SESSION 2:



PROGRAMMING OVERVIEW

NDCs, **READINESS COUNTRY & PROJECT** Climate **FUNDING PPF** (including **ENTITY WORK CONCEPT** Change **PROPOSALS** Adaptation **PROGRAMMES NOTES** Strategy Planning)

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

Structured dialogues and direct access events further support funding proposal quality

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Key Programming Principles & Changes

Key principles

- Country-centered approach to programming → moving away from the DP-centric approach
- Systems thinking and programming approach → moving away from 'grant-bygrant', incremental approach
- Effectiveness (delivery), simplicity and speed (processing)

Major changes

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

Strategic, medium-term planning of readiness support, over 4 years

Streamlined objectives & modalities for simplification of processes, increased speed, ease of access & predictable resources

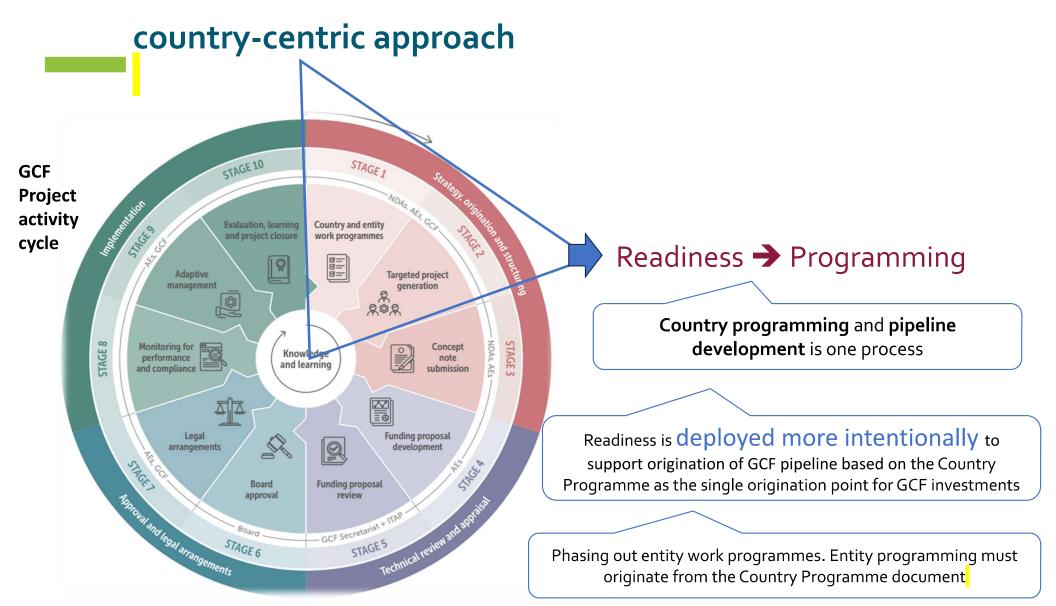
COUNTRY-LED Programming

Integrated Readiness PROGRAMME(S)*

* Built-in

flexibility

Competitive
SELECTION of the
most suitable
technical & financial
offers

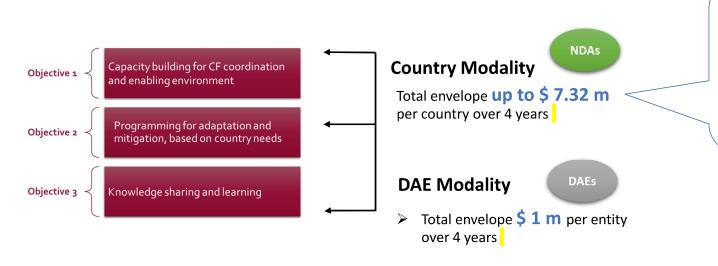




Readiness Strategy- 2024-2027



FINANCING MODALITIES FOR 2024-2027



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

