



Community of Practice of  
Direct Access Entities

Work Programme: Climate Project Development

SIX PAPERS FOCUSING ON CPDAE MEMBERS' LESSONS  
LEARNED AND EXPERIENCE SHARING ON VARIOUS TOPICS

**PAPER #3:**  
**CONCEPT NOTE AND PPF  
REQUEST PREPARATION**

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## Management Guidance and Technical Oversight

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### Disclaimer

The views expressed in this report are those of the authors do not necessarily represent those of PROFONANPE, or those of GIZ, or those of GCF, or those of the AF.

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# 1. Introduction

The Community of Practice for Direct Access Entities (CPDAE) is a network composed of National Implementing Entities (NIEs) to the Adaptation Fund (AF) and Direct Access Entities (DAEs) to the Green Climate Fund (GCF). Membership is open to interested AF's NIEs and GCF's DAEs and the CPDAE is driven by its members, led by an elected Committee that coordinates its work.

The work package "Climate Project Development" under the CPDAE Readiness project implemented by GIZ under GCF contract aims to build capacities and share knowledge among the CPDAE members to advance their project pipelines and increase the number of quality funding proposals. One of the deliverables of this work package are the development of six papers focusing on CPDAE members' lessons learned and experience sharing on various topics. The paper at hand focuses on Concept Notes (CN) and Project Preparation Facility (PPF) request preparation mandated by the GCF and AF as an integral part of project preparation and implementation.

## 2. Green Climate Fund and Adaptation Fund Guidance

### 2.1. Green Climate Fund Guidance

The GCF provides financial support to projects through approved Funding Proposals (FPs). To achieve an approved FP, Accredited Entities (AEs) elaborate first a Concept Note (CN – note that it is not compulsory to have a CN, but highly recommendable), receive and implement Project Preparation Facility support (PPF – if at all necessary) and lastly, elaborate a FP including all compulsory annexes.

#### a. Concept Notes

Next to the "regular" GCF funding modality<sup>1</sup>, there is a Simplified Approval Process<sup>2</sup> (SAP) and specific Requests for Proposals (RfPs). Each of these modalities have their own documents, guidelines, and templates to be considered and used. From a project development perspective, it is useful to first assess whether a project idea likely fits with the requirements of SAP, or a current RfP. If the answer is yes, the respective guidelines and templates can be used, else, the regular guidelines and templates should be followed.

The key eligibility criteria of the SAP include that a project requires a GCF contribution of up to USD 25 million and that the environmental and social risks and impacts of the project are minimal. The simplifications in the SAP modality should lead to a reduction in time and effort required to go from project conception to implementation. As for specific eligibility criteria and requirements for current RfPs<sup>3</sup>, please see the dedicated GCF webpages<sup>4</sup> for details and note that new RfPs may be launched.

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1 <https://www.greenclimate.fund/projects/access-funding> ↗

2 <https://www.greenclimate.fund/projects/sap> ↗

3 At present the following RfPs are active: REDD+ Results-Based Payments Pilot Programme (REDD+), Enhancing Direct Access (EDA), Micro-, Small-, and Medium-Sized Enterprises Pilot Programme (MSME pilot programme) and Mobilising Funding at Scale Pilot Programme (MFS). Please check the GCF website for latest information on active RfPs.

4 <https://www.greenclimate.fund/projects/rfp> ↗

The GCF published several users guides and sectoral as well as technical guidelines to develop regular<sup>5,6</sup> and SAP<sup>7</sup> CNs. There are dedicated CN templates for regular and SAP projects. The detailed information available online on the GCF project cycle<sup>8</sup> provides for a lot of useful information too. All these resources provide for indispensable reading ahead of preparing a GCF CN. Some CPDAE members have developed dedicated project cycle procedures and manuals to help align to these processes and requirements (e.g., a “Project Management Manual” at entity level). DAEs that do not yet have such a manual may wish to elaborate one.

