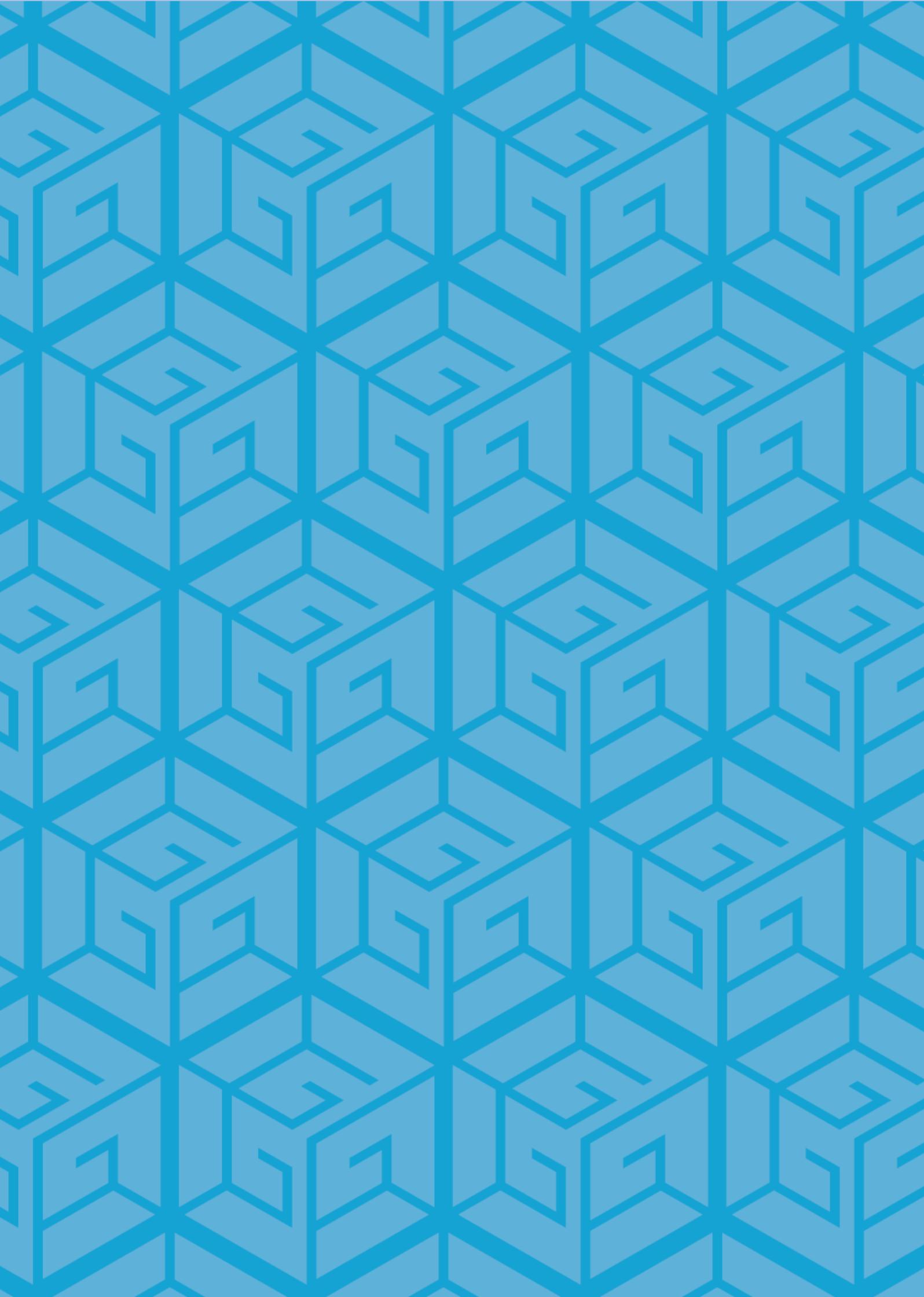


# Papua New Guinea and the Green Climate Fund

## Project Development Manual

Climate Change and Development Authority





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## Acronyms

<b>US\$</b>	United States Dollars	<b>JICA</b>	Japan International Cooperation Agency
<b>ADB</b>	Asian Development Bank	<b>KDB</b>	Korea Development Bank
<b>AE</b>	Accredited Entity	<b>KfW</b>	Kreditanstalt für Wiederaufbau
<b>AF</b>	Adaptation Fund	<b>KOICA</b>	Korea International Cooperation Agency
<b>AMA</b>	Accreditation Master Agreement	<b>KRA</b>	Key Results Areas
<b>BCPNG</b>	Business Council of PNG	<b>LLG</b>	Local Level Government
<b>BPNG</b>	Bank of Papua New Guinea	<b>LULUCF</b>	Land use, land-use change and forestry
<b>BUR</b>	Biennial Update Report	<b>MDB</b>	Multilateral Development Bank
<b>CCDA</b>	Climate Change and Development Authority	<b>MFAT</b>	Ministry of Foreign Affairs and Trade
<b>CCMA</b>	Climate Change Management Act	<b>MTDP</b>	Medium Term Development Plan
<b>CEPA</b>	Conservation and Environment Protection Authority	<b>NAMA</b>	Nationally Appropriate Mitigation Action
<b>CI</b>	Conservation International	<b>NAP</b>	National Adaptation Plan
<b>CIF</b>	Climate Investment Funds	<b>NC</b>	National Communication
<b>CROP</b>	Council of Regional Organisations in the Pacific	<b>NCDC</b>	National Capital District Commission
<b>CSO</b>	Civil Society Organisation	<b>NDA</b>	National Designated Authority
<b>CTF</b>	Clean Technology Fund	<b>NDB</b>	National Development Bank
<b>DAE</b>	Direct Access Entity	<b>NDC</b>	Nationally Determined Contribution
<b>DAL</b>	Department of Agriculture and Livestock	<b>NEC</b>	National Executive Council
<b>DCI</b>	Department of Commerce and Industry	<b>NFA</b>	National Fisheries Authority
<b>DDA</b>	District Development Authorities	<b>NGDP</b>	National Goals and Directive Principles
<b>DFAT</b>	Department of Foreign Affairs and Trade	<b>NGO</b>	Non-Government Organisation
<b>DLPP</b>	Department of Lands and Physical Planning	<b>NMSA</b>	National Maritime Safety Authority

<b>DNPM</b>	Department of National Planning and Monitoring	<b>NoL</b>	No-Objection Letter
<b>DoH</b>	Department of Health	<b>OAS</b>	Online Accreditation System
<b>DoW</b>	Department of Works and Implementation	<b>OECD</b>	Organisation for Economic Cooperation and Development
<b>DPE</b>	Department of Petroleum and Energy	<b>PCCC</b>	Provincial Climate Change Committee
<b>DPLGA</b>	Department of Provincial and Local Government Affairs	<b>PG</b>	Provincial Government
<b>DPPD</b>	Development Planning and Programming Division	<b>PIFS</b>	Pacific Islands Forum Secretariat
<b>DSIP</b>	District Services Delivery Program	<b>PIP</b>	Public Investment Program
<b>EDA</b>	Enhanced Direct Access	<b>PMF</b>	Performance Management Framework
<b>EIB</b>	European Investment Bank	<b>PNG</b>	Papua New Guinea
<b>ESMS</b>	Environmental and Social Management System	<b>PNG DoT</b>	Department of Transport & Infrastructure
<b>ESS</b>	Environmental and Social Safeguards	<b>PNGDSP</b>	PNG Development Strategic Plan
<b>EU</b>	European Union	<b>PNGFA</b>	PNG Forest Authority
<b>FAO</b>	Food and Agriculture Organization of the United Nations	<b>PNGTA</b>	Papua New Guinea Tourist Promotion Authority
<b>FCPF</b>	Forest Carbon Partnership Facility	<b>PPCR</b>	Pilot Program for Climate Resilience
<b>FIP</b>	Forest Investment Program	<b>PPF</b>	Project Preparation Facility
<b>GCF</b>	Green Climate Fund	<b>PSIP</b>	Provincial Services Delivery Program
<b>GEF</b>	Global Environment Facility	<b>RFP</b>	Request for Proposals
<b>GGGI</b>	Global Green Growth Institute	<b>RMF</b>	Results Management Framework
<b>GHG</b>	Greenhouse Gas	<b>SAP</b>	Simplified Approval Process
<b>GIZ</b>	Deutsche Gesellschaft für Internationale Zusammenarbeit	<b>SIDS</b>	Small Island Developing States
<b>GoPNG</b>	Government of Papua New Guinea	<b>SPC</b>	The Pacific Community
<b>IAEs</b>	International Accredited Entities	<b>SREP</b>	Scaling Up Renewable Energy Program in Low Income Countries
<b>IEU</b>	Independent Evaluation Unit	<b>SPREP</b>	Secretariat of the Pacific Regional Environment Programme

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<b>IFAD</b>	International Fund for Agricultural Development	<b>StaRS</b>	National Strategy for Responsible Sustainable Development for PNG
<b>IFC</b>	International Finance Corporation	<b>TWC</b>	Technical Working Committee
<b>IIU</b>	Independent Integrity Unit	<b>UNDP</b>	United Nations Development Programme
<b>IKI</b>	International Climate Initiative	<b>UNEP</b>	United Nations Environment Programme
<b>INGO</b>	International Non-Government Organisation	<b>UNFCCC</b>	United Nations Framework Convention on Climate Change
<b>IOM</b>	International Organization for Migration	<b>UNICEF</b>	United Nations Children's Fund
<b>IPCC</b>	Intergovernmental Panel on Climate Change	<b>USAID</b>	United States Agency for International Development
<b>IPPU</b>	Industrial Processes and Product Use	<b>WB</b>	World Bank
<b>IRM</b>	Independent Redress Mechanism	<b>WMO</b>	World Meteorological Organization
<b>ITAP</b>	Independent Technical Advisory Panel	<b>WWF</b>	World Wildlife Fund
<b>IUCN</b>	International Union for Conservation of Nature		

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## Foreword

This is the first edition of the Papua New Guinea (PNG) Green Climate Fund (GCF) Project Development Manual. The main objective of this manual is to guide and inform national stakeholders on how to develop project proposals to access and utilise the GCF efficiently and effectively.

The manual outlines how stakeholders can scale up and replicate proven and transformative climate adaptation and mitigation solutions for achieving the development and climate goals of PNG. Addressing climate change challenges in PNG requires significant financial and technical resources, and the GCF is one of the main sources of support. Climate finance refers to capital flows which target climate change actions to either reduce or remove greenhouse gas emissions (mitigation) or improve resilience to a changing climate (adaptation).

The manual provides essential information and guidance on how to effectively engage with key stakeholders, including the Climate Change and Development Authority (as the GCF National Designated Authority), GCF Accredited Entities, Executing Entities, and other key players, in the identification, development and implementation of GCF financed projects and programmes.

The GCF was established in December 2010 as a financing mechanism of the United Nations Framework for Convention on Climate Change. The aim of the GCF is to promote a shift towards low-emission, climate-resilient development pathways by providing support to developing countries to limit their greenhouse gas emissions and to adapt to the impacts of climate change.

The GCF creates a new window of opportunity for PNG to access and utilise climate finance. However, as I have emphasised previously, the GCF requires a step-by-step approach and we need to build our readiness to access and utilise the Fund. Achieving this requires a “whole-of-stakeholder approach”, whereby national and local government agencies, the private sector, civil society organisations, communities, and development partners work together in developing and implementing GCF financed projects.

Accessing GCF finance should not be delayed as Papua New Guineans are already experiencing and witnessing acute climate threats in the form of rising seas, inundation of land and food crops, heavy rainfall and landslips, and droughts and frosts resulting in crop failure. Therefore, we welcome support from our regional and international partners to develop and implement GCF projects/programmes, and support us in realising Paris Agreement outcomes, meeting our national climate change commitments, and achieving both a climate-resilient low-carbon future and the fulfilment of our Sustainable Development Goals.

**Mr. Ruel Yamuna, LLB**

**Managing Director, Climate Change and Development Authority**



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## 1 Introduction

### 1.1 Purpose of this manual

This manual has been developed to provide guidance to Papua New Guinea (PNG) national stakeholders on the GCF and its funding opportunities, procedures, policies, and requirements. This manual will enable the reader to understand:

- a The climate change context in PNG, including national plans and commitments, and potential actions for addressing climate change;
- b The GCF and its role as a funding mechanism under the United Nations Framework Convention on Climate Change (UNFCCC) to support developing countries;
- c The governance mechanism for the GCF in PNG, including the National Designated Authority (NDA);
- d The roles and responsibilities of national stakeholders;
- e GCF funding windows, modalities, procedures and policies;
- f The requirements for developing a high-quality GCF proposal;
- g The requirements for implementing, and conducting monitoring and evaluation, of a GCF project/programme.

Understanding the above information is crucial for stakeholders to identify and develop a high-quality GCF climate change project/programme proposal. This manual also provides guidance to stakeholders on the GCF accreditation process, the GCF Readiness and Preparatory Support Programme, and the requirements for project/programme implementation and monitoring and evaluation.

This manual should be read in conjunction with the PNG GCF Country Programme and the NDA No-Objection Procedure Guidelines and other manuals and guidance documentation developed by CCDA (the GCF NDA) and the GCF Secretariat. A list of documents and online resources is provided in Annex VI.

### 1.2 Who is this manual for?

This manual is designed for use by all national stakeholders, and particularly project proponents that are developing and implementing GCF projects and programs. Specifically, the main target groups for this manual are stakeholders from central government ministries, sectoral ministries, provincial and local government, Non-Government Organisations (NGOs) and Civil Society Organisations (CSOs), private sector entities, Accredited Entities (AEs), and development partners. The roles and responsibilities of GCF stakeholders are described in Section 3 (roles and responsibilities of the NDA and other governance institutions), Section 4 (roles and responsibilities of national stakeholders), and Section 5 (roles and responsibilities of AEs).

The key stakeholders that will be involved in GCF activities in PNG are as follows:

- Climate Change and Development Authority (CCDA) as the GCF NDA.
- National and sectoral ministries and agencies that are involved in climate change adaptation and mitigation, and development partner coordination.

- 
- Local government, including provincial and district administrations and Provincial Climate Change Committees (PCCCs).
  - Private sector organisations that are involved in project development, implementation and monitoring activities.
  - NGOs and CSOs, especially those focused on climate change and environmental protection issues in PNG at the national or regional level.
  - AEs and development partners to develop funding proposals, implement GCF project/programmes, provide co-financing, and deliver readiness and preparatory support.
  - Any individuals involved in supporting and training of the above groups of GCF matters, such as project managers and CCDA officials.

### 1.3 How to use this guideline

The manual is specific to PNG and can be used in two ways:

- a As a training resource to help build knowledge and capacities of project personnel working in PNG.
- b As a reference document during decision making, project planning, implementation, monitoring and reporting for GCF and other climate change projects in PNG.

The manual has been designed to include sections that can be used as an easy reference for training programmes or for use as guidance for practitioners to access GCF finance and support. Similarly, the contents of this manual are aligned to other CCDA manuals, guidelines and training materials.<sup>1</sup>

### 1.4 Basic facts about the GCF<sup>2</sup>

To address the adverse effects of climate change, the UNFCCC established the GCF as the world's largest dedicated fund to help developing countries reduce their greenhouse gas emissions and enhance their ability to respond to climate change. The GCF has a crucial role in serving the Paris Agreement, supporting the goal of keeping average global temperature rise well below 2 degrees C and pursuing efforts to limit the temperature increase to 1.5 degrees C.

Developed countries have committed to mobilise new and additional climate finance, with US\$ 100 billion committed to be mobilised per year by 2020 to assist developing countries to cover the costs of climate mitigation and adaptation. The GCF is a critical part of meeting that goal.

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<sup>1</sup> CCDA can share upon request the following GCF training materials: (i) "General Awareness Raising & Training Workshop of the Green Climate Fund in Papua New Guinea", and (ii) sectoral training material on "Agriculture and Forestry Sector", "Health Sector", "Natural Resources and Environment Sector", and "Transport and Energy Sector".

<sup>2</sup> Annex I of this manual provides a glossary of key GCF concepts. Further information is available at: <https://www.greenclimate.fund/about>

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### **Key features of the GCF**

- Commitment to aim for 50:50 balance between mitigation and adaptation investments.
- At least 50% of adaptation funding aimed for the most vulnerable countries, including Small Island Developing States (SIDS).
- Availability of a variety of financial instruments including grants, concessional loans, subordinated debt, equity, and guarantees, giving flexibility to match project needs.
- Direct private sector engagement in transformational climate-sensitive investments through the Private Sector Facility (PSF).

The GCF funds projects and programs focused on climate change mitigation and adaptation (and also cross-cutting projects). In the context of climate change, mitigation refers to interventions that aim to prevent future climate change by either reducing the emission of greenhouse gases into the atmosphere or enhancing the ability of carbon sinks including oceans and forests. Whereas, climate change adaptation is defined as the process of adjustment to actual or expected climate and its effects. In human systems, adaptation seeks to moderate or avoid harm or exploit beneficial opportunities. In some natural systems, human intervention may facilitate adjustment to expected climate and its effects.<sup>3</sup>

The fund seeks to promote a paradigm shift to low-carbon, climate-resilient development, taking into account the needs of nations that are particularly vulnerable to climate change impacts. The GCF provides funding to projects and programmes focused on the following eight key results areas.

#### *Mitigation results areas:*

- M1: Energy generation and access
- M2: Transport
- M3: Buildings, cities, industries and appliances
- M4: Forests and land use

#### *Adaptation results areas:*

- A5: Health, food and water security
- A6: Livelihoods of people and communities
- A7: Infrastructure and built environment
- A8: Ecosystems and ecosystem services

The GCF also engages with the private sector through its Private Sector Facility (PSF). As a part of its innovative framework, it has the capacity to bear significant climate-related risk, allowing it to leverage, catalyse and crowd in additional financing for low emission, climate resilient development. It offers a wide range of financial products including grants, concessional loans, subordinated debt, equity, and guarantees. This ensures that the GCF can match project needs

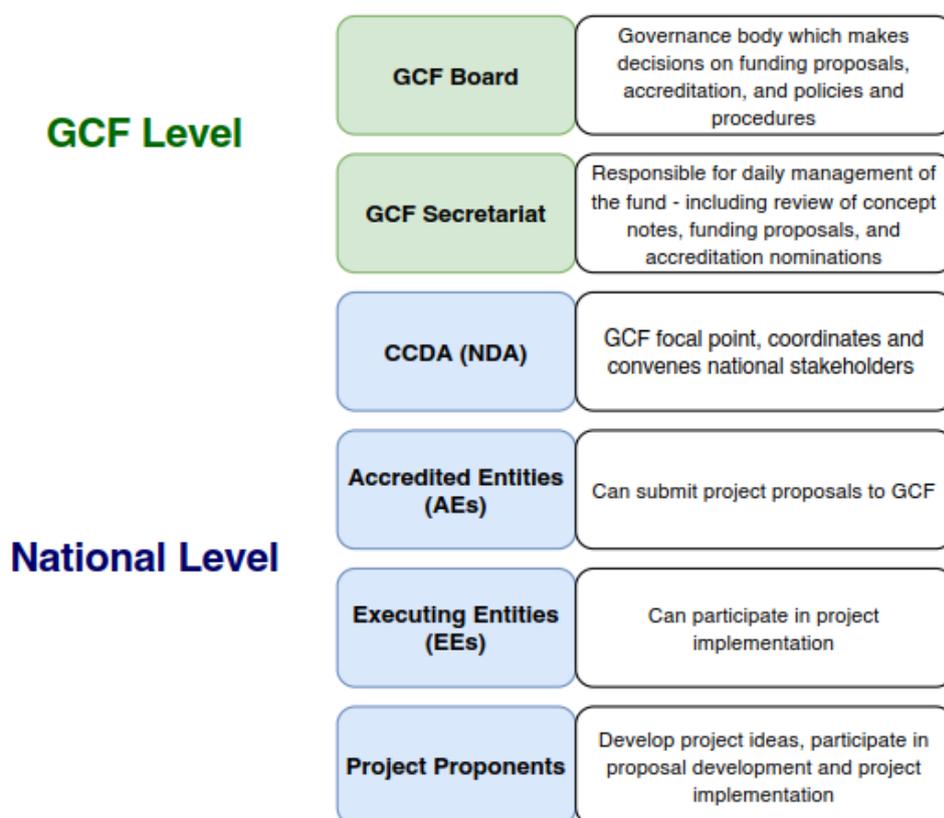
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<sup>3</sup> Intergovernmental Panel on Climate Change (IPCC). 2014. *AR5 Glossary*. Retrieved from: <https://www.ipcc.ch/report/ar5/syr/ar5-syr-glossary-english/>

and adapt to specific investment contexts, including using its funding to overcome market barriers for private finance.<sup>4</sup>

The Fund recognises the need to ensure that developing country partners exercise ownership of climate change funding and integrate it within their own national action plans. Developing countries appoint a NDA that acts as the interface between the government and the Fund, and must endorse/approve all GCF project activities within the country. This country-driven approach ensures GCF’s activities operate in harmony with national priorities.

Whilst the GCF has investment criteria, policies and operational procedures that must be followed, the GCF places the onus on individual countries to undertake programming based on their national priorities and commitments. In reference to this, please refer to the PNG GCF Country Programme, which includes a pipeline of GCF investments for PNG to pursue.



**Figure 1-1: Structure of the GCF<sup>5</sup>**

## 1.5 How is the GCF structured?

The GCF is governed by a Board of 24 members with equal representation from developing and developed countries, and one member and one alternate member from the SIDS. Decisions by the Board are made at Board meetings, which are usually held three times per year. The GCF has an independent Secretariat, based in Songdo, Republic of Korea, which is

<sup>4</sup> GCF. 2019. *The Green Climate Fund's Private Sector Facility*. Retrieved from: <https://www.greenclimate.fund/document/green-climate-fund-private-sector-facility>

<sup>5</sup> Adapted from: Lottje, C., Affana, J.P.B., Eckstein, D., & Weischer, L. 2019. *Engaging with the Green Climate Fund: A Civil Society Toolkit*.

responsible for the day-to-day operations of the GCF, and is accountable to the Board. The Secretariat is the main point of contact for the NDA and stakeholders throughout the accreditation and proposal development process. The structure of the GCF is shown in Figure 1-1.

## 1.6 Accessing the GCF

All developing country parties to the UNFCCC are eligible for funding from the GCF. Finance from the GCF for projects and programmes must be accessed through an Accredited Entity (AE).

Organisations accredited to the GCF are known as AEs – and GCF project and programme finance can be accessed through domestic, regional or international AEs. AEs must meet GCF fiduciary standards, environmental and social safeguards and gender considerations.

Each AE has different characteristics and can be either public or private sector, non-governmental, sub-national, national, regional or international (Section 5 provides an overview of the roles and responsibilities of AEs in PNG). An overview of the requirements for accessing GCF resources is provided in Table 1-1.

**Table 1-1: Requirements for accessing GCF resources**

Access Modalities	GCF resources can be accessed via Direct Access Entities (DAEs) (regional or national entities) or indirectly through International Accredited Entities (IAEs). The international access modality includes accessing resources from accredited international entities including United Nations agencies and multilateral development banks.
Institutional Eligibility	GCF works with a wide range of AEs – such entities may be national, sub-national and international. Each institution is required to have policies, procedures, guidelines etc. on par with GCF’s fiduciary standards, environmental and social risks and gender policy.
Sector Eligibility	GCF specifically has provisioned the Private Sector Facility (PSF) for private sector activities. The PSF has a special focus on Micro, Small and Medium Enterprises (MSMEs) in developing countries.

The NDA has a key role in providing a no-objection letter (NoL) for the submission of national GCF project/programme proposals to the GCF Secretariat and GCF Board for review and approval. The roles and responsibilities of the NDA are outlined in Section 4, and the no-objection procedure is outlined in Section 8. National stakeholders also have key roles and responsibilities in the development of GCF projects and programmes, including as project proponents, and these are outlined in Section 4.

As of 2020, PNG does not have any domestic AEs, which are known as Direct Access Entities (DAEs). DAEs are nominated by the NDA, and the process for nominating and accrediting DAEs is outlined in Section 5. While PNG does not have any domestic DAEs, there are regional DAEs and international AEs active in PNG, including the Council of Regional Organisations in the Pacific (CROP) agencies, UN agencies, and multilateral development banks. The status of regional DAEs and international AEs in PNG, and their roles and responsibilities, is also outlined in Section 5.

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To access project and programme finance, project proponents and AEs must develop and submit proposals to the GCF. The GCF has a number of funding windows, modalities and financial instruments, which are outlined in Section 6. Following the submission of the Funding Proposal by the AE, the documentation is reviewed by the GCF Secretariat, the Independent Technical Advisory Panel (ITAP), and then is approved by the GCF Board. The requirements and best practices for developing a GCF proposal are outlined in Section 7, and the national and GCF level approval process is outlined in Section 8.

The Government of Papua New Guinea (GoPNG), and national entities seeking accreditation, can also access finance from the Readiness and Preparatory Support Programme to strengthen institutional capacities, governance mechanisms, and planning and programming frameworks to identify a transformational long-term climate action agenda for developing countries. The requirements and procedures for accessing the Readiness and Preparatory Support Programme are also outlined in Section 6.<sup>6</sup>

## 1.7 What is climate finance?

The short-term cost of transitioning to a low-carbon climate-resilient development pathway in PNG is significant. PNG requires international climate finance to significantly reduce emissions (mitigation) and to adapt to the adverse effects and reduce the impacts of a changing climate (adaptation).

The provision of climate finance is enshrined in the UNFCCC, with Article 4 of the UNFCCC Convention stating that developed countries, particularly Organisation for Economic Cooperation and Development (OECD) member countries, should assist developing countries with financial resources to meet their climate change obligations. Further, Article 9 (1) of the Paris Agreement, also states that “developed country Parties shall provide financial resources to assist developing country Parties with respect to both mitigation and adaptation in continuation of their existing obligations under the Convention”. These funds are managed by several multilateral and bilateral institutions.

A variety of bilateral and multilateral sources of funding are available to PNG to access and utilise, and these sources are summarised in Annex VII. The various sources of climate finance available to PNG should be coordinated and harmonised, and other sources of climate finance can be used as co-finance for GCF financed projects. The challenge, however, is that each climate fund has its own processes, including modalities, eligibility and governance structures, that need to be complied with, as is the case with the GCF.

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<sup>6</sup> GCF. 2020. *Readiness and Preparatory Support Programme Guidebook*. Retrieved from: <https://www.greenclimate.fund/document/readiness-and-preparatory-support-guidebook>

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## 2 PNG national context

Section 2 describes the development and climate change priorities of PNG. It is important to understand the development priorities of PNG – including Vision 2050, Medium Term Development Plan (MTDP) III, National Strategy for Responsible Sustainable Development for PNG (StaRS) and sectoral plans – to frame project ideas and proposals, and to ensure that GCF projects/programmes are aligned to national priorities. GCF finance can be used to translate the national goals, aspirations and plans, as outlined in Vision 2050, MTDP III and other national frameworks, into tangible actions on the ground. Also, the PNG GCF Country Programme provides a comprehensive overview of PNG’s development and climate change priorities in relation to GCF projects/programmes, and Annex II of this manual provides an overview of how national priorities are linked to GCF result areas.

Section 2 enables the reader to understand:

- PNG’s development priorities as outlined in the PNG Vision 2050, MTDP III and other sectoral plans.
- PNG’s climate change priorities and alignment to the eight GCF adaptation and mitigation result areas.
- Climate change priorities in Vision 2050 and the MTDP III and other sectoral, provincial and district development plans.
- PNG’s climate change context, including data on sectoral emissions.

### 2.1 Development priorities of PNG

The roadmap for building PNG is articulated in the Preamble of the Constitution, which includes the five “National Goals and Directive Principles (NGDP)”. The NGDPs are the country’s foundational development principles. In conformance with the spirit of the Constitution and in alignment to the NGDP the following documents were also developed to guide and drive the development goals of PNG:

- Vision 2050, which captures PNG’s overall vision of “Healthy, Wealthy, Wise and Safer PNG by 2050;
- National Strategy for Responsible Sustainable Development;
- Medium Term Development Plans, and other sectoral policies.

