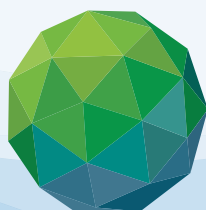


Green Climate Fund Handbook for the
Republic of the Marshall Islands:

The RMI GCF Handbook



GREEN
CLIMATE
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A stylized map of the Republic of the Marshall Islands is overlaid on the background. The map is composed of a network of lines forming various polygonal shapes, representing the islands and atolls. The lines are colored in a gradient from orange to blue, matching the background. The map is positioned in the upper half of the cover, with the title text overlaid on it.

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1. Acronyms

ADB	Asian Development Bank
AE	Accredited Entity
AMA	Accreditation Master Agreement
CCD	Climate Change Directorate
CI	Conservation International
COP	Conference of Parties
CSO	Civil society organizations
DAE	Direct access entity
DIDA	Division of International Development Assistance
EDA	Enhanced Direct Access

EE	Executing Entity
ESMS	Environmental and Social Management System
ESS	Environmental and Social Safeguards
FAO	Food and Agricultural Organization
GCF	Green Climate Fund (GCF)
GIZ	German Corporation for International Development
GoRMI	Government of the Republic of the Marshall Islands
IAE	International Access Entity
IFAD	International Fund for Agricultural Development
ITAP	Independent Technical Advisory Panel
IUCN	International Union for Conservation of Nature
MCT	Micronesia Conservation Trust
MoF	Ministry of Finance
NAP	National Adaptation Plan
NDA	National Designated Authority (NDA)
NDC	Nationally Determined Contribution
NDCP	NDC Partnership
NGO	Non-Governmental Organization
NSP	National Strategic Plan
NoL	No-objection Letter
OAS	Online Accreditation System
OCIT	Office of Commerce, Investment & Tourism
PIFS	Pacific Islands Forum Secretariat
PPF	Project Preparation Facility
PRC	Project Review Committee
RMI	Republic of the Marshall Islands
SAP	Simplified Approval Process
SIDS	Small Island Developing State
SPC	The Pacific Community
SPREP	Secretariat of the Pacific Regional Environment Programme
TTEC	Tile Til Eo Committee
UNDP	United Nations Development Programme
UNEP	UN Environment
UNFCCC	United Nations Framework Convention on Climate Change (UNFCCC)
WB	World Bank
WMO	World Meteorological Organization
WUTMI	Women United Together Marshall Islands
WWF	World Wildlife Fund

2. Foreword

I am pleased to endorse the production of the Green Climate Fund Handbook for the Republic of the Marshall Islands (The RMI GCF Handbook). The Climate Change Directorate, Ministry of Environment, as the National Designated Authority (NDA) of the Green Climate Fund (GCF), led the development of the RMI GCF Handbook with support from the Secretariat of the Pacific Regional Environment Programme under the Republic of Marshall Islands NDA Strengthening and GCF Engagement Readiness Project.

The GCF is the world's largest fund for supporting developing countries to achieve a paradigm shift to low-carbon pathways and climate-resilient development. This is achieved by investing in transformative projects and programmes on adaptation and mitigation to climate change that contribute to national climate change policies and priorities of the countries.

The development of the RMI GCF Handbook and no-objection process will help to facilitate the approval of GCF projects and programmes, and also the accreditation of national entities to the GCF.

This Handbook will support the development of GCF projects that contribute to achieving the national priorities under the Tile Til Eo 2050 Climate Strategy, the Nationally Determined Contribution, and other priority climate change plans. Furthermore, the Handbook will also facilitate the development of GCF projects that contribute to achieving the Marshall Island's global priorities under the Paris Agreement and the Sustainable Development Goals.

The RMI GCF Handbook will allow our country to raise ambition and achieve the goals of the Paris Agreement. I invite all national stakeholders and development partners of the Marshall Islands to follow the processes outlined in the RMI GCF Handbook.



A stylized, handwritten signature in black ink, appearing to read 'C. Loeak'.

The Honorable Christopher J. Loeak
Minister-in-Assistance to the President and Environment

3. Introduction to the RMI GCF Handbook

a. Purpose of the Handbook

The Green Climate Fund (GCF) was established as an operating entity of the United Nations Framework Convention on Climate Change (UNFCCC) in 2010. As the world's largest fund dedicated to the fight against climate change, the GCF will continue to channel significant flows of international climate finance to the Republic of the Marshall Islands (RMI) over the coming decades.

The RMI GCF Handbook has been prepared to provide clear, simplified and practical guidance for stakeholders to understand the requirements for developing and submitting project proposals to the GCF. A key objective of the Handbook is also to strengthen the institutional capacities and systems of the Climate Change Directorate (CCD), Ministry of Environment, the RMI GCF National Designated Authority (NDA); key national stakeholders; and existing climate change institutions for accessing and utilizing GCF finance.

The purpose of this Handbook is as follows:

- To provide guidance on the mutually cooperative relationship between RMI and GCF in which GCF will endeavour to understand the difficulties of the RMI situation and establish processes which build on and are appropriate to the processes of the RMI Government;
- To provide guidance to the RMI NDA to perform its roles and responsibilities, which includes acting as the GCF focal point, and overseeing the development and implementation of projects and programmes across the country;
- To clearly outline the roles and responsibilities of key GCF stakeholders from national government, local government, civil society organizations (CSOs), community organizations and the private sector in RMI;
- To establish a coordination, appraisal and approval mechanism for the NDA to engage with stakeholders on project and programme development;
- To recommend project ideas, concept notes and funding proposals that are consistent with national laws, regulations, development and climate priorities;
- To standardize and formalize the no-objection procedure in RMI, and ensure that concept notes and funding proposals are appraised and approved in a fair and transparent manner;
- To understand how to appraise, approve and nominate applications for prospective national entities to be accredited for direct access to GCF;
- This Handbook is also intended to be used as a general awareness-raising tool on the GCF among key national stakeholders.

This Handbook was developed by the Secretariat of the Pacific Regional Environment Programme, as the delivery partner to the NDA, under the Republic of Marshall Islands NDA Strengthening and GCF Engagement Readiness Project.

b. Updating the Handbook

This document should be considered as a 'living' document and will be updated and reviewed based on:

- The experience of RMI accessing finance from the GCF, which includes developing proposals using the procedures outlined in this Handbook and implementing projects and programmes;
- Lessons learnt from the institutional frameworks for governing climate finance outlined in this Handbook, including the roles and responsibilities of the Tile Til Eo Committee (TTEC) in approving GCF projects;
- The procedures used for nominating and approving the accreditation applications of prospective entities;
- Changes in GCF operational modalities, policies, procedures and requirements.



4. Overview of the Green Climate Fund (GCF)

a. Introduction to the GCF

The GCF is an international climate fund designed to help developing countries respond to climate change by investing in low-carbon resilient development. The GCF was established by the United Nations Framework Convention on Climate Change (UNFCCC) at the 16th Conference of Parties (COP) in 2010. It is a financial mechanism of the Convention and receives guidance from the UNFCCC COP. In the context of long-term financial support, advanced economies formally made a commitment to jointly mobilize US\$ 100 billion per year by 2020, from a variety of sources, to address the pressing mitigation and adaptation needs of the developing countries.

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 Small Island Developing States (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 responsible for the day-to-day operations of the GCF, and is accountable to the Board. The Secretariat is main point of contact for the NDA and stakeholders throughout the accreditation and funding proposal development process.

Key Features of the Green Climate Fund

- **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 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 is the world's largest fund for supporting developing countries to achieve a paradigm shift to low-carbon pathways and climate-resilient development. The GCF aims to achieve this by investing in transformative projects and programmes on climate adaptation and mitigation that contribute to national climate change policies and priorities of countries. The GCF pays attention to understand and respond to the needs of societies that are highly vulnerable to the impact of climate change, particularly Small Island Developing States (SIDS), Least Developed Countries (LDCs) and African States.

b. Accessing GCF resources

All developing country Parties to the UNFCCC are eligible for funding from the GCF, and can access resources for projects and programmes through an accredited entity (AE). Each AE has different characteristics, and can be either public or private sector, non-governmental, sub-national, national, regional or international. An overview of the requirements of accessing GCF resources is provided in Table 1.

AEs are categorized as "direct access entities" (DAEs), which are national or regional entities, or "international access entities" (IAEs). To date, no national or subnational entities in RMI have been accredited to the GCF, and therefore GCF resources currently need to be accessed through either

regional DAEs or IAEs. The regional DAEs the RMI can access resources through are the Micronesia Conservation Trust (MCT), the Pacific Community (SPC) and the Secretariat of the Pacific Regional Environment Programme (SPREP), and international AEs working on GCF activities in the Pacific include the Asian Development Bank (ADB), World Bank (WB), United Nations Development Programme (UNDP), UN Environment Programme (UNEP), World Meteorological Organization

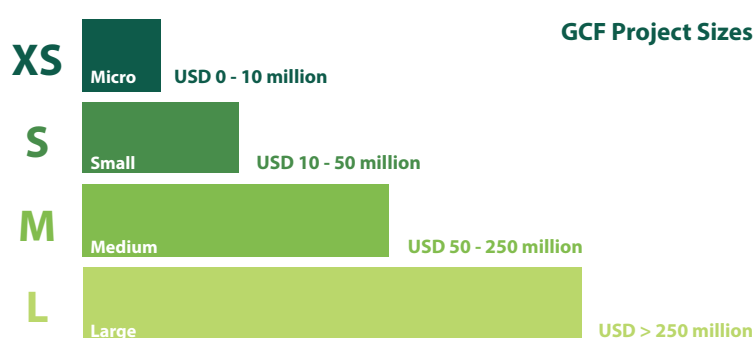
(WMO), Food and Agricultural Organization (FAO), International Fund for Agricultural Development (IFAD), German Corporation for International Development (GIZ), International Union for Conservation of Nature (IUCN), World Wildlife Fund (WWF) and Conservation International (CI).¹

Table 1: Requirements for accessing GCF resources²

Access Modalities for RMI	GCF resources can be accessed via DAEs (regional or national entities) or indirectly through IAEs (international entities). The international access modality includes accessing resources from accredited international entities including United Nations agencies and multilateral development banks.
Institutional	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 special focus on Micro, Small and Medium Enterprises (MSMEs) in developing countries.

AEs are institutions that have completed an accreditation application, which has been approved by the GCF Board, and demonstrate the ability to manage GCF's resources in line with the GCF's fiduciary standards for the scale and type of funding sought. A key part of the proposal development process is selecting an appropriate AE, which will oversee the work done by project implementing partners, such as government ministries, local governments or civil society organizations. 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 intended project sizes that the Accredited Entities may undertake are shown in Figure 1.³

Figure 1: GCF project sizes⁴



¹ A list of all accredited entities can be found at: <https://www.greenclimate.fund/how-we-work/tools/entity-directory>

² The GCF accreditation process is outlined here: <https://www.greenclimate.fund/gcf101/getting-accredited/accreditation-process>

³ There is no maximum limit for the size of GCF projects and programmes.

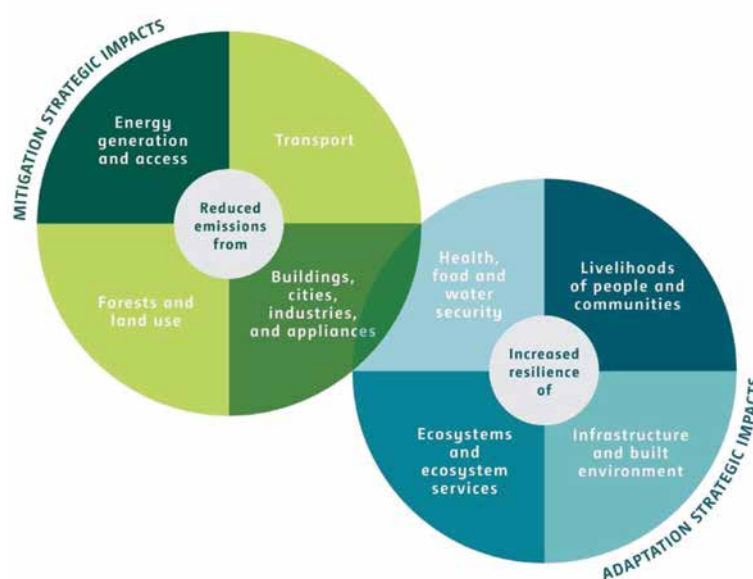
⁴ Adopted from Green Climate Fund, 2015: <https://www.greenclimate.fund/how-we-work/tools/infographics>

The GCF provides the following four financial instruments⁵.

- **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 favorable 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.
- **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.

Figure 2: Mitigation and adaptation strategic impact areas of the GCF⁶



c. Priority funding areas and the GCF investment framework

The GCF finances climate resilient and low-emission projects and programmes that contribute towards achieving at least one of its eight strategic impact areas – four of these are related to adaptation and four to mitigation (as shown in Figure 2). AEs can apply for funding proposals in line with national climate change policies and priorities. In the absence of national AEs, the NDA can endorse projects and programmes developed by regional DAEs and international AEs. Once RMI has national DAEs, the RMI shall prioritize submission of funding proposals through national entities.

The GCF finances activities that drive paradigm shifts towards low emission economic growth and climate resilience. When deciding on whether to invest in projects, the GCF will seek to strike a balance between national priorities, potential to deliver concrete climate benefits, cost considerations, and opportunities to deliver co-benefits.⁷

⁵ 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.

⁶ Adopted from Green Climate Fund, 2015: <https://www.greenclimate.fund/how-we-work/tools/infographics>

⁷ Green Climate Fund, 2018, "Investment criteria indicators", GCF/B.20/Inf.14.

The GCF has identified the following five high potential investment priorities that are particularly promising for achieving mitigation and adaptation action. These investment priorities aim to achieve cross-cutting benefits in an efficient and impactful way. 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 3). 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.

Figure 3: GCF high-level investment criteria⁸



d. Key GCF policies

i. Environmental and Social Policy

The GCF Environment and Social Policy aims to ensure that the "GCF will effectively and equitably manage environmental and social risks and impacts and improve outcomes of all GCF-financed activities".⁹ This is facilitated by the Environmental and Social Management System (ESMS), which is a set of management processes and procedures that allows the GCF to understand the context of the country and to identify, analyze, avoid, minimize, and mitigate any potential adverse environmental and social impacts of its activities, and to maximize environmental and social benefits.

⁸ Green Climate Fund, 2018, "Investment criteria indicators", GCF/B.20/Inf.14.

⁹ Green Climate Fund, 2018, "Environmental and social policy".

Procedures belonging to the ESMS include the Environmental and Social Management Plan (ESMP), which contains a description of measures that have been identified for understanding the country and avoiding, minimizing, or mitigating adverse environmental and social impacts; and the Environmental and Social Safeguards (ESS), which is set of standards that specifies the desired outcomes and the specific requirements to achieve these outcomes that are appropriate for the country and through means that are appropriate to the nature and scale of the activity and commensurate with the level of environmental and social risks and/or impacts¹⁰.

ii. Gender Policy

The GCF recognizes the importance of gender equality in the access and impact of climate funding. The Governing Instrument of the GCF establishes a clear mandate to enhance a gender-sensitive approach in the Fund's processes and operations.