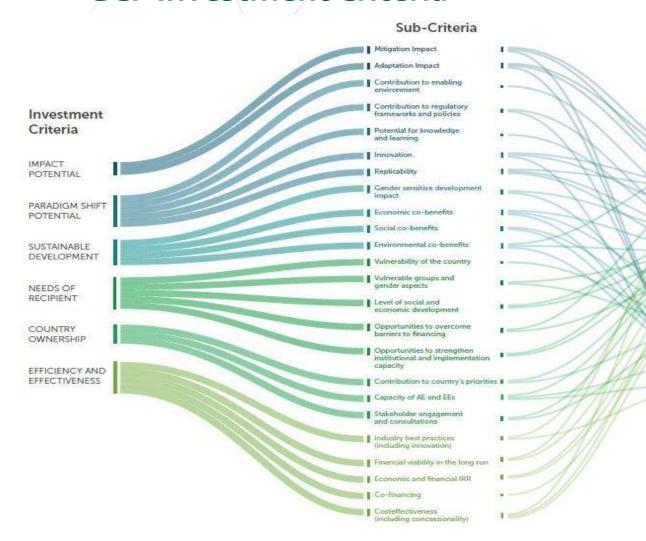
- \$ 4 million per country over 4 years+ \$ 3 million NAP.1 formulation
 - \$ 320k per LDC/SIDS country over 4 years
- Up to \$ 3 million of NAP.2
 implementation → if required over
 & above \$ 7 M
 - Only if the main envelope is < \$250k remaining in committed funds
 - Based on clear need & demonstrable impact on NAP implementation



Project Design

- Deciding on a GCF project/programme from a climate change perspective
- Synthesizing the climate change narrative essential elements

GCF Investment Criteria







Climate Impact

Additionality

Innovation

Scalability

Sustainability

Concessionality

Financial Structuring

Development Co-benefits and Safeguards

Risk and Compliance

Technical Soundness



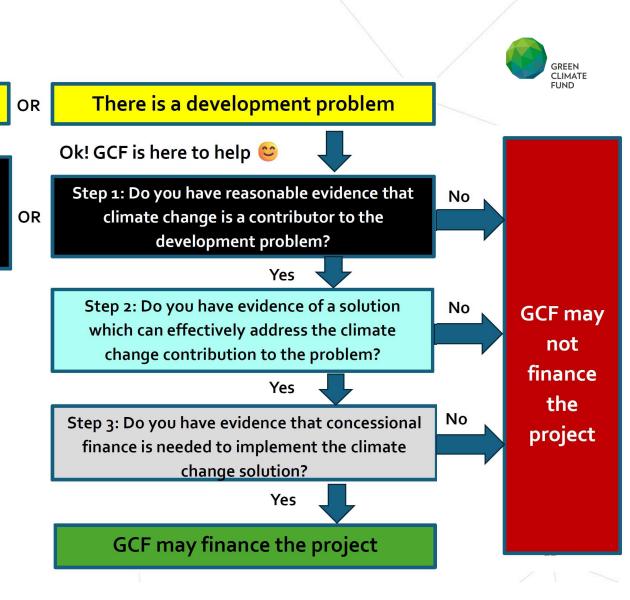
Early engagement (pipeline development):

How do you decide whether GCF can fund your project from a climate change perspective?



Step 1: Do you have reasonable evidence that climate change is a contributor to the worsening performance of a sector, infrastructure, community, heritage, ecosystem etc.?

ADAPTATION



Formulating a theory of change

STEP 1: Formulation of the goal

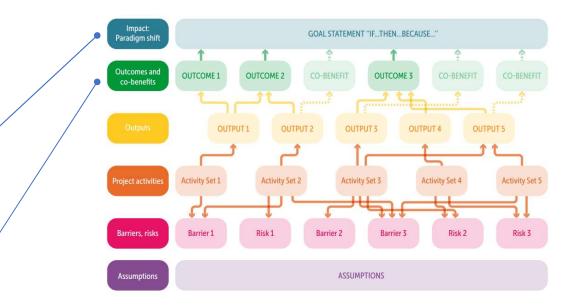
The goal is not what the project does on its own but something that the project contributes to achieving.