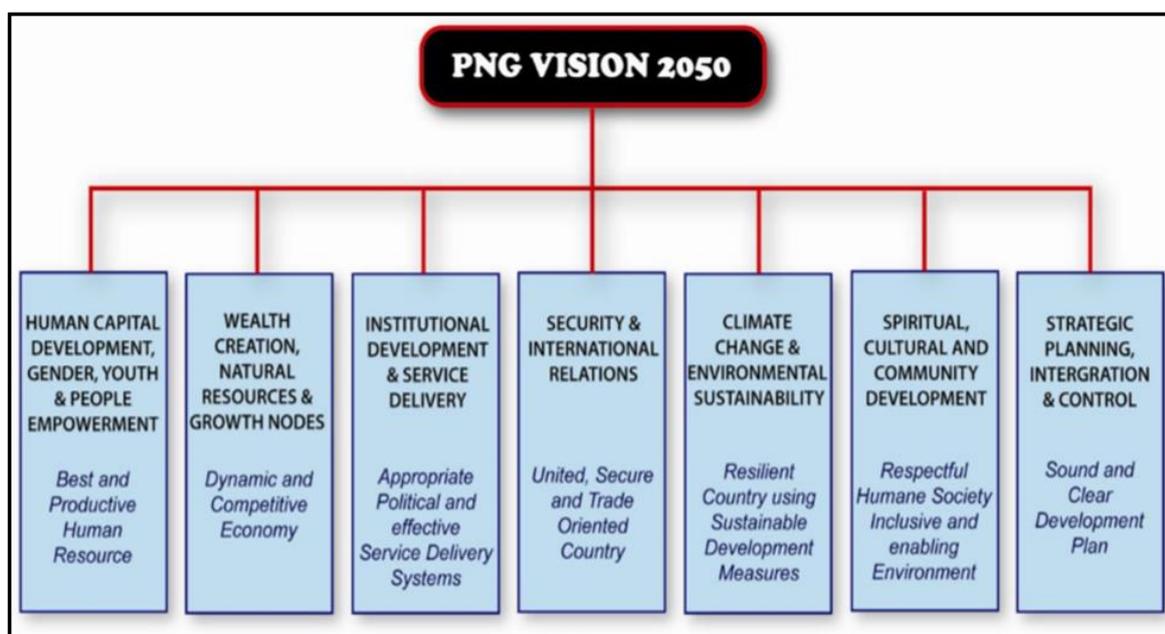
#### 2.1.1 Vision 2050

The overarching development goals of PNG are outlined in its long-term plan titled “Vision 2050”. Vision 2050 is underpinned by seven strategic focus areas as shown in Figure 2-1. The focus of Vision 2050 is to transform PNG into an educated, healthy and prosperous society. The vision stresses the importance of community engagement to achieve sustainable development for all citizens.

Of the 7 pillars of Vision 2050, pillar 5 specifically relates to “environment and climate change”. The actions identified under this pillar are outlined below:

- Reduce greenhouse emission by 90% to 1990 levels.

- Assist the majority of Papua New Guineans to become resilient to natural and human disasters and environmental changes.
- Establish a Sustainable Development Policy in all sectors, especially forestry, agriculture, mining, energy and oceans by 2015.
- Develop mitigation, adaptation and resettlement measures in all impacted provinces by 2015.
- Conserve biodiversity at the current 5-7% of the world's biodiversity.
- Establish a total of 20 national reserves, wilderness areas and national parks.
- Establish at least one million hectares of marine protected areas.
- Conserve and preserve cultural diversity.
- Provide 100% power generation from renewable energy sources.
- Provide 100% of weather and natural disaster monitoring systems in all provinces.
- Integrate environmental sustainability and climate change studies in primary, secondary and national high school curricula.
- Establish an Institute of Environmental Sustainability and Climate Change.



**Figure 2-1: Seven strategic focus areas of Vision 2050<sup>7</sup>**

### 2.1.2 Medium Term Development Plan (MTDP)

The MTDP is a 5-year development plan that breaks down the key development vision of the country into 5-year delivery targets. MTDP III is for the current period, which runs from 2018-2022, and aims to action the goals of Vision 2050.

The MTDP III provides the direction for all development stakeholders, including departments and agencies at all levels of government, private sectors, development partners and other

<sup>7</sup> Extracted from PNG Vision 2050, p. 32:

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stakeholders. MTDP III also defines the policy directions and priority areas for investment within different sectors.

The MTDP III builds on the national development strategies with a greater focus on sustainable and inclusive economic growth over the next five years. To achieve the overall goal of MTDP III of “securing our future through inclusive sustainable economic growth”, it targets at delivering or achieving eight (8) Key Result Areas (KRAs):

- KRA 1: Increased revenue and wealth creation;
- KRA 2: Quality infrastructure and utilities;
- KRA 3: Sustainable social development;
- KRA 4: Improved law and justice and national security;
- KRA 5: Improved service delivery;
- KRA 6: Improved governance;
- KRA 7: Responsible sustainable development;
- KRA 8: Sustainable population.

KRA 7 emphasises on “responsible sustainable development”, with Goal #7.2 under this KRA targeted at “adapting to the domestic impacts of climate change and contributing to global efforts to abate greenhouse gas emissions with a commitment to bring the baseline emission level at 14, 251.3 Gg to 12,000 Gg by 2022”. Under the MTDP III, GoPNG has already made a commitment to decrease greenhouse gas emissions by 2,251 Gg over the next 5 years. The GCF provides an opportunity to develop adaptation and mitigation projects that are aligned to the MTDP III.

## **2.2 Other national development policies, plans and strategies**

Other policies and plans related to climate change include the PNG Development Strategic Plan 2010-2030 (PNGDSP) and the StaRS.

The PNGDSP focuses less on emissions reductions and more on action within key sectors, specifically with an emphasis on increasing renewable energy supply. It also outlines frameworks, targets and strategies over five-year intervals. The PNGDSP aims to have 70% of PNG’s population with access to improved services by 2030.

Under StaRS, the development focus of GoPNG was shifted to a responsible green economy, whereby low carbon, resource efficient and socially inclusive investment will be utilised to create decent jobs and increase income in environmentally significant sectors such as renewable energy, green agriculture, and sustainable fisheries. This focus aligns with the overall investment focus of the GCF to shift to a low-carbon climate-resilient pathway.

## **2.3 Sectoral, provincial and district plans**

There are also specific sectoral policies, plans and strategies within each agency of the government including the Provincial Governments (PGs) and the District Development Authorities (DDAs). Climate change is a cross-cutting issue that affects all sectors and therefore requires an integrated policy and planning approach.

The regional workshops, which were held in 2019 as a part of the PNG GCF Country Programme development, have shown that there is a clear development planning and decision-making process required on climate change from the community level to Local Level Government and the DDA; as well as the Provincial Government.<sup>8</sup> This should be reflected in the design of GCF projects/programmes, and stakeholder consultations should take place at each level of government as necessary.

## 2.4 Climate change context in PNG

PNG's tropical climate is rapidly changing. According to observations collated in Port Moresby, steady warming averaging 0.1°C per decade is occurring.<sup>9</sup> Assuming a business-as-usual emissions scenario, the temperature is further projected to increase over the coming decades, culminating in a 0.4-1°C rise by 2030.<sup>10</sup>

PNG is vulnerable to the impacts of climate change, including floods, droughts and inland frosts, coastal erosion and inundation, soil salinisation, and coral reef degradation. Climate change is also exacerbating development challenges and social issues in PNG, particularly access to affordable and reliable services and poverty rates.

The Biennial Update Report (BUR) states that total greenhouse gas (GHG) emissions in 2015 were 15,193 Gigagram (Gg) CO<sub>2</sub>-eq with land use, land-use change and forestry (LULUCF), and 13,477 Gg CO<sub>2</sub>-eq without LULUCF. For the year 2000, emissions were reported as -14,179 Gg CO<sub>2</sub>-eq with LULUCF and 7,475 Gg CO<sub>2</sub>-eq without LULUCF, an 80% increase of emissions without LULUCF since 2015. Effectively, PNG went from a net sink in 2000 to a net source in 2015.<sup>11</sup> The emissions by sector are outlined below in Table 2-1.

**Table 2-1: Overview of PNG's profile in the context of climate change**

<b>Greenhouse Emissions Profile</b>	The total net greenhouse gas emissions in 2015 amounted to 15,193 Gg CO <sub>2</sub> -eq compared to the emissions in 2000 which were -14,179 Gg CO <sub>2</sub> -eq. <sup>12</sup>
<b>Energy Sector</b>	Emissions from the Energy Sector amounted to 11,806 Gg CO <sub>2</sub> -eq in 2015 —an increase of 5,532 Gg CO <sub>2</sub> -eq when compared to 2000. <sup>13</sup>
<b>Industrial Processes and Product Use (IPPU) Sector</b>	Emissions from the IPPU Sector amounted to 35.29 Gg CO <sub>2</sub> -eq in 2015, an increase of 1.38 Gg CO <sub>2</sub> -eq when compared to 2000. <sup>14</sup>

<sup>8</sup> Further information on the provincial workshops are provided in the PNG GCF Country Programme.

<sup>9</sup> Antea Group & UNDP. 2017. Climate Risk, Vulnerability and Risk Assessment in the New Ireland Province in Papua New Guinea. Retrieved from:

[https://info.undp.org/docs/pdc/Documents/PNG/Report\\_Climate%20Risk%20Vulnerability%20Assessment\\_New%20Ireland.pdf](https://info.undp.org/docs/pdc/Documents/PNG/Report_Climate%20Risk%20Vulnerability%20Assessment_New%20Ireland.pdf)

<sup>10</sup> Ibid.

<sup>11</sup> CCDA. 2018. *Biennial Update Report*.

<sup>12</sup> Ibid.

<sup>13</sup> Ibid.

<sup>14</sup> Ibid.

<b>Agriculture Sector</b>	Emissions from the agriculture sector amounted to 796 Gg CO <sub>2</sub> -eq in 2015, an increase of 114 Gg CO <sub>2</sub> -eq (16.7%) when compared with the year 2000. <sup>15</sup>
<b>Forestry and Land-use</b>	Forestry is both a “source and a sink”. The net removals from the land use and land-use change and forestry (LULUCF) sector amounted to 1,716.46 Gg CO <sub>2</sub> -eq in 2015 compared to -21,635.94 Gg CO <sub>2</sub> -eq in 2000 which is a total decrease of removals amounting to 19,919.48 Gg CO <sub>2</sub> -eq. <sup>16</sup>
<b>Waste</b>	Emissions from the Waste sector amounted to 872.5 Gg CO <sub>2</sub> -eq in 2015, an increase of 354 Gg CO <sub>2</sub> -eq when compared to 2000. <sup>17</sup>
<b>Mitigation Actions</b>	Key Mitigation sectors identified under the PNG Nationally Determined Contribution (NDC) to the UNFCCC are: <ul style="list-style-type: none"> <li>• Increased energy efficiency, including through the adoption of energy-efficient vehicles;</li> <li>• Reduction of emissions in the oil and gas sector;</li> <li>• Implementation of REDD+ activities under the UNFCCC;</li> <li>• Conservation, sustainable management of forest;</li> <li>• Enhancement of carbon stocks.</li> </ul>
<b>Adaptation Actions</b>	Nine key Adaptation priorities to be assessed in the National Adaptation Plan (NAP), and also listed in the Climate Change Management Act (CCMA) (2015) are: <ol style="list-style-type: none"> <li>1) Coastal flooding &amp; sea level rise;</li> <li>2) Inland flooding;</li> <li>3) Food insecurity caused by crop failures due to droughts and inland frosts;</li> <li>4) Cities and climate change;</li> <li>5) Climate change migration;</li> <li>6) Damage to coral reefs;</li> <li>7) Malaria and vector-borne diseases;</li> <li>8) Water and sanitation;</li> <li>9) Landslides.</li> </ol>
<b>PNG’s National Communication to the UNFCCC<sup>18</sup></b>	PNG submitted its 2 <sup>nd</sup> National Communication (NC) to the UNFCCC on 15 December 2015. The NC describes PNG’s greenhouse gas emissions according to the international guidelines and also complies with PNG’s overall initiatives including law, policy, strategy and plans on how to address climate change through adaptation and mitigation actions. <sup>19</sup>

<sup>15</sup> Ibid.

<sup>16</sup> Ibid.

<sup>17</sup> Ibid.

<sup>18</sup> GoPNG. 2019, 2<sup>nd</sup> National Communication Report to UNFCCC.

<sup>19</sup> These international guidelines for emissions calculations by countries are standardized and are called the International Panel of Climate Change (IPCC) guidelines.

### 3 National governance mechanism and institutions

A governance mechanism for managing and coordinating climate finance has been established in PNG. This mechanism has the purpose of providing strategic guidance, aiding decision making, providing operational support, and undertaking technical reviews of GCF proposals and accreditation nominations. Governance of climate finance requires engagement with multiple stakeholders, including government agencies, provincial and local government agencies, private sector, and other non-government partners.

This section describes the national governance mechanism in PNG, and the roles and responsibilities of institutions governing climate finance in PNG. The primary agency that is responsible for governing, managing and coordinating GCF activities in PNG is CCDA as the GCF NDA. Section 3 will enable the reader to understand:

- The role of CCDA as the NDA for the GCF in PNG. The NDA is the interface between the GCF and the GoPNG.
- The NDA’s role in overseeing the implementation of all GCF activities in PNG, including the implementation of the Country Programme.
- The NDA’s role in convening and coordinating national stakeholders.
- The NDA’s role in managing the no-objection procedure, including the issuance of the NoL.

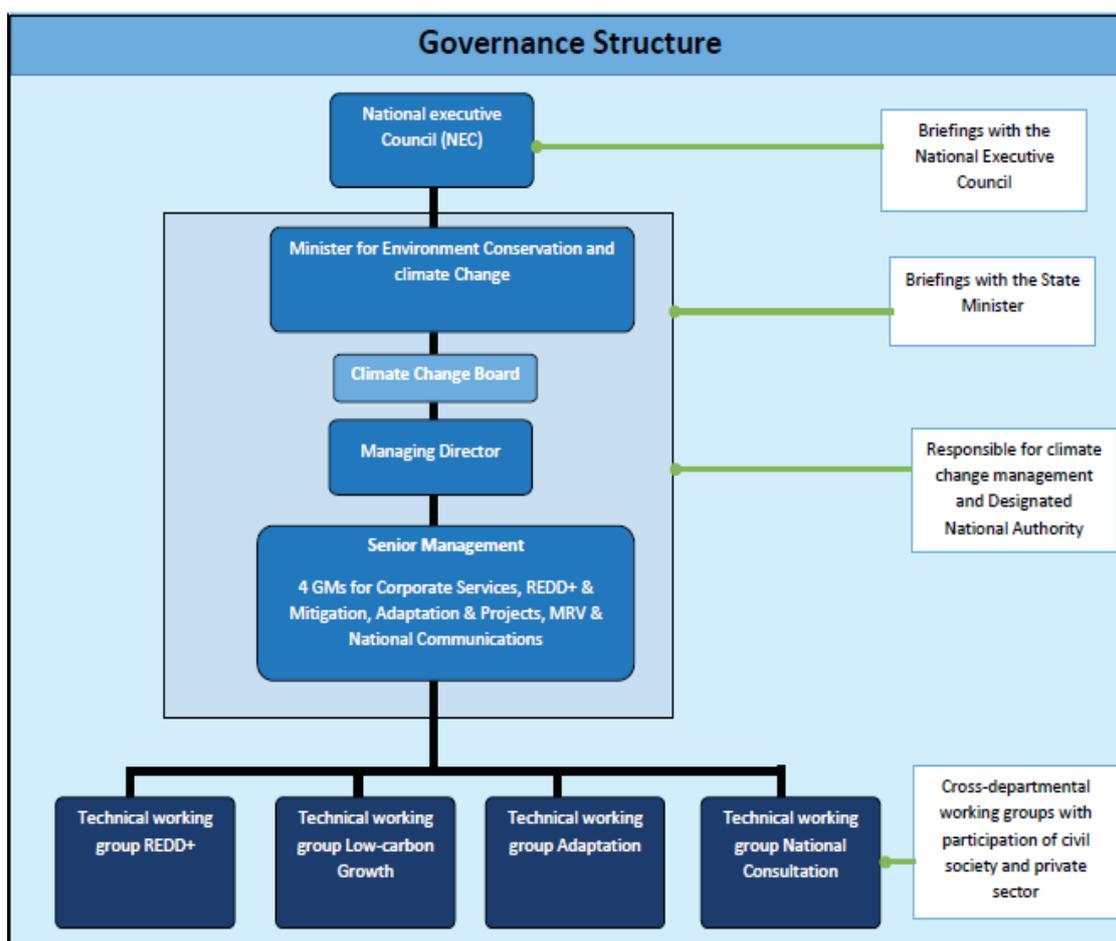


Figure 3-1: Climate change governance in PNG

### 3.1 The National Designated Authority (NDA)

CCDA is recognised by GCF as the NDA for PNG. Established by the CCMA (2015), CCDA is a key government agency acting as a focal coordinator of adaptation and mitigation activities in the country. The NDA is led by the Managing Director, CCDA, and currently has personnel providing support on GCF readiness, coordination and knowledge management.

Figure 3-1 shows the relationship between CCDA and broader national decision making and governance structures. CCDA staff report to the Managing Director through its Senior Management team, which consists of General Managers and respective Division Managers. The Managing Director is a member of the National Climate Change Board and reports to the Minister of Environment and Climate Change. The Minister reports to the National Executive Council (NEC), which delegates authority and decisions to the National Climate Change Board and the Managing Director.

Technical Working Committees (TWCs) also form a core part of CCDA's governance structure. The TWCs have different thematic focuses, and will play a vital role in ensuring that GCF proposals received by the NDA undergo an inclusive consultative process and key technical advice is considered where required. TWC's are comprised of members constituting key sectoral agencies from the public and private sector, including development partners, NGO's, CSO's and women representatives.



**Figure 3-2: Roles and responsibilities of the GCF National Designated Authority (NDA)<sup>20</sup>**

<sup>20</sup> Source: GCF Secretariat.

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## 3.2 Roles and responsibilities of the NDA

CCDA in its capacity as the GCF NDA has key roles and contributions, which are outlined below and in Figure 3-2, for approving GCF projects, engaging stakeholders, and ensuring GCF finance is used to achieve national climate change and development priorities.

The roles and responsibilities of the NDA are as follows:

- Act as GoPNG's focal point for communication with the GCF Secretariat, GCF Board and AEs.
- Provide strategic oversight to align GCF activities with national priorities, including Vision 2050, MTDP III and other relevant policies and plans, through the development of the Country Programme.
- Identify, prioritise and select GCF activities that contribute to national priorities and align to GCF investment criteria.
- Lead the implementation of the PNG GCF Country Programme, and its annual and five-yearly updates.
- Conduct monitoring and evaluation of the Country Programme implementation.
- Oversee and facilitate the development of Concept Notes and Funding Proposals.
- Review Concept Notes and Funding Proposals that are consistent with development and climate priorities, and national laws through the implementation of the no-objection procedure.
- The Managing Director, CCDA/Head of the NDA will be responsible for making the final decision to issue a GCF NoL and/or make a submission to the NEC via the Minister for Environment, Conservation and Climate Change for further deliberation if deemed necessary. Further details on the no-objection procedure are provided in Section 8.
- Convene and coordinate key national stakeholders on GCF processes, including national government agencies, local governments, private sector, civil society and communities, and development partners.
- Engage with national stakeholders, including through national consultations, raising awareness on GCF processes, and documenting lessons learnt.
- Facilitate the accreditation process for national institutions and provide a nomination letter to prospective public, private and CSO entities for their application through GCF's fit-for-purpose accreditation approach.
- Provide leadership on the deployment of readiness and preparatory funding, which includes GCF readiness support to strengthen the NDA and implementing agencies, and preparation of plans, including the NAP and Country Programme, and Project Preparation Facility (PPF) activities.

In addition to its roles and contribution as the GCF NDA, CCDA is also mandated to:

- Promote and manage climate compatible development through climate change mitigation and adaptation activities.
- Administer financing from national and international sources to assist in the development of climate adaptation and mitigation programs in PNG.
- Act as the focal point for the UNFCCC and Adaptation Fund (AF).

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CCDA is also currently undertaking several initiatives to support further coordination and action on climate change. Building on these efforts to progress coordination provides an opportunity of CCDA to clearly define its role, coordinate action on climate change across key sectors and help to raise ambition and deliver results.

### **3.3 National mechanisms and institutions to coordinate climate finance**

#### **3.3.1 National Climate Change Board**

The primary function of the National Climate Change Board is to provide general control and guidance over the exercise of the functions and the powers of the Authority. If the Board deems it necessary to establish a Climate Finance Steering Committee for the purpose of strengthening the coordination of climate finance at the national level and ensuring that proposals are consistent with national laws and priorities, the CCMA (2015), stipulates that:

*The Board, may from time to time –*

- a) appoint a Committee as the Board determines appropriate; and*
- b) determine the functions of the Committee.*

The Board shall meet as often as the business of the Authority requires, and at such times and places as the Board determines, or as the Chairman, or in his absence, the Deputy Chairman directs.<sup>21</sup>

#### **3.3.2 Minister for Environment, Conservation and Climate Change**

Through NEC Decision NG 137/2012 under CCDA, the Government disbanded the previous setup of a National Climate Change Committee headed by Chief Secretary to the Government. The Prime Minister's appointment of a Minister of Climate Change thereafter further highlighted the importance the Government gives to the climate change agenda. The Ministry reinforces that NEC decision since 2012 to further strengthen the Government's capacity to address multiple challenges and opportunities climate change poses for our country. The ministry plays a leading role in shaping the government's strategy and provides direction and assistance to CCDA's roles and responsibilities.

#### **3.3.3 National Executive Council (NEC)**

The NEC is the body which, in most countries with a "Westminster" system of government, is known as the cabinet and it is often referred to as the cabinet in PNG. The NEC consists of the Prime Minister, elected by a simple majority of members of parliament, and all Ministers.

#### **3.3.4 Co-financing coordination and governance**

While not a requirement for all GCF projects/programmes, co-financing is often an important pre-requisite for submitting a successful proposal to the Fund. For national government-led

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<sup>21</sup> GoPNG. 2015. *Climate Change Management Act (2015)*. Retrieved from: <http://extwprlegs1.fao.org/docs/pdf/png155761.pdf>

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proposal development, securing co-financing assures the Fund that the country is committed to delivering the proposal and reflects country ownership.

Agreement on government co-financing must be sought **before** applying for a NoL. The project proponent or AE must ensure that they follow the existing government budgetary processes to seek government co-financing, such as through the Public Investment Program (PIP),<sup>22</sup> Provincial Services Delivery Program (PSIP) and District Services Delivery Program (DSIP) in accordance with existing fiduciary regulatory requirements including the Public Finance Management Act (2016).<sup>23</sup>

In relation to these processes, the Department of National Planning and Monitoring (DNPM) is a key institution approving co-financing. DNPM also manages the coordination of foreign aid projects to ensure there are synergies with GCF financed activities, and this could include identifying, approving and mobilising co-financing from development partners and donors.

Further information on co-financing requirements for GCF projects/programmes is provided in Section 7.

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<sup>22</sup> Further details are provided online: <http://www.planning.gov.pg/images/dnpm/pdf/PIPGuidelines.pdf>

<sup>23</sup> Further details are provided online: <https://www.finance.gov.pg/public-finances-management-act-pfma/>

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## 4 Stakeholder roles and responsibilities

The purpose of this section is to clarify the roles and responsibilities of government agencies, private sector, NGOs, research and training institutes, and development partners in GCF procedures in PNG. The PNG GCF Country Programme provides further information on the roles and responsibilities of stakeholders in GCF activities in PNG.

Section 4 enables the reader to understand:

- Roles and responsibilities of Project Proponents and Executing Entities (EE).
- Roles and responsibilities of national stakeholders in GCF Concept Note and Funding Proposal development.
- Roles and responsibilities of national stakeholders in GCF project and program implementation.

### 4.1 Project proponents

A project proponent is an individual, group or organisation that submits or proposes a project idea/proposal for review and acceptance by the GCF. The project proponent is the project initiator, and can be from the private or public sector (including government ministries, local government agencies, private sector actors, civil society organisations and community organisations), and can also be an existing AE of the GCF.

Key roles of a project proponent are to lead/support the development of a GCF Concept Note and/or Funding Proposal, mobilise relevant stakeholders, and execute the project/programme if it is approved by the GCF.

### 4.2 Executing Entities

A project proponent can also act as an EE, which is an entity that executes, carries out or implements a funded activity, or any part thereof, under the oversight of the AE. While it is preferable if local and national actors execute projects/programmes, international entities, including AEs may carry out the functions of an EE.

The roles and responsibilities of an EE are supporting the development of Concept Notes and Funding Proposals, and implementing projects/programmes under the supervision of an AE. There is no need for an EE to be accredited to the GCF.

### 4.3 National government agencies and sectoral ministries

PNG's national government agencies and line ministries have an important role to play in designing, implementing, coordinating and monitoring of adaptation and mitigation projects in PNG. GoPNG must have the capacity to plan for, access, deliver, monitor and report on climate finance that aligns with national priorities and policy.

The specific roles and responsibilities, and contribution of line ministries and government agencies engaged in GCF results areas are outlined below.

### 4.3.1 National government agencies

A number of central government agencies play key roles in developing and implementing climate change activities, policies and planning frameworks. The roles and contribution of key central government agencies in relation to GCF activities are outlined in Table 4-1.

**Table 4-1: Roles and responsibilities of national government agencies**

Entity name	Potential contribution
Department of Prime Minister and National Executive Council (NEC)	<ul style="list-style-type: none"> <li>Appraise GCF Funding Proposals.</li> <li>Develop policy, strategy and legislation pertaining to climate change and disaster risk reduction.</li> </ul>
Department of National Planning and Monitoring (DNPM)	<ul style="list-style-type: none"> <li>Appraise GCF Funding Proposals.</li> <li>Approve co-finance for GCF projects from the national budget and/or development partners and donors.</li> <li>Manage the coordination of foreign aid projects to ensure there are synergies with GCF financed activities.</li> <li>Strengthen the enabling environment for adaptation and mitigation activities and ensure that climate change is mainstreamed into national plans and priorities.</li> <li>Prioritise climate action through high-level plans and strategies, which will help create a conducive environment for the downstream development of sectoral and provincial policies that further contribute to adaptation and mitigation objectives.</li> </ul>
Department of Treasury (DoT)	<ul style="list-style-type: none"> <li>Develop and coordinate the annual national budget and allocate national resources towards climate change activities.</li> <li>Approve government co-finance for GCF projects from the national budget.</li> </ul>
Department of Finance (DoF)	<ul style="list-style-type: none"> <li>Approve government co-finance for GCF projects from the national budget.</li> <li>Provide approval for GCF projects and programs implemented by multilateral banks (ADB, WB).</li> <li>Potential role for monitoring and tracking of climate-related expenditures in the national budget system.</li> </ul>
Department of Provincial and Local Government Affairs (DPLGA)	<ul style="list-style-type: none"> <li>Statutory responsibility for all matters relating to local government. This includes coordinating action between central government and provincial and local governments, facilitating budget transfers, and supporting development assistance at the local government level.</li> <li>The National Disaster Centre is also under the DPLGA and is responsible for the development and maintenance of measures to reduce risk to communities and manage the consequences of disasters in PNG. The National Disaster Centre will be a key stakeholder in reducing the risk of climate hazards on communities, through, for example, developing and implementing GCF projects on early warning systems.</li> </ul>
Bank of Papua New Guinea (BPNG)	<ul style="list-style-type: none"> <li>Serve as the central bank and regulate local banks and other financial institutions.</li> </ul>

	<ul style="list-style-type: none"> <li>• Provide technical advice and financial and economic data to inform GCF project design.</li> </ul>
National Development Bank (NDB)	<ul style="list-style-type: none"> <li>• Government owned financial institution that frequently manages concessional loan facilities.</li> <li>• Potential to act as a DAE or EE.</li> <li>• Provide technical advice and data to inform project design.</li> </ul>

### 4.3.2 Sectoral line ministries

Sectoral line ministries relevant to the eight GCF Result Areas need to engage with the NDA and relevant national stakeholders to access GCF finance. An overview of relevant sectoral line ministries and their roles and contribution are provided in Table 4-2.

**Table 4-2: Potential contribution of sectoral line ministries**

Sectoral line ministries	Potential contribution
Conservation and Environment Protection Authority (CEPA)	<ul style="list-style-type: none"> <li>• Suggest GCF project ideas to the NDA as project proponents.</li> <li>• Support AEs with developing GCF Concept Notes and Funding Proposals.</li> <li>• Support the implementation of GCF projects and programs as project proponents and EEs.</li> <li>• Oversee implementation of GCF funded projects and programs in their respective sector to ensure a paradigm shift in climate action is initiated.</li> <li>• Build on past low-carbon climate-resilient initiatives within their sectors and identify opportunities for synergies with GCF-funding activities (especially for co-financing).</li> <li>• Lead the development of implementation plans and policies in their respective sectors that contribute to climate change adaptation and mitigation.</li> <li>• Support engagement of stakeholders within their sectors.</li> </ul>
Department of Agriculture and Livestock (DAL)	
Department of Commerce and Industry (DCI)	
Department of Health (DoH)	
Department of Petroleum and Energy (DPE)	
Department of Transport & Infrastructure (PNG DoT)	
Department of Lands and Physical Planning (DLPP)	
Department of Works and Implementation (DoW)	
National Capital District Commission (NCDC)	
National Fisheries Authority (NFA)	
National Maritime Safety Authority (NMSA)	
PNG Forest Authority (PNGFA)	
Papua New Guinea Tourist Promotion Authority (PNGTA)	

## 4.4 Sub-national institutions, local government and municipalities

The engagement of PGs, DDAs, and Local Level Governments (LLG) is vital for ensuring that GCF finance contributes to climate-resilient and low-carbon development at the local level.

