant stakeholders	Stakeholder consultations and engagement	• Proposal has been developed in consultation with civil society groups and other relevant stakeholders, with particular attention being paid to gender equality, and provides a specific mechanism for their future engagement in accordance with the Fund's environmental and social safeguards and stakeholder consultation guidelines. The proposal places decision-making responsibility with in-country institutions and uses domestic systems to ensure accountability
Efficiency and effectiveness	Economic and, if appropriate, financial soundness of the programme/project	Cost-effectiveness and efficiency regarding financial and non-financial aspects	Financial adequacy and appropriateness of concessionality	• 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 • Demonstration that the proposed financial structure provides the least concessionality needed to make the proposal viable
			Cost-effectiveness (mitigation only)	• Demonstration that the Fund's support for the programme/project will not crowd out private and other public investment • Estimated cost per t CO2 eq (PMF-M Core 2) as defined as total investment cost/expected lifetime emission reductions, and relative to comparable opportunities
		Amount of co-financing	Potential to catalyse and/or leverage investment (mitigation only)	• Expected volume of finance to be leveraged by the proposed project/programme and as a result of the Fund's financing, disaggregated by public and private sources (PMF-M Core 3) • Co-financing ratio (total amount of co-financing divided by the Fund's investment in the project/programme) • Potential to catalyse private- and public-sector investment, assessed in the context of performance on industry best practices • Expected indirect/long-term low-emission investment mobilized as a result of the implementation of activity

Criterion	Definition	Coverage area	Activity-specific sub-criteria	Indicative indicators (or assessment factors)
		Programme/project financial viability and other financial indicators	Expected economic and financial internal rate of return Financial viability in the long run	• Economic and financial rate of return with and without the Fund’s support (i.e. hurdle rate of return or other appropriate/relevant thresholds) • Description of financial soundness in the long term (beyond the Fund’s intervention)
		Industry best practices	Application of best practices and degree of innovation	• Explanations of how best available technologies and/or best practices, including those of indigenous peoples and local communities, are considered and applied • If applicable, the proposal specifies the innovations or modifications/adjustments made based on industry best practices