The GCF has adopted a Gender Policy and Action Plan supporting gender equality, equity and sensitivity. The Gender Equality Policy and a Gender Action Plan for 2019-2021 has three main objectives:¹¹

- Supporting climate change interventions and innovations through a comprehensive gender-responsive approach, applied both within the institution and by its network of partners, including AEs, NDAs and focal points, and delivery partners for activities under the GCF Readiness and Preparatory Support Programme;
- Promoting climate investments that (i) advance gender equality through climate change mitigation and adaptation actions, and (ii) minimize social and gender-related and climate-related risks, while also seeking to promote respect for and observance of human rights of all people, including women and men from vulnerable or marginalized communities in all climate change actions; and,
- Reducing the gender gap resulting from climate change exacerbated social, economic and environmental vulnerabilities and exclusions through strategic climate investments that mainstream gender equality issues.

iii. The GCF Independent Redress Mechanism

To ensure GCF's accountability to its own policies and procedures, the Independent Redress Mechanism (IRM) has been established. Its purpose is to address complaints, in a transparent and effective manner, from people in developing countries who are adversely affected by GCF-funded activities.

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. Other kinds of complaints, such as allegations of corruption and irregular procurement, are handled by separate independent units associated with GCF, including the Independent Integrity Unit (IIU).

For reconsideration of a GCF Board decision denying funding for a project or programme, a request can be submitted to the IRM. The request must show that the denial of funding was based on a 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.¹²

¹⁰ Green Climate Fund, 2018, "Environmental and social policy".

¹¹ Green Climate Fund, 2019, "Updated Gender Policy and Action Plan 2019–2021", GCF/B.22/06.

¹² The IRM process is detailed here: <https://irm.greenclimate.fund>

5. Institutional arrangements and stakeholder engagement

a. Introduction

The Marshall Islands should engage all relevant stakeholders from national government, local government, the private sector, and non-government agencies. The involvement of stakeholders will vary based on their roles, technical strength and expertise, mandate and organizational capabilities. The transparent and effective deployment of GCF finance requires country ownership at all levels, from households to local government to national government agencies.

Achieving strong engagement and coordination will also ensure that GCF finance is utilized effectively and synergies with other climate activities are achieved. The consultation of a diverse range of stakeholders will also allow for knowledge and lessons learnt from past adaptation and mitigation actions to be integrated into GCF projects.

The institutional and governance mechanisms outlined in this section will help to ensure that relevant stakeholders are adequately engaged and represented in consultations, proposal development, and project and programme implementation. This institutional arrangement will also help to ensure that GCF finance is used in an accountable and transparent manner that facilitates decision making and coordination by providing clear mandates on roles and responsibilities to the respective stakeholders. The roles and responsibilities of stakeholders are outlined below.

b. The National Designated Authority (NDA)

i. Introduction

The Government of the Republic of the Marshall Islands (GoRMI) has nominated the Climate Change Directorate (CCD), Ministry of Environment, as the National Designated Authority (NDA) of the GCF.

In addition to its responsibilities as the GCF NDA, CCD also acts as the focal point for the Global Environment Fund, and key multilateral environmental agreements, including the United Nations Framework Convention on Climate Change (UNFCCC) and United Nations Convention on Biological Diversity (UNCBD).

ii. Roles and responsibilities

As summarized in *Oversee the implementation of all GCF activities in RMI, and conduct monitoring and evaluation of the Country Programme implementation*.

Figure 4, the NDA's primary functions are as follows:¹⁴

- Act as the government's focal point for communication with the GCF Secretariat, GCF Board and Accredited Entities;
- Provide strategic oversight to align GCF activities with national priorities, which are set by the National Strategic Plan, TTEC and RMI policies and plans;
- Identify, prioritize and select GCF activities;
- 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;
- Convene and coordinate national stakeholders on GCF processes, including national government

¹³ Green Climate Fund, 2015, "Engaging with the Green Climate Fund", Elements 01.

agencies, local governments, communities, the private sector and civil society;

- 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 institutions for their application for GCF accreditation;
- 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 National Adaptation Plan (NAP) and Country Programme, and Project Preparation Facility (PPF) activities;
- Provide strategic oversight to align GCF financing with national priorities, including through developing the Country Programme;
- Oversee the implementation of all GCF activities in RMI, and conduct monitoring and evaluation of the Country Programme implementation.

Figure 4: Key roles and responsibilities of the NDA¹⁴



iii. Structure and capacity

The NDA is led by the Director, CCD, and currently has personnel providing support on GCF readiness, coordination and knowledge management.

The NDA requires increased capacity to support concept note and funding proposal development across key sectors, oversight of accreditation applications, and monitoring of GCF activities under implementation.

It is recommended that the NDA develops capacity by conducting trainings and hiring additional staff with expertise in relevant sectors, project and programme financing, economic appraisal techniques, climate finance and communications.

¹⁴ Adopted from Green Climate Fund, 2015: <https://www.greenclimate.fund/how-we-work/tools/infographics>

c. The Tile Til Eo Committee (TTEC)

i. Introduction

The TTEC is the GoRMI existing mechanism for climate change coordination and policy oversight. The TTEC shall provide approval, oversight and leadership of GCF activities and strategic planning. The use of the TTEC in GCF operations will also ensure that existing institutional structures are utilized, thereby reducing duplication of effort and achieving coherence in government operations.

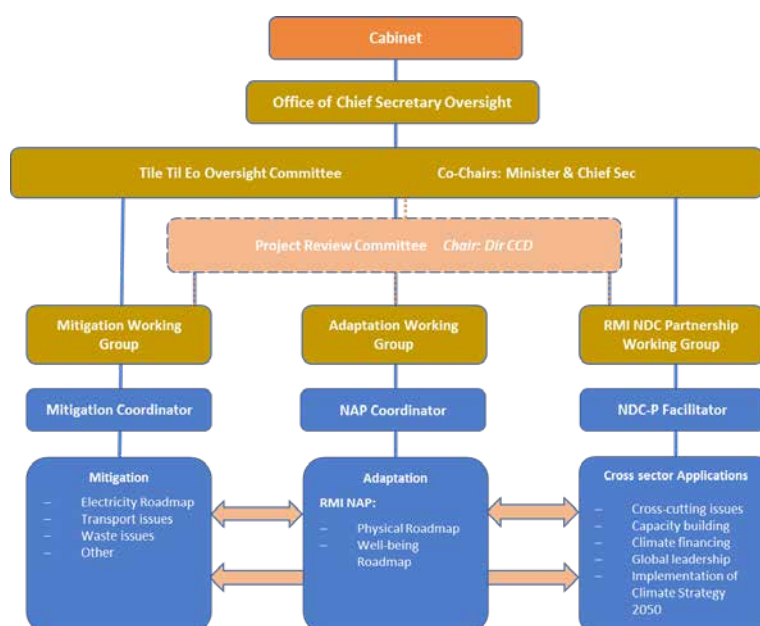
The existing roles of the TTEC includes providing direction to agencies and making recommendations to Cabinet through the Office of the Chief Secretary on climate change strategic planning and implementation, policy design, and achieving RMI's international commitments. The TTEC will meet as required, and at least quarterly to review progress of Working Groups and Task Forces.

ii. Roles and responsibilities

In addition to its existing functions, the TTEC will have the following roles and responsibilities for GCF activities¹⁵:

- The TTEC shall provide strategic oversight of RMI's engagement with the GCF, including through endorsing the RMI GCF Country Programme, RMI GCF Handbook, and readiness plans;
- The TTEC will be notified of the Project Idea and concept notes recommended by the Project Review Committee (PRC) through the Climate Resilience Coordinating Group;
- The TTEC shall provide approval of GCF funding proposals;
- The TTEC shall provide approval for the issuance of GCF No-Objection Letters (NoL);
- The TTEC, through the Office of the Chief Secretary, shall request ministerial and Cabinet Approval of GCF funding proposals as required;
- The TTEC, through the Office of the Chief Secretary, shall provide final approval for the issuance of the Nomination Letter for the national entity accreditation application.

Figure 5: Institutional arrangements of Tile Til Eo Committee (TTEC) and Project Review Committee (PRC)



¹⁵ GoRMI, 2019, Terms of Reference of the Tile Til Eo Committee (TTEC).

iii. Structure

As shown in Figure 5, the TTEC is co-chaired by the Minister of Environment and the Chief Secretary and has representation from key government agencies.

The work of the TTEC is conducted by the Working Groups and Task Forces, and there are currently three permanent Working Groups, as shown in Figure 5: (i) Mitigation Working Group; (ii) Adaptation Working Group; (iii) RMI NDC Partnership Working Group.¹⁶ These Working Groups have cross-sectoral representation from government agencies, civil society organizations, and the private sector.

d. The Project Review Committee (PRC)

i. Introduction

The Project Review Committee (PRC) will support the NDA with GCF operations, including evaluating and appraising GCF project ideas, concept notes and funding proposals and evaluating national entity accreditation applications.

The PRC is a multi-stakeholder Committee, which is chaired by the Director, CCD. The PRC also consists of representatives from central government agencies, key sectoral ministries, the private sector, and civil society.

To ensure the PRC has relevant expertise and acts in a fair and transparent manner, key national GCF stakeholders will be represented on the PRC, as outlined below. The PRC will also extend invitations to other key stakeholders as required.

ii. Roles and responsibilities

As outlined in “Annex One” of this Handbook, the PRC will have the following Terms of Reference.

- This PRC will be chaired by the Director, CCD, and comprised of technical experts from key sectoral ministries and a representative from CSOs and the private sector.
- The PRC shall call upon additional ad-hoc expertise as required.
- The PRC will convene as required and shall meet at least quarterly, provided notice of at least ten working days is provided.
- The PRC shall evaluate and short-list climate change project ideas using the project idea appraisal criteria provided in “Annex Four” of this Handbook. The PRC shall also provide advice on potential funding sources for project ideas that are deemed to be not fundable by the GCF.
- The PRC shall conduct a technical evaluation of GCF concept notes using the concept note/ funding proposal appraisal checklist in “Annex Three” of this Handbook, and provide approval for GCF concept notes.
- The PRC shall conduct a technical evaluation of GCF funding proposals using the concept note/ funding proposal appraisal checklist in “Annex Three” of this Handbook, and submit this to the TTEC for decision.
- The PRC will notify the TTEC of the selection of GCF project ideas and concept notes.
- The PRC will provide a recommendation to the TTEC for the submission of a national entity accreditation application to the GCF.

¹⁶ The TTEC Working Groups are permanent, while the Task Forces are ad hoc bodies established to address specific issues.

iii. Governance

- Secretariat support for the PRC is provided by the NDA, including the preparation of documents for consideration by the Committee. All documents for the PRC, including meeting agenda, project idea template, concept notes and funding proposals, and the reviews undertaken by the NDA, will be distributed by the NDA to PRC at least ten working days prior to the meeting.
- For members to participate in the PRC, an 'Official Nomination Letter' from their respective ministry/organization is required.
- PRC members are required to attend all meetings or provide an alternate, and members must confirm participation at least one week prior to the meeting.
- In the event that consensus cannot be achieved on a decision, the PRC will vote on a majority basis.

iv. Structure

The PRC will have the following structure. Representatives and experts will be invited by the Chair as required.

- Chair: Director, CCD.
- Adaptation Working Group (two representatives): Chair and nominated expert.
- Mitigation Working Group (two representatives): Chair and nominated expert.
- RMI NDC Partnership Working Group (two representatives): Chair and nominated expert.
- Ministry of Finance: Nominated expert from Division of International Development Assistance (DIDA).
- Ministry of Culture and Internal Affairs: Nominated expert from the Division of Local Government.
- Civil Society Representative: Nominated expert from Women United Together Marshall Islands (WUTMI).
- Private Sector Representative: Nominated expert from Office of Commerce, Investment & Tourism (OCIT).

The individual representatives on the PRC should be engaged over the long-term if possible, as this will build institutional knowledge and develop the PRC collective understanding of the best practices for designing climate change projects and the past, existing and planned climate change investments across sectors.

Lastly, representatives of the PRC should be provided with targeted capacity building from the NDA, including on developing technical understanding of project screening methodology; strengthening understanding of GCF investment criteria, processes, and policies; and building knowledge of domestic priorities and processes, including those contained with this Handbook and the RMI GCF Country Programme.

e. Engaging key stakeholders in GCF processes

The following stakeholders must be engaged in GCF processes to ensure that proposals are developed and implemented in an inclusive manner and aligned with national priorities. The roles and responsibilities of key national stakeholders are outlined below.

i. Accredited Entities (AEs)

- Currently, there are no domestic entities accredited to the GCF. The NDA has identified three candidates for domestic accreditation (Ministry of Finance, Marshall Islands Development Bank and Marshall Islands Marine Resources Authority), and these will be supported in their application by the NDA and development partners.
- Once RMI has national DAEs, the development and implementation of proposals could be led by national entities. It will be important to ensure that DAEs have support from the GCF and development partners for project preparation and implementation as required.
- When accredited, national DAEs should be engaged in GCF projects that are aligned to their particular comparative advantages and expertise.
- In the absence of a domestic DAE, the RMI must engage with regional and international accredited entities for proposal development and implementation.
- The selection of international entities should be consultative and be led by the NDA and project proponents. The international entity should be selected based on their comparative advantage in the proposal sector(s) and experience working in RMI.
- At the regional level, MCT, SPC and SPREP are DAEs. Internationally, RMI has experience working with a number of development partners which are accredited to the GCF. This includes the World Bank and UNDP, both of which have projects under implementation in RMI, and also the ADB, UNEP and FAO.

ii. Executing Entities (EEs)

- EEs can be any entities that are engaged in the implementation of GCF activities – this includes international and regional entities, national government agencies, local governments, CSOs and private sector actors.
- EEs can formulate concept notes and funding proposals, and EEs can work closely with AEs to implement GCF activities in the project/programme.
- EEs should have a proven track record in implementing and monitoring climate projects (but it should also be noted that engaging local agencies as EEs can help to build a track record – and this is also a requirement for a domestic entity's accreditation application).
- It is also important that EEs have the required absorptive capacity to implement a project.

iii. Ministry of Finance

- The Ministry of Finance (MoF) will have a key role in identifying and approving GCF co-finance (particularly domestic co-finance).
- MoF will be involved in proposal development, including through participating on committees, and identifying and approving projects.
- The Division of International Development Assistance (DIDA) in MoF is responsible for

coordinating and managing development assistance. DIDA will play a role in identifying synergies, and achieving coordination, between GCF projects and other ODA projects.

- MoF has been identified as a candidate for accreditation by the NDA – and applying for accreditation in the short-term will be a key priority for MoF. Over the long term, MoF will have responsibilities as an AE (if accreditation is successful).

iv. Relevant sectoral ministries

- Given the pervasive and cross-cutting impact of climate change in RMI, all relevant ministries will be engaged in GCF processes. A broad range of government agencies will play roles in developing and implementing GCF projects/programmes.
- As project proponents and EEs, Ministries can submit project ideas to the NDA for consideration, support concept note and funding proposal formulation, and play a key role in implementation.
- The Key Line Ministries are: (i) Ministry of Works, Infrastructure and Utilities; (ii) Ministry of Transportation & Communication; (iii) Ministry of Health; (iv) National Disaster Management Office; (v) Ministry of Natural Resources and Commerce; and (vi) Marshall Islands Marine Resources Authority.



v. Local Government

- RMI has 24 local governments, which are spread across the country, and will be key stakeholders for GCF project development and implementation.
- As project proponents and EEs, local governments can submit project ideas to the NDA, support concept note and funding proposal formulation, and play a key role in implementation.
- Local governments also play important roles in implementing and engaging with other stakeholders (especially communities) on climate change and disaster risk reduction activities.

vi. Communities

- RMI's diverse communities are important stakeholders in climate change and disaster risk reduction efforts. They are the beneficiaries of climate finance, the land owners, and are on the front line of climate action.