There are 22 PGs in PNG: 20 PGs in the provinces and one PG each for the Autonomous Region of Bougainville and the National Capital District. Each province is comprised of two or more districts, which are divided into LLG areas. The LLGs are further subdivided into wards with each ward having up to a few thousand individuals. A single LLG typically oversees several wards.

The LLG President works closely with the DDA of which the DDA Board is chaired by the local MP. The DDA Board through its "joint district and budget priority planning committee" allocates DSIP funding to planned activities prescribed under the five-year District Development Plan that aligns with the MTDP.

For GCF activities at the ward and LLG level, DDAs can work closely with the PCCC in the respective province in sourcing projects to be co-financed through the DSIP and PSIP at the sub-national level. The DDA can also seek support grants/funding from the PIP administered at the DNPM. The DSIP is considered a "discretionary fund" and for the most part is controlled by the local MP.

The roles and responsibilities of sub-national institutions are outlined in Table 4-3.

**Table 4-3: Roles and responsibilities of local government institutions**

Entity	Roles and responsibilities
Provincial Government (PG)	<ul style="list-style-type: none"> <li>• As project proponents and EEs, PGs can submit project ideas to the NDA (via the Provincial Executive Council and PCCC), support Concept Note and Funding Proposal formulation, and play a key role in project/program implementation.</li> <li>• PGs also play important roles in implementing and engaging with other stakeholders (especially communities) on climate change and disaster risk reduction activities.</li> <li>• Lead the mainstreaming of climate change into provincial development plans and provincial budgets.</li> <li>• Build awareness and capacity of local government officials on climate change issues.</li> </ul>
Provincial Climate Change Committee (PCCC)	<ul style="list-style-type: none"> <li>• Serve as the main mechanism for the NDA to engage stakeholders in the provinces and sub-national levels.</li> <li>• Function as the main sub-national channel to mainstream and formally incorporate adaptation and mitigation activities into provincial, district, and local development plans.</li> <li>• Support GCF processes including the GCF no-objection procedure as the first entity to screen projects at concept stages.</li> </ul>
District Development Authority (DDA)	<ul style="list-style-type: none"> <li>• As project proponents, submit project ideas to the PCCC (for consideration), and support Concept Note and Funding Proposal formulation, and play a key role in implementation.</li> <li>• Provide co-finance for GCF projects and programmes.</li> <li>• Support community engagement in the development of project ideas, Concept Notes and Funding Proposals, and implementation of GCF projects and programmes.</li> </ul>

Local Level Government (LLG)	<ul style="list-style-type: none"> <li>• As project proponents, LLGs (via the LLG Ward Councillor) can submit project ideas to the DDA for consideration.</li> <li>• Support Concept Note and Funding Proposal formulation and play a key role in GCF project and programme implementation.</li> <li>• Support community engagement (among landowners, community leaders, and church leaders) in the development of project ideas, Concept Notes and Funding Proposals, and implementation of GCF projects and programmes.</li> </ul>
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## 4.5 Private sector entities

The GCF is committed to unleash the potential of the private sector for scaling up adaptation and mitigation activities and achieving innovative outcomes. There are opportunities for the private sector in PNG to deliver mitigation and adaptation outcomes through developing sustainable and climate-resilient businesses, investing in green technologies, and providing co-financing for GCF project and program implementation. Private sector entities can also act as AEs and support the implementation of GCF activities as EEs.

Broadly, private sector entities could have the following contribution and roles:

- The private sector can play key roles in proposal development and implementation as AEs, project proponents, and EEs.
- Propagating transformational change in the economy by adopting new business models and driving green growth.
- Providing financial resources and operational expertise as project proponents (e.g. through public private partnerships).
- The private sector will be engaged through participation in GCF processes and committees, and consultations.

The potential contribution and roles of the different private sector entities are listed below in Table 4-4.

**Table 4-4: Potential contribution of the private sector**

Entity	Potential contribution
Domestic private sector entities	<ul style="list-style-type: none"> <li>• Domestic private sector entities could be involved as EEs.</li> <li>• They could also be project beneficiaries, and use GCF finance to reduce GHG emissions.</li> </ul>
Domestic banks	<ul style="list-style-type: none"> <li>• Potentially serve as a GCF DAE.</li> <li>• Provide co-finance for economically feasible adaptation and mitigation projects.</li> </ul>
Business Council of PNG (BCPNG)	<ul style="list-style-type: none"> <li>• Support engagement of PNG's private sector on GCF and climate change matters.</li> <li>• Build awareness of climate change opportunities, including access to GCF finance.</li> <li>• Support private sector engagement with government on improving the enabling environment, including planning, policy design and regulatory reform.</li> </ul>
International private sector actors	<ul style="list-style-type: none"> <li>• Multinational companies could finance and construct climate-resilient infrastructure.</li> </ul>

	<ul style="list-style-type: none"> <li>• Extractive industries could also scale-up and co-finance renewable energy generation investments.</li> </ul>
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#### 4.6 Non-governmental organisations and civil society organisations

NGOs and CSOs in PNG are at the frontline of working on mitigating and adapting to climate change, and have driven poverty reduction and resilience building initiatives across the country. They provide substantial support, particularly in rural areas that are less covered by government service programmes, and a substantial portion of development assistance is disbursed through these organisations. There are also international NGOs (INGOs) operating throughout PNG, especially in the provinces, including World Vision, Save the Children, Red Cross, CARE International, Oxfam, and WWF. The roles and potential contribution of CSOs are as follows:

- INGOs could act as AEs, and local CSOs and NGOs with capacity could potentially become accredited to the GCF.
- NGOs and CSOs, which are not accredited to the GCF, can be directly engaged in the development and implementation of GCF activities as project proponents and EEs in line with their competence and capabilities.
- NGOs and CSOs must ensure that vulnerable communities are consulted in GCF project development, and that GCF finance is utilised to achieve gender-sensitive and inclusive outcomes.
- NGOs and CSOs can also have other roles and responsibilities, including the provision of data on households, sharing lessons learnt on best practices in particular communities, and supporting and empowering communities.
- NGOs and CSOs will be engaged through processes and committees, and consultations.

#### 4.7 Community organisations and project beneficiaries

PNG's diverse communities are important stakeholders in climate change and disaster risk reduction efforts. With their traditional knowledge, governance systems, and understanding of their own individual contexts, communities have key roles in the development and implementation of GCF projects/programmes. Community members must also be allowed to incorporate their needs and aspirations into GCF proposals, through community engagement workshops and representation in institutions such as PCCCs. Moreover, the intended beneficiaries in PNG, especially vulnerable populations, groups, and individuals (including women, children, and people with disabilities), local communities, indigenous peoples, and other specialised groups of people and individuals that are affected or potentially affected by GCF-financed activities, will be given due consideration and enabled to participate in decision making on GCF projects and programs.

#### 4.8 Donors and development partners

Donors and development partners, including bilateral and multilateral donors, development banks, and international organisations, have key roles in providing support for GCF project and programme design and implementation; co-financing of GCF investments; providing readiness support, such as capacity building and institutional strengthening; assisting with

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regulatory reform and policy design; and improving coordination and specialisation of climate change activities. Donors and development partners should develop and implement GCF projects and programs in line with PNG's national priorities and government procedures, including the no-objection procedure.

GoPNG has accessed climate finance from a range of multilateral sources over the past decade, including the AF, Global Environment Facility (GEF), and the CIFs. Opportunities should be identified for using these funds as sources of co-finance for GCF projects, and GCF finance should also build upon and scale up past initiatives implemented by climate funds (a list of climate funds is provided in Annex VII). Moreover, the processes used for accessing GCF finance should also be aligned and integrated with the procedures for accessing other climate funds where possible to minimise transaction and administrative costs – this could be achieved by developing a national coordination mechanism for climate finance.

The specific roles and potential contribution of development partners in GCF activities are outlined below.

- Development partners can provide support on GCF Concept Note and Funding Proposal development, including as AEs.
- Development partners can implement GCF projects and programs, as AEs and EEs.
- Development partners can align their programming with GCF funded activities, including the Country Programme pipeline.
- Development partners can provide co-finance for GCF projects and programs.
- They can support regional coordination and scale up proven climate solutions from other Pacific Island Countries and SIDS.
- They can provide technical assistance to the NDA for capacity building, support accreditation of DAEs, including through the readiness and preparatory support.
- They can support the accreditation of national entities, including through providing support to strengthen project management capabilities and complete the GCF accreditation application.

#### 4.9 **Academic and research institutions**

PNG has four public universities, two private universities, and seven tertiary institutions that offer courses in technical and vocational education. Universities in PNG are engaged in climate change-related training and research, including the development of renewable energy technologies, building skills in the public and private sector for responding to climate change.

There are research institutes that are engaged in awareness raising, and influencing of policy to improve climate change outcomes. Research institutes can publish papers on best practices for undertaking climate change action in PNG, hold conferences and workshops, educate communities, and support the collection of information and data.

Universities and research institutes in PNG are also involved in a series of joint initiatives with the private sector and development partners, including the National Agriculture Research Institute-Digicel partnership in information and communications technology for improved climate change awareness.

**Table 4-5: Roles and responsibilities of academic and research institutes**

<b>Entity</b>	<b>Potential contribution</b>
Academic Institutions (including University of Papua New Guinea, Papua New Guinea University of Technology, University of Goroka, University of Natural Resources and Environment)	<ul style="list-style-type: none"><li>• Contribute to research and development on climate change adaptation and mitigation responses, and exchange and disseminate knowledge through publications, national dialogues and public forums.</li></ul>
Research Institutions (including Papua New Guinea National Research Institute, National Agriculture Research Institute, and Institute of National Affairs)	

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## 5 Accredited Entities (AEs)

AEs are key actors which have specialised capacities and have gone through a process of accreditation to access GCF resources. AEs are responsible for developing GCF Concept Notes and Funding Proposals and managing the implementation of GCF financed projects and programs. AEs can be public, private, national, sub-national, non-governmental, regional or international entities.

Section 5 explains the roles and responsibilities of AEs, and the approach for PNG to achieve direct access. It enables the reader to understand:

- The roles and responsibilities of AEs;
- The AEs active in PNG;
- The process for selecting an AE for developing a proposal;
- The process for a national entity to apply for direct access.

### 5.1 Roles and responsibilities of AEs

As PNG currently does not have any domestic DAEs, over the short-term the NDA will need to endorse projects/programmes developed with regional and international AEs. Once national entities are accredited, however, PNG can access GCF finance directly. It should also be noted that the accreditation of national entities will benefit the PNG through strengthening national institutions; building strong country ownership and accountability of GCF projects/programmes; and improving the ability of entities to access other climate funds.

Utilising AEs that have a strong track record and are currently operating in PNG will help to ensure that GCF projects and programs are well designed and contribute to national development and climate change priorities. As shown in Table 5-1, there are both regional DAEs, including SPREP and the Pacific Community (SPC), and international AEs operating in PNG – these could lead GCF project and program design and implementation.

Table 5-1 also outlines the roles and responsibilities of AEs in PNG. In general, the primary roles and responsibilities of AEs are as follows:

- AEs serve as both “project manager and also as fund manager” managing both fund and project with all responsibility for monitoring and reporting;
- Develop and submit Concept Notes or Funding Proposals for projects/programs;
- Oversee implementation and management of projects/programs;
- Deploy a range of financial instruments (grants, concessional loans, equity and guarantees);
- Mobilise and manage GCF finances on behalf of the country;
- Mobilise private sector capital.

### 5.2 Status of AEs in PNG

Table 5-1 outlines the international AEs and regional DAEs which are currently active in PNG. These entities should be preferentially considered as AEs for GCF projects/programmes, given their experience developing and implementing projects/programmes in PNG. Table 5-1 also

outlines the roles and responsibilities of AEs in proposal development and project/programme implementation. Further information on AEs active in PNG is provided in Annex III.

**Table 5-1: Roles and responsibilities and status of AEs in PNG**

Entity	Potential contribution
Asian Development Bank (ADB)	<p><b>International Accredited Entities (IAEs):</b></p> <ul style="list-style-type: none"> <li>• Develop and submit Concept Notes and Funding Proposals for projects and programs.</li> <li>• Identify and engage project proponents and national stakeholders in project design.</li> <li>• Provide technical advice based on prior experience and an in-depth understanding of local context.</li> <li>• Oversee the implementation and management of projects/programs.</li> <li>• Structure regional/sub-regional investments that can include PNG.</li> <li>• Conduct M&amp;E of GCF Concept Notes and Funding Proposals.</li> <li>• Deploy a range of financial instruments (grants, concessional loans, equity and guarantees).</li> <li>• Provide co-financing for GCF project and program implementation.</li> <li>• Mobilise and manage GCF finances on behalf of the country.</li> <li>• Mobilise private sector capital.</li> </ul> <p><b>Direct Access Entities (DAEs):</b></p> <ul style="list-style-type: none"> <li>• Once PNG has achieved direct access through the accreditation of national entities, the development and implementation of proposals could be led by DAEs. It will be important to ensure that PNG's DAEs have support from the GCF and development partners for project preparation and implementation as required. It is recommended that DAEs projects and programs are aligned with PNG's climate change priorities.</li> <li>• When accredited, DAEs should be engaged in GCF projects that are aligned to their particular comparative advantages and expertise.</li> <li>• PNG can also access finance through regional DAEs (SPREP and SPC).</li> </ul>
CGIAR System Organization	
Conservation International (CI)	
European Investment Bank (EIB)	
Food and Agriculture Organization of the United Nations (FAO)	
Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ)	
International Finance Corporation (IFC)	
International Fund for Agricultural Development (IFAD)	
International Union for Conservation of Nature (IUCN)	
Japan International Cooperation Agency (JICA)	
Korea Development Bank (KDB)	
Kreditanstalt für Wiederaufbau (KfW)	
Pacific Community (SPC) – Regional DAE	
Save the Children Australia	
Secretariat of the Pacific Regional Environment Programme (SPREP) - Regional DAE	
World Bank Group (WB)	
World Wildlife Fund (WWF)	
United Nations Development Programme (UNDP)	
United Nations Environment Programme (UNEP)	

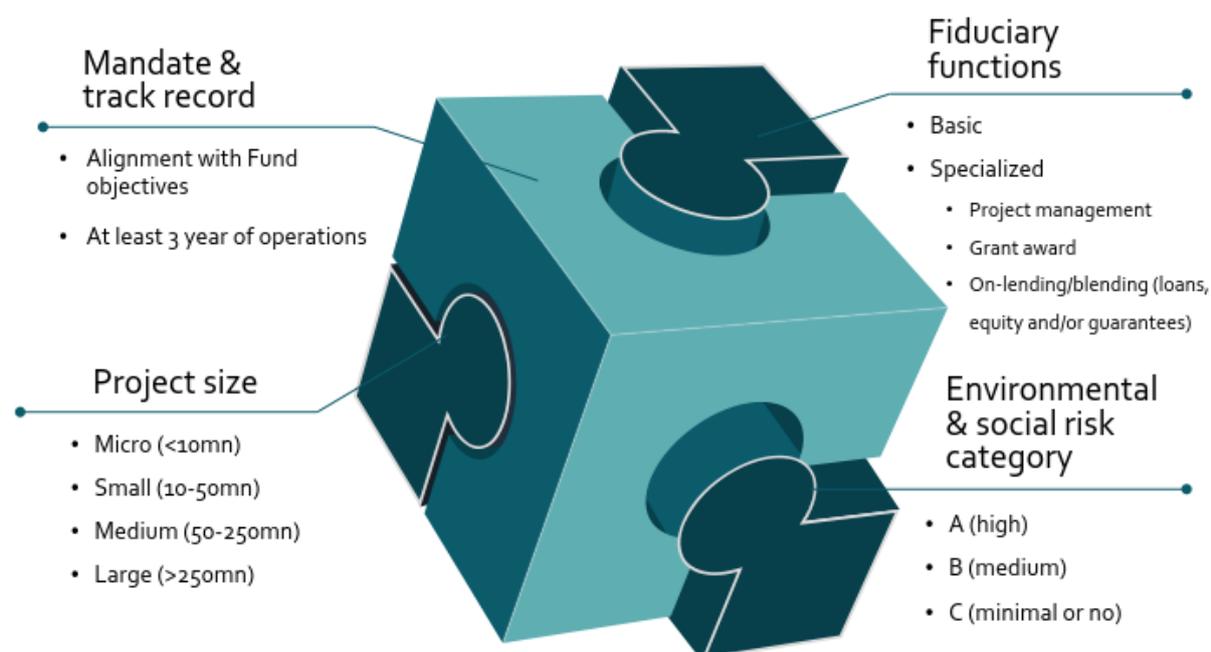
### 5.3 Accreditation requirements

National entities eligible for application are those which have specialised capacities in driving climate action and may include private, public, non-governmental, local, or national agencies.

The NDA has started assessing entities that could apply for direct access accreditation. In order to be accredited, entities have to demonstrate that they have the ability to manage the Fund's resources in accordance with GCF standards and criteria. The GCF accreditation process uses

a “fit-for-purpose” approach (as shown in Figure 5-1), which allows a wide range of entities with different levels of existing capacities and capabilities to apply for accreditation.

As shown in Figure 5-1, PNG entities can qualify for different levels of accreditation, depending on their capacity, capabilities, competencies and ability to demonstrate a track record of fiduciary, environment and social standards, and climate change-related project/programme implementation. The “fit-for-purpose” approach allows entities to apply for accreditation based on the scale, nature and risks of their proposed and intended activities.



**Figure 5-1: Overview of the fit-for-purpose approach to accreditation<sup>24</sup>**

Under this approach, PNG entities can become accredited with the GCF based on: (i) their intended fiduciary functions (whether entities can access grants, loans, equity and/or guarantees); (ii) the size of their proposed projects/programmes; and, (iii) the environmental and social risk level of their proposed projects and activities within projects/programmes. The minimum requirements for accreditation are outlined in Table 5-2.

**Table 5-2: Minimum requirements for accreditation**

Criteria	Description
Legal Personality	Entities are required to have a legal personality (entity needs its own full legal capacity to undertake the intended activities and become an AE).
Institutional Capacity	Entities need to have a strong institutional capacity with appropriate systems, policies, procedures, guidelines (to undertake the intended activities and become an AE).
Track Record	Entities need to have a track record to demonstrate that their systems, policies, procedures and guidelines have been implemented systematically, and that they have required project management experience.

<sup>24</sup> Source: GCF Secretariat

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Domestic entities applying for accreditation under the direct access modality are eligible to receive GCF readiness support for completing accreditation applications, which would help the entities to identify their institutional gaps and implement action plans in order to meet GCF accreditation standards.

### **5.3.1 Strategic approach to accreditation**

The NDA intends to use GCF readiness support to develop an accreditation strategy. This strategy will include the following actions: (i) Completion of a partner mapping to determine potential domestic entities; (ii) stakeholder analysis on the suitability and qualification of public, private and NGO entities, the complementarity of nominated entities in terms of their fiduciary capacities, Environmental and Social Safeguards (ESS) and risk management capacities; and, (iii) an assessment of potential DAEs based on potential alignment to the Country Programme priorities, including the sectors and types of instruments envisaged.

There are a number of global lessons which PNG should consider when selecting national entities for accreditation – key lessons are as follows:

- While the GCF aspires to increase direct access of developing countries, the majority of GCF financing has been channelled through international AEs.
- Globally, NDA's have found it difficult to identify domestic entities that meet GCF accreditation requirements.
- While financial entities in PNG may have the capacity to meet fiduciary standards, these entities often lack capacities, capabilities, and a track record of project/programme implementation in relevant sectors.
- To build the track record, capacities and capabilities required of institutions for accreditation, domestic entities should be engaged in project/programme development and implementation as EEs and project proponents.

## **5.4 Accreditation criteria**

Domestic entities applying for direct access accreditation will be primarily assessed against three sets of criteria: (i) GCF Fiduciary Principles and Standards, (ii) GCF Environmental and Social Safeguards, and (iii) GCF Gender Policy.

### **5.4.1 Fiduciary principles and standards**

An entity seeking accreditation to the GCF to access its resources needs to demonstrate that it has capacity to meet requirements under (i) basic fiduciary standards and (ii) specialised fiduciary standards. The basic fiduciary standards assess: (i) administrative and financial capacities and (ii) transparency and accountability. Whereas, the specialised fiduciary standards assess: (i) project management, (ii) grant award mechanisms, and (iii) on-lending and blending. The elements of basic and specialised fiduciary standards are described in detail on the GCF website.<sup>25</sup>

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<sup>25</sup> Further information on fiduciary principles and standards is available in this document: <https://www.greenclimate.fund/document/initial-fiduciary-principles-and-standards-fund>

## 5.4.2 Environmental and social safeguards (ESS)

The ESS are measures taken to prevent and mitigate possible harm to people and the environment.<sup>26</sup> The GCF's ESS are based on eight performance standards:

- 1 Assessment and management of environmental and social risks and impact
- 2 Labour and working conditions
- 3 Resource efficiency and pollution prevention
- 4 Community health, safety and security
- 5 Land acquisition and involuntary resettlement
- 6 Biodiversity conservation and sustainable management of living natural resources
- 7 Indigenous peoples
- 8 Cultural heritage

Entities applying for accreditation need to demonstrate capacity to manage these performance standards. The entity will be able to implement projects/programmes at the risk level at which they are accredited – the risk categories are outlined in Table 5-3.

**Table 5-3: ESS risk levels<sup>27</sup>**

Risk level	Category	Definition	Example projects
High	A	Activities with potential significant adverse environmental and/or social risks and impacts that, individually or cumulatively, are diverse, irreversible, or unprecedented.	Large scale infrastructure projects, and projects requiring large scale resettlement.
Medium	B	Activities with potential limited adverse environmental and/or social risks and impacts that, individually or cumulatively, are few, generally site-specific, largely reversible, and readily addressed through mitigation measures.	Water management projects, agriculture projects, and energy projects.
Minimal or No Risk	C	Activities with minimal or no adverse environmental and/or social risks and/or impacts.	Policy development, capacity development, vulnerability assessments, small-scale household infrastructure.

## 5.4.3 Gender Policy and Action Plan

Entities seeking accreditation need to demonstrate their ability to meet the principles and requirements of the GCF Gender Policy.<sup>28</sup> As per the Gender Policy, entities will also be required to have policies, procedures and competencies in place with which to implement the GCF

<sup>26</sup> Further information on safeguard requirements is available in this document: <https://www.greenclimate.fund/sites/default/files/document/interim-ess.pdf>

<sup>27</sup> GCF. 2019. *Sustainability guidance note: screening and categorizing GCF-financed activities*. Retrieved from: <https://www.greenclimate.fund/document/sustainability-guidance-note-screening-and-categorizing-gcf-financed-activities>

<sup>28</sup> Further information on gender requirements is available in the GCF Gender Policy: <https://www.greenclimate.fund/sites/default/files/document/gcf-gender-policy.pdf>

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Gender Policy. At the project/programme level, the AE will be responsible for implementing the gender policy as it relates to the GCF approved project/programme through in-country project identification and implementation, as well as for results reporting. The GCF will also require that annual performance reports submitted by AEs on GCF-funded activities include progress made in implementing project-level gender action plans.

## **5.5 The national accreditation nomination and approval procedure**

National entities that meet the GCF accreditation standards and criteria are eligible to apply for direct access accreditation. The GCF accreditation procedure in PNG consists of the national accreditation procedure (outlined below in Section 5.5.1) and the approval process at the GCF level (outlined below in Section 5.5.2).<sup>29</sup>

### **5.5.1 The national accreditation procedure**

At the national level, the accreditation process consists of the selection of entities; development of the accreditation application; issuance of the nomination letter by the Managing Director, CCDA/Head of the NDA, and submission of the accreditation application to the GCF Secretariat.

The entity identification, and development and submission of the application may take multiple years, but this is dependent on the level of readiness support required for the entity applying for accreditation. The development of the application is complex and time-consuming and should be supported by the NDA, the GCF Secretariat and the readiness delivery partner, and other development partners as required.

The process for national accreditation is outlined below:

- a Prospective national entities contact the NDA, or are identified by the NDA.
- b Prospective national entities complete a self-assessment check online and submit to NDA.<sup>30</sup>
- c The applicant will open an account on the Online Accreditation System (OAS) via submitting an application form to the GCF Secretariat.<sup>31</sup> The OAS will enable the applicant to fill out the online application form (which is the main part of applying for accreditation). The application form contains detailed guidance on how to fill it out. The OAS will also enable direct communication with the GCF Secretariat, including on readiness support (if the applicant makes a request to seek GCF readiness support).
- d The entity commences the application process. The level of accreditation that is being applied for will need to be selected through a consultative process and at this stage, the

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<sup>29</sup> The accreditation process is outlined here: <https://www.greenclimate.fund/gcf101/getting-accredited/accreditation-process>

<sup>30</sup> The GCF developed an online self-assessment tool that enables prospective AEs to assess whether they meet the basic requirements for accreditation or not. This includes a series of questions on the accreditation requirements and the GCF encourages candidate organisations to take the questionnaire before applying for accreditation. Prospective entities in PNG must submit the results from the self-assessment tool to the NDA before commencing the national accreditation procedure. The self-assessment tool is online at: <https://www.greenclimate.fund/accreditation/self-assessment>

<sup>31</sup> All accreditation applicants need to apply to join GCF's OAS by submitting an OAS application form: <https://www.greenclimate.fund/node/7715>

entity should also determine its strategy for accessing GCF resources. The entity, in close consultation with the NDA, will compile documents proving the capacity of the entity in response to GCF requirements at the selected level of accreditation.

- e The NDA reviews the application to confirm completion.
- f The Managing Director, CCDA/Head of the NDA makes the final decision on the application, and requests the NDA to issue the nomination letter.
- g The candidate should clearly identify confidential supporting documents and provide this information to the GCF at the time of submission. The application should be submitted via the OAS. All relevant documents, including the nomination letter obtained from the NDA, should be submitted.
- h The entity will execute payment of the relevant accreditation fees (PNG, as a SID, gets waivers of some fees and entity should confirm the fees required) – the fees are summarised in Table 5-4.

**Table 5-4: Overview of application fees<sup>32</sup>**

Financial Capacity Category	Estimated project/programme size at time of application	Application fee level for basic standards, fiduciary ESS and gender	Application fee for specialised fiduciary standards
Micro	Less than or equal to US\$ 10 million	US\$ 1,000 (national and subnational applicants in SIDS are able to receive waivers)	US\$ 500 per specialised fiduciary standard
Small	Above US\$ 10 million to up to US\$ 50 million	US\$ 5,000 (national and subnational applicants in SIDS are able to receive waivers)	US\$ 1,000 per specialised fiduciary standard
Medium	Above US\$ 10 million to up to US\$ 50 million	All entities: US\$ 10,000	US\$ 3,000 per specialised fiduciary standard
Large	Above US\$ 50 million	All entities: US\$ 25,000	US\$ 7,000 per specialised fiduciary standard

### 5.5.2 GCF accreditation process<sup>33</sup>

Once the application is submitted to GCF Secretariat and application fees received (if required), the last stages of the process take place at the GCF level. The approval by the GCF may take between 6-12 months from submission to the GCF Secretariat to a Board decision, if no readiness support and back and forth for clarifications are required. Though this can take longer depending on the scope, size and risk level of accreditation and the readiness of the applicant to respond to GCF in a systematic and correct manner. The procedure for approving an accreditation application at the GCF level is shown below:

<sup>32</sup> Green Climate Fund, 2014, "Annex VI: Policy on fees for accreditation of the Fund", GCF/B.08/45.

<sup>33</sup> The accreditation process at the GCF level is described in detail online: <https://www.greenclimate.fund/accreditation/process>

- a The GCF will check to ensure the applicant submitted the required and sufficient information/documentation. The entity should expect inquiries and/or requests for clarifications from GCF.