STEP 2: Formulation of the goal statement

The goal statement is usually structured in the "IF ... THEN ... BECAUSE ..." format.

STEP 3: Formulation of the project outcomes and co-benefits

Look into the outcomes (or conditions) and cobenefits that contribute to achieving the goal set up in STEP 1 and the linkages between the various outcomes.



Formulating a theory of change

STEP 4: Formulation of project outputs

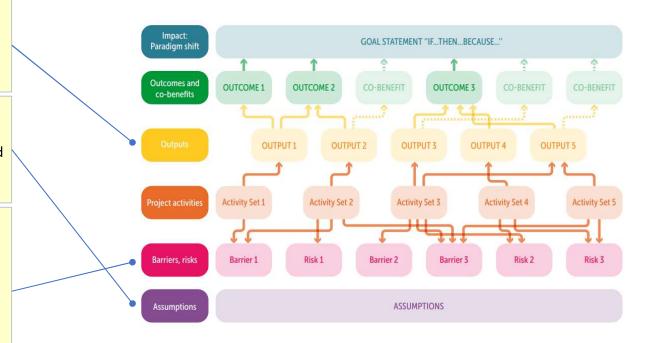
Analyze the activities and outputs that can lead to the outcomes of the project.

STEP 5: Key assumptions

While making the assumptions, it may be required to rearrange some of the outcomes and outputs to ensure the ToC applies realistic assumptions linked to the project outcomes.

STEP 6: Identification of barriers and risks

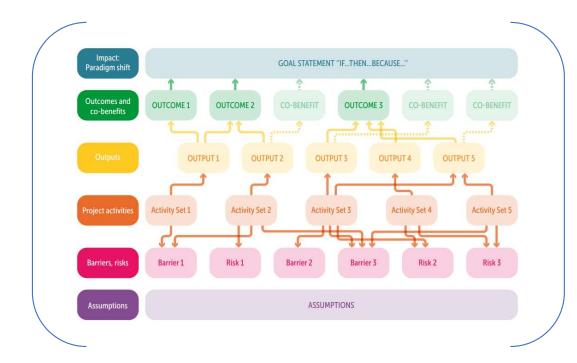
Identify and list elements that prevent the realization of the project outcomes. When the barriers are aligned with the assumptions and the outputs, it may be required again that some of the outputs and even outcomes are rearranged.



Formulating a theory of change

STEP 7: Finetuning of the initial Theory of Change

The development of a ToC requires a series of iterations before it is finalized. Once the initial draft of the ToC is formulated, it is important to review and, if necessary, realign the linkages between the outputs, outcomes and the final goal to ensure that all linkages have been captured, and that the ToC presents in a logical manner how the goal cascades back to outcomes and outputs.



Key takeaways

- ToC development is an integral part of any FP, including for SAPs
- However, it is important that you develop a ToC even as part of your CN, for example in an annex.
- The ToC should be the starting point for conceptualization of any project or programme and should be preferably developed in a participatory manner



Result management in the GCF

In the context of sustainable development, the Fund will promote the 1) paradigm shift towards low-emission and climate-resilient development pathways by providing support to developing countries to 2) limit or reduce their greenhouse gas emissions and to adapt to the impacts of climate change, taking into account the needs of those developing countries particularly vulnerable to the adverse effects of climate change. (GI para 2)

Result measurement is a key in assessing how GCF investments deliver climate results and how project and programme results contribute to the overall objectives of GCF.

OBSERVATIONS

- Too ambitious ToC. Realistic expectations as to what can be changed with a project
- Disconnect between ToC and project structure and design
- Assumptions at times generic and disconnected from specific country/territory
- ToC developed by only a few. Relevant stakeholders of the project must be involved to ensure a shared long term vision