- Community groups must be engaged from the beginning of proposal development, can submit project ideas to the NDA for consideration as project proponents, and can play key roles in proposal development and implementation as EEs.
- Communities have much to contribute with their existing capacities, traditional knowledge and coping mechanisms.
- Communities will be engaged via comprehensive consultations at every stage of the project cycle.

vii. Civil Society Organizations (CSOs) and Non-Governmental Organizations (NGOs)

- As all marginalized and vulnerable groups need to be included in GCF programming, engaging CSOs and NGOs are priorities.
- Organizations need to be involved from the start of the project cycle, and can be engaged as project proponents and EEs and can submit project ideas to NDA for consideration.
- Engaging CSOs and NGOs will be crucial for achieving gender sensitive and inclusive outcomes, consulting communities, and developing and implementing GCF projects.
- Organizations will be engaged through processes and committees, and consultations.

viii. Private sector actors

- The GCF is committed to unleash the potential of the private sector for responding to climate change.
- The private sector can play key roles in proposal development and implementation as project proponents and EEs, and can submit project ideas to the NDA for consideration.
- The private sector will be engaged through participation in processes and committees, and consultations.

ix. Donors and development partners

- Donors and development partners can provide co-finance for GCF projects and programmes and support regional coordination, capacity development and scale up proven climate solutions from other Pacific Island Countries and SIDS.
- They can also provide technical assistance to the NDA, national DAEs (when accredited) and relevant stakeholders for capacity building, including through the readiness and preparatory support.
- Key development partners in RMI are World Bank, ADB, CROP Agencies (especially SPREP, SPC and PIFS), UN Agencies (UNDP, UN Environment and FAO); NDC Partnership; and bilateral partners (USAID, JICA, Governments of Taiwan, Australia and NZ).

x. Academic institutions

- Academic institutions can contribute to research and development on climate change adaptation and mitigation, and exchange and disseminate knowledge through publications, national dialogues and public forums.
- Possible stakeholders include the College of the Marshall Islands, University of the South Pacific, and other international academic institutions.

6. Developing and submitting a proposal

a. Introduction

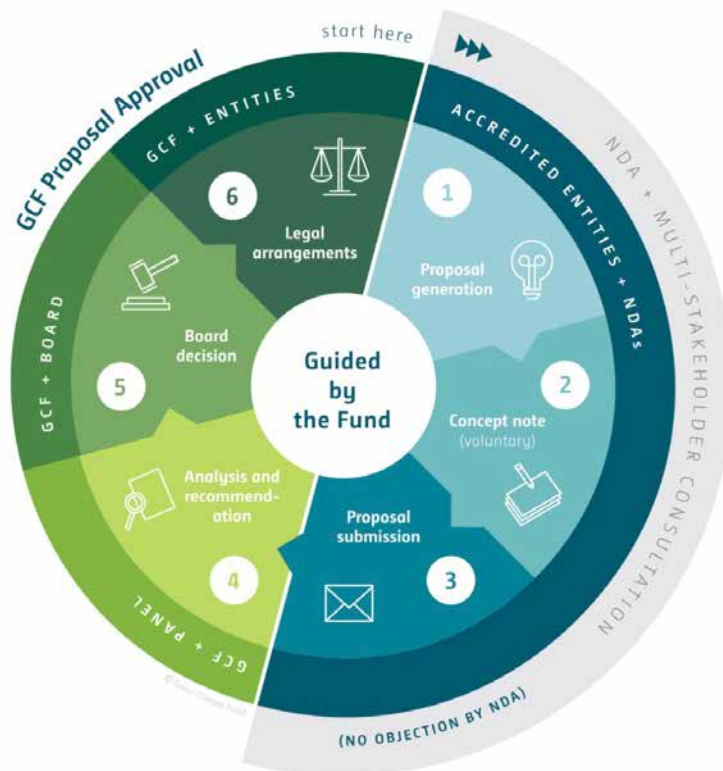
This section outlines the GoRMI's process for identifying and prioritizing project ideas, and developing and approving GCF concept notes and funding proposals. This is the only process by which GCF projects and programmes can be developed, and concept notes or funding proposals that have not been approved through this process will not be supported by the NDA. This includes instances when discussions have been held with stakeholders, including national or local government agencies of the Marshall Islands, but not agreed via this proposal development process. Should an AE seek approval for a GCF concept note or funding proposal developed without prior approval by this process, the entity will be requested to follow the procedure outlined in this section.

b. Overview of the RMI GCF Project Cycle

The GCF finances climate resilient and low-emission projects and programmes that contribute towards achieving at least one of its eight strategic impact areas (as shown in Figure 2). In deciding whether to invest in projects, the GCF will seek to strike a balance between national priorities, potential to deliver concrete climate benefits, cost considerations, and opportunities to deliver co-benefits.

The GCF has developed a standard process for developing proposals, as shown in Figure 6. The process from proposal idea generation through to GCF Board approval and the finalization of the legal arrangements can take between 18 months to 4 years depending on the complexity and size of the project. In addition, the RMI NDA has developed a country specific process for the first three stages of the standard GCF process, as documented in this section and summarized in Figure 7.

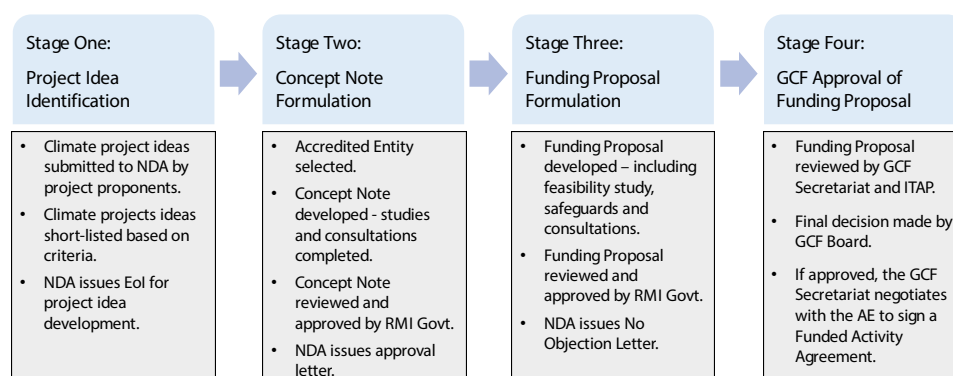
Figure 6: GCF approval process ¹⁷



¹⁷ Adopted from Green Climate Finance, 2015: <https://www.greenclimate.fund/how-we-work/tools/infographics>

The country-specific process (as shown in Figure 7) 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 National Strategic Plan (NSP) – this is considered a critical factor in the GCF's proposal approval process.

Figure 7: Overview of the RMI GCF Project Cycle



The four stages outlined in Figure 7 are summarized below.

- Stage One – project idea identification:** The first step is the identification of priority climate change project ideas. At this stage, detailed scoping, including technical analysis and comprehensive stakeholder consultations are usually not yet completed. This step can take up to three months.
- Stage Two – concept note formulation:** At this stage, the project idea is converted into a concept note. The development of the concept note shall be led by an AE with oversight by the NDA, and the development of a concept note can take up to 12 months. The concept note presents a summary of a proposed project or programme, and provides the AE with the opportunity to seek feedback from the GCF Secretariat on whether the concept is aligned with the Fund's objectives, policies, and investment criteria.
- Stage Three – funding proposal formulation:** At this stage, the GCF Secretariat has provided comments on the concept note and the AE uses this as the basis for developing the funding proposal. The development of the funding proposal can take up to 24 months, and requires considerable research, consultation and assessments on project design and costing. The development costs will vary considerably depending on the project scale, the financial instruments used, and the AE selected.¹⁸ There is also an opportunity through the PPF for the GCF to provide funds for the development of a funding proposal.
- Stage Four – GCF approval of funding proposal:** Following the submission of the approved Funding proposal to the GCF, the proposal is reviewed and cleared by the GCF Secretariat and independent Technical Advisory Panel, and the final decision is made by the GCF Board. Review and approval by the GCF Secretariat and Board will take at least three months.¹⁹

c. RMI proposal development process

This section outlines the four stages of the GCF proposal development process in detail.

i. Stage One: Project idea identification

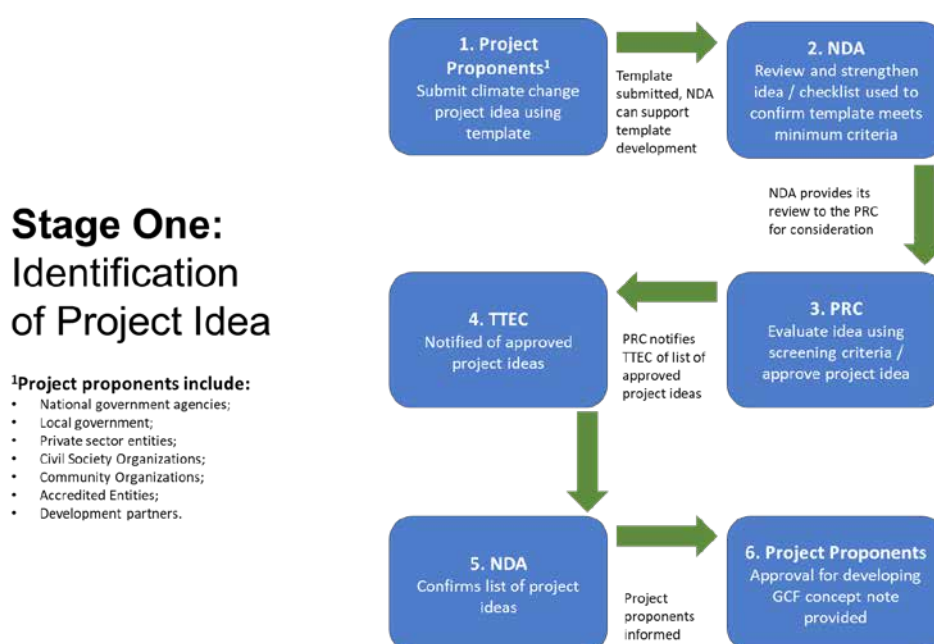
Project proponents will submit project ideas to the GCF NDA. Project proponents will be required to complete the Project Idea Template attached in "Annex Two" of this Handbook. Accredited Entities will also need to submit project ideas at this stage, and this includes AEs that planning to develop regional/ multi-country projects.

¹⁸ 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.

¹⁹ Ibid.

Project ideas must be aligned to national climate investment priorities, including the NSP, the NAP and NDC, and the GCF Country Programme, and GCF investment priorities. The project ideas will be reviewed by the NDA, and evaluated and approved by the PRC – only approved project ideas can be developed into GCF concept notes.

Figure 8: Summary of Stage One



The following steps must be followed for approving a GCF project idea (this procedure is summarized in Figure 8).

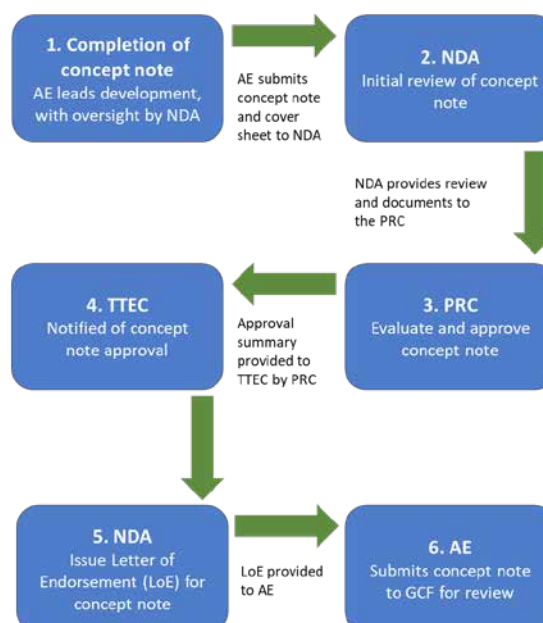
1. The NDA will publish the national project idea template on its website and disseminate the template to project proponents.
2. Project proponents will complete the project idea template in “Annex Two”, using this Handbook as guidance.²⁰ Project proponents can be any entity, including but not limited to national government agencies, local governments, the private sector, CSOs, community organizations and AEs.
3. If requested, the NDA can support project proponents with completing the Project Idea Template.
4. Project proponents will submit the Project Idea Template to the NDA via email.
5. The NDA will review proposal ideas using the Project Idea Appraisal Checklist (attached in “Annex Three” of this Handbook). The NDA will complete the review of the project idea template; and if necessary, the NDA will support the project proponent with strengthening the template.
6. The NDA will submit the project idea template and its review to the PRC for screening using the project idea appraisal criteria in “Annex Four”.
7. The PRC, chaired by the NDA, will convene to appraise the project idea templates.
8. The PRC can make one of the following decisions: (1) Endorse the project idea for formulation into a GCF concept note; (2) Recommend the project idea is financed by another source (e.g. the Global Environment Fund or another donor); (3) Request the project proponent to revise the project idea; or (4) Rejection of the project idea.
9. The project proponent will be notified if the project idea is: (1) Recommended for another financing source, (2) Requires revising, or is (3) Rejected by the PRC.²¹
10. If the PRC approves the project idea for development into a GCF concept note, the TTEC will be notified of the PRC decision.
11. Lastly, the NDA will send an email inviting the project proponent to formulate a GCF concept note.

²⁰ Project ideas submitted in any other format will not be accepted by the NDA.

²¹ If the PRC requests the strengthening of the Project Idea Template, the NDA can support the Project Proponent with completing revisions.

Figure 9: Summary of Stage Two

Stage Two: Approval of Concept Note



ii. Stage Two: Concept note formulation

The concept note, which should be developed by the AE in consultation with the NDA, 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 is required when developing a proposal in RMI as it allows for early feedback from the GCF Secretariat and results in a faster full proposal review process.²² 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 sections²³:

1. Section A: Project/Programme Summary, which provides essential information about the proposed project or programme.
2. 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.
3. 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.
4. Section D: Supporting Documents – includes the documents which can be submitted with the concept note, such as a pre-feasibility study, but are optional.