**Figure 5-2: Accreditation application approval at GCF level<sup>34</sup>**

- b Once the GCF accreditation team confirms that the applicant’s information is sufficient, the GCF secretariat will inform the applicant that the application has been cleared for Stage II review. At this stage, the GCF Secretariat reviews the application to determine whether the applicant has the capacity to contribute to the objectives of the GCF and can adequately manage funds. As part of the review, the GCF will have at least one call with the applicant.
- c Once the GCF Secretariat is satisfied that application completeness requirements are met, submitted documents are then forwarded to the Accreditation Panel. The Accreditation Panel is an independent technical panel, composed of six (6) senior experts, that provides advice to the GCF Board on results of the in-depth assessment and review of individual applications for accreditation. If the application is complete and does not require follow up questions, the duration of the review process by both the GCF Secretariat and the Accreditation Panel could be a minimum of six months.
- d The GCF Secretariat and the Accreditation Panel then send their recommendations to the GCF Board.
- e The GCF Board, which generally meets three times a year, makes the final decision about whether to accredit the entity. The GCF Secretariat then informs the applicant entity about the result of the GCF Board decision.
- f Once approved, the “Applicant” transitions to an AE. The approved AE liaises with GCF to sign the Accreditation Master Agreement (AMA). Once the AMA is signed, the approved AE automatically becomes eligible to submit project/programme proposals to GCF.<sup>35</sup>

<sup>34</sup> Adopted from Green Climate Fund, 2017: <https://www.greenclimate.fund/documents/20182/46513/1.3 - Introduction to Accreditation Framework.pdf/4d44997c-6ae9-4b0e-be5d-32da82e62725>

<sup>35</sup> AEs will need to re-apply to retain their status every five years. GCF is currently working on procedures to guide the re-accreditation process.

## 6 GCF procedures, policies and funding windows

This section presents an overview of the GCF's procedures, policies, modalities and funding windows. Development of a GCF Funding Proposal requires a strong understanding of how the Fund works, the projects/programmes that are eligible for funding, and the specific financing opportunities of the GCF. From Section 6, the reader will gain an understanding of:

- The strategic areas that the GCF can finance;
- GCF Investment Criteria;
- GCF project/programme categories – including project sizes, risk categories and financing instruments;
- GCF funding windows and modalities;
- GCF policies.

### 6.1 Strategic areas supported by the GCF

The GCF finances climate-resilient (adaptation) and low-emission (mitigation) projects and programmes that contribute towards achieving at least one of its eight strategic impact areas – four of these strategic impact areas are related to adaptation and four to mitigation (as shown in Figure 6-1). The GCF also finances cross-cutting projects that deliver co-benefits in terms of both mitigation and adaptation.



**Figure 6-1: Mitigation and adaptation strategic impact areas of the GCF<sup>36</sup>**

<sup>36</sup> Source: GCF Secretariat.

## 6.2 GCF Investment Criteria

The GCF has identified the following five high potential investment priorities that are particularly promising for achieving mitigation and adaptation actions. These investment priorities aim to achieve cross-cutting benefits in an efficient and impactful way. Section 7 provides a detailed overview on how to develop GCF proposals aligned to these criteria.

The investment priority areas are as follows:

- 1 Enhanced resilience in Small Island Developing States;
- 2 Climate compatible cities;
- 3 Sustainable low emission, climate resilient agriculture;
- 4 Scaled up finance for forests and climate change;
- 5 Transformed energy generation and access.

To ensure that GCF resources achieve a paradigm shift towards climate-resilient and low-emission development in an economically efficient and inclusive manner, the GCF has outlined six high-level investment criteria and activity-specific sub-criteria that all project proposals need to reflect (as shown in Figure 6-2). When determining whether proposals reflect these criteria, the GCF uses indicators which take into consideration its understanding of the difficulties and the context of the country. Section 7.4 provides a detailed overview on how to develop proposals that meet the GCF investment criteria.



**Figure 6-2: GCF high-level investment criteria<sup>37</sup>**

<sup>37</sup> Source: GCF Secretariat.

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## 6.3 Project and programme categories

GCF projects and programmes are categorised based on the implementing entity (developed/implemented by local, regional or international AEs); the budget size of the project/programme; the risk category, as outlined in Section 5.4.2; and the financing instruments selected.

### 6.3.1 Project sizes

The GCF has four categories of project/programme size as shown in Figure 6-3. Entities can be accredited to implement projects/programmes with budgets of a maximum (including co-financing) of US\$ 10 million, US\$ 50 million, US\$ 250 million and over US\$ 250 million. The project size accounts to the total of funds sought from GCF and the funds allocated for co-financing.



Figure 6-3: GCF project sizes<sup>38</sup>

### 6.3.2 Financial instruments

The GCF provides the following four financial instruments<sup>39</sup>:

- **Grants:** To help promote climate change investments; e.g. adaptation activities, technical assistance and capacity building, feasibility studies, and any additional investment costs necessary to make the project viable.
- **Concessional Loans:** To offer soft lending, with low or no interest rates, longer repayment and/or grace periods, to provide more favourable conditions than market terms.
- **Guarantees:** To mitigate investment risks as a commitment in which a guarantor undertakes to fulfil the obligations of a borrower to a lender. Guarantee may cover the entire investment or a portion of it.

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<sup>38</sup> Source: GCF Secretariat.

<sup>39</sup> Fayolle V., Odianose S. and Soanes M., 2017, "GCF Project Toolkit 2017. Guide to develop a Project proposal for the Green Climate Fund (GCF)", Acclimatise, London.

- **Equity:** To make an investment into a project in order to leverage debt and possibly attain better returns. Equity is used when projects have significant risks, but there is still a chance of success and of return to equity holders.

It is important to note that two or more instruments may be blended, with more than one instrument being used by the Fund itself on a particular project, or instruments being combined with instruments from other financiers.

## 6.4 GCF funding windows and modalities

### 6.4.1 Overview

The GCF offers a variety of funding windows and access modalities. The GCF funding windows include the Private Sector Facility (which also encompasses pilot programmes for mobilising resources at scale, and for support to micro, small and medium sized enterprises); the Readiness and Preparatory Support Programme (which includes the Project Preparation Facility and a programme providing support for adaptation planning); and a REDD-plus results-based payment programme. The GCF also utilises a range of modalities, including the Simplified Approval Process and the Enhanced Direct Access Programme. These funding windows and modalities are summarised below.

### 6.4.2 Standard funding windows and Request for Proposals

The GCF offers two standard thematic funding windows: (i) for adaptation projects/programmes, and for (ii) mitigation projects/programmes. The GCF aims to provide equal amounts of funding to mitigation and adaptation, as well as to dedicate at least 50% of its funding to least-developed countries, small island developing states and Africa.



**Figure 6-4: PSF priority ambitions**

The GCF also provides Requests for Proposals (RFP) and pilot programmes which are focused on specific themes.<sup>40</sup> Concept notes and funding proposals can be submitted to active RFPs

<sup>40</sup> In some cases, the GCF may issue a Request for Proposals allowing submission by entities that are not yet accredited to GCF. In these cases, the accreditation application of the entity will be considered alongside the funding proposal.

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within the indicated time period. Each RFP is different, and project proponents should contact the GCF Secretariat to verify that climate projects being proposed meet the criteria set.<sup>41</sup>

### **6.4.3 Private Sector Facility (PSF)**

The GCF has set up the PSF to engage the private sector to invest in mitigation and adaptation activities. The PSF aims to change the current paradigm by de-risking the delivery of private capital and scaling up private sector investment flows for low carbon and climate resilient development. The PSF seeks to support and empower value chain actors (MSMEs, business service providers, local financial intermediaries – as shown in Figure 6-4), and has a particular focus on vulnerable states, including SIDS. Project/programme proposals can be submitted to the PSF for approval at any time, and the PSF also prioritises specific areas for investment through Requests for Proposals.

Activities that could be financed through the PSF could include:

- De-risking investments, including foreign exchange and investors default.
- Bundling small projects into portfolios, providing scale and making them attractive to institutional investors.
- Supporting capacity building amongst different groups and local institutions.
- Helping develop public-private partnerships for infrastructure resilience projects.
- Encouraging innovation, for example by overcoming scale problems and fragmentation within the supply chain.

### **6.4.4 Country Readiness and Preparatory Support<sup>42</sup>**

The GCF provides finance to enhance country ownership and build the capacity (or “readiness”) of national entities. The Readiness and Preparatory Support Programme provides GCF resources for strengthening institutional capacities, governance mechanisms, and planning and programming frameworks to identify and implement a transformational long-term climate action agenda.

Readiness support to a country is capped at US\$ 1 million per calendar year. Of this amount, the NDA may request up to US\$ 300,000 per year to strengthen the capacity of the NDA to deliver on the GCF’s requirements. There is an additional US\$ 3 million available per country for developing a NAP and other adaptation processes – PNG thus far has accessed approximately US\$ 1.8 million for NAP development.

Within these funding caps, multiple proposals can be submitted over multiple years, as readiness needs change over time (the process for accessing readiness support differs from the Funding Proposal approval process outlined in Section 8). In addition, multiple readiness proposals for all activities (including adaptation planning) can be implemented by AEs and/or delivery partners, which can allow for tailored support, based on the comparative advantage of the readiness delivery partner.

The Readiness Programme empowers NDAs to submit a proposal that takes a comprehensive long-term view while also seeking support to address near and medium-term capacity and

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<sup>41</sup> Information on active RFPs are provided here: <https://www.greenclimate.fund/projects/rfp>

<sup>42</sup> This website has further information on the readiness process and requirements: <https://www.greenclimate.fund/readiness>

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technical gaps.<sup>43</sup> The NDA should strategically determine the readiness and preparatory requirements of PNG, which would include questions such as:

- What support would be required to prepare a long-term climate strategy?
- What data and knowledge gaps exist nationally?
- What support is needed to implement priorities identified in the NDC, NAP and other national climate change strategies?
- What barriers exist to accessing scaled-up finance across priority sectors, especially regarding leveraging private sector investment and technology deployment?
- How can national and subnational institutions be strengthened to deliver on mitigation and adaptation priorities, including through achieving direct access to the GCF and utilising new and innovative financial mechanisms?
- How can the country increase a) complementarity of climate action funded through multiple financial streams and b) the coherence of their programming processes to drive long-term low-emission and climate-resilient development?

The Readiness and Preparatory Programme is designed to be a flexible tool to support countries based on their particular needs and context. Readiness and preparatory support is based on country ownership and is a tool through which NDAs and stakeholders may enhance country ownership of climate-relevant investments. NDAs may utilise readiness support to undertake a range of activities including:

- **Strengthening institutions and governance mechanisms:** Including strengthening the capacity of NDAs, prospective DAEs, EEs, domestic private sector stakeholders, subnational governments and non-governmental and civil society organisations. Also, supporting the engagement of national stakeholders in GCF processes.
- **Policy environment:** Including the national policy regimes, long-term strategies, NDC, NAP, market, technology, regulatory and other barriers.
- **Pipeline development:** Including investment prioritisation methods, de-risking tools and methods, Concept Notes for submission to the GCF and identification and assessment of pilot projects.
- **Information, data and knowledge:** Including assessment of national climate change context, capturing, storing and sharing climate-relevant information, establishment of monitoring, reporting, verification and evaluation systems and planning and decision making processes informed by data and knowledge.

As far as Readiness and Preparatory Support proposals are concerned, the NDA can request an AE to serve as their delivery partner for a specific readiness proposal. However, readiness proposals can also be implemented by other non-AE delivery partners, including government agencies and national stakeholders. Delivery Partners are institutions selected by the NDA to implement activities approved under the Readiness and Preparatory Support Programme. Delivery partners must meet the financial management capacities and requirements of the

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<sup>43</sup> A detailed overview of readiness proposal development is provided by the Readiness and Preparatory Support Guidebook: <https://www.greenclimate.fund/node/5716>

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GCF. Delivery partners who are not AEs must undertake a Financial Management Capacity Assessment to be approved to implement readiness support.<sup>44</sup>

#### **6.4.5 Project Preparation Facility (PPF)**

The PPF supports Project Proponents and the NDA with GCF project and programme preparation. It is especially targeted to support DAEs, and micro-to-small size category projects. Funding available is up to US\$ 1.5 million for each PPF request, and can be provided through grants and repayable grants. Equity may be considered for private sector projects. Funding Proposals developed with the PPF should be submitted to the GCF Board within two years of the approval of a PPF request.

In order for an AE to access the PPF, in collaboration with the respective NDA, the following is required<sup>45</sup>:

- A PPF application note, which provides sufficient justification of the AEs need for project preparation funding from the GCF, as well as detailed budget breakdown.
- AE must submit a project/programme Concept Note either prior to, or together with, a PPF application. However, it is strongly recommended that the Concept Note be submitted before the PPF application.
- A NoL from the NDA.

#### **6.4.6 Simplified Approval Process (SAP)**

Proposals for some small-scale and low-risk projects/programmes can be submitted under the SAP.<sup>46</sup> Under the SAP, the documentation and review processes for bringing projects or programmes from conception to implementation are reduced and simplified. These simplifications should lead to a reduction in time and effort required to go from project conception to implementation. DAEs and NDAs are especially encouraged to submit Concept Notes.

The NDA and AEs may choose to submit Concept Notes under the SAP if the project or programme meets three main eligibility criteria:

- Ready for scaling up and having the potential for transformation, promoting a paradigm shift to low-emission and climate-resilient development;
- A request for financing to the GCF of up to US\$ 10 million of the total project budget;
- The environmental and social risks and impacts are classified as minimal to none.

The SAP can support a number of activities including:

- Early warning and other monitoring systems;
- Household-level facilities such as rainwater harvesting and small-scale renewable energy;

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<sup>44</sup> The Financial management capacity assessment template is located here: <https://www.greenclimate.fund/document/financial-management-capacity-assessment-template>

<sup>45</sup> An overview of the PPF process, and application note template, is provided here: <https://www.greenclimate.fund/projects/ppf/process>

<sup>46</sup> Guidance on SAP processes/requirements is provided online: <https://www.greenclimate.fund/projects/sap>

- Small-scale rural and urban community-based projects such as village water supply and drainage, and climate-resilient agriculture.

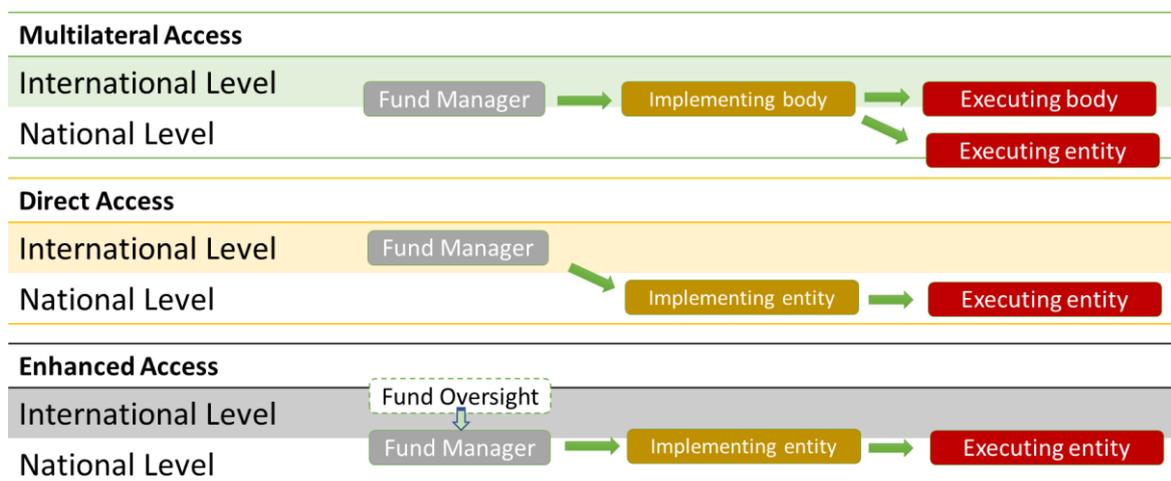
Projects or programmes that are considered higher risk are not eligible to be developed in the SAP modality. Some examples of activities with inherent risk factors are those causing the displacement of people or affecting indigenous people, as well as those occurring in protected areas and cultural heritage sites, or that generate waste, affect people’s health, or involve trans-boundary impacts.

### 6.4.7 Enhanced Direct Access

The objective of the Enhanced Direct Access (EDA) modality is to enhance country ownership through a dedicated access window for GCF DAEs.<sup>47</sup> EDA offers a stakeholder-driven programmatic approach, and devolves the approval of individual proposals to the country. Under this country-driven approach, the submission of individual projects is not required, with fund management, implementation and execution all devolved to the national level. The EDA modality, in comparison to accessing GCF finance through an international AE or a national AE, is illustrated in Figure 6-5.

There is an opportunity for PNG to seek the EDA pilot scheme funding through regional or domestic DAEs. When PNG achieves direct access, a domestic DAE could implement the EDA modality. To access the EDA, the AE will need to get a Funding Proposal approved by the GCF Board. The process for Funding Proposal approval is outlined in Section 8.<sup>48</sup>

As of 2020, the EDA modality is still being piloted and as such, may evolve in the near term. At present, US\$ 200 million has been allocated to support at least ten pilots, including at least four pilots to be implemented in SIDS, LDCs and African nations.



**Figure 6-5: Enhanced Direct Access modality**

<sup>47</sup> Guidance on EDA processes/requirements is provided online: <https://www.greenclimate.fund/eda>

<sup>48</sup> Further information on the EDA modality is provided in: GCF. 2019. *GCF in Brief: Enhancing Direct Access*. Retrieved from: <https://www.greenclimate.fund/document/gcf-brief-enhancing-direct-access>

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## 6.5 GCF policies

### 6.5.1 Environmental and Social Policy

The Environmental and Social Safeguards (ESS) are measures taken to prevent and mitigate possible undue harm to people and the environment.

This is facilitated by the Environmental and Social Management System (ESMS), which is a broad operational framework that allows GCF to identify, analyse, avoid, minimise, and mitigate any potential adverse environmental and social impacts of its activities, to maximise environmental and social benefits, and to improve the environmental and social performance of GCF and its activities consistently over time.

### 6.5.2 Gender Policy

The GCF has adopted a Gender Policy and Action Plan.<sup>49</sup> The GCF gender policy has four fundamental principles:

- 1 Principle 1: When addressing climate change, principles of gender equality and empowerment of women should be respected, promoted and considered. The Fund's gender policy is congruent with international arrangements, and guided by the Paris Agreement.
- 2 Principle 2: Activities under the GCF Readiness and Preparatory Support Programme must be informed and guided by this Gender Policy and any existing applicable policies and priorities on gender equality. The GCF requires that women and men be provided with equal opportunity to take an active part in stakeholder consultations and decision-making during project preparation, implementation and evaluation.
- 3 Principle 3: The GCF requires that in line with the Fund's Environment and Social Policy, women and men, including from vulnerable groups, must be provided with an equal and equitable opportunity to be fully and effectively engaged in consultations and decision-making throughout the project cycle. The GCF process requires AEs to undertake consultation that is gender-sensitive and culturally aware, pursuant to the GCF Environmental and Social Policy and Indigenous Peoples Policy, and that will be supported by the disclosure of relevant information pursuant to the Information Disclosure Policy of the GCF.
- 4 Principle 4: GCF recognises the importance of transparency, non-discriminatory access and accountability in all aspects of its operations. Through its Information Disclosure Policy, the GCF endeavours to provide accurate, gender-related and timely information to its stakeholders and the public at large, about its policy guidelines, standards, procedures and project operations.

The Gender Action plan details how the Gender Equality Policy will be operationalised. The overall responsibility for the implementation of the Policy is of the GCF. At the project level, GCF will ensure that the AEs meet the project-level requirements of the Policy. Guidance on reflecting gender into GCF projects/programmes in line with the gender policy is provided in

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<sup>49</sup> GCF Gender Policy: <https://www.greenclimate.fund/sites/default/files/document/gcf-gender-policy.pdf>

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Section 7.2.4 of this manual and the “PNG Gender Mainstreaming Guidelines for Project Implementers”.

### **6.5.3 Indigenous Peoples Policy**

The GCF Indigenous Peoples Policy aims to ensure that<sup>50</sup>:

- Indigenous peoples receive culturally appropriate social and economic benefits arising from GCF activities.
- Do not suffer adverse effects during the design and implementation of GCF-financed activities.

The Indigenous Peoples Policy is based on the following eight principles:

- 1 Develop and implement free, prior and informed consent;
- 2 Respect and enhance the rights of indigenous peoples to their lands, territories and resources;
- 3 Recognise key international human rights and principles;
- 4 Respect the right of indigenous peoples under voluntary isolation;
- 5 Respect and recognise traditional knowledge and livelihood systems;
- 6 Enhance the capacity for indigenous peoples issues within GCF;
- 7 Facilitate access to GCF resources for indigenous peoples;
- 8 Respecting the system of self-government.

### **6.5.4 Independent Units**

#### **Independent Redress Mechanism (IRM)<sup>51</sup>**

To ensure the GCF’s accountability to its own policies and procedures, the IRM was established. It addresses complaints from people in developing countries who are affected by GCF-funded activities in a transparent and effective manner. Cases can be filed with the IRM by two or more people who believe they have been directly affected by adverse impacts through the failure of a project or programme funded by GCF to implement GCF’s operational policies and procedures, including environmental and social safeguards.

For reconsideration of a GCF Board decision denying funding for a project or programme, NDAs can submit a request to the IRM. The request must show that the denial of funding was based on non-compliance by the GCF with its policies, programme priorities and eligibility criteria. A request for reconsideration should be made within 60 calendar days from when the GCF Secretariat informs the NDA about the Board decision. The 60-day period starts on the day the Secretariat sends the notification of the decision to the NDA. The procedure for requests is set out in the Interim Procedures and Guidelines for Reconsideration of Funding Decisions.

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<sup>50</sup> The GCF Indigenous Peoples Policy is provided here: <https://www.greenclimate.fund/document/indigenous-peoples-policy>

<sup>51</sup> Further information on the IRM is available here: <https://irm.greenclimate.fund/>

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### **Independent Integrity Unit (IIU)<sup>52</sup>**

The IIU ensures all GCF staff, in addition to external stakeholders, implementing entities and intermediaries relating to GCF adhere to the highest standards of integrity. The IIU investigates allegations of fraud, corruption, misconduct and other prohibited practices. These include coercive and collusive practices, conflict of interest and retaliation against whistleblowers.

This independent unit also takes a proactive approach to prevent problems arising in the future. It prevents fraud and corruption, and other prohibited practices, by establishing integrity policies and guidelines. It also recommends further improvements to existing GCF policies and procedures.

The IIU promotes awareness of GCF's integrity standards with implementing entities and intermediaries, and EEs. It also collaborates and shares experiences with multilateral funds, international finance institutions and other relevant parties about integrity matters. As a body independent from the GCF Secretariat, the IIU reports directly to the GCF Board and the Ethics and Audit Committee, which is made up of GCF Board members.

### **Independent Evaluation Unit (IEU)<sup>53</sup>**

The IEU operates independently of the GCF Secretariat. Its work plan and budget are developed with the advice of the GCF Board. The IEU head is selected by, and reports to, the GCF Board.

The IEU ensures the GCF is accountable and open to continuous learning. These are central to GCF's role as a learning organisation as stipulated in its initial strategic plan and its Governing Instrument, the central institutional guide for all of the Fund's activities. The IEU plays a crucial role in leading the evaluation and learning function of the GCF. The IEU has the following objectives:

- Inform the Board's decision making, synthesise lessons learned and guide the GCF and its stakeholders.
- Undertake and deliver high quality and independent evaluations of the GCF's performance, activities and results.
- Inform the UNFCCC and the Paris agreement.

The IEU will undertake independent overall, portfolio, country, thematic, programme evaluations that inform GCF strategic result areas. This includes evaluations of GCF investments in SIDS.

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<sup>52</sup> Further information on the IIU is available here: <https://iiu.greenclimate.fund/>

<sup>53</sup> Further information on the IEU is available here: <https://ieu.greenclimate.fund/>

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## 7 Development of a GCF Proposal

### 7.1 Overview

The completion of GCF proposals requires considerable time and resources to undertake the required research, analysis and consultations.

Section 7 provides the reader with guidance on ensuring that a GCF proposal is bankable and meets the GCF's funding requirements. The definition of bankability in the GCF context is wider than just financial returns and profitability, and also encompasses socio-economic and environmental metrics, including reduction in GHG emissions, improvements in the resilience of communities, and alignment with national priorities.<sup>54</sup>

The demonstration of climate resilience is also important for GCF proposals. It is essential that GCF projects are a response to a specific climate change problem – such as “reducing energy sector emissions” or “building coastal resilience”. It is important that the climate problem remains the focus of the project throughout the development (and implementation) of the project.

### 7.2 Proposal Requirements

Firstly, it is important that the NDA is informed of the intention to submit a proposal so that they are aware and can provide the appropriate support, guidance, and coordination. A proposal should be developed using the GCF's proposal template. The Concept Note template and Funding Proposal template is available on the GCF website.

#### 7.2.1 Concept Note Template<sup>55</sup>

The Concept Note, which should be developed by the AE in consultation with the NDA and project proponent(s), presents a summary of a proposed project/programme. It provides the AE with an opportunity to seek feedback from the GCF Secretariat on whether the concept is aligned with the Fund's objectives, policies, and investment criteria.

The submission of a Concept Note is not considered mandatory by the GCF, but should be developed as it allows for early feedback from the GCF Secretariat and results in a faster Funding Proposal review process.<sup>56</sup> The feedback received on the Concept Note from the GCF Secretariat will provide guidance to the AE on how to further develop and strengthen the project/programme for the next stage in the project cycle, which is the preparation and submission of the full Funding Proposal.

The GCF Concept Note template includes four sections:

- a Section A: Project/Programme Summary, which provides essential information about the proposed project or programme.

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<sup>54</sup> Ellis, C. & Pillay, K. 2017. *Understanding 'bankability' and unlocking climate finance for climate compatible development*.

<sup>55</sup> The Concept Note template is periodically updated and revised, and latest version can be found here: <https://www.greenclimate.fund/projects/process>

<sup>56</sup> For projects or programmes submitted through the Simplified Approval Process (SAP), it is a requirement to follow a two-step application (Concept Note followed by Full Proposal), by submitting a Concept Note (mandatory step).

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- b Section B: Project/Programme Information, which outlines the economic and technical viability of the proposed project/programme. The information will be helpful for the review and assessment of the concept.
  - c Section C: Indicative Financing/Cost Information – this provides an overview of the financing/cost information for both the requested GCF amount and co-financing amount.
  - d Section D: Supporting Documents – includes the documents which can be submitted with the Concept Note, such as a pre-feasibility study, but are optional.

### **7.2.2 Funding Proposal Template<sup>57</sup>**

The GCF Funding Proposal template includes the following eight sections.

- a Section A: Project/Programme Summary – provides essential information about the proposed project/programme.
- b Section B: Project/Programme Information – provides detailed information about the project/programme and its implementation.
- c Section C: Financing Information – provides the financing/cost information for both the requested GCF amount and co-financing amount. A detailed budget must be provided that is costed at the activity level and includes a detailed breakdown by financial instrument.
- d Section D: Expected Performance against Investment Criteria – describes the expected performance of the proposed project/programme against each of the Fund's six investment criteria.
- e Section E: Logical framework – explains the core indicator targets, fund-level outputs/outcomes, project activities, and monitoring, reporting and evaluation arrangements.
- f Section F: Risk Assessment and Management – describes main risk factors and risk mitigation measures.
- g Section G: GCF Policies and Standards – summarises information about the environmental and social impact assessment, the gender assessment and action plan, and financial management and procurement.
- h Section H: Annexes – includes the supporting documents for Funding Proposal, which includes a feasibility study, detailed budget plan and a procurement plan. A full Funding Proposal template requires 14 mandatory annexes, whereas the Simplified Approval Process template includes 9 mandatory annexes. Both templates require a number of other annexes to be included when applicable/requested.

### **7.2.3 AE selection**

A key part of the proposal development process is selecting an appropriate AE, which will oversee the work done by project implementing partners (including EEs), such as government

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<sup>57</sup> The Funding Proposal template is periodically updated and revised, and latest version can be found here: <https://www.greenclimate.fund/projects/process>

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ministries, provincial and local governments, and civil society organisations.<sup>58</sup> AEs are also expected to manage environmental and social risks that may arise, and ensure the project is aligned with the GCF's Gender Policy.

The following criteria should be taken into consideration when selecting AEs:

- The AE's track record on delivering projects in PNG;
- The AE's comparative advantage in the proposal sector(s);
- The capacity of the AE;
- The AE's level of accreditation for project size, fiduciary standards, and environmental and social risk.

The selection of AEs should also be consultative and be led by the NDA and project proponent(s). It is important that the NDA is involved in the selection of the most suitable AE for their project, as the NDA plays vital roles in the coordination of GCF processes and can provide guidance to project proponents.

As of 2020, PNG does not have any national DAEs, and therefore must partner with regional DAEs or international AEs to develop Funding Proposals and implement GCF projects/programmes.

For private sector focused projects/programmes, in the absence of national accredited private sector entities, national private sector entities could partner with international private sector entities accredited to the GCF to develop Funding Proposals to access GCF's Private Sector Facility.

The AE may also initiate a proposal (especially in the case of multi-country projects/programmes) and seek the support of a project proponent. The NDA will need to be informed of this, and will play key roles in facilitating, coordinating and convening stakeholders to develop and implement the project/programme.