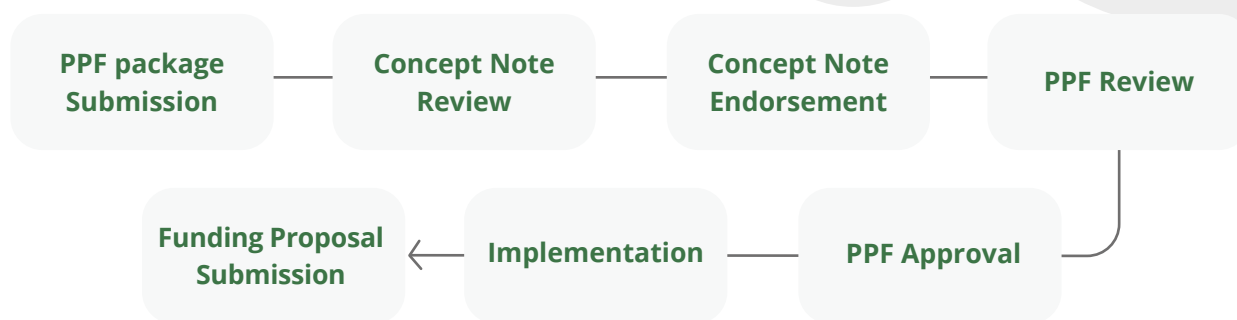
The GCF Appraisal Guidance<sup>9</sup> sets out the due diligence processes that are employed in the GCF’s assessment of CNs and FPs. It is useful for project developers to be aware of these appraisal tools and methods, as such knowledge can lead to better formulated CNs. More information on GCF appraisal is available in Annex 1.5.

### b. Project Preparation Facility (PPF)<sup>10</sup>

GCF recognizes developing countries may face capacity constraints in developing climate finance proposals, thus providing financial and technical assistance for the preparation of project and programme Funding Proposals (FPs) through the PPF. The PPF is especially designed to support DAEs for projects in the micro and small-sized category. However, all Accredited Entities (AEs) are eligible to apply.

PPF application packages submitted by AEs go through the approval process depicted in figure 1.

Figure 1: **PPF approval process**



Source: GCF SAP Brief

PPF Coverage: Standard PPF funding can be up to USD 1.5 million for each application, commensurate to the FP being developed and to the activities included in the PPF application. The simplified PPF funding modality is available for support up to USD 300'000. Funding is provided in the form of grants, repayable grants, and equity. Simplified explanation is available through an infographic<sup>12</sup> that displays the support available through the two modalities: 1) PPF funding and 2) PPF service. More details on these two modalities are available in annex A1.1-1.3.

Process Guidelines<sup>13</sup>: PPF provides financial support to AEs in preparing FPs for submission to the GCF. The PPF supports AEs in preparing full FPs for consideration by the Board, based on a CN that has been cleared for project preparation support with respect to the GCF investment criteria. The PPF Guidelines document provides practical guidance to help AEs in preparing and submitting PPF requests to the GCF Secretariat. The GCF also provides a short video presentation for an easier understanding of the process.

5 <https://www.greenclimate.fund/projects/sectoral-guides> ↗  
 6 <https://www.greenclimate.fund/document/programming-manual> ↗  
 7 <https://www.greenclimate.fund/projects/sap/resources> ↗  
 8 <https://www.greenclimate.fund/project-cycle> ↗  
 9 <https://www.greenclimate.fund/document/appraisal-guidance> ↗  
 10 <https://www.greenclimate.fund/projects/ppf> ↗  
 11 <https://www.greenclimate.fund/document/gcf-brief-simplified-approval-process> ↗  
 12 [www.greenclimate.fund/sites/default/files/page/gcf-ppf-infographic.pdf](https://www.greenclimate.fund/sites/default/files/page/gcf-ppf-infographic.pdf) ↗  
 13 <https://www.greenclimate.fund/document/project-preparation-facility-guidelines> ↗  
 14 <https://www.greenclimate.fund/projects/ppf> ↗

## c. Funding Proposals

Process summary: FPs are a set of documents prepared by AEs using GCF standard templates (for the funding proposal and its annexes) that is submitted to GCF to formally request funding for a project. Developing FPs comes at Stage 4 of GCF's project cycle<sup>15</sup>. FPs must be prepared in accordance with the requirements of the GCF investment framework and results management framework. AEs are expected to demonstrate how they will deliver their proposed project activities and result areas with reference to these policy frameworks.