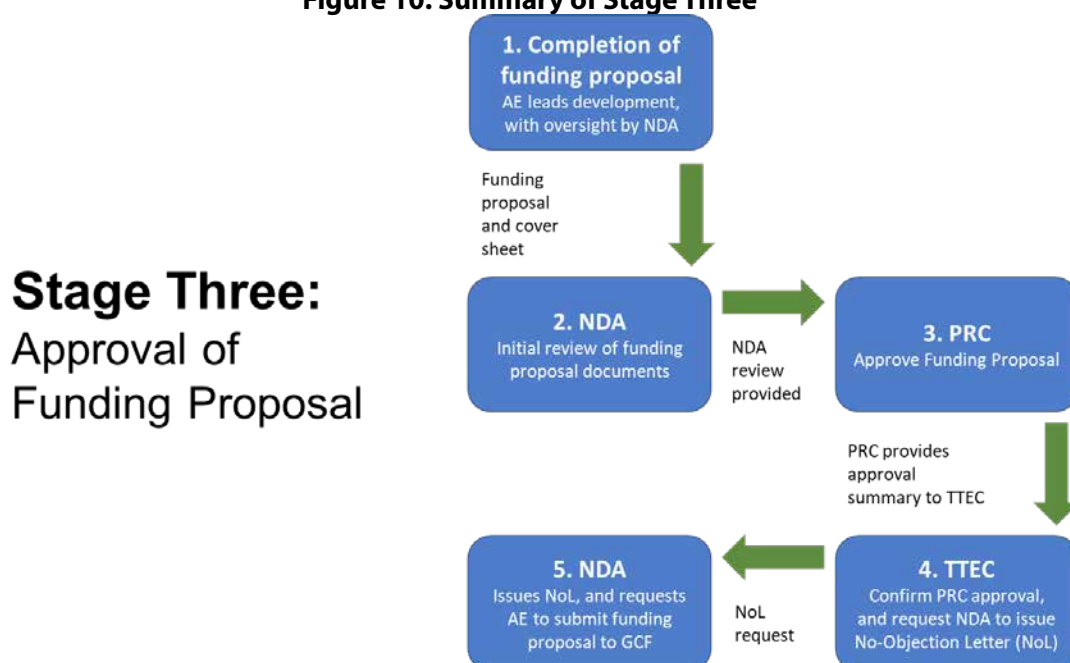
²² For projects or programmes submitted through the Simplified Approval Process (SAP), it is a requirement to follow a two-step application (concept note followed by full proposal), by submitting a concept note (mandatory step).

²³ The concept note template is periodically updated and revised, and latest version can be found here: <https://www.greenclimate.fund/how-we-work/funding-projects/fine-print>

The following steps must be followed when formulating a GCF concept note (this is summarized in Figure 9).

1. All concept notes must first be approved as a project idea through stage one of the RMI GCF proposal development process.
2. The project proponent(s) with support from the NDA will need to select a suitable AE²⁴, and commence consultations with relevant stakeholders (including but not limited to affected communities, local governments, and relevant national agencies). If the AE needs readiness support to complete the concept note, including financial assistance, this must be discussed at an early stage with the NDA.
3. The concept note will be developed by the AE in collaboration with other relevant entities, and the NDA will provide oversight of this process.
4. If the concept note is to be submitted under the Simplified Approval Process, the AE should notify the NDA and use the dedicated simplified approval process GCF concept note template.²⁵
5. If the concept note submission includes an application for funding proposal development support under the PPF, the AE should notify the NDA and complete the Project Preparation Funding application form (this will need to be submitted to the NDA with the concept note).²⁶
6. The AE will submit the completed “GCF concept note template”, “national cover sheet for concept note” (attached in “Annex Two” of this Handbook) and other required documentation (i.e. the PPF application form if relevant) to the NDA.
7. The NDA will complete an initial review of the concept note documentation to ensure completion to a satisfactory level.
8. Following NDA review, the PRC will complete an in-depth evaluation of the concept note documentation using the “concept note appraisal checklist” (attached in “Annex Three”) and either: (a) Approve the concept note; (b) Request modifications to the concept note; (c) Reject the concept note.
9. The TTEC will be notified of the decision made by the PRC.
10. If the concept note requires revision, the NDA will write to the AE with this request. And if the concept note is rejected by the PRC, the NDA will write to the AE with an explanation for this decision.
11. If the concept note is approved, the NDA will: (a) issue the Letter of Endorsement (attached in “Annex Five”), and (b) request the AE to formally submit the concept note to the GCF Secretariat for review. Concept notes can be submitted at any time throughout the year to the GCF Secretariat.

Figure 10: Summary of Stage Three



²⁴ While any stakeholder is allowed to submit a concept note to the GCF Secretariat for review, it is highly recommended that the project proponent identifies an AE to lead the development of the concept note.

²⁵ The Simplified Approval Process is outlined here: <https://www.greenclimate.fund/how-we-work/sap>

²⁶ For PPF submissions, the PPF request can only be considered by the GCF if the concept note is first approved.

iii. Stage Three: Funding proposal formulation

In close consultation with the NDA, the AE will lead the development of the GCF funding proposal. Funding proposals are developed in a consultative manner, based on the diverse climate finance needs of RMI.

The GCF funding proposal template includes the following eight sections²⁷.

1. Section A: Project/Programme Summary – provides essential information about the proposed project/programme.
2. Section B: Project/Programme Information – provides detailed information about the project/programme and its implementation.
3. Section C: Financing Information – provides the financing/cost information for both the requested GCF amount and co-financing amount.
4. 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.
5. Section E: Logical framework – explains the core indicator targets, fund-level outputs/outcomes, project activities, and monitoring, reporting and evaluation arrangements.
6. Section F: Risk Assessment and Management – describes main risk factors and risk mitigation measures.
7. Section G: GCF Policies and Standards – summarizes information about the environmental and social impact assessment, the gender assessment and action plan, and financial management and procurement.
8. 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.

The following steps must be followed when formulating a GCF funding proposal (this is summarized in Figure 10).

1. All GCF funding proposals must be approved as a project idea in stage one and a concept note in stage two of the RMI GCF proposal development process.
2. The development of the funding proposal will be led by the AE in collaboration with other relevant entities. The NDA will provide oversight of this process, and provide support as necessary. If the development of the funding proposal requires readiness assistance, this will need to be organized at the start of the funding proposal development process. (If the development of the funding proposal is to be supported under the PPF, a separate application is required and this should be organised at Stage Two of the proposal development process.)
3. The AE and NDA should commence discussions with the Ministry of Finance on co-financing requirements.
4. The AE should plan to finalize the funding proposal within 24 months, following the receipt of the concept note review from the GCF Secretariat.
5. The AE will submit the completed "GCF funding proposal template" and "national cover sheet for funding proposal" (attached in "Annex Two" of this Handbook) to the NDA.
6. If the funding proposal is to be submitted under the Simplified Approval Process, the AE should use the dedicated simplified approval process GCF funding proposal template.
7. The NDA will provide an initial review of the funding proposal and the funding proposal cover sheet. The NDA will also request the Office of the Attorney General to provide confirmation that the funding proposal is consistent with national laws.
8. If the Project Proposal is considered complete by the NDA and is consistent with national

²⁷ The funding proposal template is periodically updated and revised, and latest version can be found here: <https://www.greenclimate.fund/how-we-work/funding-projects/fine-print>

laws, the NDA will request the PRC to provide a comprehensive evaluation of the funding proposal documentation using the funding proposal appraisal checklist (attached in “Annex Three”).

9. The PRC will recommend either to: (a) Approve the funding proposal; (b) Request modifications to the funding proposal; or (c) Reject the funding proposal.
10. If the PRC determines that the funding proposal requires revisions, the NDA will write to the AE with this request. And if the funding proposal is rejected by the PRC, the NDA will write to the AE with an explanation for this decision.
11. If the funding proposal is approved by the PRC, the TTEC will be requested to provide approval of the funding proposal.
12. If the funding proposal is approved by the TTEC, the TTEC will request the NDA to issue the No-objection Letter and the AE will formally submit the funding proposal to the GCF Secretariat. Funding proposals can be submitted at any time throughout the year to the GCF Secretariat, and take at least three months to review by the GCF.

iv. Stage Four – GCF approval of funding proposal

Following the submission of the funding proposal, associated documents and the NoL, the GCF Secretariat will conduct a review of the proposal. 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:

1. The GCF Secretariat completes an initial completion check, and assesses the submitted funding proposal, including assessing how it meets GCF investment criteria.
2. The GCF Secretariat will also assess the proposals compliance with GCF policies, including but not limited to the fiduciary standards, Environmental and Social Safeguards (ESS), and gender policy.
3. 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.
4. Once the proposal has passed the initial review by the GCF, the GCF Secretariat will pass its assessment along with the proposal and supporting documents to the Independent Technical Advisory Panel (ITAP).
5. The ITAP will assess the funding proposal against the six GCF investment criteria. The ITAP is an independent technical advisory 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.
6. 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.
7. Once the GCF Secretariat and ITAP review is complete, the last stage of the domestic approval in RMI shall take place. As outlined in Figure 11, the NDA will be informed of the co-financing requirement and project risk level by the GCF Secretariat and then determine the proposal category.
8. The funding proposal is category A and requires GoRMI Cabinet approval if: (i) domestic co-finance is required; and/or (ii) loan financing is required; and/or (iii) is risk level A or B; and/or (iv) project size is greater than US\$ 10m; and/or (v) inter-ministerial approval is required.²⁸
9. The funding proposal is category B and requires TTEC approval if: (i) no domestic co-finance and loan financing is required; (ii) is risk C; (iii) project size is less than US\$ 10m; and (iv) only one ministry’s approval is required.

²⁸ Category A and B are risk levels determined by GoRMI, which is separate from the GCF ESS risk categorization.

Figure 11: Summary of Stage Four

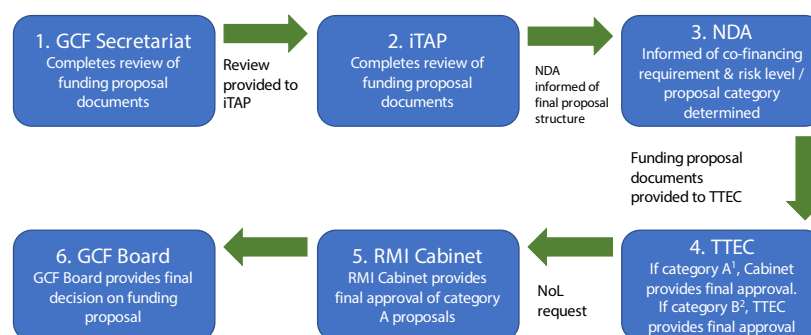
Stage Four: GCF Approval of Funding Proposal

¹Category A proposals:

- Domestic co-finance required;
- Loan financing required;
- Risk A or B;
- Project size greater than US\$ 10m;
- Inter-ministerial approval required.

²Category B proposals:

- No domestic co-finance;
- Risk C;
- Project size less than US\$ 10m;
- One ministry's approval required.



- 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 no-objection letter 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.
- The GCF Board 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.
- Following GCF Board approval of a funding proposal, the GCF Secretariat negotiates with the AE in order to sign a Funded Activity Agreement.
- The project then moves into the implementation period whereby funds are transferred to the AE according to agreed tranches as per the term sheet's disbursement schedule and other key terms and solutions.
- To comply with Article 114 of the Constitution (see Section 5.2.), GCF Secretariat may require in the event of disbursement of funds during the implementation phase a letter from the NDA or government equivalent, stating that an account has been opened lawfully for that purpose, in accordance with all applicable laws of the Republic of the Marshall Islands, or otherwise, that the account is exempt from such requirements.
- The AE will launch and oversee the implementation of activities included in the approved project as well as the monitoring and evaluation process that will continue until the completion of the project. The process of M&E commences and continues until the project/programme closes and exits the GCF's portfolio.

For both concept notes and funding proposals, the feedback provided by the GCF Secretariat does not represent acceptance or commitment to provide financial resources to support the project/programme. Funding decisions can only be made by the GCF's Board, taking into account various factors, including technical, financial, environmental, social, gender and legal aspects. The GCF Secretariat only submits to the Board for its consideration those funding proposals whose approval has been recommended by both the ITAP and the Secretariat.²⁹

d. Overview of GCF funding windows

i. Country Readiness Support

The GCF provides finance to enhance country ownership and build the capacity (or 'readiness') of national entities of accessing the GCF.

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 help establish or strengthen the NDA to deliver on the GCF's

²⁹ The project funding conditions are outlined here: <https://www.greenclimate.fund/gcf101/funding-projects/project-funding>

requirements. There is an additional US\$ 3 million available per country for National Adaptation Plans and other adaptation processes.

Within these funding caps, the RMI can submit multiple proposals over multiple years, as readiness needs change over time (this process differs from the Funding Proposal approval process outlined above, as it only requires a single proposal). 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.

Countries are encouraged to formulate their activities based on their specific needs and consistent with the five objectives of the GCF Readiness Programme:³⁰

- Strengthen country capacity;
- Engage stakeholders in consultative processes;
- Realise direct access;
- Provide access to finance;
- Mobilise the private sector.

Indicative examples of possible readiness activities are as follows³¹:

- Strengthening institutional capacities so that the NDA can effectively fulfil its role;
- Supporting the ongoing engagement of stakeholders, including national and local government, civil society and private sector actors;
- Extracting lessons from other countries (including through exchange visits and workshops);
- Developing and disseminating informational and awareness-raising materials;
- Developing a country programme that identifies strategic priorities for engagement with the GCF;
- In the context of the country programme, formulating concept notes, drawing on national climate strategies and plans;
- Enabling private sector participation, including by supporting the preparation of studies, tender documents or advisory services for the establishment of public-private partnerships;
- Formulation of national adaptation plans and/or other adaptation planning process;
- Support to prospective DAEs seeking accreditation and developing project and programme pipelines.

The implementation of activities can be undertaken by the country's NDA; or Delivery Partner(s), with oversight by the NDA. And while the funding can be managed by the NDA or a Delivery Partner, all readiness funding requests must be initiated by the NDA.

In addition, the GCF Secretariat has designed "Readiness 2.0" for consideration by the GCF Board in 2019, which focuses on improved process efficiency, clearer guidance and more targeted interventions matched to country needs and impact³². In designing Readiness 2.0, the GCF aims to diagnose and target countries' specific readiness needs, by delivering a clearer theory of change, more fit for purpose support, lower transaction costs, improved process efficiency and enhanced knowledge exchange and peer-to-peer learning.

ii. Project Preparation Facility (PPF)

Prospective project proponents can seek support under the PPF to develop a funding proposal. The NDA or AE can submit a request for support under the PPF, with preference given to DAEs submitting projects under the micro-to-small size categories (up to US\$ 50 million in total project size).³³

- The PPF provides support to turn a concept note into a full funding proposal. It can be used for scoping, pre-feasibility and feasibility studies, assessments or other project preparation support activities.
- Requests for PPF support are usually in the form of grants, but private sector projects may include other instruments. The grant is capped at 10% of total funding requested, or a maximum of US\$1.5 million.

³⁰ For more information, please see the GCF Readiness and Preparatory Support Guidebook.

³¹ Green Climate Fund, 2019, "Readiness and Preparatory Support Programme: Strategy for 2019-2021 and Work Programme 2019", GCF/B.22/08.

³² Green Climate Fund, 2019, "Report on the implementation of the initial Strategic Plan of the GCF: 2015-2018", Document RC-1/1.

³³ Green Climate Fund, 2019, "Project Preparation Guidelines".

- Funding proposals developed with the PPF should be submitted to the GCF Board within two years of the approval of a PPF request.

iii. Simplified Approval Process (SAP)

Proposals for some small-scale and low risk projects/programmes can be submitted under the SAP³⁴. Under the SAP, the documentation and review processes for bringing projects or programmes from conception to implementation are reduced and simplified. The NDA and AEs may choose to submit concept notes under the SAP if the project or programme meet 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 USD 10 million of the total project budget; and
- The environmental and social risks and impacts are classified as minimal to none.

DAEs and NDAs are especially encouraged to submit concept notes – the GCF aims at having 50% of SAP approved projects to be from DAEs.

iv. Enhanced Direct Access (EDA)

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.³⁵

Through the EDA modality, the GCF aims to move from the financing of stand-alone projects towards a more comprehensive and stakeholder driven approach. The objective is to enhance country ownership of projects/programmes by allowing greater involvement and input from national stakeholders.