Further information is provided in Section 5 on the status of AEs in PNG and their roles and responsibilities.

#### **7.2.4 Gender Assessment and Action plan**

GCF project proposals must describe how gender considerations have been incorporated into project design, in accordance with the GCF's gender policy.<sup>59</sup>

A Gender Assessment and Action Plan aims to provide an overview of the gender situation in a particular location (country-wide, region or province), ensuring it is contextualised to the local needs. The Gender Assessment and Action Plan also needs to be tailored to meet the needs of the specific project or programme. It should address gender issues that are relevant to the project/programme and examine gender mainstreaming opportunities and targeted gender project activities. The assessment should be undertaken in line with the "GCF in PNG Gender Mainstreaming Guideline for Project Implementers" and the "GCF Gender Assessment and Action Plan Guidance". The assessment should be based on relevant information available,

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<sup>58</sup> While it is standard practice for Accredited Entities to submit funding proposals to GCF. In some cases, however, GCF may issue a Request for Proposals allowing submission by entities that are not yet accredited to GCF. In these cases, the accreditation application of the entity will be considered alongside the funding proposal.

<sup>59</sup> An overview of gender requirements and best practices is provided here: <https://www.greenclimate.fund/projects/gender>

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including data from studies conducted by GoPNG, donor agencies, multilateral development banks, academia, and stakeholder consultations.<sup>60</sup>

A gender assessment is important for examining the differences between the roles that men and women play, the different levels of power they hold in areas such as decision making, their differing needs, constraints and opportunities, and the impacts of these differences on their lives. A gender assessment contributes to climate action and informs climate intervention through project design. A gender assessment is important:

- To identify and address gender inequalities and understand their root causes.
- To identify and eliminate barriers to women's access and participation in productive and public life, this includes decision making.
- To identify potential gender impacts and prevent negative effects of interventions.
- To provide a baseline as a measure toward gender equality and women's empowerment.
- To provide qualitative and quantitative evidence of gender for gender roles, activities, needs and opportunities for men and women, boys and girls and marginalised categories of persons such as the elderly and persons with disabilities.

In undertaking a gender assessment, guidance from the "PNG Gender Mainstreaming Guidelines for Project Implementers" and the "GCF and UN Women Mainstreaming Gender in GCF Projects Manual" can be used for determining the types of data to be collected and the questions to be asked.<sup>61</sup> It is imperative that data be collected from communities in a culturally sensitive and gender-sensitive manner. Trust building and facilitation skills in this field are essential for any person or team undertaking the gender assessment.

After completion of the gender assessment, key issues should be addressed via a gender action plan. This will ensure accountability on gender and social related elements of the project/programme, and thereby ensure gender responsiveness. The gender action plan is linked to the project planning activity and this comes through in how the project/programme is described in a Concept Note or Funding Proposal. Running through the project cycle properly and ensuring gender considerations are applied at all stages is the most likely way to ensure your project is properly conceived with the strongest chance of success and sustainability.

The gender assessment and the gender action plan should be submitted as an annex of the proposal. This will provide the GCF, AE and EE with an overview of how gender equality will be promoted within the project. Templates and guidance on how to do this are provided in the "PNG Gender Mainstreaming Guidelines for Project Implementers" and the "GCF Gender Assessment and Action Plan Guidance".<sup>62</sup>

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<sup>60</sup> The GCF Gender Assessment and Action Plan Guidance template is located here:

<https://www.greenclimate.fund/document/gender-assessment-and-action-plan-template>

<sup>61</sup> The Mainstreaming Gender in Green Climate Fund Projects Manual is located here:

[https://www.greenclimate.fund/sites/default/files/document/guidelines-gcf-toolkit-mainstreaming-gender\\_0.pdf](https://www.greenclimate.fund/sites/default/files/document/guidelines-gcf-toolkit-mainstreaming-gender_0.pdf)

<sup>62</sup> The "Gender assessment and action plan: Annex 8 to Funding Proposals" template provides key questions to consider while developing a gender analysis/assessment for a particular project/program. The template is provided here: <https://www.greenclimate.fund/document/gender-assessment-and-action-plan-annex-8-funding-proposals>

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## 7.2.5 Environmental and social safeguards requirements

Proposals must comply with ESS requirements, and AEs must demonstrate that potential risks are managed. ESS is an essential step in the assessment of environmental and social risks and impacts of activities proposed for GCF financing.<sup>63</sup>

Screening is first undertaken at the early stages of project development. It is considered as a starting point in the environmental and social due diligence of activities, typically during the preparation of Concept Notes or Funding Proposals. GCF project proposals must comply with the GCF Environment and Social Policy and have a strong set of ESS to mitigate and manage potential environmental and social risks and/or impacts.

Screening serves to identify and assess, at the earliest stage possible, the likely environmental and social risks and impacts (including direct and indirect, induced, long-term and cumulative) that could be reasonably anticipated from the design and execution of activities.

ESS is also a tool to ensure that gender, indigenous peoples and other environmental and social sustainability issues are considered in the design and throughout the life of the activities. Undertaken at the earliest possible opportunity during the preparation of activities, screening assists the GCF, countries, AEs, EEs, and other stakeholders in anticipating the risks and impacts of the project, how these will be addressed, and the requirements that need to be met and addressed.

The ESS screening, including the assignment of the risk category of proposed activities, is the responsibility of the AE. The screening process will enable AEs to ensure that all GCF-financed activities are consistent with applicable laws related to managing environmental and social risks and impacts, including national laws, regulations, and standards, and/or obligations of the country or countries directly applicable to the activities under relevant international treaties and agreements. The risk category will be proportional to the nature, scale and location of the activity, the associated environmental and social risks and impacts, and the vulnerability of the receiving environments and communities. Relevant personnel of the AE may draw advice from the NDA, government agencies and ministries, and other stakeholders when undertaking the ESS screening.

The ESS screening determines the environmental and social documentation and assessments that need to be provided as part of the Funding Proposal.<sup>64</sup> For instance, the screening checks whether the project/programme includes large infrastructure, is located in sensitive environmental areas, or is likely to lead to resettlement of people or negative environmental impacts. If negative consequences cannot be avoided, plans to reduce and manage consequences need to be in place. The environmental and social risk category of activities is informed by the result of the screening (ESS risk categories are outlined in Section 5.4.2).

Only activities with risk categories that are within the AEs scope of accreditation will be considered for GCF financing. For example, entities accredited to Category B can propose

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<sup>63</sup> Further information on environment and social safeguards is provided on the GCF website:

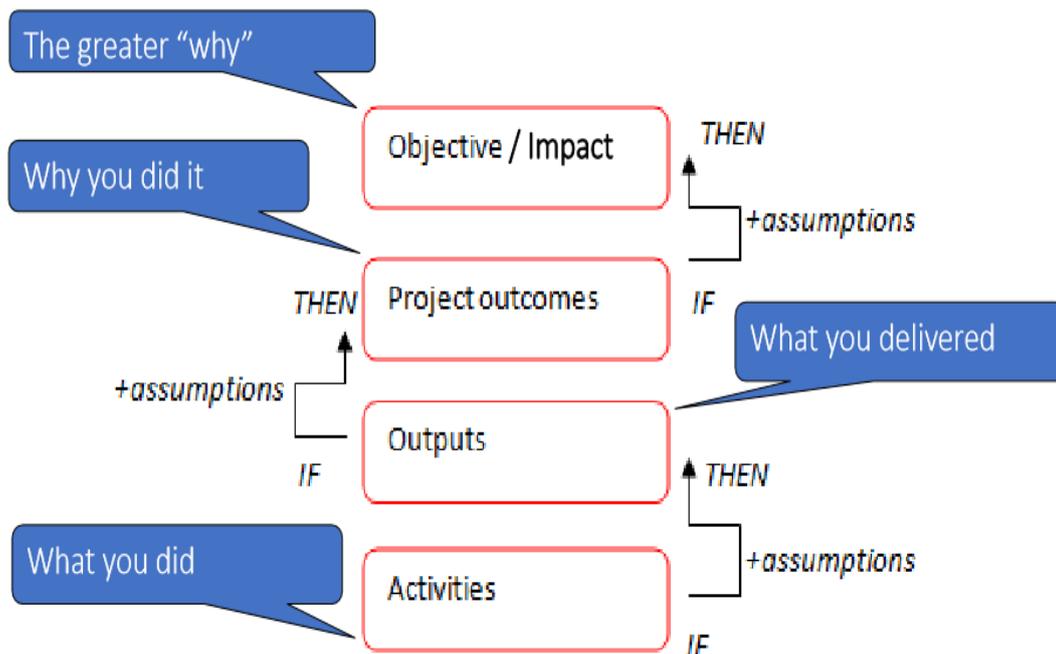
<https://www.greenclimate.fund/projects/safeguards/ess>

<sup>64</sup> Annex 1 of the “sustainability guidance note: screening and categorizing GCF-financed activities” can be used in developing a screening checklist: <https://www.greenclimate.fund/document/sustainability-guidance-note-screening-and-categorizing-gcf-financed-activities>

activities with environmental and social risk category of up to Category B only (the accreditation requirements are described in Table 5-3).

### 7.3 Results Management Framework (RMF)

The GCF’s RMF defines how a GCF project and programme contributes to achieving a paradigm shift towards low-emission and climate-resilient development pathways. It is based on two key elements: the initial logic model and the Performance Measurement Frameworks (PMF). At the Funding Proposal stage, the AE must indicate the activities, outputs, outcomes and results that they intend to achieve in relation to the GCF result areas.



**Figure 7-1: Theory of change pathway from project activities to impact**

#### 7.3.1 Developing a theory of change

GCF finance should be used to deliver change from the current problem to an improved situation as a result of the project – this is identified in the theory of change and translated into the logical framework. To deliver the “theory of change”, the project needs to:

- a Design clear, logical projects that achieve their intended outcomes;
- b Ensure the project focuses on the root cause of the problem and not on the symptoms;
- c Clearly articulate what needs to happen and put in place a monitoring system that makes sure that it does;
- d Make explicit assumptions about how results will be achieved to support the identification of risks and measures to reduce them.

The theory of change pathway is depicted in Figure 7-1: A project delivers activities, which produce outputs, which result in outcomes and meet a climate objective/impact. Showing the climate change impact is crucial to securing climate finance for a project. The theory of change is about the clear articulation of intended results and the changes necessary to achieve them.

Figure 7-1 shows the “If ....then... pathway” for the theory of change. The project should articulate a clear, plausible “story”: if I do this.....then this is what I expect to achieve. The project proponent and AE must check that the proposed activities will result in the intended outputs and ask questions such as: “How will the proposed outputs result in the intended outcomes?” and “how will the proposed activities, outputs and outcomes address the underlying problem (core objective) and achieve the impact?”

### 7.3.2 Developing a logframe

The logframe (or logical framework) is a method used during project/programme development to design and cost proposed interventions. A logframe is designed based on the desired outcomes and objective of a project (or its “theory of change”, as articulated above).

A logframe systematically presents information about key components, including 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 logframe also captures basic monitoring and evaluation requirements, which is a key aspect of the PMF – as outlined in Section 7.3.3.

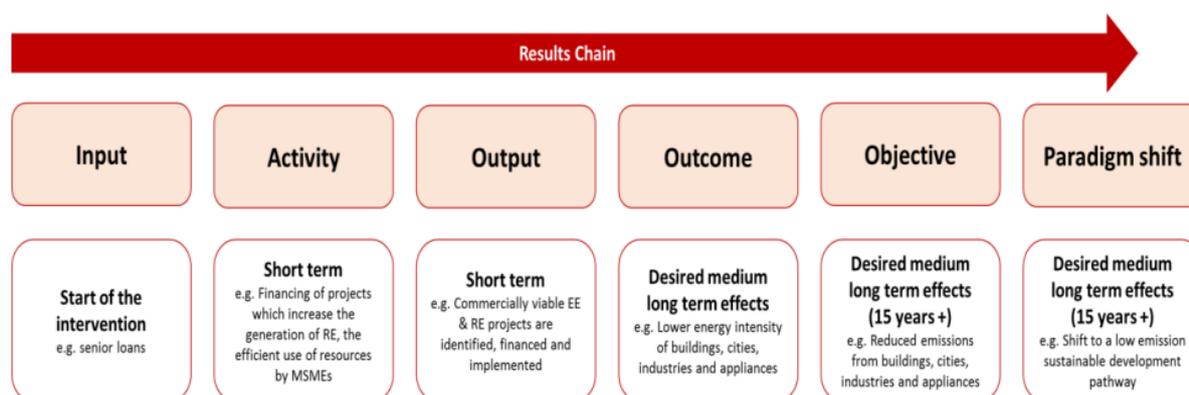
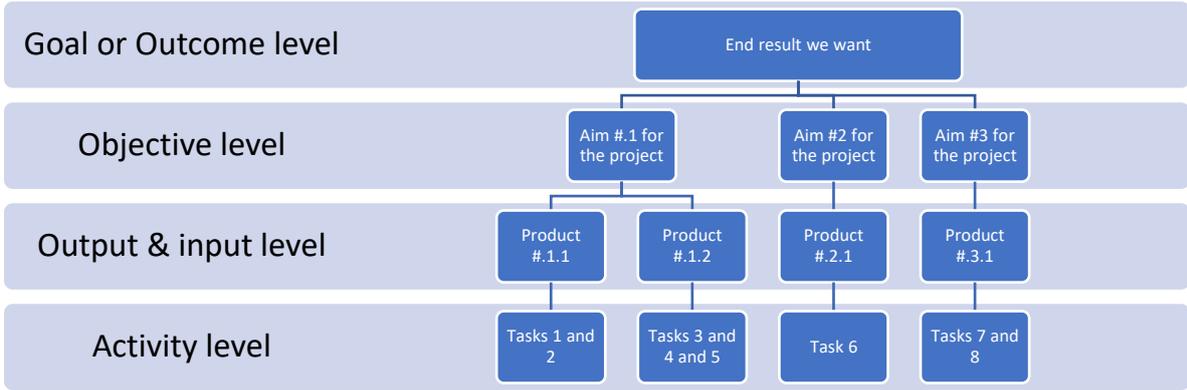


Figure 7-2: The results chain<sup>65</sup>

The 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. 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 logical frame is represented diagrammatically in Figure 7-2.

The structure of a logframe is further explained in Figure 7-3. In every project/programme, resources are put in to carry out a planned activity. If the planned activity is accomplished, then the “output” is achieved. And, if the “output” is achieved, the planned outcome from the intervention will be achieved if the assumptions are met (e.g. a policy is endorsed).

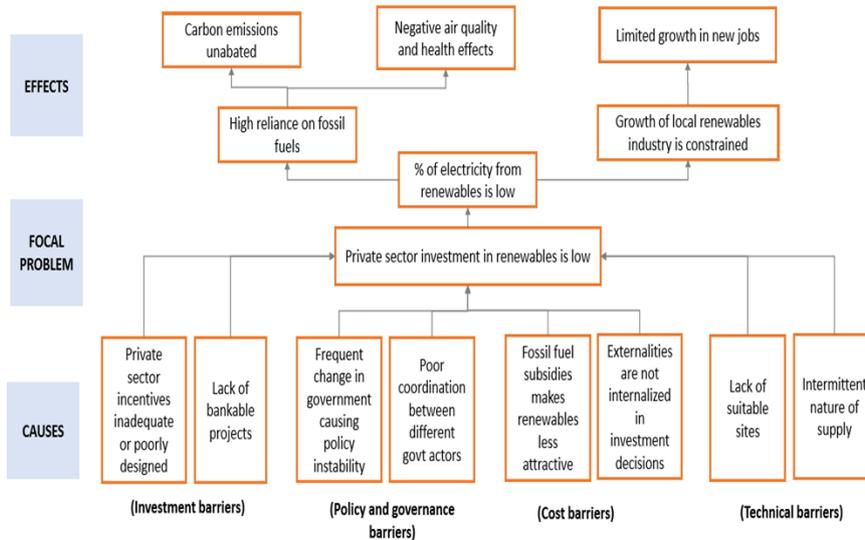
<sup>65</sup> Climate and Development Knowledge Network (CDKN). 2017. *Approach paper on investment and logical framework*.



**Figure 7-3: Overview of a logical framework**

There are several ways to develop a logframe – including using problem and objective analysis and backcasting. These methods are described below.

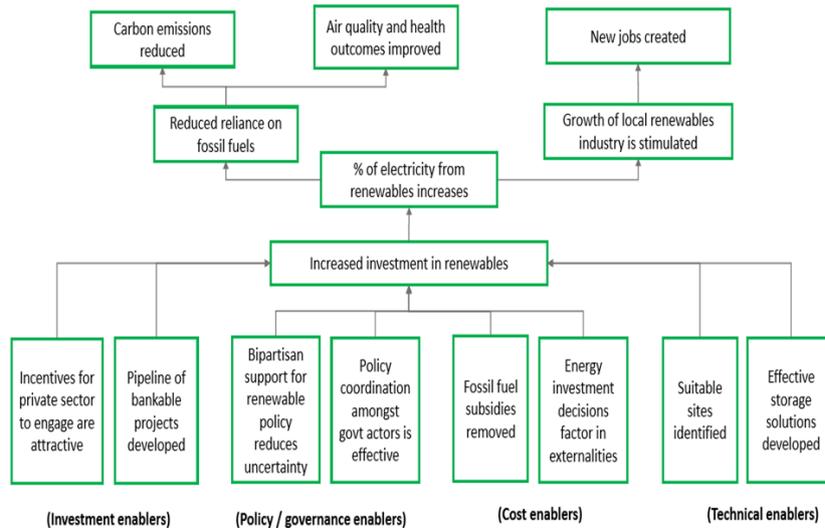
Problem analysis can be used for analysing the problems/issues the proposed project will address. Figure 7-4 shows a more detailed example of a problem tree (problem analysis) with “causes and effects” of the core problem. The low private sector investment in renewable energy contributes to carbon emissions, negative air quality and health effects and limits growth in new jobs.



**Figure 7-4: Example of problem analysis<sup>66</sup>**

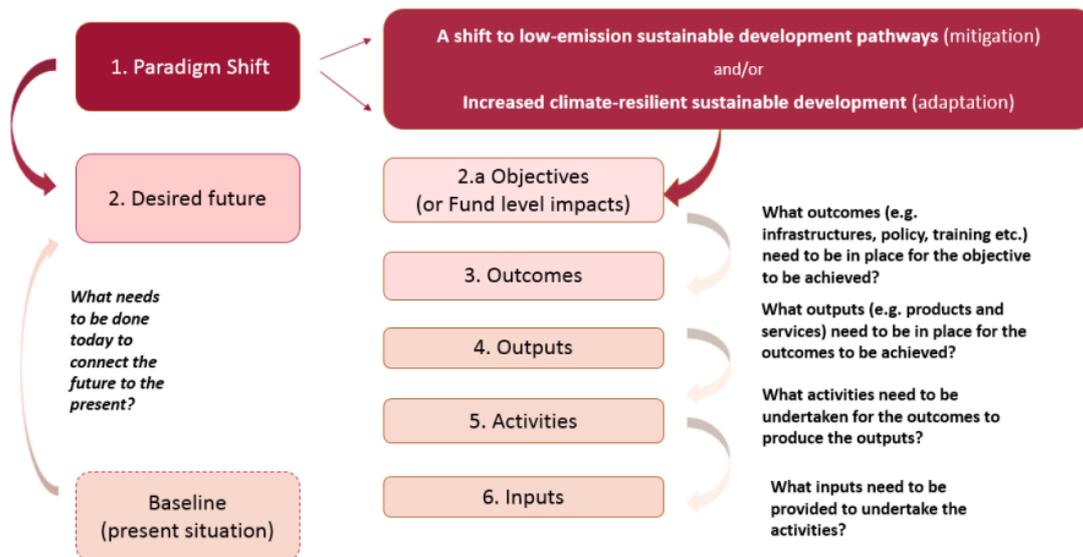
The negative statements of the problem analysis (or problem tree) become positive statements and intended outcomes, outputs and activities in the project proposal (or objectives tree). For the “low private sector investment in renewable energy”, this is translated into an objective tree (shown in Figure 7-5).

<sup>66</sup> Syngellakis, K. 2018. *Introduction to Project and Program Development principles: A GGGI Project Development Note*.



**Figure 7-5: Example of objective analysis<sup>67</sup>**

The GCF Project Toolkit provides an overview of the backcasting approach.<sup>68</sup> Backcasting is the opposite of forecasting, and is a planning process that starts with the desired future (climate mitigation/adaptation objective) and works backwards to identify the outcomes needed to connect the future and the present (baseline) situation.



**Figure 7-6: Backcasting approach for developing a logframe<sup>69</sup>**

The logic of the model can then be verified by working from the baseline, up through the activities and onwards to the objective and goal. The sequential process to develop the project

<sup>67</sup> Fayolle, V., Odianose, S., and Soanes, M. 2017. *GCF Project Toolkit 2017- Guide to develop a Project Proposal for the Green Climate Fund (GCF)*. Acclimatise, London..

<sup>68</sup> Ibid.

<sup>69</sup> Ibid.

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description for the log frame using backcasting is represented diagrammatically in Figure 7-6.<sup>70</sup>

### 7.3.3 Performance Measurement Framework

Once the logframe has been developed, indicators need to be selected to measure if results are achieved. GCF proposals must also include a PMF, which is a set of indicators that measure progress towards results proposed in the logframe. Indicators should be assigned to measure the progress of project and programme implementation. There are two core indicators that all mitigation or adaptation activities must use<sup>71</sup>:

- **Mitigation core indicator:** Tonnes of carbon dioxide equivalent (t CO<sub>2</sub> eq) reduced or avoided per year.
- **Adaptation core indicator:** The number of direct and indirect beneficiaries, and the number of beneficiaries relative to total population, of increased resilience to climate change impacts.

Additional indicators are used to measure progress towards intended results, including gender outcomes, paradigm-shift objectives, and project/programme outcomes. The GCF has a full list of potential project and programme indicators online.<sup>72</sup> For each indicator, the project/programme PMF will also include guidance on data sources and methods for collecting relevant data such as baselines, targets, metrics to be used, frequency of data collection, and other relevant information.

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 EEs.

## 7.4 Addressing the GCF investment criteria

As outlined in Section 6.2, the GCF has six investment criteria which are elaborated in this section. The specific criteria the project/programme will need to deliver on will depend on the sectoral and national context (indicative assessment factors and indicators are provided by the GCF).<sup>73</sup> The project/programme proposal templates include sections where expected performance against relevant investment criteria must be demonstrated.

### 7.4.1 Investment criterion 1: Impact potential

This is the impact potential of the programme/project to contribute to the achievement of the Fund's objectives and result areas. To demonstrate compliance with this criterion, the Funding Proposal must outline quantitative and qualitative information on the potential impact of the project/programme.

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<sup>70</sup> Ibid.

<sup>71</sup> Guidance on mitigation and adaptation indicators is provided in the "mitigation and adaptation performance measurement frameworks".

<sup>72</sup> The full list of indicative project and programme indicators are presented in the GCF's PMF in the Initial Results Management Framework of the Fund. These are provided here: <https://www.greenclimate.fund/sites/default/files/document/investment-framework-criteria-assessment.pdf>

<sup>73</sup> Ibid.

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Key indicators include the impact potential of mitigation and adaptation projects.

- **Mitigation impact indicator:** Project lifetime emission reductions (in tonnes of carbon dioxide equivalent). Project proposals should describe the expected reductions in emissions resulting from the GCF intervention.
- **Adaptation impact indicator:** Project proposals should describe the expected change in loss of lives, value of physical assets, livelihoods, and/or environmental or social losses due to the impact of extreme climate-related disasters and climate change in the geographical area of the GCF intervention. Proposals should also refer to the number of direct and indirect beneficiaries of the project, taking into account communities that are particularly vulnerable to the adverse effects of climate change.

#### 7.4.2 Investment criterion 2: Paradigm shift potential<sup>74</sup>

Paradigm shift potential refers to whether the proposed activity can catalyse impact beyond a one-off project or programme investment. Project proponents should demonstrate how proposals can meet each of the following criteria.

- **Potential for replication and/or scaling up:** Proposals need to demonstrate the potential for scaling-up/replication in a cost-effective manner. This includes the number of projects/programmes and size of impact.
- **Innovative outcomes:** Projects/programmes should, where possible, foster new business models, new technologies or use innovative co-financing. Although this is relative to the project/programme context, and the particular context should be outlined in the proposal.<sup>75</sup>
- **Knowledge sharing and/or learning:** The proposal should capture past lessons, and highlight processes to share knowledge. The proposal should demonstrate processes for ensuring stakeholder capacity development, sharing of knowledge with key stakeholders, and a long-term knowledge contribution beyond implementation.
- **Enabling environment:** The proposal should demonstrate how GCF finance will be used to build an enabling environment (i.e. achieving systemic change across a sector) beyond the planned implementation period for the project. Project proponents should consider how the proposal will result in long-term sustainable outcomes, including overcoming barriers to, and incentivising, low-emission climate-resilient development, and creating new markets and business activities that produce long-term sustainable outcomes.
- **National policy and regulatory frameworks:** When writing the proposal, project proponents should describe how the project/programme will advance policy and regulatory frameworks on climate change. The proposal should also articulate how climate change can be mainstreamed within existing national policies and regulatory frameworks.

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<sup>74</sup> Project proponents should also put forward a clearly outlined methodology for both achieving these criteria and conducting monitoring and evaluation of implementation.

<sup>75</sup> Climate Analytics. 2020. *Addressing the GCF Investment Criteria*. Retrieved from: <https://climateanalytics.org/publications/2020/addressing-the-gcf-investment-criteria/>

### 7.4.3 Investment criterion 3: Sustainable development potential

The proposal must provide information on how the project/programme aligns with the Sustainable Development Goals (SDGs), especially those which are a priority for PNG. Furthermore, the project proponent should describe the expected environmental, social and health, economic and gender-sensitive co-benefits from the activities (examples of indicators are provided in Table 7-1).

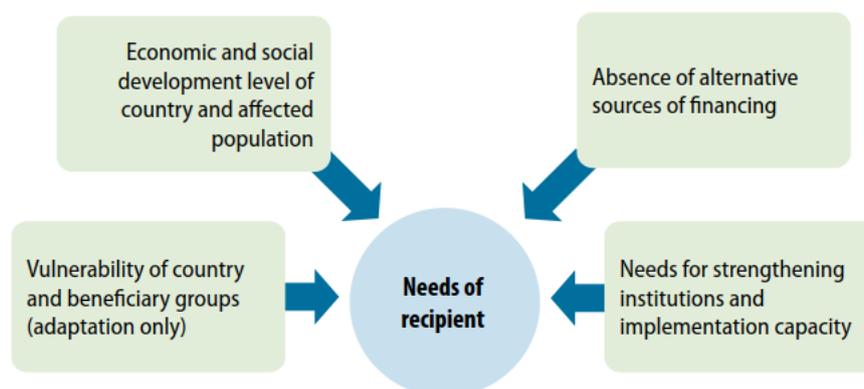
The proposal should include quantitative and qualitative information of the social, environmental and economic co-benefits of the project – for example, through providing evidence that the project/programme will achieve the co-benefits outlined in Table 7-1.

**Table 7-1: Examples of sustainable development indicators<sup>76</sup>**

Economic co-benefits	Social co-benefits	Environmental co-benefits	Gender-sensitive development impact
<ul style="list-style-type: none"> <li>Total number of jobs created</li> <li>Poverty alleviation</li> <li>Income enhancement, especially for women</li> </ul>	<ul style="list-style-type: none"> <li>Improved access to education</li> <li>Improved cultural preservation</li> <li>Improvements in health and safety</li> <li>Improved sanitation facilities</li> </ul>	<ul style="list-style-type: none"> <li>Increased air, water and soil quality</li> <li>Biodiversity conservation</li> </ul>	<ul style="list-style-type: none"> <li>How the project will reduce gender inequalities – e.g. number of women and girls benefiting from intervention</li> </ul>

### 7.4.4 Investment criterion 4: Needs of the recipient

To address the needs of the recipient criterion, the project proponent should describe the vulnerability of the country/target area/population scale/beneficiary groups, the financing needs, and elaborate on how the project/programme addresses the needs identified.



**Figure 7-7: Needs of the recipient**

Examples of how to address the needs of the recipient criterion are provided in Figure 7-7, and elaborated below.

- Vulnerability of the country and beneficiary groups (for adaptation focused projects/programmes):** The proposal should describe the scale and intensity of

<sup>76</sup> Adopted from the GCF investment criteria indicators.

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exposure to climate risks (including slow onset events) for PNG and relevant groups, which could include quantitative and qualitative information on the level of vulnerability of target populations. Exposure could be expressed in terms of population size and/or social or economic assets, including relevant gender-disaggregation indicators. A variety of tools (e.g. vulnerability studies/assessments and financial analyses) can be used for assessing vulnerabilities, including climate change risks, impact projections, and potential costs of the related climate change impacts. Furthermore, the proposal should demonstrate how vulnerability will be reduced (from a baseline and in future projections), how the project will promote social and economic development, and how the needs of the recipient will be met through the project.