Process conditions: When preparing FPs, AEs must work within their accreditation scope which includes the type of financial instrument (grant, loan, guarantee, equity), the project size category (micro, small, medium and large), the environmental and social risk category (minimal/no, limited or significant risks) and specialized standards (project management, grant awards and on-lending/blending). FPs submitted to GCF must be accompanied by no-objection letters (NOL) from the respective NDAs/focal points. An NOL is a key tool to ensure country ownership.

Project execution: FPs must also present the implementation arrangements through Executing Entities (EEs). AEs may act as EEs and/or may carry out the project/programme with one or more EEs. AEs are responsible for determining, selecting, and engaging EEs based on their due diligence and other assessments required. GCF does not enter a direct contractual relationship with EEs.

More information on GCF FPs related documents and resources are available in Annex 1.6.

## 2.2. Adaptation Fund Guidance

The Adaptation Fund (AF) finances adaptation projects and programmes. A project, in the context of concrete adaptation, is a targeted suite of activities specifically designed to address the negative impacts of climate change and build resilience against its future effects. On the other hand, an adaptation programme represents a broader approach, encompassing a comprehensive plan or methodology that strategically handles climate change repercussions on a larger scale. Different funding processes are made available and are briefly presented below.

### a. Adaptation Fund Project Cycle

The parties that fulfil all eligibility requirements can submit a fully prepared project/programme document to the Secretariat at least nine weeks before the next Adaptation Fund Board meeting (the [AF Board](#) meets at least twice a year and the upcoming Board meetings are announced in the [AF's events calendar](#)). Then the steps shown in Figure 2 below apply.

### b. Modalities to access the AF

Developing countries that are eligible for funding from the AF can submit their project or programme proposals in two ways: (i) Direct Access through National Implementing Entities (NIEs) or (ii) access through Multilateral Implementing Entities (MIEs). Both NIEs and MIEs need to be accredited to the AF.

### c. Categories of Projects/Programs

The AF divides its initiatives into two main categories depending on size and financial needs. Small-sized Projects and Programmes (SPs) are interventions that seek up to USD 1 million. In contrast, Regular-sized Projects and Programmes (RPs) request over USD 1 million. See Annex A2.1 for AF priority sectors.

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<sup>15</sup> <https://www.greenclimate.fund/project-cycle>

Figure 2: **AF project cycle**



#### **d. Approval process**

There are two approval processes under the AF project cycle: (i) a one-step approval process; and (ii) a two-step approval process. All SPs will follow the one-step approval process, while RPs may follow either the one-step approval or the two-step approval process, depending on the stage of project/programme preparation, and at the discretion of the project/programme proponent. More details are available in Annex 2.2 and 2.3.

#### **e. Documentation required for submission**

The main documents required for submission are as follows:

- Project/programme concept<sup>16</sup> used for the first step of the two-step approval process (only for RPs that have not been fully developed);
- Fully developed project/programme<sup>17</sup> document prepared by NIEs/MIEs for both small-sized and regular projects;
- Endorsement letter<sup>18</sup> signed by the country's Designated Authority for AF.

Additional documents, guidance material and templates are available in Annex 2.4.

<sup>16</sup> <https://www.adaptation-fund.org/document/template-for-concept-note-for-single-country-proposal/>

<sup>17</sup> <https://www.adaptation-fund.org/document/template-for-fully-developed-single-country-proposal/>

<sup>18</sup> <https://www.adaptation-fund.org/apply-funding/project-funding/project-proposal-materials/>

### 3. Experience of CPDAE members

In the interviews conducted with around 20 CPDAE members from January to March 2023, a specific question was “what is your organization’s experience with GCF/AF project preparation?”. Sub-questions were (i) “which positive experiences and success can you point out?”; and (ii) “what are the main problems and obstacles of your institution in this area?”. In addition the following questions were discussed: “In which areas of project development and management will your institution require external expert advice in the future?”; “Through which channels and methods does your institution identify and contract external expertise at present?”; “Do you mobilise external expertise for short term only or also long-term?”; and “What are the main problems and obstacles of your institution in identifying and contracting such external expert advice?”.