DAEs nominated by the NDA can implement the EDA modality. Selected country entities will first submit a concept note to get feedback and further guidance before working on a full proposal

As of 2019, the EDA modality is still being piloted and as such, may evolve in the near term. 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.



³⁴ Green Climate Fund, 2018, "Simplified Approval Process (SAP) funding proposal preparation guidelines".

³⁵ Green Climate Fund, 2019, "GCF in Brief: Enhancing Direct Access".

Best practices to consider for developing GCF proposals

- **Demonstrate that the proposal aligns with national priorities.** GCF projects must align with national climate priorities, including the NAP, NDC, and the RMI GCF Country Programme, and the broader development priorities articulated in the NSP. The proposal development, appraisal and approval procedures set out in this Handbook will ensure there is compliance with this critical requirement of the GCF.
- **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 (see Figure 2). It is essential that GCF projects align with at least one of these results areas.
- **Climate relevance.** It is essential that GCF projects are a response to a specific climate change problem – such as “low carbon shipping” 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.
- **Demonstrate that the project complies with the GCF six investment criteria.** GCF proposals must align with the high-level investment criteria (as outlined in Figure 3), and establish specific sub-criteria and indicators against which the performance of the project will be assessed.
- **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 Handbook will help to ensure compliance with this critical requirement.
- **Comply with environmental and social safeguards and manage risks.** GCF project proposals must comply with the GCF Environment and Social Policy and have a strong set of Environmental and Social Safeguards to mitigate and manage potential environmental and social risks and/or impacts.
- **Include gender considerations in the project design and implementation.** GCF project proposals must describe how gender considerations have been incorporated into project design, in accordance with the GCF’s gender policy.
- **Project sustainability.** GCF projects should have a sound financial structure, and demonstrate the sustainability of the project after GCF funding ends.

v. Private Sector Facility (PSF)

The GCF has set up the PSF to engage the local and global private sector to invest in mitigation and adaptation activities³⁶. 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), 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 prioritizes specific areas for investment through Requests for Proposals.

³⁶ Green Climate Fund, 2019, “Green Climate Fund’s Private Sector Facility”.

e. The appraisal approach

The following templates and evaluation tools are attached for the development of project ideas, concept notes and funding proposals. These will support the NDA, PRC and TTEC with appraising and approving proposals in a systematic and efficient manner.

1. National Project Idea Template (see “Annex Two”): This will be completed by the project proponent and submitted to the NDA for review. Also included is a guide for completing the template.
12. Project Idea Appraisal Checklist (see “Annex Three”): This will be used by the NDA for completing a preliminary review of the project idea template.
13. Project Idea Appraisal Criteria (see “Annex Four”): This will be used by the PRC for evaluating and prioritizing project ideas for development into GCF concept notes.
14. National cover sheet for concept note/funding proposal (see “Annex Two”): This cover sheet will be completed by AEs for both concept notes and funding proposals and submitted along with the official GCF concept note or funding proposal template and associated documentation to the NDA for consideration.
15. Concept note/funding proposal Appraisal Checklist (see “Annex Three”): This will be used by the PRC for evaluating concept notes or funding proposals.

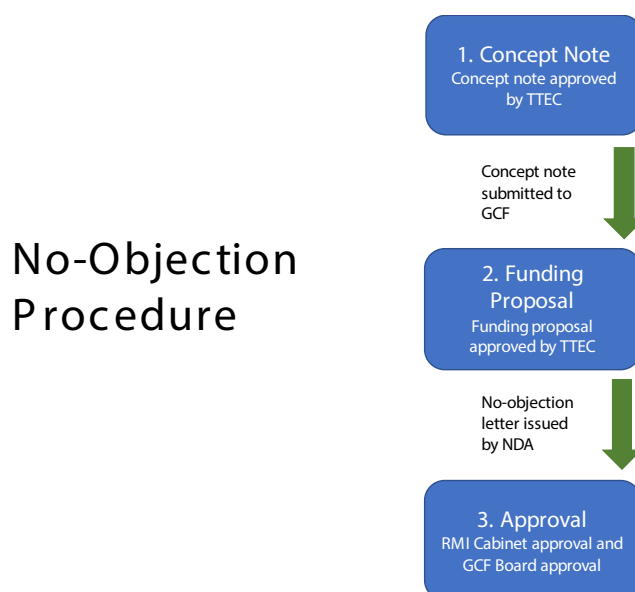
f. The no-objection procedure in RMI

As required by the GCF, all entities submitting a funding proposal to the GCF require a no-objection letter (NoL) from the NDA. The GoRMI has adopted the RMI GCF Project Cycle (outlined in Figure 12) as the no-objection procedure for ensuring that funding proposals for RMI are consistent with national laws, regulations, development and climate priorities.

The GCF requires NoLs for all funding proposals, as well as concept notes for which a PPF request is submitted. The NoL should be submitted within 30 days of the proposal itself, and can be separate from the proposal.

For any proposal without the NoL, the GCF Secretariat will inform the NDA that the funding proposal will not be reviewed. The Secretariat provides 30 days for the NDA to submit the NoL, after which the proposal will be suspended. Both the NDA and AE will be notified of the suspension by the GCF Secretariat.

Figure 12: Summary of No-Objection Procedure



i. Funding proposal NoL

Following an evaluation by the PRC and approval by the TTEC, the Director, Climate Change Directorate shall issue a NoL for the submission of a funding proposal to the GCF. The template for the NoL is attached in “Annex Five” of this Handbook .

ii. Project Preparation Facility (PPF) NoL

Follow an evaluation by the PRC and approval of the TTEC, the Director of the NDA shall issue a NoL for the submission of a PPF application. The template for the NoL is attached in “Annex Five”.

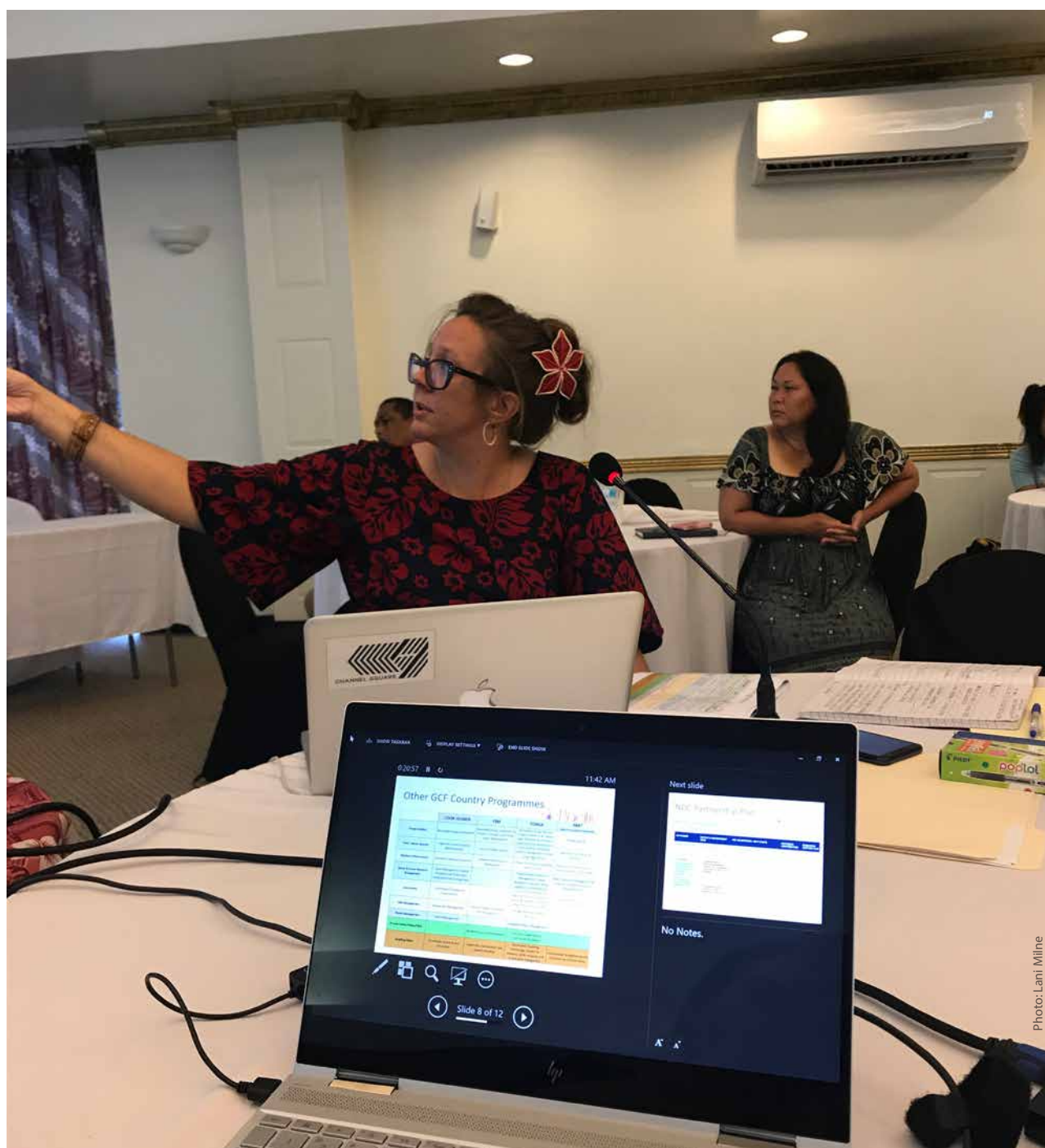


Photo: Lani Milne

7. Accreditation process for national entities

a. Introduction

The GCF provides opportunities for developing countries to access resources directly through national entities. For national entities to directly access GCF finance, entities need to be accredited with the GCF. 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.

National entities eligible for application are those which have specialized capacities in driving climate action and can be private, public, non-governmental, local, or national agencies. The primary roles of national entities are as follows³⁷:

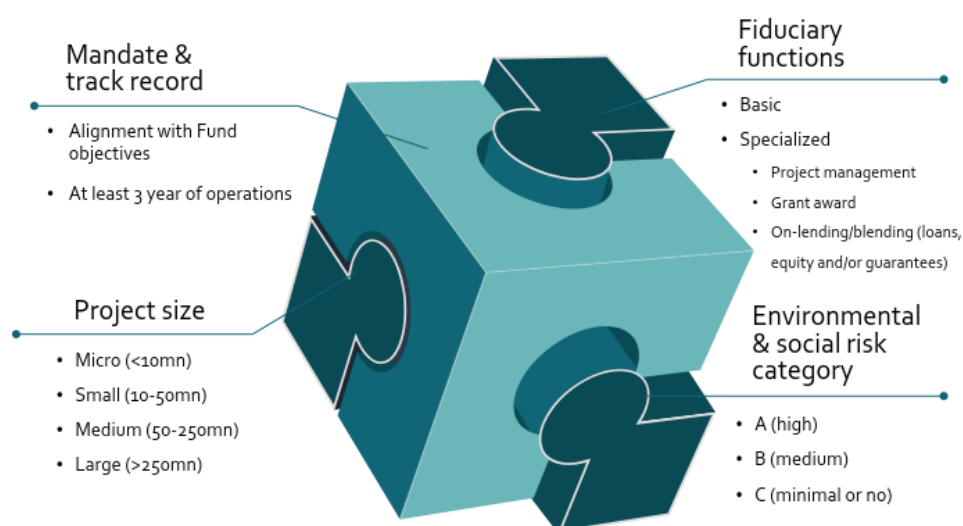
- Develop and submit concept notes or funding proposals for projects/programs;
- Oversee implementation and management of projects/programs;
- Deploy a range of financial instruments (grants, concessional loans, equity and guarantees);
- Mobilize and manage GCF finances on behalf of the country; and
- Mobilize private sector capital.

Currently, RMI does not have any national accredited entities, but the NDA has started assessing entities that could apply for direct access accreditation. Over the short-term, the NDA will therefore need to endorse projects/programmes developed with regional and international AEs rather than national entities. Once national entities are accredited, however, the RMI can access GCF finance directly. It should also be noted that the accreditation of national entities will benefit the RMI 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.

b. Accreditation requirements

The GCF accreditation process uses a “fit-for-purpose” approach, which allows a wide range of entities with different levels of existing capacities and capabilities to apply for accreditation.

Figure 13: Overview of fit-for-purpose approach to accreditation³⁸



As shown in Figure 13, RMI 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. The “fit-for-purpose” approach allows entities to apply for accreditation based on the scale, nature and risks of their proposed and intended activities.

³⁷ The accreditation process is outlined here: <https://www.greenclimate.fund/gcf101/getting-accredited/accreditation-process>

³⁸ Adopted from Green Climate Fund, 2017: https://www.greenclimate.fund/documents/20182/46513/1.3_-_Introduction_to_Accreditation_Framework.pdf-f/4d44997c-6ae9-4b0e-be5d-32da82e62725

Table 2: Minimum requirements for accreditation³⁹

CRITERIA	DESCRIPTION
Legal Personality	Institutions 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	Institutions need to have a strong institutional capacity with appropriate policies, procedures, guidelines at the organizational level (to undertake the intended activities and become an AE).
Track Record	Institutions need to have a track record to demonstrate that policies, procedures, guidelines etc. are being implemented by the organization, and that the organization has project management experience.

Under this approach, RMI 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 2.

c. GCF accreditation criteria

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

Table 3: Fiduciary Functions⁴⁰

Examples of fiduciary functions	Accreditation required against			
	Basic fiduciary criteria	Specialized fiduciary criteria for project management*	Specialized fiduciary criteria for grant award and/or funding allocation mechanisms	Specialized fiduciary criteria for on-lending and/or blending
Strengthening institutional and regulatory systems	✓			
Implementing projects using GCF's resources, where the entity itself executes the project	✓	✓		
Implementing projects using GCF's resources, where the project is executed by another entity	✓	✓		
Awarding grants	✓	✓	✓	
Managing lines of credit using the GCF's resources	✓			✓
On-lending	✓	✓		✓
Blending GCF's resources with other sources of funding	✓	✓		✓
Using GCF's resources for guarantees	✓			✓
Using GCF's resources for equity investments	✓			✓

i. Fiduciary principles and standards:

An entity seeking accreditation to the GCF to access its resources needs to demonstrate that it has capacity to meet five elements under (i) basic fiduciary standards and (ii) specialized fiduciary standards.

³⁹ Green Climate Fund, 2019, "Updated accreditation framework", GCF/B.23/05.

⁴⁰ Adopted from Green Climate Fund, 2017: https://www.greenclimate.fund/documents/20182/46513/1.3_-_Introduction_to_Accreditation_Framework.pdf-f4d44997c-6ae9-4b0e-be5d-32da82e62725

The basic fiduciary standards assess: (i) administrative and financial capacities and (ii) transparency and accountability. Whereas, the specialized fiduciary standards assess: (i) project management, (ii) grant award mechanisms, and (iii) on-lending and blending. The elements of basic and specialized fiduciary standards are described in detail in Table 3.

ii. Environmental and social safeguards:

The Environmental and Social Safeguards (ESS) are measures taken to prevent and mitigate possible harm to people and the environment. The GCF's ESS are based on eight performance standards⁴¹:

1. Assessment and management of environmental and social risks and impact;
2. Labor 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, and;
8. Cultural heritage.

Entities applying for accreditation need to demonstrate capacity to manage these performance standards. The entity will be able to implement project/programmes at the risk level at which they are accredited – the risk categories are outlined in Table 4.