- **Economic and social development:** Describe how the proposed project will promote social and economic development and/or sustain/enhance the livelihoods of the targeted population. The proposal should also 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.
- **Financing gaps:** For both mitigation and adaptation proposals, the financing gaps should be identified to justify the GCF intervention. The proposal should demonstrate how the project would not be viable without funding from the GCF, and how barriers that have created the lack of alternative funding sources for the project/programme will be addressed.
- **Institutional capacity building:** The proposal should highlight how institutional and implementation capacity will be strengthened. Opportunities to strengthen institutional and implementation capacity in relevant institutions should be described, and this could include how strengthened institutional capacity could result in improved planning outcomes.

#### 7.4.5 Investment criterion 5: Country Ownership

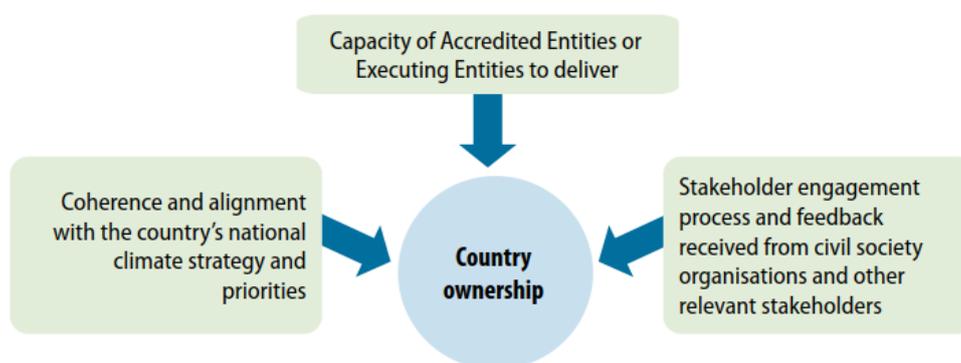
Meeting the criterion of country ownership requires demonstrating that the project/programme aligns with, and advances, strategic national objectives and adaptation and mitigation priorities, policies and regulatory frameworks. In particular, the project proponent must provide a description of how the project and programme is aligned with the NDC, NAP, and other key climate change priorities and plans, and how the intervention will make progress against specific targets within these frameworks.

As outlined in Figure 7-8, project proponents should provide the following details in the proposal to address this criterion.

- **Demonstration of the capacity of the AEs and/or EEs to implement the project/programme:** This should include a detailed overview of the AE and/or EE and the respective roles these entities will play in implementation. The track record, experience and expertise of the entities in similar project/programme circumstances should be provided – this could include experience in the sector, type of intervention, and experience implementing projects/programmes in PNG.
- **Description of a stakeholder engagement/consultation process:** This should include a description of how stakeholders were engaged in proposal development, and how consultations will take place during and after implementation. The feedback received

from relevant stakeholders through the proposal development process should also be provided.

- **NDA endorsement:** Evidence of strong engagement with the NDA in the development of the proposal should also be provided. A NoL from the NDA is also required, which confirms endorsement of the proposal's approach and GoPNG's support for the project/programme.
- **Alignment with the PNG GCF Country Programme:** While not a requirement, it is beneficial for proposals submitted to the GCF to be included in PNG's GCF Country Programme. Submitting proposals which are in the Country Programme help to demonstrate that the proposal is aligned to the NDC, NAP and other national and sub-national planning processes, and that the proposal has been developed in a consultative manner.



**Figure 7-8: Elements of country ownership criterion<sup>77</sup>**

#### **7.4.6 Investment criterion 6: Efficiency and effectiveness**

The proposal must demonstrate the efficiency, effectiveness, financial soundness and economic rationale of the project/programme. The project proponent should conduct an economic and financial analysis, and demonstrate that the project/programme is financially viable, cost-effective and efficient in financial and non-financial aspects. Project proponents should demonstrate the following in the proposal to address this investment criterion.

- **Cost-effectiveness and efficiency:** The proposed financial structure (funding amount, financial instrument, tenor and term) should be adequate and reasonable. The financial structure should correspond to the project/programme objectives, including addressing existing bottlenecks and/or barriers. The proposal should also demonstrate that the financial structure provides the least concessionality needed to make the proposal viable, and not crowd out private and other public investment. The level of concessionality should also be tailored to the incremental costs or the risk premium to make the project/programme viable.
- **Co-financing:** Proposals should depict the amount of co-financing and the co-financing ratio (total amount of co-financing divided by the Fund's investment in the proposal). Further information on co-financing requirements is provided below in Section 7.4.7.

<sup>77</sup> Figure is copied from: Fayolle, V. & Odianose, S. 2017. *Green Climate Fund Proposal toolkit 2017*. London: Acclimatise and Climate and Development Knowledge Network.

- **Financial viability:** The proposal should demonstrate that the project/programme is economically and financially viable, including that the benefits are higher than the costs. As appropriate, projects/programmes should provide an estimate of the expected economic internal rate of return and/or financial internal rate of return. As required, sensitivity analysis should be completed to confirm the project/programme remains economically robust under several scenarios including increases in investment costs, increases in operating and maintenance costs, and declining benefits. 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 financial exit strategy in case of private sector operations, should also be included as applicable.
- **Application of best practices:** Evidence should be presented on how best practices or technologies are implemented in the proposal taking national circumstances into consideration (including those of indigenous peoples and local communities), as well as a plan for the use of revenues generated in the case of projects that produce revenues.
- **The following non-mandatory, indicative assessment factors should be considered, where applicable:** (i) estimated cost per tCO<sub>2</sub>eq defined as total investment cost/expected lifetime emission reductions (for mitigation projects), (ii) expected volume of finance to be leveraged by the proposed project/programmes, disaggregated by public and private sources, (iii) potential to catalyse private and public sector investment, assessed in the context of performance on performance industry best practices in PNG and the Pacific, and (iv) completion of market analysis, including demonstrated user demand for goods and services provided by the project/programme.

#### 7.4.7 Co-financing requirements

The GCF has a policy on co-financing, which sets out key principles and approaches to determine and monitor public and private co-financing applicable to all GCF-funded activities.<sup>78</sup> The GCF seeks to attain adequate levels of co-finance to, amongst other objectives, achieve the highest possible impact and ambition, strengthen climate action through both public and private sector contributions to the projects and programs, strengthen country ownership, and provide the necessary resources for the long-term sustainability of climate actions. The key principles regarding co-financing, as outlined in the "GCF Policy on Co-financing" are as follows:

- Co-financing means the financial resources required, whether Public Finance or Private Finance, in addition to the GCF Proceeds, to implement the Funded Activity for which a Funding Proposal has been submitted.
- There is no minimum amount of Co-financing required for a Funded Activity, and no specific sources of Co-financing that must be complied with.
- While maximising Co-financing is deemed desirable, GCF will avoid using Co-financing metrics as stand-alone targets since maximising climate mitigation and adaptation results does not necessarily equate with minimising or optimising spending on climate mitigation and adaptation.

<sup>78</sup> GCF. 2019. *Policy on Co-financing*.

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- Where GCF funding is covering the whole or part of the incremental costs of a Funded Activity, other costs should be co-financed by other sources.

Different approaches have been used to define the concept of incremental costs associated with projects to address climate change adaptation and mitigation. The International Panel of Climate Change (IPCC), for example, defines incremental costs as “the cost of capital of the incremental investment and the change of operating and maintenance costs for a mitigation or adaptation project in comparison to a reference project. It can be calculated as the difference of the net present values of the two projects”.<sup>79</sup>

Obtaining co-financing can be challenging, and therefore project proponents should consult with the NDA to identify co-financing needs and secure co-financing at the earliest opportunity.

If the project/programme requires co-financing from GoPNG, the proposal will also need to be submitted and approved in the prior financial year through the PIP Guidelines process.<sup>80</sup> To align with the national budget cycle, proposals should be submitted to the Secretary of DNPM before 31 May and a copy sent to the Development Planning and Programming Division (DPPD).

The PIP process involves a comprehensive appraisal of proposals to ensure that there is consistency with national policy, Sector Investment Plan, and national and sub-national plans. The proposal is also reviewed based on policy impact, sustainability, affordability, equity, and other factors which are described in the Public Investment Programme Guidelines.

## 7.5 Proposal screening

CCDA, the GCF PNG NDA, has developed a multi-criteria analysis tool for screening proposals. This tool was developed by the NDA in consultation with central government ministries, NGOs, and private sector, in partnership with the Global Green Growth Institute (GGGI) – the Delivery Partner for PNG’s GCF Readiness Support project 2017-2020 – and USAID Climate Ready.

This tool is for screening proposals to make sure that it meets GCF investment criteria and is aligned to national climate change priorities and goals of PNG. The tool is primarily designed for use by the NDA and CCDA, and the climate change TWCs, for screening, ranking and prioritisation of proposals to include in the GCF Country Programme.

The tool can be also used by stakeholders to screen their proposal against GCF investment criteria, and PNG’s national climate change priorities and goals. The tool is included in Annex VIII.

## 7.6 Best Practices

To summarise, based on global experience, there are a number of best practices that project proponents and AEs should consider when developing GCF proposals.

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<sup>79</sup> IPCC. 2014. *Climate Change 2014: Mitigation of Climate Change*. Contribution of Working Group III to the Fifth Assessment Report of the Intergovernmental Panel on Climate Change. Cambridge: Cambridge University Press; GCF. 2018. *Incremental cost methodology: potential approaches for the Green Climate Fund*. GCF/B.19/34.

<sup>80</sup> The national process for approving GoPNG co-finance is outlined in: GoPNG. 2007. Public Investment Programme Guidelines.

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- **The proposal must contribute to at least one of the eight GCF strategic impact areas.** The GCF has targeted a set of eight strategic impact areas in mitigation and adaptation (as outlined in Figure 6-1). It is essential that GCF projects align with at least one of these results areas.
  - **Proposals must comply with the GCF six investment criteria.** GCF proposals must align with the high-level investment criteria (as outlined in Figure 6-2), and establish specific sub-criteria and indicators against which the performance of the project will be assessed.
  - **GCF projects must align with national climate priorities,** including the NAP, NDC, and the PNG GCF Country Programme, and the broader development priorities articulated in the MTDP and other planning frameworks. The guidance provided in this manual, and compliance with the no-objection procedure, will ensure there is compliance with this critical requirement of the GCF.
  - **Demonstrate key stakeholder engagement.** The development of GCF projects must involve a comprehensive, and inclusive process of engagement and consultation with all relevant national stakeholders. Following the procedures set out in this Manual will help to ensure compliance with this critical requirement.

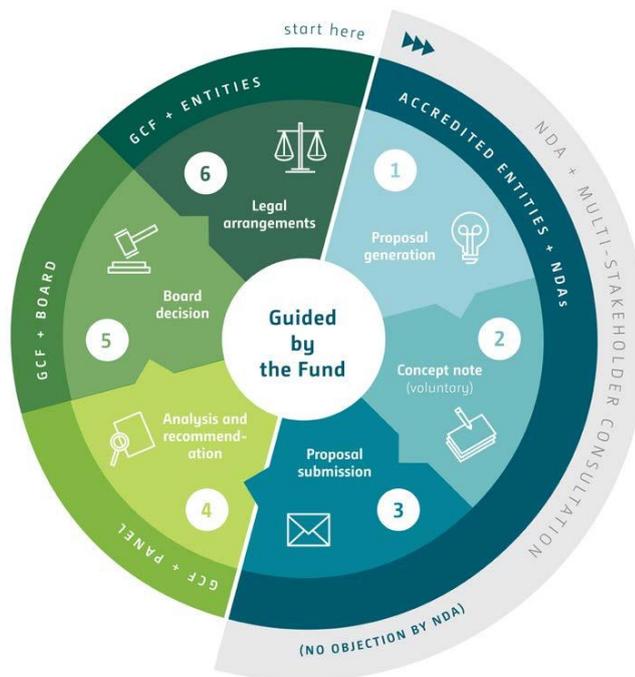
## 8 GCF project cycle

Section 8 presents the process for developing, approving and implementing a GCF project/programme. From this section, the reader will gain an understanding of the following procedures:

- The national process in PNG for developing a GCF project/programme;
- The no-objection procedure;
- The approval process at the GCF level;
- The project/programme implementation and monitoring and evaluation procedures and requirements.

### 8.1 Process for developing a GCF project/programme

The GCF has developed a standard process for developing proposals, as shown in Figure 8-1. The process from proposal idea generation through to GCF Board approval and the finalisation of the legal arrangements can take an estimated 18 months to 4 years depending on the complexity and size of the project.



**Figure 8-1: GCF approval process<sup>81</sup>**

The country-specific process for PNG has been designed to ensure projects and programmes are country-driven and align with the Government's national priorities, including the NAP, NDC, GCF Country Programme and the MTDP – this is considered a critical factor in the GCF's proposal approval process. The approval process in PNG is shown below, and the issuance of the NoL is a key outcome of this process (this is described below in Section 8.3).

<sup>81</sup> Adopted from Green Climate Finance, 2015: <https://www.greenclimate.fund/how-we-work/tools/infographics>

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The national procedure for developing a GCF project/programme is as follows:

- a Project proponents will submit project ideas/proposal to the GCF NDA (CCDA). If the project/concept idea is at an early stage, this should be submitted using the Project Summary Brief in Annex V. If in the client would like to seek general information on GCF or seek advice from the NDA, this should be submitted by completing and submitting the Client Registration Form to the NDA Annex IV.
- b One the proposal has been submitted to the NDA, an initial screening will take place to confirm completeness according to published criteria.
- c The NDA will then refer the proposal for review to TWC members, external panels or line ministries as required.
- d The TWC's will appraise proposals and submit their recommendations to the Managing Director for the NDA who will make the final decision for issuance of a NOL, subject to all requirements being met.

## 8.2 GCF approval of the Funding Proposal

Following the submission of the Funding Proposal by the AE with associated documents and the NoL, the GCF Secretariat will conduct a review of the proposal.<sup>82</sup> Funding Proposals that are submitted to the GCF are subject to a rigorous review process, which culminates in a decision by the GCF Board as to whether support the project. The GCF approval process is outlined below:

- a The GCF Secretariat will complete an initial assessment of the submitted proposal and the technical specifications alongside the documents that need to accompany it (including an Impact Assessment to ensure the project meets GCF's project standards).<sup>83</sup> At this stage, the GCF Secretariat may contact the AE to discuss the proposal and seek to strengthen the application in advance of a further, more detailed review.
- b Following an initial completeness check, the GCF Secretariat will then undertake a detailed assessment of the project proposal, including assessing how it matches GCF investment criteria and complies with GCF policies. Once the proposal has passed the review by the GCF, the GCF Secretariat will pass its assessment along with the proposal and supporting documents to the ITAP.
- c The ITAP will assess the Funding Proposal against the six GCF investment criteria. The ITAP is an independent panel of six international experts: three from developing countries and three from developed countries. The ITAP can add conditions and recommendations to the Funding Proposal at its discretion and may ask AEs to provide clarifications while liaising with the GCF Secretariat.
- d If the GCF Secretariat and/or ITAP decides that modifications are necessary, the AE and NDA will meet to consider the comments/suggestions. Where required, the AE will work with NDA and the lead EEs to amend the GCF Funding Proposal to reflect feedback. If

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<sup>82</sup> It is standard practice for Accredited Entities to submit funding proposals to GCF. In some cases, however, GCF may issue a Request for Proposals allowing submission by entities that are not yet accredited to GCF. In these cases, the accreditation application of the entity will be considered alongside the funding proposal.

<sup>83</sup> The proposal must also include a no-objection letter signed by the PNG NDA. The no-objection letter should be submitted within 30 days of the proposal itself, but can be separate from the proposal.

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further national approvals are needed at this stage, due to factors such as increased co-financing requirements, the NDA will coordinate required approvals.

- e The GCF Secretariat then submits the Funding Proposal package to the GCF Board. The package consists of the Funding Proposal, documents required to support the proposal, a NoL signed by the NDA, and the GCF Secretariat and ITAP assessments. The AE may be requested to provide additional clarification about their Funding Proposal based on GCF and ITAP assessments.
- f The GCF Board, which generally meets three times a year, considers the proposal and can choose one of three possible decisions: (i) Approve funding; (ii) Approve funding with conditions and/or a request to undertake modifications to the Funding Proposal; or, (iii) Reject the Funding Proposal.

### 8.3 No-objection procedure<sup>84</sup>

The purpose of the no-objection procedure is to ensure consistency with national climate strategies and plans and country-driven approaches, and to provide for effective direct and indirect public and private sector financing by the Fund. The NoL should be provided to the GCF Secretariat in conjunction with any submission of a Funding Proposal seeking GCF funding. The NDA applies a 6-step approach to the overall NOL process, as shown in Figure 8-2.

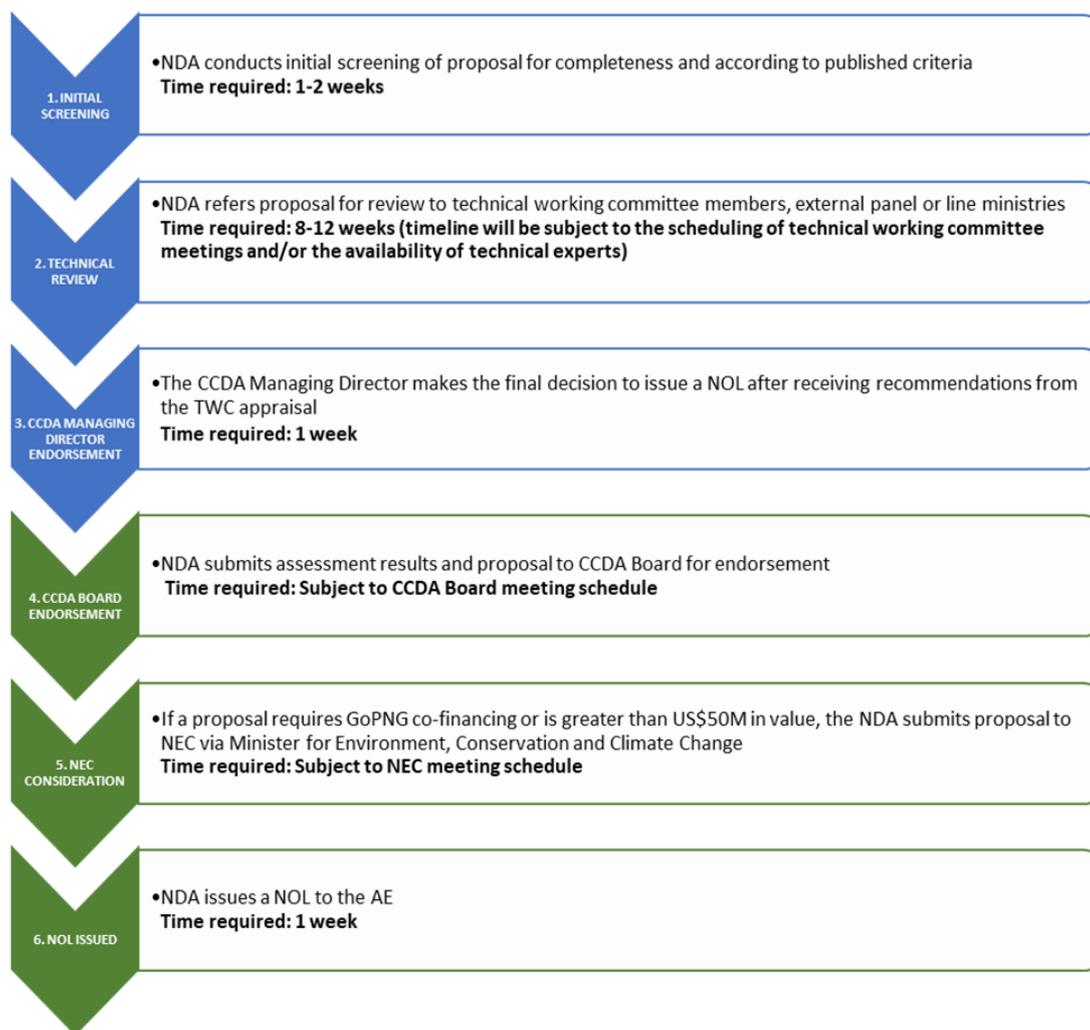
The Managing Director for the CCDA is the authorised signatory for the NoL. Upon proposal appraisal through application of the review process in consultation with TWC members, the Managing Director will provide final approval and endorsement of the NOL.

The Managing Director will:

- a Provide a final decision for the issuance of a NOL;
- b Determine whether it is necessary to seek a decision at the National Climate Change Board level. The Managing Director will request for the National Climate Change Board to convene subject to the following conditions:
  - Co-financing has been requested through an approved CCDA PIP budget submission; and/or
  - An allocation for government co-financing is available through CCDA revenue generation options for consideration; and/or
  - The proposal requests for total financing that is equal to or exceeds US\$ 50 million (national level disbursement).

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<sup>84</sup> For further information, please consult the PNG No-Objection Procedure Guidelines.



**Figure 8-2: The no-objection procedure**

## 8.4 Project/programme implementation

Once the GCF Board has approved a Funding Proposal, the GCF and the AE responsible for implementation sign a Funded Activity Agreement (FAA), which provides the legal framework for the project/programme.

The implementation phase of the project or programme will start with the transfer of funds from the GCF to the AE.<sup>85</sup> The AE will launch and oversee the implementation of activities included in the approved project as well as the monitoring and evaluation process and that will continue until the completion of the project.

### 8.4.1 Stakeholder roles and responsibilities in implementation

During the implementation of a GCF project/programme, stakeholders have the following roles and responsibilities:

<sup>85</sup> Similar to the accreditation and programme development, the time required between the approval of a Funding Proposal and the first disbursement varies.

- **National Designated Authority (NDA):** Oversee implementation of projects/programmes; undertaking monitoring and evaluation of projects/programmes, including in relation to the County Programme; and participate in the Steering Committee.
- **Accredited Entity (AE):** Implementing projects/programmes in line with the Funding Proposal work plan, timelines and outputs; conducting participatory consultations with stakeholders; and completing monitoring and evaluation.
- **Executing Entity (EE):** Executes, carries out or implements a funded activity, or any part thereof. It is preferable if local and national actors execute projects and programs, but AEs, development partners, and INGOs can also play this role.
- **Project proponent:** Execute the project/programme as an EE; participate in consultations and monitoring and evaluation; ensure that the implementation of GCF project/programme is aligned with national/sectoral priorities in line with the Funding Proposal.
- **Steering Committee:** To coordinate the implementation of a Funding Proposal, a coordinating structure may be set up by an AE in the form of a steering committee or similar platform to oversee implementation. The steering committee could consist of representatives from the NDA, EE(s), project proponents, and other relevant national stakeholders. Representatives could also include other government agencies, provincial and local government agencies, affected community representatives, and, in some cases, private sector entities and civil society. The roles and responsibilities of the steering committee could include reviewing implementation progress, reviewing stakeholder consultations, and supporting/reviewing monitoring and evaluation activities.

In addition, regular stakeholder consultations should take place throughout the implementation phase. Throughout project/programme implementation, stakeholders can contribute to reviewing the progress of the GCF project/programme. Ensuring ongoing consultations and engagement will allow the continued input and participation of stakeholders, including affected communities. Stakeholders consultations should focus on continuous sharing of updates on progress, and conducting regular assessments on achievements. The consultations should involve all relevant actors, including vulnerable groups, women and indigenous peoples as they are often the most affected potential beneficiaries.

## 8.5 Monitoring, evaluation and reporting requirements

The GCF requires that projects/programmes are regularly monitored and periodically evaluated for impact, efficiency and effectiveness.

Table 8-1 provides an overview of monitoring and evaluation, and how these processes are used in project/programme management. Monitoring is the systematic collection of information to determine if activities are implemented as intended, whereas evaluations are used to determine effectiveness in relation to a number of criteria and might be conducted internally or by external independent evaluators.

**Table 8-1: Focus of monitoring and evaluation**

<b>Monitoring</b>	<b>Evaluation</b>
Ongoing, continuous	Time-bound, periodic, often after project completion
Focuses on project activities	Internal, external, or participatory
Responsibility of project or program management	Responsibility of evaluator together with staff or management
Provides continuous feedback to improve performance	Provides feedback and judgments about success, effectiveness, etc.

Under GCF procedures, the AE is responsible for conducting Monitoring and Evaluation (M&E) of funded projects/programmes, and will be required to report to the GCF. The AE will conduct M&E to ensure that all the activities are implemented according to the work plan and timelines to deliver on all the outputs as proposed in the project/programme logical framework. 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;
- Interim, mid-term and final evaluations at the project or programme level.

The GCF encourages AE's to use participatory monitoring involving targeted stakeholders, including communities, local stakeholders, and civil society at all stages of the project/programme cycle.

### **8.5.1 Periodic evaluations**

The GCF has developed a draft Evaluation Policy in 2018<sup>86</sup>, which will be presented to the GCF Board in the near future.<sup>87</sup> The policy recognises two categories of evaluations: (1) Self-evaluations (or reviews or assessments), and (2) independent evaluations.

- Self-evaluations are evaluations commissioned and/or managed by the GCF Secretariat, and by the non-independent evaluation offices of the NDAs or AEs, the private sector, civil society or others, examining GCF activities, outputs, outcomes, impact or performance.
- Independent evaluations (or reviews or assessments) are conducted, commissioned or managed by the IEU, the Independent Units of the GCF or the independent evaluation offices of AEs. Two important independent evaluations will be the project mid-term and final evaluations (FE). Evaluations can also be real-time or ex-post evaluations or impact assessments.

According to the evaluation policy, the Fund considers the following criteria in conducting its evaluations:

- **The relevance, effectiveness, efficiency, impact and sustainability of projects and programmes.** The following questions will be considered in relation to these criteria: How and how much has the intervention contributed (or not) to the GCF's objectives

<sup>86</sup> GCF. 2018. *GCF Evaluation Policy*.

<sup>87</sup> For more information see: <https://ieu.greenclimate.fund/evaluation-policy-of-the-gcf>

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and result areas? What is the contribution to the shift to low-emission, sustainable development pathways?

- **Coherence in climate finance delivery with other multilateral entities.** These criteria will be used to assess whether the project/programme resulted in catalytic effects beyond one-off interventions; barrier removal in engaging the private sector; whether and how the intervention brought significant and systematic changes towards low-carbon climate-resilient development pathways; among other questions.
- **Country ownership.** This criterion will consider questions such as: What is the country ownership of the investment? What is the coherence with climate change strategy and other relevant existing policies?
- **Gender equity and social inclusion.** This will consider points such as the extent to which gender equity measures ensure that men and women equally benefit from GCF funding.
- **Innovativeness in result areas.** This will consider points such as the extent to which interventions may lead to a paradigm shift towards low-emission and climate resilient development pathways.
- **Replication and scalability.** This will consider the extent to which activities can be scaled up in other locations within the country or replicated in other countries.

All evaluations conducted by the IEU of the GCF will be published on the GCF website, including the management responses and action plans based on the recommendations of such evaluations. Whilst other evaluations conducted by GoPNG, NDA, or AEs will be disclosed based on their respective policies.