#### 3.1. Positive experiences and common barriers

Positive experiences and barriers are summarized in Table 1. Main challenges include, among others, lack of in-house capacity and are related to technical aspects of CNs and FPs preparation, as well as constraints in data collection processes. In some cases, these challenges are amplified by in-house barriers (language barriers, financial barriers), national circumstances (legal, political, policy-related barriers), or external barriers (insufficient funds guidance or insufficient consultant support).

Table 1: **Positive experiences and barriers shared by CPDAE members regarding project preparation**

Type of issue	Selected CPDAE members feedback
<b>Technical challenges</b>	<ul style="list-style-type: none"> <li>• Theory of Change (ToC) development is one of the most difficult but rewarding parts of project preparation.</li> <li>• Developing the climate rationale.</li> <li>• PPF perceived and experienced as a huge challenge.</li> <li>• Responding to feedback from the AF/GCF on project proposals can be quite slow.</li> <li>• Landing project ideas and getting them approved by the Funds (ToC).</li> <li>• The non-availability and/or limited knowledge of experts on climate issues.</li> <li>• Revising a ToC following comments from GCF.</li> <li>• Confusion over impact definition.</li> </ul>
<b>Challenges to identify and access information, working the information into CNs or FPs</b>	<ul style="list-style-type: none"> <li>• Inputs from eminent universities are needed to get specific, downscaled information for developing the climate rationale of projects.</li> <li>• Climate justification of a project, especially with regards to historical data requested by GCF, which is hard to find or may not exist.</li> <li>• Insufficient coverage of meteorological stations to capture desired climatic variables.</li> </ul>
<b>Financial barriers</b>	<ul style="list-style-type: none"> <li>• International experts have very high rates, so CPDAE members depend on external finance to engage them. This sometimes results in experts not covering the whole scope of work needed, because of insufficient man-days.</li> <li>• In some cases, CPDAE members need support in writing Terms of Reference (ToR) for consultants to make sure members get what they need and how much time is reasonable for specific tasks and what exactly can be asked from consultants.</li> <li>• Project management cost allowance (8.5%) is insufficient to cover the costs, especially for small projects and in remote areas.</li> <li>• The pilot programme on Enhancing Direct Access (EDA), does not have enough resources.</li> <li>• AF PPF funding available may be too small to cover costs of all required documents.</li> </ul>

<p><b>Legal, political, or policy barriers</b></p>	<ul style="list-style-type: none"> <li>• Some countries procurement laws require that the lowest financial bid be accepted. This often results in awarding less qualified experts as well as certain firms monopolizing services through low prices.</li> <li>• Negotiations and political sensitivity required.</li> <li>• How to integrate climate change in the different planning and budgetary documents.</li> </ul>
<p><b>Language barriers and consultants</b></p>	<ul style="list-style-type: none"> <li>• A consultant may be leading worldwide in terms of technical expertise, but if this expert does not communicate in local or national language or does not have knowledge of the national circumstances, challenges arise.</li> <li>• Language may be a barrier for francophone consultants receiving comments in English.</li> <li>• There have been cases of consultants not understanding their mission, lack of expertise and, sometimes CDPAE members ended up doing the consultant's work.</li> <li>• Some experts are good in moderating discussions, others are good in writing ToCs, etc. Difficult to find experts that can cover multiple/all requirements.</li> <li>• In some cases, consultants should and need to engage in information collection, not only require that they receive all necessary information from CPDAE members.</li> <li>• For restricted tender calls, it is easy to detect people/knowledge with sufficient references. However, the experts that apply to open tenders are often not good enough. Experts with good profiles are usually overloaded because demand is high.</li> <li>• For some CPDAE members, it has been very difficult to find experts who meet the necessary requirements. Some may have local knowledge, but have never worked for the GCF, and vice versa: those that have GCF experience, may not know the country/region.</li> </ul>
<p><b>Insufficient GCF and/or AF guidance or support</b></p>	<ul style="list-style-type: none"> <li>• The GCF has changing and not very consolidated criteria – sometimes there are contradictory messages or decisions during the project review process.</li> <li>• Little guidance from GCF: CPDAE member received feedback from the GCF that they should review ToC and logical framework, but without more detailed information (the GCF pointed to a video), more specific comments were not available, and the person in charge not available for a meeting to clarify what exactly should be changed.</li> <li>• In case provided by the GCF, GCF should take a more proactive role in supervising the work of these experts as the DAE or government has little control over experts that are not under DAE contracts.</li> <li>• Slow and cumbersome processes.</li> <li>• The challenge is to generate exchanges and learning. One of the questions is, how difficult it is to become accredited to the AF, if an entity already has experience with the GCF?</li> <li>• Early project development can be expensive and sometimes there is no support from GCF available. The challenge is to get to an endorsed CN, which is the stage when an entity can ask for PPF support. Getting to an endorsed CN can cost a minimum of USD 20,000 or more, depending on which consultants are hired and whether translation is needed.</li> </ul>