Table 4: ESS risk levels

Risk Level	Category	Definition	Example projects
High	A	Activities with potential significant adverse environmental and/or social risks and/or impacts that are diverse, irreversible, or unprecedented.	Large scale infrastructure projects, and projects requiring large scale resettlement.
Medium	B	Activities with potential mild adverse environmental and/or social risks and/or impacts that are few in number, generally site-specific, largely reversible, and readily addressed through mitigation measures.	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.

iii. Gender Policy and Action Plan:

Entities seeking accreditation need to demonstrate their ability to meet the principles of the GCF Gender Policy. As per the Gender Policy, entities will also be required to have policies, procedures and competencies in place with which to implement the GCF Gender Policy⁴². 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.⁴³

⁴¹ Green Climate Fund, 2014, "Annex III: Interim environmental and social safeguards of the Fund", GCF/B.07/11.

⁴² Green Climate Fund, 2018, "Updated Gender Policy and Action Plan 2018–2020".

⁴³ Green Climate Fund, 2019, "Updated Accreditation Framework".

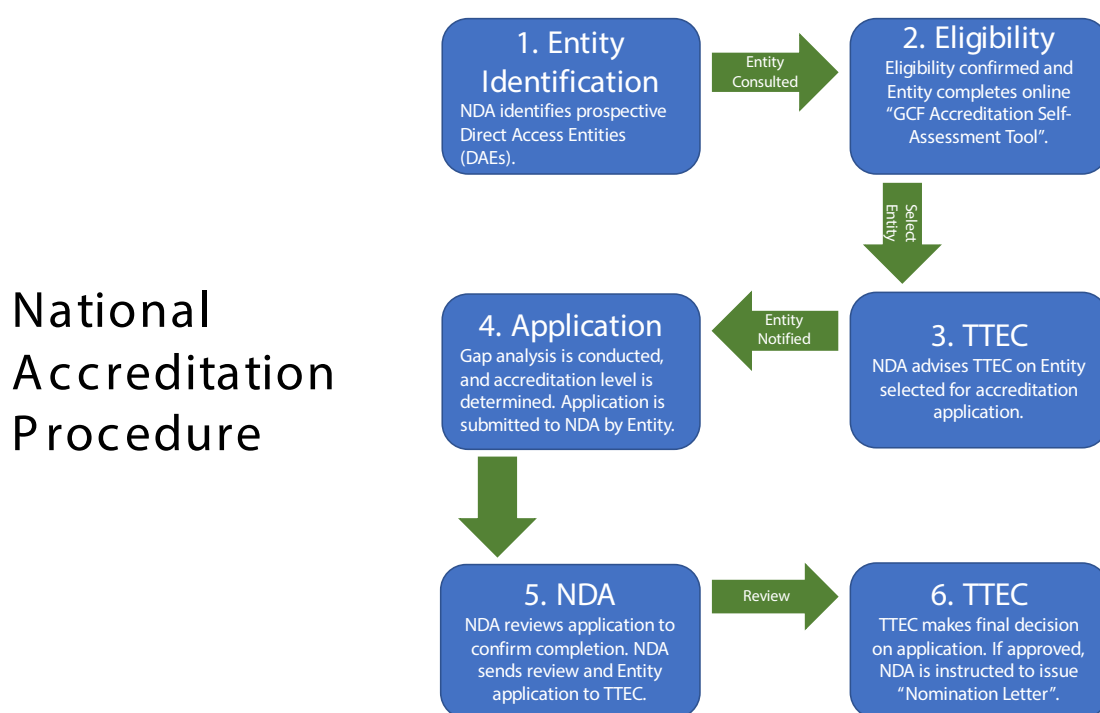
d. The national accreditation nomination and approval procedure

National institutions that meet the GCF accreditation standards and criteria are eligible to apply for direct access accreditation. The GCF accreditation procedure in RMI is structured around the national accreditation procedure (Figure 14), which is followed by the approval process at the GCF level (see Figure 15).

At the national level, the accreditation process consists of national selection of entities; development of the accreditation application; issuance of the nomination letter by the NDA, and submission of the accreditation application to the GCF Secretariat. Entities will be short-listed by the NDA, and the final decision for submission of application will be made by the TTEC. 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 developing the application.

Once the application is submitted to GCF Secretariat, the last stages of the process takes place at the GCF level (see Figure 15). 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.⁴⁴

Figure 14: Accreditation nomination and approval procedure



National accreditation procedure:

- 1. Entity identification:** List of Candidates identified by NDA.
- 2. Eligibility:** NDA approaches candidates to confirm eligibility and interest. If interested, entities complete a self-assessment check online and submit to NDA.⁴⁵
 - Self-Assessment: The entity should do a self-assessment to determine what capacities the entity will need to demonstrate that it meets GCF standards; and provide relevant supporting documents as evidence that they meet GCF requirements.

⁴⁴ Fayolle V., Fouvet C. and Venturini S, 2017, "Green Climate Fund accreditation toolkit", London: Acclimatise.

⁴⁵ 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 AEs must submit the results from the self-assessment tool to the NDA. Self-Assessment tool is online at: <http://www.greenclimate.fund/partners/accredited-entities/self-assessment-tool>

- 3. Selection:** NDA advises TTEC on selection of entity for accreditation.
- 4. Application development:** The applicant will open an account on the Online Accreditation System (OAS) via the GCF Secretariat. The OAS will enable the applicant to communicate directly with the GCF Secretariat, including on readiness support (if the applicant makes a request to seek readiness support).
 16. 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.
 17. The level of accreditation will need be selected through a consultative process and during this phase, the entity should also determine its strategy for capitalizing GCF resources.
 18. The entity, with support from the NDA will compile documents proving the capacity of the entity in response to GCF requirements at the selected level of accreditation.
- 5. Application review by NDA:** The NDA reviews the application to confirm completion.
- 6. Application approval by TTEC:** The TTEC makes the final decision on the application, and requests the NDA to issue the "Nomination Letter" (attached in "Annex Five" of this Handbook).
- 7. Application submission:** 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.
- 8. Pay invoice:** The entity will execute payment of the relevant accreditation fees (outlined in Table 5).

Table 5: Overview of application fees⁴⁶

Financial Capacity Category	Estimated project/ programme size at time of application	Application fee level for basic fiduciary standards, ESS and gender	Application fee for specialized fiduciary standards
Micro	Less than or equal to US\$ 10 million	DAE from developing countries: no fee	US\$ 500 per specialized fiduciary standard
Small	Above US\$ 10 million to up to US\$ 50 million	DAE from SIDS and LDCs: no fee	US\$ 1,000 per specialized fiduciary standard
Medium	Above US\$ 50 million up to US\$ 250 million	All entities: US\$ 10,000	US\$ 3,000 per specialized fiduciary standard
Large	Above US\$ 250 million	All entities: US\$ 25,000	US\$ 7,000 per specialized fiduciary standard

ii. Procedure for approving accreditation application at the GCF level:

- 9. Stage I review:** The GCF will check to ensure the applicant submitted the required and sufficient information/documentation. The entity should expect inquiries and/or requests for

⁴⁶ Green Climate Fund, 2014, "Annex VI: Policy on fees for accreditation of the Fund", GCF/B.08/45.

clarifications from GCF.

Figure 15: Accreditation application approval at GCF level⁴⁷



- 10. Stage II review:** 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 managing funds. As part of the review, the GCF will have at-least one call with the applicant.
- 11. Approval:** The GCF Secretariat recommends either to approve or disapprove accreditation. If it is approved, the application is forwarded to the GCF Board for final decision.
- 12. GCF Board review:** GCF Board reviews GCF Secretariat's recommendation for accreditation as well as the applicant's application and makes final decision on accreditation at the board meeting.
- 13. Approval and legal arrangements:** Once approved, the "Applicant" transitions to "Accredited Entity". The approved "Accredited Entity" liaises with GCF to sign the Accreditation Master Agreement (AMA). Once the AMA is signed, the approved "Accredited Entity" automatically becomes eligible to submit project/programme proposals to GCF.

Lessons learnt from accreditation of entities globally

- Thus far, the majority of GCF financing has been channelled through international AEs. International AEs, on average, implement larger-sized, higher E&S risk projects and utilize a wider range of financial instruments. This has limited national ownership, and has been compounded by NDA's finding it difficult to identify domestic entities that meet GCF accreditation requirements.
- NDA's have found it difficult to identify domestic entities that meet both required fiduciary standards and have strong environmental and social standards and gender policies. While financial institutions (such as the Ministry of Finance) have the capacity to meet fiduciary standards, these entities often lack capacities, capabilities, and a track record of project/programme implementation in relevant sectors. Domestic entities should be engaged in project/programme development and implementation as executing agencies and implementing partners to build the track record, capacities and capabilities required of institutions for accreditation.

⁴⁷ 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



Annexes

8. Annex One: Terms of Reference

a. Project Review Committee (PRC):

i. Terms of Reference

The PRC will have the following roles in appraising and approving GCF proposals and accreditation applications.

- The PRC will be chaired by the Director, Climate Change Directorate (CCD), and comprised of technical experts from key sectoral ministries and a representative from civil society organizations and the private sector;
- The PRC shall call upon additional ad-hoc expertise as required;
- The PRC shall meet at least quarterly;
- The PRC shall evaluate and short-list climate change project ideas using the project screening methodology provided in the GCF Handbook for RMI;
- The PRC shall conduct a technical evaluation of GCF concept notes using the concept note screening methodology provided in the GCF Handbook for RMI and provide approval for GCF concept notes;
- The PRC shall conduct a technical evaluation of GCF funding proposals using the funding proposal screening methodology provided in the GCF Handbook for RMI and submit this evaluation to the Tile Til Eo Committee (TTEC) for decision;
- The PRC will notify the TTEC of the selection of project ideas and concept notes;
- The PRC will provide a recommendation to the TTEC for the submission of a national entity accreditation application to the GCF;
- In the event that consensus cannot be achieved on a decision, the PRC will vote on a majority basis.

ii. Structure

The PRC will have the following composition:

- Chair: Director, CCD;
- Adaptation Working Group (two representatives): Chair and nominated expert;
- Mitigation Working Group (two representatives): Chair and nominated expert;
- NDC Partnership Working Group (two representatives): Chair and nominated expert;
- Ministry of Finance: Representative from Division of International Development Assistance (DIDA);
- Ministry of Culture and Internal Affairs: Representative from the Division of Local Government;
- Civil Society Representative: Representative from Women United Together Marshall Islands (WUTMI);
- Private Sector Representative: Representative from Office of Commerce, Investment & Tourism (OCIT);
- Additional experts may attend as required.

b. Roles of Tile Til Eo Committee (TTEC):

i. Terms of Reference

In addition to its existing functions, the TTEC will have the following roles and responsibilities for oversight of GCF projects and programmes in RMI:

- Shall provide strategic oversight of RMI's engagement with the GCF, including through endorsing the RMI GCF Country Programme and RMI GCF Handbook;
- The TTEC will be notified of the project ideas and concept notes approved by the Project Review Committee (PRC);
- The TTEC shall provide approval of GCF funding proposals;
- The TTEC shall provide approval for the issuance of GCF No-Objection Letters;
- The TTEC, through the Office of the Chief Secretary, shall request Cabinet approval of GCF funding proposals as required;
- The TTEC, through the Office of the Chief Secretary, shall provide final approval for the issuance of the Nomination Letter for the national entity accreditation application.

9. Annex Two: Green Climate Fund Templates

1. National Project Idea Template

- The template and self-evaluation checklist should be completed by the applicant and submitted to NDA for review.
- See the guide below for information on completing this template. The NDA can also answer any questions the project proponent may have on completing this template.

1. Project/Programme title:	
2. Submission date:	
3. Applicant:	
4. Applicant contact details: a. Address: b. Phone: c. Email:	
5. Estimated duration:	6. Project location(s):
7. Estimated funding requirements: <i>If known at this stage.</i> a. Estimated Total Project Funding:	8. Proposed lead agencies:
9. Accredited Entity (AE): <i>If known at this stage.</i> a. Name of the AE: <input type="checkbox"/> Direct Access Entity (DAE) <input type="checkbox"/> International Access Entity (IAE)	10. Project scope: <i>Tick all relevant boxes.</i> <input type="checkbox"/> National <input type="checkbox"/> Local (outer islands) <input type="checkbox"/> Community <input type="checkbox"/> Regional/International – if so, specify other countries involved:
11. Sector(s):	12. Climate theme(s): <i>If cross-cutting, tick both boxes.</i> <input type="checkbox"/> Adaptation <input type="checkbox"/> Mitigation
13. Strategic alignment with RMI national priorities: <i>If known at this stage, provide description below and tick relevant boxes.</i> <input type="checkbox"/> National Strategic Plan <input type="checkbox"/> Nationally Determined Contribution <input type="checkbox"/> National Adaptation Plan <input type="checkbox"/> GCF Country Programme <input type="checkbox"/> Relevant Sectoral Plans	

14. Climate impact areas: *Tick all relevant boxes.*

- | | |
|--|---|
| <input type="checkbox"/> Energy access and power generation | <input type="checkbox"/> Livelihoods of people and communities |
| <input type="checkbox"/> Low emission transport | <input type="checkbox"/> Health and well-being, and food and water security |
| <input type="checkbox"/> Buildings, cities and industries and appliances | <input type="checkbox"/> Infrastructure and built environment |
| <input type="checkbox"/> Forestry and land use | <input type="checkbox"/> Ecosystem and ecosystem services |

15. Project description:

- a. What is the objective of the project?
- b. What are the project activities?
- c. Is this project building on any previous activities?

16. Main beneficiary groups:

17. Consultations completed: *If consultations have taken place at this stage.*

18. Annexes: *Annexes are not required, but can be attached to this template if there are relevant studies/assessments/additional information at this stage.*

19. Self-evaluation checklist: *Applicant must complete.*

No.	Criteria	Yes	No	Remarks
1	Project Profile Form	<input type="checkbox"/>	<input type="checkbox"/>	<i>Is the form completed to a satisfactory level?</i>
2	Implementing agencies	<input type="checkbox"/>	<input type="checkbox"/>	<i>Does the template outline key implementing agencies?</i>
3	Climate relevance	<input type="checkbox"/>	<input type="checkbox"/>	<i>Is the proposal climate relevant? The proposal must demonstrate that it will achieve adaptation or mitigation results in at least one of the eight GCF strategic impact areas.</i>
4	Strategic alignment with RMI priorities	<input type="checkbox"/>	<input type="checkbox"/>	<i>Demonstrates alignment with RMI national climate change and development priorities, particularly the NDC, NAP, NSP, sectoral plans and SDGs.</i>
5	Clear and logical design	<input type="checkbox"/>	<input type="checkbox"/>	<i>Does the template outline the objective of the proposed project/programme? Does the proposal clearly outline the proposed activities, and how the project would build on previous activities?</i>
6	Project Beneficiaries	<input type="checkbox"/>	<input type="checkbox"/>	<i>Are the project beneficiaries clearly outlined?</i>
7	Stakeholder Consultations	<input type="checkbox"/>	<input type="checkbox"/>	<i>Does the template provide evidence that key stakeholders (i.e. implementing agencies, project beneficiaries) have been consulted?</i>

Stakeholder guide for completing project idea template:

1. Project/Programme title: Please insert title.

2. Submission date: Insert date of template.

3. Applicant: Insert name of applicant submitting template.

4. Applicant contact details: Insert contact details, including address, phone and email.

5. Estimated duration: What is the expected implementation period of the project? GCF projects have an implementation duration of 4-8 years, but it could have a shorter or longer duration depending on the nature of the project.