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## 10 Annex I: Glossary of key concepts

**Table 10-1: Glossary of key concepts**

<b>Term</b>	<b>Description</b>
<b>Accreditation</b>	A process under which entities have to demonstrate that they have the ability to manage the GCF's resources in accordance with standards and criteria set out by the GCF in the accreditation application.
<b>Accredited Entity (AE)</b>	An entity that is accredited by the GCF Board in accordance with the Governing Instrument and relevant Board Decisions. The GCF mobilises climate finance by working through a wide range of AEs. Organisations seen to have specialised capacities in driving climate action may apply to become GCF AEs. They can be private, public, non-governmental, sub-national, national, regional or international bodies.
<b>Adaptation</b>	An adjustment in natural or human systems in response to actual or expected climatic stimuli or their effects, which moderates harm or exploits beneficial opportunities.
<b>Climate Finance Readiness</b>	Climate finance readiness reflects a country's capacity to plan for, access, and deliver international and domestic climate finance, as well as monitor and report on expenditures.
<b>Concept Note</b>	A document which provides essential information about a proposal to seek feedback on whether the concept is aligned with the objectives, policies and investment criteria of the GCF. The GCF Concept Note template can be downloaded from the GCF website.
<b>Country Programme</b>	The country programme articulates and defines national climate priorities and presents a pipeline of projects and programs that PNG would like to develop with the GCF. It provides an action plan that details how projects and programs are to be developed, the type of entity to partner with, and the readiness and project preparation support required.
<b>Delivery Partner</b>	An institution selected by the NDA to implement activities approved under the Readiness and Preparatory Support Programme.
<b>Direct Access Entities (DAEs)</b>	DAEs are GCF AEs that are public, private or non-governmental institutions that apply for accreditation through the direct access modality. DAEs are regional, national and sub-national institutions, which are nominated by the NDA.
<b>Enhanced Direct Access (EDA)</b>	The EDA is a modality for devolving the approval of individual proposals to the country. Under this country driven programmatic approach, the submission of individual projects is not required, with fund management, implementation and execution all devolved to the national level.
<b>Environmental and Social</b>	A reference point for identifying, measuring and managing environmental and social risks. The purpose of the ESS is to determine the key environmental and

<b>Safeguards (ESS)</b>	social risks the AE intends to address in the conceptualisation, preparation and implementation of Funding Proposals, and to provide guidance on how these risks are to be managed.
<b>Executing Entity (EE)</b>	An entity through which GCF proceeds are channelled for the purposes of a funded activity or part thereof; and/or any entity that executes, carries out or implements a funded activity, or any part thereof. An AE may carry out the functions of an EE, though it is preferable if local and national actors execute projects and programs.
<b>Funding Proposal</b>	A document that is submitted by entities who want to get access to GCF resources for climate change projects and programs. Funding Proposals can be submitted to the GCF at any time, and are subject to a review process, culminating in a decision by the GCF Board as to whether to support the project. The GCF Funding Proposal template can be downloaded from the GCF website.
<b>Gender Policy</b>	The Fund's Gender policy aims to ensure the GCF will efficiently contribute to gender equality and will, in return, achieve greater and more sustainable climate change results.
<b>Investment Criteria</b>	Six investment criteria adopted by the GCF 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 sub-criteria, and indicative assessment factors that provide further elaboration.
<b>Mitigation</b>	In the context of climate change, mitigation refers to interventions that aim to reduce emission of greenhouse gases and/or enhance carbon sinks.
<b>National Designated Authority (NDA)</b>	A core interface and the main point of communication between a country and the GCF. The NDA seeks to ensure that activities supported by the GCF align with strategic national objectives and priorities, and help advance ambitious action on adaptation and mitigation in line with national needs. Key roles of NDAs are to issue NoLs for proposal and provide letters of nomination to DAEs.
<b>Nomination Letter</b>	A letter provided by the NDA to prospective entities seeking GCF accreditation. Entities applying for accreditation need to submit a nomination letter as a part of the accreditation application.
<b>No-Objection Letter (NoL)</b>	A letter issued from the NDA confirming that it has no objection to a Funding Proposal submitted by an AE. The NoL will only be issued following the completion of the no-objection procedure.
<b>Private Sector Facility (PSF)</b>	The PSF engages the local and global private sector to invest in mitigation and adaptation activities. The PSF aims to change the current paradigm by de-risking the delivery of private capital and scaling up private sector investment flows for low carbon and climate-resilient development.

<b>Project Preparation Facility (PPF)</b>	PPF is financial support provided by the GCF usually in the form of grants to the AEs, especially for development of Funding Proposals for micro-to-small size projects submitted by DAEs.
<b>Project Proponent</b>	A group or organisation that submits or proposes a project idea to the NDA. It can be from the private or public sector (including ministries, local governments, private sector actors, CSOs and community organisations), and can also be an existing AE of the GCF.
<b>Results areas</b>	Eight result/impact areas which will deliver major mitigation and adaptation benefits to promote a paradigm shift towards low-emission and climate-resilient development. Mitigation includes four result areas, namely low-emission energy access and power generation; low-emission transport; energy-efficient building, cities and industries; and sustainable land use and forest management. Adaptation covers the other four, namely enhanced livelihoods of the most vulnerable people, communities and regions; increased health and well-being, and food and water security; resilient infrastructure and built environment to climate change threats; and resilient ecosystems. All proposals must reflect one or more of the result/impact areas.
<b>Simplified Approval Process (SAP)</b>	The Simplified Approval Process Pilot Scheme is an application process for smaller-scale projects or programmes. Projects or programmes are eligible for the SAP if they meet three main eligibility criteria: (i) Ready for scaling up and having the potential for transformation; (ii) a request for financing to GCF of up to US\$ 10 million of the total project budget; and (iii) the environmental and social risks and impacts are classified as minimal to none.

## 11 Annex II: Linking national priorities to GCF Result Areas

**Table 11-1: Alignment of national priorities in the context of GCF Results Areas**

Priorities identified in national strategies and initiatives	GCF Results Areas							
	Mitigation				Adaptation			
	<ul style="list-style-type: none"> <li>• Tonnes of carbon dioxide equivalent (t CO<sub>2</sub> eq)</li> <li>• Cost per Tco<sub>2</sub>EQ decreased</li> <li>• Volume of finance leveraged by Fund</li> </ul>				<ul style="list-style-type: none"> <li>• Total Number of direct and indirect beneficiaries;</li> <li>• Number of beneficiaries relative to total population</li> </ul>			
	M1. Energy generation and access	M2. Transport	M3. Buildings, cities, industries, and appliances	M4. Forests and land use	A5. Health food and water security	A6. Livelihoods of people and communities	A7. Infrastructure and built environment	A8. Ecosystems and ecosystem services
<b>Relevant metrics (from the GCF Performance Framework)</b>	<ol style="list-style-type: none"> <li>1. Technologies and innovative solutions transferred or licensed</li> <li>2. Improved institutional and regulatory systems</li> <li>3. Proportion of low-emission power supply</li> <li>4. Number of households, with improved access to low-emission energy</li> <li>5. MWs of low-emission energy capacity</li> </ol>	<ol style="list-style-type: none"> <li>1. Number of additional female and male passengers using low-carbon transport</li> <li>2. Vehicle fuel economy and energy source</li> </ol>	<ol style="list-style-type: none"> <li>1. Energy intensity/improved efficiency of buildings</li> </ol>	<ol style="list-style-type: none"> <li>1. Hectares of land or forests under improved and effective management</li> </ol>	<ol style="list-style-type: none"> <li>1. Number of males and females benefiting from introduced health measures to respond to climate-sensitive diseases</li> <li>2. Number of food-secure households in areas at risk</li> <li>3. Number of males and females with year-round access to reliable + safe water supply</li> </ol>	<ol style="list-style-type: none"> <li>1. Change in expected losses of lives and economic assets (US\$)</li> <li>2. Number of males and females benefiting from diversified, climate-resilient livelihoods</li> <li>3. Support for effective adaptation to fish stock migration and depletion</li> </ol>	<ol style="list-style-type: none"> <li>1. Number of valued physical assets made more resilient to climate variability and change</li> </ol>	<ol style="list-style-type: none"> <li>1. Coverage /scale of ecosystems protected and strengthened</li> <li>2. Value (US\$) of ecosystem services generated or protected.</li> </ol>
<b>Priorities identified in national development strategies</b>								
<b>Vision 2050</b>	<ul style="list-style-type: none"> <li>• Wealth Creation</li> </ul>		<ul style="list-style-type: none"> <li>• Human Capital Development, Gender, Youth and</li> </ul>	<ul style="list-style-type: none"> <li>• Environmental Sustainability and Climate Change</li> </ul>	<ul style="list-style-type: none"> <li>• Institutional Development and Service Delivery</li> </ul>	<ul style="list-style-type: none"> <li>• Human Capital Development, Gender, Youth</li> </ul>	<ul style="list-style-type: none"> <li>• Environmental Sustainability and Climate Change</li> </ul>	<ul style="list-style-type: none"> <li>• Environmental Sustainability and Climate Change</li> </ul>

	<ul style="list-style-type: none"> <li>• Environmental Sustainability and Climate Change</li> </ul>		<p>People Empowerment</p> <ul style="list-style-type: none"> <li>• Spiritual, Cultural and Community Development</li> <li>• Environmental Sustainability and Climate Change</li> </ul>		<ul style="list-style-type: none"> <li>• Environmental Sustainability and Climate Change</li> </ul>	<p>and People Empowerment</p> <ul style="list-style-type: none"> <li>• Spiritual, Cultural and Community Development</li> <li>• Security and International Relations</li> <li>• Institutional Development and Service Delivery</li> <li>• Strategic Planning, Integration and Control</li> <li>• Environmental Sustainability and Climate Change</li> </ul>		
<b>DSP 2010-2030</b>	<ul style="list-style-type: none"> <li>• Wealth Creation</li> <li>• Environment and Climate Change</li> </ul>		<ul style="list-style-type: none"> <li>• Human Development</li> <li>• Partnership with Churches for Integral Human Development</li> <li>• Environment and Climate Change</li> <li>• Strategic Planning</li> </ul>	<ul style="list-style-type: none"> <li>• Environment and Climate Change</li> </ul>	<ul style="list-style-type: none"> <li>• Institutional Development and Service Delivery</li> <li>• Environment and Climate Change</li> </ul>	<ul style="list-style-type: none"> <li>• Human Development</li> <li>• Partnership with Churches for Integral Human Development</li> <li>• Security and International Relations</li> <li>• Institutional Development and Service Delivery</li> <li>• Systems and Institutions</li> <li>• Environment and Climate Change</li> </ul>	<ul style="list-style-type: none"> <li>• Environment and Climate Change</li> <li>• Strategic Planning</li> </ul>	<ul style="list-style-type: none"> <li>• Environment and Climate Change</li> </ul>
<b>StaRS</b>	<ul style="list-style-type: none"> <li>• Strategic Planning</li> <li>• Wealth Creation</li> <li>• Environment and Climate Change</li> </ul>	<ul style="list-style-type: none"> <li>• Strategic Planning</li> <li>• Wealth Creation</li> <li>• Environment and Climate Change</li> </ul>	<ul style="list-style-type: none"> <li>• Strategic Planning</li> <li>• Human Development</li> <li>• Wealth Creation</li> <li>• Environment and Climate Change</li> </ul>	<ul style="list-style-type: none"> <li>• Strategic Planning</li> <li>• Wealth Creation</li> <li>• Environment and Climate Change</li> </ul>	<ul style="list-style-type: none"> <li>• Strategic Planning</li> <li>• Human Development</li> <li>• Wealth Creation</li> <li>• Environment and Climate Change</li> </ul>	<ul style="list-style-type: none"> <li>• Strategic Planning</li> <li>• Human Development</li> <li>• Wealth Creation</li> <li>• Environment and Climate Change</li> </ul>	<ul style="list-style-type: none"> <li>• Strategic Planning</li> <li>• Human Development</li> <li>• Wealth Creation</li> <li>• Environment and Climate Change</li> </ul>	<ul style="list-style-type: none"> <li>• Strategic Planning</li> <li>• Human Development</li> <li>• Wealth Creation</li> <li>• Environment and Climate Change</li> </ul>
<b>Alotau Accord II 2017-2022</b>	<ul style="list-style-type: none"> <li>• Alotau Accord Priority 1: Increase Revenue</li> </ul>	<ul style="list-style-type: none"> <li>• Alotau Accord Priority 1: Increase Revenue</li> </ul>	<ul style="list-style-type: none"> <li>• Alotau Accord Priority 1: Increase Revenue</li> </ul>	<ul style="list-style-type: none"> <li>• Alotau Accord Priority 1: Increase Revenue</li> </ul>	<ul style="list-style-type: none"> <li>• Alotau Accord Priority 1: Increase Revenue</li> </ul>	<ul style="list-style-type: none"> <li>• Alotau Accord Priority 1: Increase Revenue</li> </ul>	<ul style="list-style-type: none"> <li>• Alotau Accord Priority 1: Increase Revenue</li> </ul>	<ul style="list-style-type: none"> <li>• Alotau Accord Priority 1: Increase Revenue</li> </ul>

	<ul style="list-style-type: none"> <li>• Alotau Accord Priority 4: Create Wealth</li> <li>• Alotau Accord Priority 5: Deliver Quality Services</li> </ul>	<ul style="list-style-type: none"> <li>• Alotau Accord Priority 4: Create Wealth</li> </ul>	<ul style="list-style-type: none"> <li>• Alotau Accord Priority 4: Create Wealth</li> </ul>	<ul style="list-style-type: none"> <li>• Alotau Accord Priority 4: Create Wealth</li> </ul>	<ul style="list-style-type: none"> <li>• Alotau Accord Priority 4: Create Wealth</li> <li>• Alotau Accord Priority 5: Deliver Quality Services</li> </ul>	<ul style="list-style-type: none"> <li>• Alotau Accord Priority 4: Create Wealth</li> </ul>	<ul style="list-style-type: none"> <li>• Alotau Accord Priority 4: Create Wealth</li> <li>• Alotau Accord Priority 5: Deliver Quality Services</li> </ul>	<ul style="list-style-type: none"> <li>• Alotau Accord Priority 4: Create Wealth</li> <li>• Alotau Accord Priority 5: Deliver Quality Services</li> </ul>
<b>MTDP III 2018-2022</b>	<ul style="list-style-type: none"> <li>• Key Result Area 1: Increased Revenue and Wealth Creation</li> <li>• Key Result Area 7: Responsible Sustainable Development</li> </ul>	<ul style="list-style-type: none"> <li>• Key Result Area 1: Increased Revenue and Wealth Creation</li> </ul>	<ul style="list-style-type: none"> <li>• Key Result Area 1: Increased Revenue and Wealth Creation</li> <li>• Key Result Area 3: Sustainable Social Development</li> <li>• Key Result Area 7: Responsible Sustainable Development</li> <li>• Key Result Area 8: Sustainable Population</li> </ul>	<ul style="list-style-type: none"> <li>• Key Result Area 1: Increased Revenue and Wealth Creation</li> <li>• Key Result Area 7: Responsible Sustainable Development</li> </ul>	<ul style="list-style-type: none"> <li>• Key Result Area 1: Increased Revenue and Wealth Creation</li> <li>• Key Result Area 5: Improved Service Delivery</li> <li>• Key Result Area 7: Responsible Sustainable Development</li> </ul>	<ul style="list-style-type: none"> <li>• Key Result Area 1: Increased Revenue and Wealth Creation</li> <li>• Key Result Area 3: Sustainable Social Development</li> <li>• Key Result Area 4: Improved Law and Justice and National Security</li> <li>• Key Result Area 5: Improved Service Delivery</li> <li>• Key Result Area 6: Improved Governance</li> <li>• Key Result Area 7: Responsible Sustainable Development</li> </ul>	<ul style="list-style-type: none"> <li>• Key Result Area 1: Increased Revenue and Wealth Creation</li> <li>• Key Result Area 2: Quality Infrastructure and Utilities</li> <li>• Key Result Area 7: Responsible Sustainable Development</li> <li>• Key Result Area 8: Sustainable Population</li> </ul>	<ul style="list-style-type: none"> <li>• Key Result Area 1: Increased Revenue and Wealth Creation</li> <li>• Key Result Area 7: Responsible Sustainable Development</li> </ul>
<b>CCMA (2015)</b>	<ul style="list-style-type: none"> <li>• Promote and manage climate compatible development through climate change mitigation and adaptation activities</li> </ul>	<ul style="list-style-type: none"> <li>• Promote and manage climate compatible development through climate change mitigation and adaptation activities</li> </ul>	<ul style="list-style-type: none"> <li>• Promote and manage climate compatible development through climate change mitigation and adaptation activities</li> </ul>	<ul style="list-style-type: none"> <li>• Promote and manage climate compatible development through climate change mitigation and adaptation activities</li> </ul>	<ul style="list-style-type: none"> <li>• Promote and manage climate compatible development through climate change mitigation and adaptation activities</li> </ul>	<ul style="list-style-type: none"> <li>• Promote and manage climate compatible development through climate change mitigation and adaptation activities</li> </ul>	<ul style="list-style-type: none"> <li>• Promote and manage climate compatible development through climate change mitigation and adaptation activities</li> </ul>	<ul style="list-style-type: none"> <li>• Promote and manage climate compatible development through climate change mitigation and adaptation activities</li> </ul>
<b>NCCDMP</b>	<ul style="list-style-type: none"> <li>• Sustainability</li> </ul>	<ul style="list-style-type: none"> <li>• Sustainability</li> </ul>	<ul style="list-style-type: none"> <li>• Sustainability</li> </ul>	<ul style="list-style-type: none"> <li>• Sustainability</li> </ul>	<ul style="list-style-type: none"> <li>• Sustainability</li> </ul>	<ul style="list-style-type: none"> <li>• Sustainability</li> </ul>	<ul style="list-style-type: none"> <li>• Sustainability</li> </ul>	<ul style="list-style-type: none"> <li>• Sustainability</li> </ul>
<b>SDGs</b>	<ul style="list-style-type: none"> <li>• No Poverty</li> <li>• Zero Hunger</li> <li>• Gender Equality</li> <li>• Decent Work and Economic Growth</li> </ul>		<ul style="list-style-type: none"> <li>• Sanitation</li> <li>• Affordable and Clean Energy</li> <li>• Sustainable Cities and Communities</li> </ul>	<ul style="list-style-type: none"> <li>• Sanitation</li> <li>• Affordable and Clean Energy</li> <li>• Sustainable Cities and Communities</li> </ul>	<ul style="list-style-type: none"> <li>• Good Health and Well-Being</li> <li>• Quality Education</li> <li>• Sanitation</li> <li>• Affordable and Clean Energy</li> </ul>	<ul style="list-style-type: none"> <li>• Peace, Justice and Strong Institutions</li> <li>• Good Health and Well-Being</li> <li>• Quality Education</li> </ul>	<ul style="list-style-type: none"> <li>• Industry, Innovation and Infrastructure</li> <li>• Sanitation</li> <li>• Affordable and Clean Energy</li> </ul>	<ul style="list-style-type: none"> <li>• Sanitation</li> <li>• Affordable and Clean Energy</li> <li>• Sustainable Cities and Communities</li> </ul>

	<ul style="list-style-type: none"> <li>• Reduced Inequalities</li> <li>• Sanitation</li> <li>• Affordable and Clean Energy</li> <li>• Sustainable Cities and Communities</li> <li>• Responsible Consumption and Production</li> <li>• Climate Action</li> <li>• Life Below Water</li> <li>• Life on Land</li> </ul>		<ul style="list-style-type: none"> <li>• Responsible Consumption and Production</li> <li>• Climate Action</li> <li>• Life Below Water</li> <li>• Life on Land</li> </ul>	<ul style="list-style-type: none"> <li>• Responsible Consumption and Production</li> <li>• Climate Action</li> <li>• Life Below Water</li> <li>• Life on Land</li> </ul>	<ul style="list-style-type: none"> <li>• Sustainable Cities and Communities</li> <li>• Responsible Consumption and Production</li> <li>• Climate Action</li> <li>• Life Below Water</li> <li>• Life on Land</li> </ul>	<ul style="list-style-type: none"> <li>• Partnerships for the Goals</li> <li>• Sanitation</li> <li>• Affordable and Clean Energy</li> <li>• Sustainable Cities and Communities</li> <li>• Responsible Consumption and Production</li> <li>• Climate Action</li> <li>• Life Below Water</li> <li>• Life on Land</li> </ul>	<ul style="list-style-type: none"> <li>• Sustainable Cities and Communities</li> <li>• Responsible Consumption and Production</li> <li>• Climate Action</li> <li>• Life Below Water</li> <li>• Life on Land</li> </ul>	<ul style="list-style-type: none"> <li>• Responsible Consumption and Production</li> <li>• Climate Action</li> <li>• Life Below Water</li> <li>• Life on Land</li> </ul>
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**Table 11-2: Climate change national priorities in the context of GCF Results Areas**

Priorities Identified in National Strategies and Initiatives	GCF Results Areas							
	Mitigation				Adaptation			
	<ul style="list-style-type: none"> <li>• Tonnes of carbon dioxide equivalent (t CO2 eq)</li> <li>• Cost per Tco2EQ decreased</li> <li>• Volume of finance leveraged by Fund</li> </ul>				<ul style="list-style-type: none"> <li>• Total Number of direct and indirect beneficiaries;</li> <li>• Number of beneficiaries relative to total population</li> </ul>			
	Energy generation and access	Transport	Buildings, cities, industries, and appliances	Forests and land use	Health food and water security	Livelihoods of people and communities	Infrastructure and built environment	Ecosystems and ecosystem services
<b>Relevant Metrics (from the GCF Performance Framework)</b> 1. Technologies and innovative solutions transferred or licensed 2. Improved institutional and regulatory systems 3. Proportion of low-emission power supply 4. Number of households, with improved access to low-emission energy 5. MWs of low-emission energy capacity	1. Number of additional female and male passengers using low-carbon transport 2. Vehicle fuel economy and energy source	1. Energy intensity/improved efficiency of buildings	1. Hectares of land or forests under improved and effective management	1. Number of males and females benefiting from introduced health measures to respond to climate-sensitive diseases 2. Number of food-secure households in areas at risk 3. Number of males and females with year-round access to reliable + safe water supply	1. Change in expected losses of lives and economic assets (US\$) 2. Number of males and females benefiting from diversified, climate-resilient livelihoods 3. Support for effective adaptation to fish stock migration and depletion	1. Number of valued physical assets made more resilient to climate variability and change	1. Coverage /scale of ecosystems protected and strengthened 2. Value (US\$) of ecosystem services generated or protected.	

Priorities Identified in National Initiatives Under the UNFCCC								
<b>NAP</b>	<ul style="list-style-type: none"> <li>• Cities and Climate Change</li> </ul>	<ul style="list-style-type: none"> <li>• Cities and Climate Change</li> </ul>	<ul style="list-style-type: none"> <li>• Cities and Climate Change</li> <li>• Inland Flooding</li> <li>• Climate-Induced Migration</li> <li>• Water and Sanitation</li> <li>• Landslides</li> </ul>	<ul style="list-style-type: none"> <li>• Food Insecurity (caused by crop failures due to droughts and inland frosts)</li> <li>• Landslides</li> </ul>	<ul style="list-style-type: none"> <li>• Food Insecurity (caused by crop failures due to droughts and inland frosts)</li> <li>• Malaria and Vector-Borne Diseases</li> <li>• Water and Sanitation</li> <li>• Landslides</li> </ul>	<ul style="list-style-type: none"> <li>• Food Insecurity (caused by crop failures due to droughts and inland frosts)</li> <li>• Inland Flooding</li> <li>• Coastal Flooding and Sea Level Rise</li> <li>• Damage to Coral Reefs</li> <li>• Water and Sanitation</li> <li>• Landslides</li> </ul>	<ul style="list-style-type: none"> <li>• Cities and Climate Change</li> <li>• Inland Flooding</li> <li>• Coastal Flooding and Sea Level Rise</li> <li>• Water and Sanitation</li> <li>• Landslides</li> </ul>	<ul style="list-style-type: none"> <li>• Damage to Coral Reefs</li> <li>• Landslides</li> </ul>
<b>National REDD+ Strategy</b>				<ul style="list-style-type: none"> <li>• Strengthened Land-Use and Development Planning</li> <li>• Strengthened Environmental Management, Protection and Enforcement</li> </ul>		<ul style="list-style-type: none"> <li>• Strengthened Land-Use and Development Planning</li> <li>• Enhanced Economic Productivity and Sustainable Livelihoods</li> </ul>	<ul style="list-style-type: none"> <li>• Strengthened Land-Use and Development Planning</li> </ul>	<ul style="list-style-type: none"> <li>• Strengthened Land-Use and Development Planning</li> <li>• Strengthened Environmental Management, Protection and Enforcement</li> </ul>
<b>NDC</b>	<ul style="list-style-type: none"> <li>• Cities and Climate Change</li> </ul>	<ul style="list-style-type: none"> <li>• Cities and Climate Change</li> </ul>	<ul style="list-style-type: none"> <li>• Cities and Climate Change</li> <li>• Inland Flooding</li> <li>• Climate-Induced Migration</li> <li>• Water and Sanitation</li> <li>• Landslides</li> </ul>	<ul style="list-style-type: none"> <li>• Food Insecurity (caused by crop failures due to droughts and inland frosts)</li> <li>• Landslides</li> </ul>	<ul style="list-style-type: none"> <li>• Food Insecurity (caused by crop failures due to droughts and inland frosts)</li> <li>• Malaria and Vector-Borne Diseases</li> <li>• Water and Sanitation</li> <li>• Landslides</li> </ul>	<ul style="list-style-type: none"> <li>• Food Insecurity (caused by crop failures due to droughts and inland frosts)</li> <li>• Inland Flooding</li> <li>• Coastal Flooding and Sea Level Rise</li> <li>• Damage to Coral Reefs</li> <li>• Water and Sanitation</li> <li>• Landslides</li> </ul>	<ul style="list-style-type: none"> <li>• Cities and Climate Change</li> <li>• Inland Flooding</li> <li>• Coastal Flooding and Sea Level Rise</li> <li>• Water and Sanitation</li> <li>• Landslides</li> </ul>	<ul style="list-style-type: none"> <li>• Damage to Coral Reefs</li> <li>• Landslides</li> </ul>

## 12 Annex III: Accredited Entity details

**Table 12-1: Characteristics of AEs active in PNG**

Accredited Entity	Type	Size	Fiduciary Standards	Environment & Social Risk Category
Asian Development Bank (ADB)	IAE	<ul style="list-style-type: none"> <li>Large</li> </ul>	<ul style="list-style-type: none"> <li>Basic</li> <li>Project Management</li> <li>Grant Award</li> <li>On lending/blending: Loan, Equity, Guarantee</li> </ul>	<ul style="list-style-type: none"> <li>Category A</li> <li>Intermediation 1</li> </ul>
CGIAR System Organization	IAE	<ul style="list-style-type: none"> <li>Small</li> </ul>	<ul style="list-style-type: none"> <li>Basic</li> <li>Project Management</li> <li>Grant Award</li> </ul>	<ul style="list-style-type: none"> <li>Category C</li> <li>Intermediation 3</li> </ul>
Conservation International (CI)	IAE	<ul style="list-style-type: none"> <li>Medium</li> </ul>	<ul style="list-style-type: none"> <li>Basic</li> <li>Project Management</li> <li>Grant Award</li> </ul>	<ul style="list-style-type: none"> <li>Category B</li> <li>Intermediation 2</li> </ul>
European Investment Bank (EIB)	IAE	<ul style="list-style-type: none"> <li>Large</li> </ul>	<ul style="list-style-type: none"> <li>Basic</li> <li>Project Management</li> <li>Grant Award</li> <li>On lending/blending: Loan, Equity, Guarantee</li> </ul>	<ul style="list-style-type: none"> <li>Category A</li> <li>Intermediation 1</li> </ul>
Food and Agriculture Organization of the United Nations (FAO)	IAE	<ul style="list-style-type: none"> <li>Medium</li> </ul>	<ul style="list-style-type: none"> <li>Basic</li> <li>Project Management</li> </ul>	<ul style="list-style-type: none"> <li>Category B</li> </ul>
Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ)	IAE	<ul style="list-style-type: none"> <li>Medium</li> </ul>	<ul style="list-style-type: none"> <li>Basic</li> <li>Project Management</li> <li>Grant Award</li> </ul>	<ul style="list-style-type: none"> <li>Category B</li> <li>Intermediation 2</li> </ul>
International Finance Corporation (IFC)	IAE	<ul style="list-style-type: none"> <li>Large</li> </ul>	<ul style="list-style-type: none"> <li>Basic</li> <li>Project Management</li> <li>Grant Award</li> <li>On lending/blending: Loan, Equity, Guarantee</li> </ul>	<ul style="list-style-type: none"> <li>Category A</li> <li>Intermediation 1</li> </ul>
International Fund for Agricultural	IAE	<ul style="list-style-type: none"> <li>Medium</li> </ul>	<ul style="list-style-type: none"> <li>Basic</li> <li>Project Management</li> <li>Grant Award</li> </ul>	<ul style="list-style-type: none"> <li>Category B</li> <li>Intermediation 2</li> </ul>