### c. Need for external expertise

CPDAE members expressed needs in terms of technical aspects for the preparation of CNs and PPF requests, in particular experts that are sufficiently familiar with national and local contexts. The following needs were identified as well:

- Conducting assessments, project scoping, feasibility studies, and impact evaluation systems.
- Estimation of GHG emissions.
- Expertise in developing adaptation options.
- ToC and the problem analysis.
- CN and PPF formulation in English as per GCF/AF standards and requirements.
- Gender expertise.
- Building a strong climate rationale for projects.

- Need to mobilize national experts and train them on the job and to collect data on the ground.
- Design during all steps of project preparation, including studies (cost analysis, gender, ESIA).
- Elaborating updates to climate data and planning of support (it takes about 2 to 3 years to get the funds for a CN). Once support is available, data may be outdated.
- It is a challenge to find experts who understand the reality and context of specific regions, e.g., in Africa and who have proven experience in such regions and know relevant stakeholders.

### 3.2. Good practice tips and suggestions

Good practice tips for project identification and prioritization of projects funded by the AF and the GCF are highlighted in the following table.

Table 2: **Positive experiences and best practices in CN and PPF preparation mentioned by CPDAE members**

Type	Positive experiences and best practices
<p><b>Main positive experiences</b></p>	<ul style="list-style-type: none"> <li>• Excellent support and guidance by GCF facilitator. Being a national was also very helpful.</li> <li>• Logical framework - better documented scorecards provided by the GCF are helpful in the CN and PPF request preparation process.</li> <li>• Field visits by Fund executives and exchanges to explain the requirements and processes were helpful. Internal climate procedures useful to strengthen the entity's skills.</li> <li>• Building in-house expertise through developing several projects including addressing GCF/ AF comments through in-house expertise.</li> <li>• The importance of stakeholder consultations: When stakeholders have been well consulted and listened to, there will be little or no problems during implementation, as activities better reflect their priorities and expectations. Main communication canals are local government institutions to be able to get to the affected parties and beneficiaries.</li> <li>• Readiness provided an opportunity to understand the requirements of the GCF through training with practical exercises, the development of project idea and all structuring procedures starting from the GCF templates.</li> <li>• Follow-up of the training of trainers on GCF project preparation was helpful.</li> <li>• The support of public institutions is a great advantage.</li> <li>• Locally anchored ally to submit a joint proposal with a GCF experienced consultancy firm provided for a good match.</li> </ul>
<p><b>Good practices shared by CPDAE members</b></p>	<ul style="list-style-type: none"> <li>• Selecting universities and working with them in framework contracts, allowing more cost-efficient services to deliver tailor made information.</li> <li>• Continuous training, especially on ToC development, by defining the different steps to identify solutions and intervention strategies.</li> <li>• Developing internal tools to minimize the risks and challenges.</li> </ul>
<p><b>Selected good practice tips</b></p>	<ul style="list-style-type: none"> <li>• Consider an inclusive process to ensure that key stakeholders and data holders are engaged from the start of CN and PPF preparation.</li> <li>• Consider both national and international expertise to ensure transfer of competences and that all gaps can be covered in terms of local knowledge, data access, mastery of GCF and AF guidelines and requirements, etc.</li> <li>• Consider a series of workshops when developing projects from ideas to CNs.</li> <li>• Ensure realistic planning of the project development process from idea to FP.</li> <li>• Continuous DAE-led adaptive management during CN and FP development.</li> </ul>