6. Project location(s): Specify the location(s) of the proposed project.

7. Estimated funding requirements: Specify the amount of GCF finance requested, and co-finance requested from international sources and domestic sources. GCF projects are usually greater than US\$10 million, and most approved projects are between US\$10-100 million.

8. Proposed lead agencies: Identify the lead ministries, national government agencies, local governments and development partners (and also civil society organizations and businesses) that may be responsible for the implementation and execution of GCF-funded projects.

9. Accredited Entity (AE): If known at this stage, specify the proposed GCF AE (however, this is not compulsory at this stage). Direct Access Entities (DAEs) are national/regional entities – currently RMI has no national DAEs but there are regional DAEs including Micronesia Conservation Trust, SPREP and SPC. GCF projects in RMI can also be implemented through international AEs (international AEs active in RMI include ADB, World Bank, UNDP, UNEP, and FAO). The full list of Accredited Entities is on the GCF Website: <https://www.greenclimate.fund/how-we-work/tools/entity-directory>

10. Project scope: This is the scale of the project – i.e. will the proposed intervention be a community or national project, or a regional project with other countries. If other countries are involved, please specify the countries.

11. Sector(s): Specify which sector(s) the proposed activity will focus on – i.e. coastal infrastructure, energy, agriculture, health.

12. Climate theme(s): Specify if the project is categorized as mitigation or adaptation. If it is a cross-cutting project, please tick both boxes.

13. Strategic alignment with RMI national priorities: The NDA seeks to ensure that activities supported by the GCF align with strategic national objectives and priorities.

14. Climate impact areas: To help achieve a paradigm shift towards low-emission and climate-resilient development, the GCF has identified four mitigation and four adaptation strategic impact areas. Please tick the relevant box(es).

15. Project description:

a. What is the objective of the project? Describe the primary need of the project (i.e. “coastal erosion”) and the climate impact of the project (i.e. “increased coastal resilience”).

b. What are the project activities? Briefly describe the main activities (i.e. “improve rainwater harvesting systems for community buildings and households”).

c. Is this project building on any previous activities? Describe how the project may build on past activities

and achieve synergies with existing interventions (i.e. scale up of successful pilot project).

16. Main beneficiary groups: Describe the groups that will benefit from this project – i.e. communities, outer island populations, vulnerable groups (including by responding to the needs of women, youth and children).

17. Consultations Completed: If consultations have taken place at this stage, please describe consultations that have been completed with national and local government, communities, and other key stakeholders. Consultations give stakeholders the opportunity to provide feedback and integrate their views and priorities into the project design.

18. Annexes: Annexes are not required, but can be attached to this template if there is additional information available that would strengthen this application. This could include assessments and studies, evidence of consultations, etc.

19. Self-evaluation checklist: The project applicant must complete this checklist and submit to the NDA with the project idea template.

2. National cover sheet for concept note/funding proposal

- This should be completed by the Accredited Entity and submitted to NDA with completed GCF concept note or funding proposal template.

Approval number(s): A project template must have been approved before a concept note can be developed, and the concept note approved before the funding proposal can be developed.	
Project/programme title:	
Submission date:	
Applicant:	
Applicant contact details: Address: Phone: Email:	Confidentiality: <input type="checkbox"/> Confidential <input type="checkbox"/> Not confidential
Approval sought: <input type="checkbox"/> GCF concept note <input type="checkbox"/> GCF funding proposal	Project or programme: <input type="checkbox"/> Project <input type="checkbox"/> Programme
Regional/International proposal: <input type="checkbox"/> Regional proposal <input type="checkbox"/> International proposal If so, state the other countries involved:	Public or private sector: <input type="checkbox"/> Public Sector <input type="checkbox"/> Private Sector
GCF funding windows: Tick boxes below if relevant. <input type="checkbox"/> Application for Simplified Approval Process <input type="checkbox"/> Application for Enhanced Direct Access <input type="checkbox"/> Private Sector Facility If it is another funding window or RFP, please specify:	GCF finance requested: <input type="checkbox"/> Grant <input type="checkbox"/> Loan <input type="checkbox"/> Equity <input type="checkbox"/> Guarantee <input type="checkbox"/> Other – specify:
Scope of project/programme in RMI: Tick all relevant boxes. <input type="checkbox"/> National <input type="checkbox"/> Local (outer islands) <input type="checkbox"/> Community	Project location and sites: Identify Geographic Location(s).
Accredited entity (AE) details: What is the name of the AE? <input type="checkbox"/> Direct Access Entity (DAE) <input type="checkbox"/> International Access Entity (IAE) <input type="checkbox"/> Project/programme is aligned to accreditation standard of AE	Lead implementing agencies: Identify lead Executing Entities, central and local government partners, CSOs etc.

Sectors: <i>I.e. resilient infrastructure, agriculture, health.</i>	Climate theme(s): <i>If cross-cutting, tick both boxes.</i> <input type="checkbox"/> Adaptation <input type="checkbox"/> Mitigation
Estimated adaptation impact: <i>Number of direct beneficiaries and % of population.</i>	Estimated mitigation impact: <i>Mitigation impact – tCO₂eq over lifespan.</i>
Mitigation GCF results areas: <input type="checkbox"/> Energy access and power generation <input type="checkbox"/> Low emission transport <input type="checkbox"/> Buildings, cities and industries and appliances <input type="checkbox"/> Forestry and land use	Adaptation GCF results areas: <input type="checkbox"/> Livelihoods of people and communities <input type="checkbox"/> Health and well-being, and food and water security <input type="checkbox"/> Infrastructure and built environment <input type="checkbox"/> Ecosystem and ecosystem services
Estimated duration of project/programme: a) Disbursement period: b) Repayment period, if applicable:	Lifespan of project/programme: <i>This refers to the total period over which the investment is active.</i>
Funding requirements: <i>Cost of project.</i> a) GCF Finance: b) Domestic Co-Finance: c) International Co-Finance: d) Estimated Total Funding:	Estimated proposal development cost: a) Estimated cost: <i>Total cost of planning and design for concept note or funding proposal.</i> b) Financing Source: <i>I.e. GCF Readiness or from AE.</i> <input type="checkbox"/> If concept note, funding sought from Project Preparation Facility
Strategic alignment with RMI national priorities/policies: <i>Describe how the project or programme will be aligned and contribute to achieving national priorities/policies, and tick relevant boxes below.</i> <input type="checkbox"/> National Strategic Plan <input type="checkbox"/> Nationally Determined Contribution <input type="checkbox"/> National Adaptation Plan <input type="checkbox"/> GCF Country Programme <input type="checkbox"/> Relevant Sectoral Plans	
Project/programme summary a) What is the objective for the project? What is the primary need? <i>I.e. Key government climate change objective lacking finance.</i> b) Describe the economic, social, and environmental benefits of the project. <i>I.e. macroeconomic impact, job creation, poverty reduction, improved water quality.</i>	
Logical framework: a) What are the impacts of the project/programme? <i>I.e. number of direct beneficiaries, estimated mitigation impact. Also consider how impacts are aligned to GCF investment criteria.</i> b) What are the outcomes and outputs? <i>Outline project components.</i>	
Describe theory of change: <i>Outline how project/programme will move RMI toward a climate resilient low-emission development pathway. A diagram can be used if helpful.</i>	

Financing

- a) What is the estimated budget by component and sub-component and describe how these values were determined?
- b) Justify the rationale for using the selected GCF financing instrument, considering the incremental cost or risk premium of the project/programme. Also explain why project programme is not/would not be financed by the public/private sector(s) in country.
- c) What is the expected co-financing requirement from GoRMI? *Outline discussions with Ministry of Finance on this matter (this is essential for funding proposals).*

Project context:

- a) Is this project building on any previous activities or policies? *I.e. Scale up successful pilot project, implementation of sectoral plan.*
- a) What are the relevant existing and past initiatives? *This includes government programmes and international projects, and similar activities being undertaken in location(s)/thematic area(s).*
- b) Describe potential overlap/duplication to be resolved. *How can synergies be made with existing activities?*

Main beneficiary groups: *Describe groups that will benefit from this project/programme (including location and number of beneficiaries, with a particular emphasis on women, children and vulnerable groups).*

Implementing arrangements:

- a) Describe the implementing arrangements with agencies.
- a) Will these agencies have the absorptive capacity to implement activities?
- b) Will the project fund local staff? If so, where?
- c) If relevant, describe how the project/programme will benefit the private sector in RMI. *This includes engaging the private sector as an executing entity in implementation.*

Describe the past experience of the AE working in RMI and in the relevant sector(s):

- a) What is the experience of the AE working on past/existing projects/programmes in RMI?
- b) What is the experience of the AE working in project/programme sector(s)?

Capacity needs for project development:

- a) What are the capacity development requirements for implementing partners and for strengthening government systems and processes?

Consultations completed: a) Describe the consultations completed to date with national, local government, communities and other key stakeholders. <i>List the consultations conducted with key stakeholders and outcomes of consultations.</i>
Environmental and social risk assessment: <i>Describe environmental and social risks and how these would be addressed. Include a description of consultations undertaken to identify and address risks.</i> Environmental and social safeguards (ESS) category: <input type="checkbox"/> A or I-1 <input type="checkbox"/> B or I-2 <input type="checkbox"/> C or I-3
Legality a) Is the proposal in compliance with national laws? <i>For funding proposals, the Office of Attorney General will complete a review of the proposal before the no-objection letter is issued.</i>
Gender and vulnerable groups: <i>Describe how gender equality, and the needs of other vulnerable groups, has been considered in the project design and incorporated into the consultation process.</i>
Monitoring and evaluation: <i>Describe the planned approach for conducting monitoring and evaluation of implementation.</i>
Exit strategy and sustainability: <i>Describe the exit strategy, and how the sustainability of results after completion will be maintained – including how this work could be continued, and replicated/ scaled-up across the country.</i>
Annexes can be attached to this cover sheet: <i>Annexes are not required, but can be included if there are relevant studies/assessments/and letters of endorsement from government agencies or other implementing partners.</i>

NDA TO COMPLETE:

NDA approval date:
PRC approval date:
TTEC approval date:
No-objection letter date: <i>If funding proposal.</i>

10. Annex Three: Appraisal Checklists

a. Project Idea Appraisal Checklist

The NDA shall complete this checklist to confirm the project idea meets minimum criteria.

Project/Programme Title:	
Submission Date:	
Applicant:	
Criteria	Questions
1. Project Profile Form	Is the form completed to a satisfactory level?
Pass <input type="checkbox"/> Fail <input type="checkbox"/>	<i>Comment from NDA:</i>
2. Implementing Agencies	Does the template outline key implementing agencies?
Pass <input type="checkbox"/> Fail <input type="checkbox"/>	<i>Comment from NDA:</i>
3. Climate Relevance	Is the proposal climate relevant? The proposal must demonstrate that it will achieve adaptation or mitigation results in at least one of the eight GCF strategic impact areas.
Pass <input type="checkbox"/> Fail <input type="checkbox"/>	<i>Comment from NDA:</i>
4. Strategic Alignment with RMI Development Priorities	Is the project idea aligned with RMI national climate change and development priorities, particularly the NDC, NAP, NSP, sectoral plans and SDGs?
Pass <input type="checkbox"/> Fail <input type="checkbox"/>	<i>Comment from NDA:</i>
5. Clear and Logical Design	Does the template outline the objective of the proposed project/ programme? Does the proposal clearly outline the proposed activities?
Pass <input type="checkbox"/> Fail <input type="checkbox"/>	<i>Comment from NDA:</i>
6. Project Beneficiaries	Are the project beneficiaries clearly outlined?
Pass <input type="checkbox"/> Fail <input type="checkbox"/>	<i>Comment from NDA:</i>
7. Stakeholder Consultations	Does the template provide evidence that key stakeholders (i.e. implementing agencies, project beneficiaries) have been consulted?
Pass <input type="checkbox"/> Fail <input type="checkbox"/>	<i>Comment from NDA:</i>

b. Concept Note/Funding Proposal Appraisal Checklist

The PRC shall complete this checklist to evaluate the concept note/funding proposal.

Project/Programme title:	
Submission date:	
Applicant:	
Proposal Stage:	<input type="checkbox"/> Concept note <input type="checkbox"/> Funding proposal
Criteria:	Guiding questions:
1. Completion of templates	<ul style="list-style-type: none"> Is the GCF concept note or GCF funding proposal template and cover sheet completed to a satisfactory level?
Pass <input type="checkbox"/> Fail <input type="checkbox"/>	Comment from PRC:
2. Climate relevance	<ul style="list-style-type: none"> Is the project likely to achieve adaptation or mitigation results in at least one of the eight GCF strategic impact areas? Is the climate adaptation or mitigation impact clearly outlined and quantified?
Pass <input type="checkbox"/> Fail <input type="checkbox"/>	Comment from PRC:
3. Alignment with national priorities	<ul style="list-style-type: none"> Does the project address a demonstrated priority need or has it been identified by the government as a priority investment? Does the proposal demonstrate strong alignment with the NAP, NDC, GCF Country Programme, and sectoral plans and policies? Does the project contribute to achieving the SDGs?
Pass <input type="checkbox"/> Fail <input type="checkbox"/>	Comment from PRC:
4. Alignment with GCF investment criteria	<ul style="list-style-type: none"> Does the project have potential to achieve a paradigm shift? Is there a potential for scaling up and replication? Does the project introduce new or innovative interventions? Does the project have a high potential of creating co-benefits leading to positive environmental, social and economic outcomes?
Pass <input type="checkbox"/> Fail <input type="checkbox"/>	Comment from PRC:
5. Project justification	<ul style="list-style-type: none"> Is there a strong rationale for developing the proposal? Has the primary need for the project been clearly outlined? Is there evidence provided for the justification? Such as a feasibility study (funding proposal)/pre-feasibility study (for concept note).
Pass <input type="checkbox"/> Fail <input type="checkbox"/>	Comment from PRC:
6. Project design	<ul style="list-style-type: none"> Are project impacts, outcomes, and activities clearly outlined and logical? Has the baseline been identified and clearly defined? Is it clear how the intervention will improve the baseline scenario? Is the project technically viable? Does the design consider operation and maintenance costs and arrangements? Are the monitoring and evaluation processes sufficiently outlined?
Pass <input type="checkbox"/> Fail <input type="checkbox"/>	Comment from PRC:
7. Alignment with national context	<ul style="list-style-type: none"> Does the project duplicate an existing project in the same sector/geographic location? Does the project complement/add value to an existing project? Has traditional knowledge been incorporated into the project design?
Pass <input type="checkbox"/> Fail <input type="checkbox"/>	Comment from PRC:

8. Financing arrangements	<ul style="list-style-type: none"> • Is the project financially viable and sound? • Is the domestic co-financing justified? Have discussions been held with the Ministry of Finance on co-finance? • Will the funding proposal incur a debt burden? • Are there alternative sources of funding readily available?
Pass <input type="checkbox"/> Fail <input type="checkbox"/>	Comment from PRC:
9. Accredited entity	<ul style="list-style-type: none"> • Does the AE have the required experience and technical expertise to implement project/programme? • Has the AE signed a GCF Accreditation Master Agreement? • Does the AE have a credible track record, including in other Pacific island countries and SIDS?
Pass <input type="checkbox"/> Fail <input type="checkbox"/>	Comment from PRC:
10. Implementing arrangements	<ul style="list-style-type: none"> • Are relevant agencies involved in project implementation? • Do executing entities, and other project partners, have the sufficient knowledge, skills and capacity to develop the proposal/implement the project?
Pass <input type="checkbox"/> Fail <input type="checkbox"/>	Comment from PRC:
11. Capacity building	<ul style="list-style-type: none"> • Has the funding proposal identified opportunities to build local capabilities and competencies?
Pass <input type="checkbox"/> Fail <input type="checkbox"/>	Comment from PRC:
12. Consultations and stakeholder engagement	<ul style="list-style-type: none"> • Have relevant stakeholders been consulted in the preparation of the proposal? Was the feedback received adequately addressed? Is evidence of the consultations provided? • Is evidence for the national/sector/local level support provided? I.e. Letters of support. • If there is a land component, have the landowners been consulted? Is there evidence landowners are in agreement?
Pass <input type="checkbox"/> Fail <input type="checkbox"/>	Comment from PRC:
13. Risk management and safeguards	<ul style="list-style-type: none"> • Have risks been comprehensively assessed, and are there measures in place to manage negative environmental and social impacts? • Has the environmental and social safeguards assessment been completed? • Is the proposal in compliance with national laws?
Pass <input type="checkbox"/> Fail <input type="checkbox"/>	Comment from PRC:
15. Gender and disadvantaged groups	<ul style="list-style-type: none"> • Is the project/programme responsive to the needs of women, youth, and other disadvantaged groups? • Were disadvantaged groups included in consultations?
Pass <input type="checkbox"/> Fail <input type="checkbox"/>	Comment from PRC:
16. Exit strategy and sustainability	<ul style="list-style-type: none"> • Is there an exit strategy and evidence that activities can be maintained after funding finishes? • Do national project partners have the absorptive capacity to implement the project in the stated timeframe?
Pass <input type="checkbox"/> Fail <input type="checkbox"/>	Comment from PRC:

11. Annex Four: Project Idea Appraisal Criteria

The Project Review Committee (PRC) shall score the project ideas using these criteria.