Development (IFAD)			<ul style="list-style-type: none"> <li>On lending/blending: Loan</li> </ul>	
International Union for Conservation of Nature (IUCN)	IAE	<ul style="list-style-type: none"> <li>Medium</li> </ul>	<ul style="list-style-type: none"> <li>Basic</li> <li>Project Management</li> <li>Grant Award</li> </ul>	<ul style="list-style-type: none"> <li>Category B</li> <li>Intermediation 2</li> </ul>
Japan International Cooperation Agency (JICA)	IAE	<ul style="list-style-type: none"> <li>Large</li> </ul>	<ul style="list-style-type: none"> <li>Basic</li> <li>Project Management</li> <li>Grant Award</li> <li>On lending/blending: Blending</li> </ul>	<ul style="list-style-type: none"> <li>Category A</li> <li>Intermediation 1</li> </ul>
Korea Development Bank (KDB)	IAE	<ul style="list-style-type: none"> <li>Medium</li> </ul>	<ul style="list-style-type: none"> <li>Basic</li> <li>Project Management</li> <li>Grant Award</li> <li>On lending/blending: Loan, Equity, Guarantee</li> </ul>	<ul style="list-style-type: none"> <li>Category B</li> <li>Intermediation 2</li> </ul>
Kreditanstalt für Wiederaufbau (KfW)	IAE	<ul style="list-style-type: none"> <li>Large</li> </ul>	<ul style="list-style-type: none"> <li>Basic</li> <li>Project Management</li> <li>Grant Award</li> <li>On lending/blending: Loan, Equity, Guarantee</li> </ul>	<ul style="list-style-type: none"> <li>Category A</li> <li>Intermediation 1</li> </ul>
Pacific Community (SPC) – Regional DAE	Regional DAE	<ul style="list-style-type: none"> <li>Small</li> </ul>	<ul style="list-style-type: none"> <li>Basic</li> <li>Project Management</li> <li>Grant Award</li> </ul>	<ul style="list-style-type: none"> <li>Category B</li> <li>Intermediation 2</li> </ul>
Save the Children Australia	IAE	<ul style="list-style-type: none"> <li>Small</li> </ul>	<ul style="list-style-type: none"> <li>Basic</li> <li>Project Management</li> </ul>	<ul style="list-style-type: none"> <li>Category C</li> </ul>
Secretariat of the Pacific Regional Environment Programme (SPREP) - Regional DAE	Regional DAE	<ul style="list-style-type: none"> <li>Medium</li> </ul>	<ul style="list-style-type: none"> <li>Basic</li> <li>Project Management</li> <li>Grant award</li> </ul>	<ul style="list-style-type: none"> <li>Category B</li> </ul>
United Nations Development Programme (UNDP)	IAE	<ul style="list-style-type: none"> <li>Medium</li> </ul>	<ul style="list-style-type: none"> <li>Basic</li> <li>Project Management</li> </ul>	<ul style="list-style-type: none"> <li>Category B</li> </ul>
United Nations Environment Programme (UNEP)	IAE	<ul style="list-style-type: none"> <li>Small</li> </ul>	<ul style="list-style-type: none"> <li>Basic</li> <li>Project Management</li> <li>Grant award</li> </ul>	<ul style="list-style-type: none"> <li>Category B</li> </ul>
World Bank	IAE	<ul style="list-style-type: none"> <li>Large</li> </ul>	<ul style="list-style-type: none"> <li>Basic</li> <li>Project Management</li> <li>Grant Award</li> </ul>	<ul style="list-style-type: none"> <li>Category A</li> <li>Intermediation 1</li> </ul>

			<ul style="list-style-type: none"> <li>On lending/blending: Loan, Guarantee</li> </ul>	
World Food Programme (WFP)	IAE	<ul style="list-style-type: none"> <li>Micro</li> </ul>	<ul style="list-style-type: none"> <li>Basic</li> <li>Project Management</li> </ul>	<ul style="list-style-type: none"> <li>Category C</li> </ul>
World Wildlife Fund (WWF)	IAE	<ul style="list-style-type: none"> <li>Medium</li> </ul>	<ul style="list-style-type: none"> <li>Basic</li> <li>Project Management</li> <li>Grant Award</li> </ul>	<ul style="list-style-type: none"> <li>Category B</li> <li>Intermediation 2</li> </ul>

## 13 Annex IV: Client Registration Form

Contact Details		
Date		
Name		
Designation		
Organization		
Email		
Phone		
Consultation Details		
Purpose of Visit	<input type="checkbox"/> Request for general information <input type="checkbox"/> Request for letter of support for accredited entity <input type="checkbox"/> Request for letter of no objection <input type="checkbox"/> Submission of Concept Note/proposal to the NDA <input type="checkbox"/> Other: Specify <hr/> <hr/>	
Action Plan/Next Steps		
Action Item	Designated Actors	Timeframe
Additional Comments <i>(Provide any other relevant information or comments regarding the consultation)</i>	<hr/> <hr/> <hr/>	

## 14 Annex V: Project Summary Brief

Contact Details			
Date			
Name			
Designation			
Organization			
Email			
Phone			
Project/Programme Summary			
Project Title			
Brief Description of Project/Programme <i>(Please limit description to 100 words)</i>			
Project/Programme Location	District: _____	Province: _____	Region: _____
Financial Arrangements			
Type of Funding Request <i>(Indicate the type of financial instrument for the funding request from GCF)</i>	<input type="checkbox"/> Grant	Indicative GCF funding requested:  Amount (USD): _____	
	<input type="checkbox"/> Reimbursable Grant		
	<input type="checkbox"/> Guarantees		
	<input type="checkbox"/> Equity		
	<input type="checkbox"/> Subordinated Loan		
	<input type="checkbox"/> Senior Loan		
<input type="checkbox"/> Other: Specify _____			
Co-financing	Amount (USD): _____	Entity: _____	
Other financing	Amount (USD): _____	Entity: _____	
Indicative total project/programme cost (GCF + co-finance)	Amount (USD): _____		

Implementation Arrangements				
Accredited Entity <i>(Who is the Accredited Entity identified for this project/programme)</i>				
Executing Entity				
Result Areas <i>(Which of the following targeted results areas does the proposed project/programme address? Click ALL that apply)</i>	Mitigation: Reduced emissions from:		Adaptation: Increased resilience of:	
	<input type="checkbox"/> Energy generation and access		<input type="checkbox"/> Health, food and water security	
	<input type="checkbox"/> Transport		<input type="checkbox"/> Livelihoods of people and communities	
	<input type="checkbox"/> Buildings, cities, industries and appliances		<input type="checkbox"/> Infrastructure and built environment	
	<input type="checkbox"/> Forests and land use		<input type="checkbox"/> Ecosystems and ecosystem services	
Estimated project/programme duration <i>(Indicate the expected timeframe of the project/programme)</i>	<input type="checkbox"/> 12 months	<input type="checkbox"/> 24 months	<input type="checkbox"/> 36 months	<input type="checkbox"/> Other: Specify _____
	<input type="checkbox"/> 18 months	<input type="checkbox"/> 30 months	<input type="checkbox"/> 42 months	
Expected Proposal/Concept Note/PPF Submission Date				
Project/Programme Development Status				
Project Preparation Facility/Concept Note/Full Proposal	<input type="checkbox"/> PPF	<input type="checkbox"/> CN	<input type="checkbox"/> FP	<input type="checkbox"/> In progress
Feasibility Studies	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> In progress	
Logical Framework	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> In progress	
Procurement Plan	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> In progress	
Environmental and Social Impact Assessment	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> In progress	
Gender and Social Inclusiveness Assessment	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> In progress	
Risk Assessment	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> In progress	
Stakeholder Consultation	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> In progress	
Action Plan/Next Steps				
<i>(Please provide 2-3 action items on the identified next steps. Clearly outline support needed for project/programme development from GCF and other stakeholders)</i>	Action Item	Designated Actors	Timeframe	
Additional Comments <i>(Provide any other relevant information or comments regarding the project/programme)</i>				

## 15 Annex VI: Reference documentation and links

### Websites:

- CCDA: <http://www.cdda.gov.pg/>
- GCF: [www.greenclimate.fund](http://www.greenclimate.fund)
- UNFCCC: [www.unfccc.int](http://www.unfccc.int)

### GCF guidance and manuals:

- Climate Analytics. 2020. Addressing the GCF Investment Criteria: <https://climateanalytics.org/publications/2020/addressing-the-gcf-investment-criteria/>
- CDKN. 2017. Approach paper on investment and logical framework: <https://www.gcfreadinessprogramme.org/sites/default/files/Approach%20Paper%20on%20Climate%20Investment%20%26%20Logical%20Framework.pdf>
- CDKN. 2017. Understanding 'bankability' and unlocking climate finance for climate compatible development: [https://cdkn.org/wp-content/uploads/2017/06/CDKN\\_unlocking-climate-finance.pdf](https://cdkn.org/wp-content/uploads/2017/06/CDKN_unlocking-climate-finance.pdf)
- Acclimatise, ICCCAD & IIED. 2017. Guide to develop a project proposal for the Green Climate Fund (GCF): <https://www.preventionweb.net/publications/view/52238>
- GCF. 2017. Mainstreaming Gender in Green Climate Fund Projects: A practical manual to support the integration of gender equality in climate change interventions and climate finance. [https://www.greenclimate.fund/sites/default/files/document/guidelines-gcf-toolkit-mainstreaming-gender\\_0.pdf](https://www.greenclimate.fund/sites/default/files/document/guidelines-gcf-toolkit-mainstreaming-gender_0.pdf)

### PNG legislation and policies:

- Climate Change Management Act 2015: <https://www4.unfccc.int/sites/ndcstaging/PublishedDocuments/Papua%20New%20Guinea%20First/PNG%20Climate%20Change%20Management%20Act%202015.pdf>
- CCDA Corporate Plan, 2018-2022: <https://www.sprep.org/attachments/VirLib/PNG/ccda-corporate-plan-2018-2022.pdf>

### GCF policies and procedures:

- GCF. 2019. Policy on co-financing: <https://www.greenclimate.fund/document/policy-co-financing>
- GCF. 2019. Gender policy: <https://www.greenclimate.fund/document/gender-policy>
- GCF. 2019. Gender action plan: <https://www.greenclimate.fund/document/gender-action-plan>
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## 16 Annex VII: Summary of climate change funds

**Table 16-1:** Summary of climate change funds

Source	Funding type and description	Project/Programme size
<b>Green Climate Fund (GCF)</b>	The GCF finances low-emission (mitigation) and climate-resilient (adaptation) projects and that are developed by the public and private sector to contribute to PNG's climate change priorities. GCF projects can range from US\$ 10 million to over US\$ 250 million and can be delivered as grants, loans, guarantees and equity.	a) GCF projects and programmes are usually >US\$ 10 million.
<b>Global Environment Facility (GEF)</b>	<p>GEF has several key roles to play under the Paris Agreement. GEF serves as part of the financial mechanism of the Agreement, which also established a process for ensuring that all actions on climate change are fully transparent with a mechanism for helping countries meet that goal.<sup>88</sup></p> <p>GEF also administered a number of trust funds including the Least Developed Countries (LDC) Fund and the Special Climate Change Fund (SCCF).</p> <p>PNG is eligible to access finance from the GEF. As of 2020, there have been over 50 national and regional/global GEF projects in PNG. PNG has accessed US\$ 44.4 million in GEF financing for national projects.</p> <p>PNG also accesses climate finance through the UNDP GEF Small Grants Programme, and as of 2020, 242 communities have received grants and implemented small projects.</p> <p>There are also potential synergies between the GEF and the GCF, including the use of GEF finance as co-finance for GCF projects/programmes and using GCF finance to build on GEF results.</p>	<p>The GEF provides funding through four modalities:<sup>89</sup></p> <p>b) Full-sized Project (FSP): &gt;US\$ 2 million.</p> <p>c) Medium-sized Project (MSP): &lt;US\$ 2 million.</p> <p>d) Enabling Activity (EA): &lt;US\$ 1 million (readiness projects).</p> <p>e) Programmatic approaches (PAs): Combination of FSPs and MSPs, have a long-term and large-scale impact.</p>
<b>Adaptation Fund (AF)</b>	The AF was established to finance concrete adaptation projects and programmes in developing countries. Since 2010, the AF has committed US\$ 720 million, including supporting 100 concrete	a) Small-size projects and programmes (proposals requesting up to US\$ 1 million);

<sup>88</sup> For details on GEF, visit: <https://www.thegef.org/topics/climate-change>

<sup>89</sup> For details, visit: <https://www.thegef.org/about/funding>

	<p>adaptation projects with about 8.7 million direct beneficiaries.<sup>90</sup></p> <p>PNG is eligible for AF funding through Implementing Entities, and one AF project has been implemented through UNDP titled “Enhancing adaptive capacity of communities to climate change-related floods in the North Coast and Islands Region of Papua New Guinea”. This project had a value of US\$ 6.5 million, and was implemented over 2012-2016.<sup>91</sup></p> <p>There are also potential synergies between the AF and the GCF, including the use of AF finance as co-finance for GCF projects/programmes and using GCF finance to build on AF results.</p>	<p>b) Regular projects and programmes (proposals requesting over US\$ 1 million).<sup>92</sup></p>
<b>World Bank Group</b>	<p>The World Bank Group is a significant provider of climate finance – totalling approximately US\$ 17.8 billion globally in 2019.</p> <p>The World Bank’s Climate Change Fund Management Unit is home to climate finance initiatives deliver innovative and scalable climate and environmental action. PNG is eligible to access climate finance via initiatives which include:</p> <ul style="list-style-type: none"> <li>• World Bank Group financed projects/programs on mitigation and adaptation.</li> <li>• Issuance of green bonds in developing countries.</li> <li>• Disbursement of climate finance via the Climate Investment Funds (CIF) (outlined below).</li> <li>• Disbursement of climate finance via the Forest Carbon Partnership Facility (outlined below).</li> </ul> <p>World Bank Group organisations (International Bank for Reconstruction and Development and International Development Association, and International Finance Corporation) are GCF AEs. World Bank Group finance can be used as co-finance for GCF projects/programmes.</p>	Varies
<b>Asian Development Bank (ADB)</b>	<p>The ADB is a significant provider of climate finance – totalling approximately US\$ 7.01 billion in 2019.</p>	Varies

<sup>90</sup> For details on Adaptation Fund, visit: <https://www.adaptation-fund.org/about/governance/>

<sup>91</sup> Further information is provided here: <https://www.adaptation-fund.org/project/enhancing-adaptive-capacity-of-communities-to-climate-change-related-floods-in-the-north-coast-and-islands-region-of-papua-new-guinea/>

<sup>92</sup> Adaptation Fund Board, Adaptation Fund Operational Policies and Guidelines for Parties to access resources from the Adaptation Fund (Amended Version 2017), 5. See also link: <https://www.adaptation-fund.org/wp-content/uploads/2017/08/OPG-amended-in-October-2017-1.pdf>

	<p>ADB finances climate action via projects loans and grants, and technical assistance. ADB supports mitigation and adaptation initiatives in all sectors.</p> <p>The ADB has a climate change fund that focuses on clean energy, sustainable transport and low-carbon urban development; reduced emission from deforestation and degradation and improved land use management; and adaptation, including enhancement of climate resilience of investment projects and strengthened climate resilience in key sectors.</p> <p>PNG is eligible to access climate finance from the ADB. The ADB is also a GCF AE, and ADB finance can be used as co-finance for GCF projects/programmes.</p>	
<b>Climate Investment Funds (CIF)</b>	<p>The CIF was established in 2008, and has received over US\$ 8 billion in support of scaling up mitigation and adaptation action in developing and middle-income countries. These funds are disbursed as grants, highly concessional loans, and risk mitigation instruments to recipient countries through multilateral development banks (MDBs).</p> <p>The CIF delivers support via the Clean Technology Fund (CTF), Pilot Program for Climate Resilience (PPCR), Scaling Up Renewable Energy Program in Low Income Countries (SREP), and the Forest Investment Program (FIP).</p> <p>Two projects have been approved in PNG: (i) Building Resilience to Climate Change in Papua New Guinea Project and (ii) Climate Proofing Alotau Provincial Wharf, Additional Financing to Building Resilience to Climate Change in Papua New Guinea.</p> <p>PNG is eligible to access further finance from the CIF. There are also potential synergies between the CIF and the GCF, including the use of CIF as co-finance and using GCF finance to build on CIF results.</p>	Varies
<b>Forest Carbon Partnership Facility (FCPF)<sup>93</sup></b>	<p>The FCPF is a World Bank programme that consists of a Readiness Fund and a Carbon Fund. The FCPF was created to assist developing countries to develop and implement REDD+ actions.</p>	Varies

<sup>93</sup> Further information is available here: <https://forestcarbonpartnership.org/country/papua-new-guinea>

	<p>PNG has received readiness finance from the FCPF. As of 2020, PNG has accessed US\$ 3.8 million from the FCPF through UNDP. The outcome of this support is expected to contribute to PNG's REDD+ Readiness and establish the basis for emission reductions and the receipt of REDD+ benefits.</p> <p>GCF finance, through its REDD+ programming, can build on the results of the FCPF. FCPF financing can also potentially be blended with GCF financing to achieve REDD+ outcomes in PNG.</p>	
<b>Other multilateral sources</b>	<p>PNG is eligible to access climate finance and technical assistance from UN agencies. UN agencies that have provided climate finance to PNG include UNDP, FAO, IFAD, WMO, UNEP, IOM, UN Habitat, UNICEF and UN Women.</p> <p>PNG is also eligible to access climate finance/technical assistance from the GGGI, NAMA Facility, and NDC Partnership. GGGI has provided support to GoPNG as a GCF readiness delivery partner.</p> <p>PNG is also eligible to access climate finance from other MDBs, including the European Investment Bank (which is also a GCF AE) and the Asian Infrastructure Investment Bank (a new MDB).</p> <p>PNG is also accessing climate finance from international NGOs, including Conservation International (GCF AE) and IUCN (GCF AE).</p> <p>Climate finance from other multilateral sources could be used as GCF co-finance and could also build on GCF projects/programmes.</p>	Varies
<b>Regional sources</b>	<p>PNG is eligible to access climate finance and technical support through several regional agencies, including SPREP (GCF AE), the Pacific Community (GCF AE), and the Pacific Island Forum Secretariat (PIFS) (which provides technical assistance and coordination).</p>	Varies
<b>Bilateral sources</b>	<p>Several bilateral funds are also providing climate finance to PNG. These bilateral funds use various funding instruments and modalities, and finance adaptation and mitigation actions in various sectors.</p> <p>Bilateral donors providing climate finance include the United States Government (USAID), Government of Australia (DFAT), European Union (EU), Government</p>	Varies

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	<p>of Norway, Government of the Republic of Korea (KOICA), Government of Japan (JICA), European Union, German Government (GIZ/IKI), Government of New Zealand (MFAT), and Government of Italy.</p> <p>Climate finance from bilateral funds could be used as GCF co-finance and could also build on GCF projects/programmes.</p>	
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## 17 Annex VIII: Proposal screening tool

This screening is based on GCF Investment Criteria, and has two parts: scoring and ranking/prioritisation.

- A. Scoring each proposal/Concept Note by following the steps below for scoring:
  - a Add a score from 1 (low) to 5 (high) against each criterion;
  - b Multiply score of each criterion by its agreed weighting;
  - c Sum all the scores together;
  - d Agree on the final score: Experts within a sector or a province could form a focused group/build on an existing focused group, to decide on the final score for each proposal and criterion.

**Table 17-1: GCF proposals screening criteria**

1 GCF Investment Criteria	No	2 Sub-criteria	3 Score Guide / Sub-criteria description	4 Score	5 Weighting	6 = (4*5) Product
1. Impact potential	1	Size of beneficiary group(s) and mitigation potential (GHG saving/avoidance)	<p><b>i) Is this a climate-related project/programme or purely development (ODA)?</b>  <b>YES</b> - It is a climate-related project/programme. The climate rationale is significant and clear. It is addressing climate vulnerability, climate resilience. It promotes climate compatible, low carbon development. <b>Decision: Accept proposal for further review.</b>  <b>NO</b> - It is not a climate-related project/programme. It is purely ODA. No or poor climate rationale. It is not trying to address climate vulnerabilities, increase climate resilience, or promote climate-compatible, low carbon development. <b>Decision: Reject Proposal. No further review required. Advise proponent.</b></p>	YES	NO	
			<p><b>ii) Adaptation measures - Size and significance of beneficiary group(s) e.g. number of vulnerable farmers impacted by the project/programme. Disaggregated by gender:</b>  <b>High impact potential (5)</b> – Beneficiary group(s) is relevant, significant size of population against size of project. Clear disaggregation by gender and people with disabilities.  <b>Medium impact potential (3)</b> – Beneficiary group somehow relevant, significant population size. Consistency of disaggregated by gender information could be improved. More information needed.  <b>Low impact potential (1)</b> – Unclear who the beneficiaries are, size of population is not relative to the proposal resource request, lump sum of beneficiary with no disaggregation by gender, poor information.  <b>For cross-cutting measures</b> – score adaptation and mitigation measures individually and find average to yield one score.</p>		1.0	
			<p><b>iii) Mitigation measures – Mitigation potential (GHG saving/avoidance) e.g. tCO<sub>2</sub>e/year:</b>  <b>High impact potential (5)</b> – Clear mitigation potential goal to achieve. Significant contribution to national mitigation goals (MTDP-III indicator alignment).</p>		1.0	

1 GCF Investment Criteria	No	2 Sub-criteria	3 Score Guide / Sub-criteria description	4 Score	5 Weighting	6 = (4*5) Product
			<p><b>Medium impact potential (3)</b> – Outlined mitigation potential. Somehow contributing to national mitigation goals.</p> <p><b>Low impact potential (1)</b> – Unclear mitigation goals, no alignment to MTDP III goals.</p>			
2. Paradigm shift	2	<b>Sustainability (Policy, institutional, technical, financial, business, social)</b>	<p><b>High sustainability (5)</b> – Sustainable beyond the life of the project funding (&gt; 15 years), innovative and with a strong exit strategy.</p> <p><b>Medium sustainability (3)</b> – Sustainable only over a short term (5 years).</p> <p><b>Low sustainability (1)</b> – Not sustainable when the project funding stops with no exit strategy. Need more external funding to carry on.</p>		1.0	
	3	<b>Institutional absorptive capacity</b>	<p><b>Degree of institutional capacity and competence:</b></p> <p><b>High capacity (5)</b> – Strong public, private and CSO institutional capacity to carry on with the implementation of the outputs after the project has ended.</p> <p><b>Medium capacity (3)</b> – Medium level of institutional absorptive capacity across the relevant institutions.</p> <p><b>Low capacity (1)</b> – No capacity to support the outputs when the project stops.</p>		1.0	
	4	<b>Scalability and replicability</b>	<p><b>High scalability/replicability (5)</b> – Strong viable business case, value chain actors empowered and incentivised to scale up within the project sites and able to replicate the outputs to other provinces even after the project has ended.</p> <p><b>Medium scalability/replicability (3)</b> – Some capacity to carry on with further support needed. Needs further monitoring after the project has ended.</p> <p><b>Low scalability/replicability (1)</b> – Limited capacity to carry on with the outputs when the project has ended – ‘white elephant’ project.</p>		0.8	
	5	<b>Monitoring and Evaluation</b>	<p><b>Presence or absence of M and E plan:</b></p> <p><b>High presence of M and E plan (5)</b> – Strong opportunity to develop a robust M and E plan with SMART indicators (baseline vs. target).</p> <p><b>Medium presence of M and E plan (3)</b> – Some opportunity to develop a robust M and E plan.</p> <p><b>Low presence of M and E plan (1)</b> – Limited opportunity to develop a robust M and E plan.</p>		0.8	

1 GCF Investment Criteria	No	2 Sub-criteria	3 Score Guide / Sub-criteria description	4 Score	5 Weighting	6 = (4*5) Product
3. Country ownership	6	National and sectoral policy and strategy alignment	<p><b>Degree of alignment with the national and sectoral policies and strategies:</b>  <b>High degree of alignment (5)</b> – Strong alignment to MTDP III, NDC, NAMA, Vision 2050, etc.  <b>Medium degree of alignment (3)</b> – Shows attempt to align to the national priorities, MTDP III, NDC, NAMA, Vision 2050, etc.  <b>Low degree of alignment (1)</b> – No alignment.</p>		1.0	
	7	National and Sectoral regulatory compliance	<p><b>Degree of compliance with environmental regulations:</b>  <b>High (5)</b> – High opportunity to comply with national and sectoral regulatory standards and decrees. Clear plans on attempting to comply with environmental regulations during implementation.  <b>Medium (3)</b> – High opportunity to comply but the proposal does not have clear plans on how to comply, when to comply throughout the life of the project.  <b>Low (1)</b> – Limited opportunity to comply with regulatory standards. No plans in place to comply with regulatory standards, etc.</p>		0.8	
	8	Synergies with other initiatives	<p><b>High synergy (5)</b> – Strong opportunity to build upon and scale up past and proven baseline projects. Clear evidence of replication and upscaling.  <b>Medium synergy (3)</b> – The intent is clear to synergise with other initiatives, clear proven initiatives, but unclear on how to scale up.  <b>Low synergy (1)</b> – Limited opportunity, completely new and untested solutions (GCF will not fund pilot or demonstration project).</p>		0.6	
	9	Political will and commitment	<p><b>High political will and commitment (5)</b> – Rigorous consultations have taken place. There is evidence of support by high chiefs and all groups at the community level (e.g., signed agreements, endorsements). Ward, LLG, Provincial, and Government support are clear in the proposal.  <b>Medium political will and commitment (3)</b> – There is evidence of consultations but lacks rigour in consultations. Not all relevant stakeholders and levels of authorities consulted.  <b>Low political will and commitment (1)</b> – There is limited evidence of consultation with authorities at all development interventions.</p>		1.0	

1 GCF Investment Criteria	No	2 Sub-criteria	3 Score Guide / Sub-criteria description	4 Score	5 Weighting	6 = (4*5) Product
	10	Potential environmental and social risks	<p><b>Degree of environmental and climate change risk:</b></p> <p><b>No or Low risk (5)</b> – The resilient solutions will still work after 15 years, strong ESS, clear and solid environmental and social management plan, mitigation plans for risks.</p> <p><b>Medium risk (3)</b> – Environmental and social risks outlined but need full and detailed plan on how to mitigate, respond, avoid, transfer risks.</p> <p><b>High risk (1)</b> – The solutions may only work for first 5 years e.g. danger of solving a problem only to create a new one with unintended consequences e.g. e-waste.</p>		1.0	
4. SDG	11	SDG (Environmental, Economic, Social, Co-benefits)	<p><b>Number of benefits achieved:</b></p> <p><b>High number (5)</b> – More than 5 SDGs.</p> <p><b>Medium number (3)</b> – 3 SDGs.</p> <p><b>Low number (1)</b> – 1 SDG.</p>		0.8	
5. Needs of the recipients	12	Social and cultural acceptability	<p><b>Degree of social acceptance by the target group:</b></p> <p><b>High acceptance (5)</b> – e.g. well adopted and strongly promoted by the community e.g. solar mini-grid for domestic and productive uses.</p> <p><b>Medium acceptance (3)</b> – good technology but lack endorsement and support by community and area.</p> <p><b>Low acceptance (1)</b> – e.g. good technology but poor user-friendliness e.g. improved cookstove that gives poor food taste.</p>		1.0	
	13	Types (vulnerable, youth, big agribusiness vs. smallholders) of beneficiary	<p><b>Types of beneficiary engaged:</b></p> <p><b>High participation (5)</b> – All groups targeted and benefitted, disaggregated by gender.</p> <p><b>Medium participation (3)</b> – All groups included, but no clear targets, poor data and information about beneficiaries.</p> <p><b>Low participation (1)</b> – Only benefit a few, dominated by large agri-business, unclear target groups, no target groups.</p>		1.0	
	14	Gender responsiveness	<p><b>Degree of consideration given to gender issues and inclusiveness:</b></p>		1.0	

1 GCF Investment Criteria	No	2 Sub-criteria	3 Score Guide / Sub-criteria description	4 Score	5 Weighting	6 = (4*5) Product
			<p><b>High responsiveness (5)</b> – Women and youth are beneficiaries and actively participate and their full participation is deemed as critical to the success of the project.</p> <p><b>Medium responsiveness (3)</b> – Women and youth seen as mere beneficiaries, and participation will suffice.</p> <p><b>Low responsiveness (1)</b> – Only paying lip service to women and youth participation, 'box ticking' exercise with limited impact on women and youth.</p>			
6. Cost efficiency and effectiveness	15	Upfront investment cost of the technologies	<p><b>Upfront investment cost:</b></p> <p><b>Low or affordable upfront cost (5)</b> – Solar, energy efficient solutions.</p> <p><b>Medium upfront cost (3)</b> – investment in hybrid technology solutions.</p> <p><b>High upfront cost (1)</b> - e.g. nuclear, desalination.</p>		1.0	
	16	Implementing, operational and maintenance cost	<p><b>Maintenance/operational cost:</b></p> <p><b>Low or affordable cost (5)</b> – High opportunity to cover O and M cost e.g. high revenue and viable business model to cover O and M cost</p> <p><b>Medium cost (3)</b> – Medium opportunity to cover O and M cost.</p> <p><b>High cost (1)</b> – Limited opportunity to cover the O and M cost.</p>		1.0	
	17	Ease of implementation	<p><b>Ease of implementation:</b></p> <p><b>Easy to implement (5)</b> – high level of support from all relevant stakeholders to ensure easy implementation and access to services, resources and support.</p> <p><b>Medium ease to implement (3)</b> – there is degree of difficulty to implement the project, but a risk plan to ensure easy of implementation is outlined.</p> <p><b>Difficult to implement (1)</b> – inherent level of risk to implementation in the area exists, but no plan to ensure ease of implementation.</p>		0.8	
		Total Evaluation Score				



Published by the Government of Papua New Guinea through the Climate Change and Development Authority, Port Moresby, Papua New Guinea and developed through support from the Global Green Growth Institute.

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