## 4. Conclusion

All DAEs and NIEs must stay up to date with the latest guidance on CN and PPF preparation issues associated with GCF and AF projects/programmes, as they are constantly being upgraded and improved. The CPDAE should continue to share their experience in preparing CNs and PPF requests among each other. CPDAE could also take a role in informing pending changes in GCF or AF policies and help address inconsistencies in feedback from GCF and/or AF through facilitating advice from other CPDAE members.

# ANNEX 1:

## GCF Guidance on CN and PPF preparation

### A 1.1 PPF modality 1: PPF funding

AEs can receive funding up to USD 1.5 million in the form of grants, repayable grants, or equity to undertake project preparation activities by themselves. As such, AEs organize the procurement and implementation process directly and are accountable for the oversight and reporting of the approved funding and activities.

As it is the case for all types of GCF projects, AEs may seek PPF financial resources to prepare funding proposals for consideration under the Simplified Approval Process, based on a high potential Concept Note. AEs eligible for the Simplified PPF Funding can request up to USD 300,000 from GCF.

In general, if a PPF results in a feasible project with income generation potential, the PPF amount financed by the GCF should be repayable at financial close of the funded activity. In principle, the PPF funding from the GCF should be repaid within the financial structure of the Funding Proposal, with terms and conditions to be determined at the Funding Proposal development and review process stage, prior to submission to the GCF Board. If an AE assigns a project supported by the GCF PPF to a third party without the consent from the GCF, the AE should repay the PPF funding to the GCF. This is not limited to private sector projects.

### A 1.2 PPF modality 2: PPF service

The GCF provides project preparation services directly to AEs through a roster of independent consultancy firms, ensuring fast and quality delivery to AEs who do not wish to take on the procurement and project management of PPF activities by themselves.

### A 1.3 PPF Coverage

The PPF can support one or more of the following activities that need to contribute directly to the development of one project and will need to be submitted as part of the Funding Proposal package.

- Pre-feasibility and feasibility studies, as well as project design: Pre-feasibility and feasibility studies should compare scenarios with and without the project under a projection of climate change and against a baseline situation and compare those scenarios to each other to determine the impact of the project. This would include data collection, research, site specific technical appraisals, and cost benefit analysis, as well as market research and estimated GHG reduction calculations.
- Environmental, social and gender studies: As articulated in the Environmental and Social Safeguard (ESS) Policy, GCF requires that due diligence be exercised in the projects and programmes such as that all measures are undertaken to identify, assess and manage the environmental and social risks and impacts. The exercise of environmental and social due diligence shall follow good international industry practices (GIIP) and based on established relevant guidance.
- Risk assessment - Examples of risk assessments include: Analysis on risk mitigation instruments; site-specific hazard assessments, including identifying hazards and determining hazard mitigations; risk analysis as part of the pre-feasibility and detailed feasibility studies; development of sensitivities and case scenarios as part of the financial analysis; and identification and assessment of potential executing entities.
- Identification of program/project-level indicators - Examples include: Logical frameworks, including GCF relevant indicators, and project indicators, their baselines and targets; assessment of the project/ programme against GCF investment criteria; market assessment and recommendations; economic analysis and recommendations, including cost benefit analysis; and financial analysis and recommendations.