- **Criteria Selection:** The selection of criteria is essential for capturing the most important expected impacts of a project and for assessing and evaluating projects. Suggested criteria are outlined below, and these are designed to evaluate whether the project proposals are aligned with national priorities, the GCF investment criteria, and broader criteria that includes climate vulnerability and alignment to the Sustainable Development Goals.
- **Criteria Weighting:** The weighting of these criteria is also an important choice. The weighting can simply be uniform, wherein all criteria are equally considered, or the weighting may be subjectively set with weights determined by the PRC.

Criteria	Rationale	Scoring
Alignment with National Priorities and International Commitments		
1. National Climate Change Plans	Alignment of the project idea with the GCF Country Programme, National Adaptation Plan (NAP) and Nationally Determined Contribution (NDC).	1 – It is not aligned to national climate change plans.
		2 – It is climate relevant, but is not a priority under climate change plans.
		3 – It is climate relevant, and is a priority under national climate change plans.
2. National and Sectoral Plans	Project idea is aligned with the National Strategic Plan (NSP) and sectoral plans.	1 – It is clearly aligned to the NSP and relevant sectoral plans.
		2 – Some components are aligned to NSP and relevant sectoral plans.
		3 – It is clearly aligned to the NSP and relevant sectoral plans.
3. International Commitments	Number of SDGs the project idea contributes to achieving.	1 – It does not contribute to achieving any SDGs.
		2 – It contributes to achieving one climate relevant SDG.
		3 – It contributes to achieving one or more climate relevant SDGs, and other relevant sectoral SDGs.

Alignment with GCF Impact Areas and Investment Criteria		
Adaptation Impact (if adaptation project)	Proposed activity is aligned to GCF adaptation results areas: (i) Most vulnerable people and communities; (ii) Health and well-being, and food and water security; (iii) Infrastructure and built environment; (iv) Ecosystem and ecosystem services.	1 – It does not contribute to any of the GCF adaptation results areas.
		2 – It contributes to one or more of the GCF adaptation results areas, and some components have the potential to increase resilience to a limited degree.
		3 – It clearly contributes to one or more of the GCF adaptation results areas, and the entire project has the potential to increase climate resilience to a high degree.
Mitigation Impact (if mitigation project)	Proposed activity is aligned to GCF mitigation results areas: (i) Energy access and power generation; (ii) Low emission transport; (iii) Buildings, cities and industries and appliances; and (iv) Forestry and land use.	1 – It does not contribute to any of the GCF mitigation results areas.
		2 – It contributes to one or more of the GCF adaptation results areas, and some components have the potential to reduce GHG emissions to a limited degree.
		3 – It clearly contributes to one or more of the GCF adaptation results areas, and the entire project has the potential to reduce GHG emissions to a high degree.
Potential for Replicability	Potential for upscaling of the project idea to multiple atolls and communities.	1 – It has a low potential for replication.
		2 – Some components will be replicable, but it has limited potential for scaling up as a GCF project.
		3 – It will result in a paradigm shift through having a high potential of replicability.
Potential for Innovative Change	Potential of the project idea resulting in a positive transformational change at the national, atoll or community level.	1 – It has a low potential of achieving a transformational change.
		2 – Some components have a potential for achieving innovative change.
		3 – It will result in a paradigm shift through having a high potential for achieving transformational change.
Sustainable Development Potential	Potential for the project idea to result in environmental co-benefits (e.g. improved water quality), social co-benefits (e.g. health & education benefits), and economic co-benefits (e.g. poverty reduction and job creation).	1- The proposed idea has no potential for creating co-benefits leading to positive environmental, social and economic impacts.
		2 - It has some potential for creating co-benefits leading to positive environmental, social and economic impacts.
		3 - It has high potential for creating co-benefits leading to positive environmental, social and economic impacts.

Project Objective and Design		
Project Design	The climate objective of the project idea is clearly outlined, and is likely to result in improved climate change outcomes compared to the baseline.	1 – The project idea does not have a clear focus and the design will not result in enhanced climate resilience or reduced GHG emissions.
		2 – It has a relatively clear focus and the proposed design may result in enhanced climate resilience and/or reduced GHG emissions.
		3 – It is logical with a clearly defined focus, and the proposed design has a high likelihood of enhancing climate resilience and/or reducing GHG emissions.
Project Feasibility	The estimated cost of the project idea is affordable, and the activity appears to be technically feasible.	1 – It is not likely to be financially or technically feasible.
		2 – It may be financially or technically feasible, but there is a high level of uncertainty of feasibility.
		3 – It is highly likely to be financially and technically feasible.

Project Idea Scoring Sheet:

Criteria	Score	Comments
1. National Climate Change Plans		
2. National and Sectoral Plans		
3. International Commitments		
4. Adaptation Impact		
5. Mitigation Impact		
6. Potential for Replicability		
7. Potential for Innovative Change		
8. Sustainable Development Potential		
9. Project Design		
10. Project Feasibility		

12. Annex Five: Letter Templates

a. No-Objection Letter for Funding Proposal

[GOVERNMENT LETTERHEAD]

To: The Green Climate Fund ("GCF")

Majuro, Republic of the Marshall Islands, **[date]**

Re: Funding proposal for the GCF by **[name Accredited Entity]** regarding **[name project/programme]**

Dear Madam, Sir,

We refer to the project **[or programme] [name project [or programme]]** in the Republic of the Marshall Islands as included in the funding proposal submitted by **[name Accredited Entity]** to us on **[date]**.

The undersigned is the duly authorized representative of the Climate Change Directorate, the National Designated Authority of the Republic of the Marshall Islands.

Pursuant to GCF decision B.08/10, the content of which we acknowledge to have reviewed, we hereby communicate our no-objection to the project **[or programme]** as included in the funding proposal.

By communicating our no-objection, it is implied that:

- (a) The Government of the Republic of the Marshall Islands has no-objection to the project **[or programme]** as included in the funding proposal;
- (b) The project **[or programme]** as included in the funding proposal is in conformity with the Republic of the Marshall Islands national priorities, strategies and plans;
- (c) In accordance with the GCF's environmental and social safeguards, the project **[or programme]** as included in the funding proposal is in conformity with relevant national laws and regulations.

We also confirm that our national process for ascertaining no-objection to the project **[or programme]** as included in the funding proposal has been duly followed.

[We also confirm that our no-objection applies to all projects or activities to be implemented within the scope of the programme.]

We acknowledge that this letter will be made publicly available on the GCF website.

Kind regards,

Name: **Mr Clarence Samuel**

b. No-Objection Letter for Project Preparation Facility

[GOVERNMENT LETTERHEAD]

To: The Green Climate Fund ("GCF")

Majuro, Republic of the Marshall Islands, **[date]**

Re: Proposal for the GCF Project Preparation Facility by **[name Accredited Entity]** regarding **[name of PPF proposal]**

Dear Madam, Sir,

We refer to the Project Preparation Facility proposal **[name of PPF proposal]** for preparation of **[Description of underlying project or programme]** in the Republic of the Marshall Islands as included in the PPF proposal submitted by **[name Accredited Entity]** to us on **[date]** ("PPF Proposal").

The undersigned is the duly authorized representative of the Climate Change Directorate, the National Designated Authority of the Republic of the Marshall Islands.

Pursuant to GCF decisions B.08/10 and B.13/21, the content of which we acknowledge to have reviewed, we hereby communicate our no-objection to the Project Preparation Facility activities as included in the PPF Proposal.

By communicating our no-objection, it is implied that:

- (a) The Government of the Republic of the Marshall Islands has no-objection to the Project Preparation Facility request as included in the PPF Proposal;
- (b) The PPF Proposal is in conformity with Republic of the Marshall Islands national priorities, strategies and plans; and
- (c) In accordance with the GCF's environmental and social safeguards, the PPF activities as included in the PPF Proposal is in conformity with relevant national laws and regulations.

We also confirm that our national process for ascertaining no-objection to the PPF Proposal has been duly followed.

We acknowledge that this letter will be made publicly available on the GCF website.

Kind regards,

Name: **Mr Clarence Samuel**

Title: **Director, Climate Change Directorate (CCD)**

c. Letter of Endorsement for Concept Note

[GOVERNMENT LETTERHEAD]

To: The Green Climate Fund ("GCF")

Majuro, Republic of the Marshall Islands, [date]

Re: Letter of Endorsement for GCF Concept Note by [name Accredited Entity] regarding [name project/programme]

Dear Madam, Sir,

We refer to the project [or programme] [name project [or programme]] in the Republic of the Marshall Islands as included in the concept note submitted by [name Accredited Entity] to us on [date].

The undersigned is the duly authorized representative of the Climate Change Directorate, the National Designated Authority of the Republic of the Marshall Islands.

We hereby communicate our endorsement of this concept note for review by the GCF Secretariat.

Kind regards,

Name: **Mr Clarence Samuel**

d. Nomination Letter for National Accreditation Application

[GOVERNMENT LETTERHEAD]

[Insert Name]

Executive Director
Secretariat of the Green Climate Fund
175 Art Center-daero
Yeonsu-gu, Incheon 406-840
Republic of Korea

Date:
Reference:
Page:

Subject: Expression of nomination for the application for accreditation to the Green Climate Fund

Dear **[Name of Executive Director]**,

Pursuant to paragraph 47 of the Governing Instrument for the Green Climate Fund, in my capacity as representative of the National Designated Authority for the Republic of the Marshall Islands, duly designated pursuant to the letter from **[government ministry/authority]** to the Fund dated **[date]**, I hereby nominate the entity below for accreditation by the Green Climate Fund:

[Legal name of the applicant entity]

[Contact person: name]

[Contact details: telephone, address, email address]

[The NDA/focal point may wish to include information on how the entity being nominated can contribute to the country's programming priorities with the GCF]

Sincerely,

Mr Clarence Samuel
Director
Climate Change Directorate (CCD)

[Include below as required]

Note: Please use the table below when you send the scan copy of signed nomination letter by e-mail. Please fill out the table, copy and paste the table in your email text.

NDA/Focal Point full name	
NDA/Focal Point Surname (surname to be addressed in the acknowledgement letter)	
NDA Address	
Date of letter sent	
Reference no. of letter (if there is any)	
Name of the entity nominated	
Name of the contact person	
Contact details of the contact person (Address, telephone number, e-mail)	

13. Annex Six: Glossary of Terms

Accreditation	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.
Accredited Entity (AE)	An entity that is accredited by the GCF Board in accordance with the Governing Instrument and relevant Board Decisions. The GCF mobilizes climate finance by working through a wide range of Accredited Entities (AEs). Organizations seen to have specialized 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.
Adaptation	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.
Climate Finance Readiness	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.
Concept Note	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.
Country Programme	The country programme articulates and defines national climate priorities and presents a pipeline of projects and programmes that the RMI would like to develop with the GCF. It provides an action plan that details how projects and programmes are to be developed, the type of entity to partner with, and the readiness and project preparation support required.
Delivery Partner	An institution selected by the National Designated Authority to implement activities approved under the Readiness and Preparatory Support Programme.
Direct Access Entities (DAEs)	Direct Access Entities (DAEs) are GCF Accredited Entities 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 National Designated Authority.
Enhanced Direct Access	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.
Environmental and Social Safeguards (ESS)	A reference point for identifying, measuring and managing environmental and social risks. The purpose of the Environmental and Social Safeguards (ESS) is to determine the key environmental and social risks the accredited entity intends to address in the conceptualization, preparation and implementation of funding proposals, and to provide guidance on how these risks are to be managed.

Executing Entity (EE)	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 accredited entity may carry out the functions of an executing entity, though it is preferable if local and national actors execute projects/programmes.
Funding Proposal	A document that is submitted by entities who want to get access to GCF resources for climate change projects and programmes. 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.
Gender Policy	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.
International Access Entities	International Access Entities are GCF Accredited Entities that include United Nations agencies, multilateral development banks, international financial institutions and regional institutions. The GCF considers these organizations to have the wide reach and expertise to handle a variety of climate change issues, including ones that cross borders and thematic areas.
Investment Criteria	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.
Mitigation	In the context of climate change, mitigation refers to interventions that aim to reduce emission of greenhouse gases and/or enhance carbon sinks.
National Designated Authority (NDA)	A core interface and the main point of communication between a country and the GCF. The National Designated Authority (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 no-objection letters for proposal and provide letters of nomination to direct access entities.
Nomination Letter	A letter provided by the National Designated Authority to prospective entities seeking GCF accreditation. Entities applying for accreditation need to submit a nomination letter as a part of the accreditation application.
No-Objection Letter	A letter issued from the National Designated Authority confirming that it has no objection to a funding proposal submitted by an Accredited Entity. The no-objection letter will only be issued following the completion of the RMI no-objection procedure.

Private Sector Facility	The Private Sector Facility (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.
Project Preparation Facility	Project Preparation Facility (PPF) is financial support provided by the GCF usually in the form of grants to the accredited entities (AEs), especially for development of funding proposals for micro-to-small size projects submitted by Direct Access Entities.
Project Proponent	A group or organisation that submits or proposes a project idea to the National Designated Authority. It can be from the private or public sector (including ministries, local governments, private sector actors, civil society organizations and community organizations), and can also be an existing AE of the GCF.
Results areas	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.
Simplified Approval Process	The Simplified Approval Process Pilot Scheme (SAP) 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 USD 10 million of the total project budget; and (iii) the environmental and social risks and impacts are classified as minimal to none.