- Pre-contact services, including the revision of tender documents: Examples of activities under this type include: Terms of Reference (TOR); bidding documents; procurement packages; request for proposals; Expression of Interests (Eoi); or prequalification criteria.
- Advisory services and/or other services to financially structure a proposed activity: Example activities under this type of activity include: Advisory services for costing and budgeting according to GCF standards, including the costing in relation to incremental cost for adaptation, in case the project/programme targets adaptation or cross-cutting results; or advice on legal, financial, tax, regulatory and governance matters, to help structure the investments.
- Other project preparation activities: Where necessary, and with sufficient justification, activities can be supported such as workshops and consultations, and translation of project documents.

#### **A 1.4 SAP advantages**

- Simpler documents: Key documents have been simplified, and presented in a single, up-front list.
- Fewer pages: SAP features simpler documents with significantly fewer pages. The total length of FPs should not exceed 20 pages or 10,000 words.
- Easier forms: SAP features simpler questions and clear guidelines for more concise responses for each section, avoiding the duplication of information.

#### **A 1.5 Appraisal Guidance**

The Appraisal Guidance document is meant to ensure that the appropriate review and appraisal is conducted on each CN and FP effectively and efficiently as well as in a consistent and predictable manner to facilitate access to funding and to fulfil the Fund's catalytic objective. To this end, the Appraisal Guidance is available to be used as a reference document for actors from within the GCF Secretariat as well as AEs and other stakeholders at any stage of the development of the CN and FP and of the ensuing appraisal process.

The document sets out a transparent, methodical appraisal process incorporating criteria, checklists, and tools to assess the design of CNs and FPs, as well as their sustainability, intended impacts and alignment with the GCF mandate, investment framework, and policies. The results of this appraisal process will provide information upon which the ultimate decision by the GCF Board regarding any FP will be based. Accordingly, it is imperative that each element of the appraisal process to be completed prior to a CN being presented for consideration by the GCF Secretariat or a FP being presented for consideration by the GCF Board.

The GCF Appraisal Guidance has 9 annexes:

- Annex I: Investment Criteria Scorecard (ICS) tool
- Annex II: Concept Note checklist
- Annex III: Climate guidance
- Annex IV: Innovation and Additionality Tool (IAT)
- Annex V: Grant Equivalent Calculator
- Annex VI: Economic and Financial Analysis (EFA) guidance
- Annex VII: SAP Review Toolkit
- Annex VIII: Independent Technical Advisory Panel (TAP) review procedure
- Annex IX: Key discussion points for CIC2

## A 1.6 FPs related documents

FPs submission: FPs must be submitted through a dedicated funding proposal account: [fundingproposals@gcfund.org](mailto:fundingproposals@gcfund.org). Upon receipt of the FP, the GCF Secretariat performs an initial review and completeness check. Furthermore, all activities will be disclosed to GCF stakeholders about GCF's Information Disclosure Policy.

FP guidance and related documents:

- **Sustainability guidance note: Designing and ensuring meaningful stakeholder engagement on GCF-financed projects** [↗](#)
- **Guidance note to support the completion of the IRMF elements of the revised funding proposal template for PAP and SAP** [↗](#)
- **Draft results handbook** [↗](#)
- **Sectoral guides** [↗](#)
- **Funding Proposal template** [↗](#)
- **Annex 1: No objection letter template** [↗](#)
- **Annex 4: Detailed budget plan template** [↗](#)
- **Annex 5: Implementation timetable template** [↗](#)
- **Annex 6: ESS disclosure report template** [↗](#)
- **Annex 8: Gender assessment and action plan template** [↗](#)
- **Annex 10: Procurement plan template** [↗](#)
- **Annex 11: Monitoring and evaluation plan template** [↗](#)
- **Annex 12: Accredited Entity fee request budget template** [↗](#)
- **Annex 13: Co-financing commitment letter template** [↗](#)
- **Annex 15: Evidence of internal approval template** [↗](#)
- **Annex 17: Multi-country project/programme information template** [↗](#)
- **Temporary annex: Co-financing policy requirements** [↗](#)
- **Request template for extension of deadline for fulfillment of conditions prior to FAA execution** [↗](#)

# ANNEX 2:

## AF guidance on CN and FP preparation

### A 2.1 Sectors financed by the Adaptation Fund

The Adaptation Fund finances climate adaptation projects in various sectors:

- **Agriculture:** The fund supports initiatives aimed at increasing the resilience of agricultural systems to climate change.
- **Coastal Zone Management:** This sector aims to protect and restore coastal ecosystems in the face of rising sea levels and increasingly violent storms.
- **Disaster Risk Reduction and Early Warning Systems:** This involves helping communities prepare for and respond to climate disasters.
- **Ecosystem-based Adaptation:** This area uses biodiversity and ecosystem services as an integral part of the climate adaptation strategy.
- **Food Security:** The Adaptation Fund also supports projects aimed at ensuring food security in the face of challenges posed by climate change.
- **Forests:** It finances initiatives aimed at preserving and restoring forests for their essential role as carbon sinks.
- **Multisector Projects:** The fund invests in projects that integrate various areas of intervention for a more holistic approach.
- **Rural Development:** It supports projects that strengthen the resilience of rural communities to climate change.
- **Urban Development:** With projects aimed at making cities more resilient to the effects of climate change.
- **Water Management:** This is another critical sector where the fund supports projects aimed at improving water management in the face of droughts, floods, and water salinization caused by climate change.

### A 2.2 AF approval processes

**Single-step approval process:** This process may be used for small-size projects/programmes or regular projects/programmes with proposals that are already fully prepared. The approval process encompasses several steps, which will be detailed further in the subsequent sections.

**Two-step approval process:** The two-step approval process may be used for regular projects/programmes if decided by the proponent Party: (i) project concept approval; and (ii) fully developed project document approval. Each of these steps is subject to the same approval process as the single approval process, i.e., the project/programme is subjected to the single approval process twice. The rationale for choosing such a process is for a country to receive feedback or guidance from the Adaptation Fund Board upstream before a project has been fully prepared.

### A 2.3 Review Criteria

The project or program is required to address an adaptation or resilience challenge that could be potentially resolved with the support of the Adaptation Fund. In addition, it is critical that the proposed initiative not only aligns with the priorities established in national strategies and plans, or in Nationally Determined Contributions (NDC), but it must also adhere to the Fund's guidelines and comply with the criteria outlined in the operational policies and directives for project proposal development.

## A 2.4 AF Additional documents, guidance material and templates

Project proposal materials:

- [Instructions for Preparing a Request for Project/Programme Funding](#) [↗](#) ([English](#) [↗](#), [French](#) [↗](#) and [Spanish](#) [↗](#))
- [Approval and Operations Procedures](#) [↗](#)
- [Adaptation Fund Project/Programme Review Criteria](#) [↗](#)
- [Government Endorsement Letter Template](#) [↗](#)
- [Guidance document for Environment and Social Policy](#) [↗](#) ([English](#) [↗](#), [French](#) [↗](#) and [Spanish](#) [↗](#))
- [Guidance Document for Project/Programme with Unidentified Sub-Projects](#) [↗](#) ([English](#) [↗](#), [French](#) [↗](#) and [Spanish](#) [↗](#))
- [Gender Guidance Document for Implementing Entities on Compliance with the Adaptation Fund Gender Policy \(Updated in 2022\)](#) [↗](#)

For fully developed proposals:

- [Results Framework Alignment Table](#) [↗](#)
- [Submission Instruction Guide](#) [↗](#)
- [Template for Fully Developed Project Proposals](#) [↗](#)
- [Disbursement Schedule Template](#) [↗](#)
- [Methodologies for reporting Adaptation Fund core impact indicators](#) [↗](#)
- [Methodologies for reporting Adaptation Fund core impact indicators](#) [↗](#)

For Concept Note submissions:

- [Template for Concept Note Project Proposals](#) [↗](#)
- [Submission Instruction Guide](#) [↗](#)

For NIE proponents – to submit along with concept proposal:

- [Request for Project Formulation Grant \(PFG\)](#) [↗](#)

For submissions for regional projects:

- [Regional Fully Developed Project Proposal Template](#) [↗](#)
- [Regional Concept Note Proposal Template](#) [↗](#)
- [Regional Project Pre-Concept Note Template](#) [↗](#)
- [Call for proposals of Regional Projects](#) [↗](#)