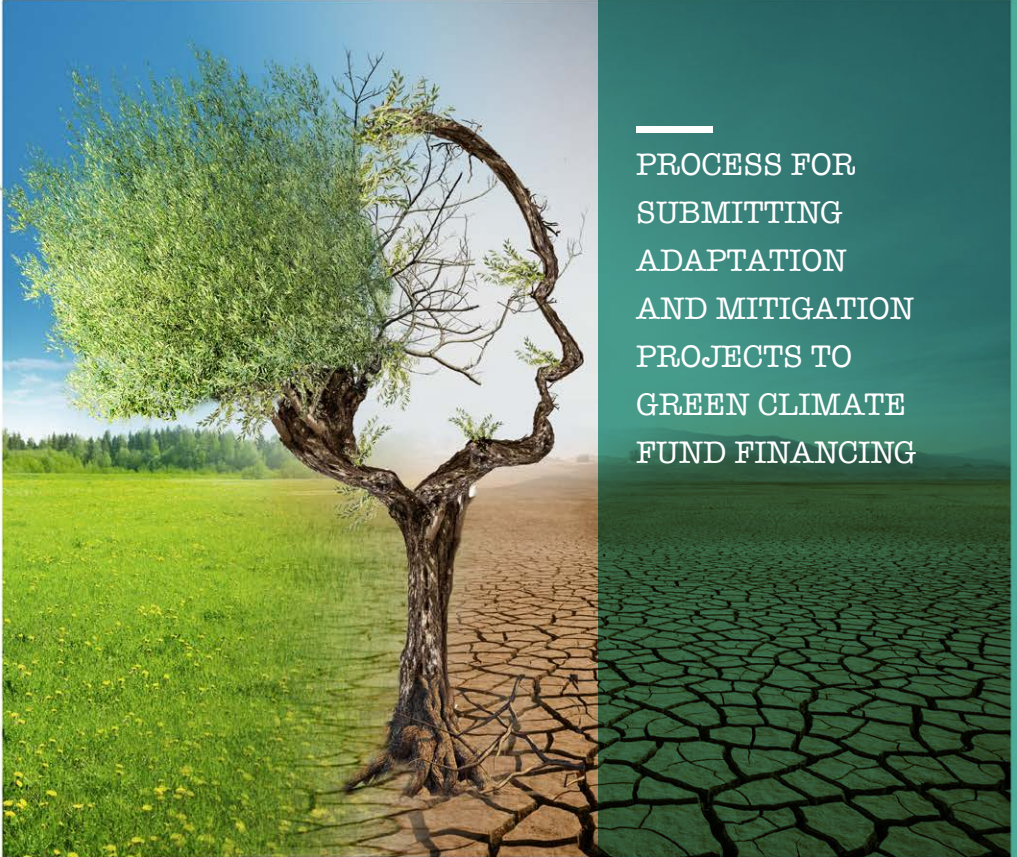




وكالة التنمية الفلاحية

AGENCE POUR LE DEVELOPPEMENT AGRICOLE
AGENCY FOR AGRICULTURAL DEVELOPMENT



PROCESS FOR
SUBMITTING
ADAPTATION
AND MITIGATION
PROJECTS TO
GREEN CLIMATE
FUND FINANCING

Agricultural Development Agency for accredited
by the Green Climate Fund



GREEN
CLIMATE
FUND

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1. INTRODUCTION

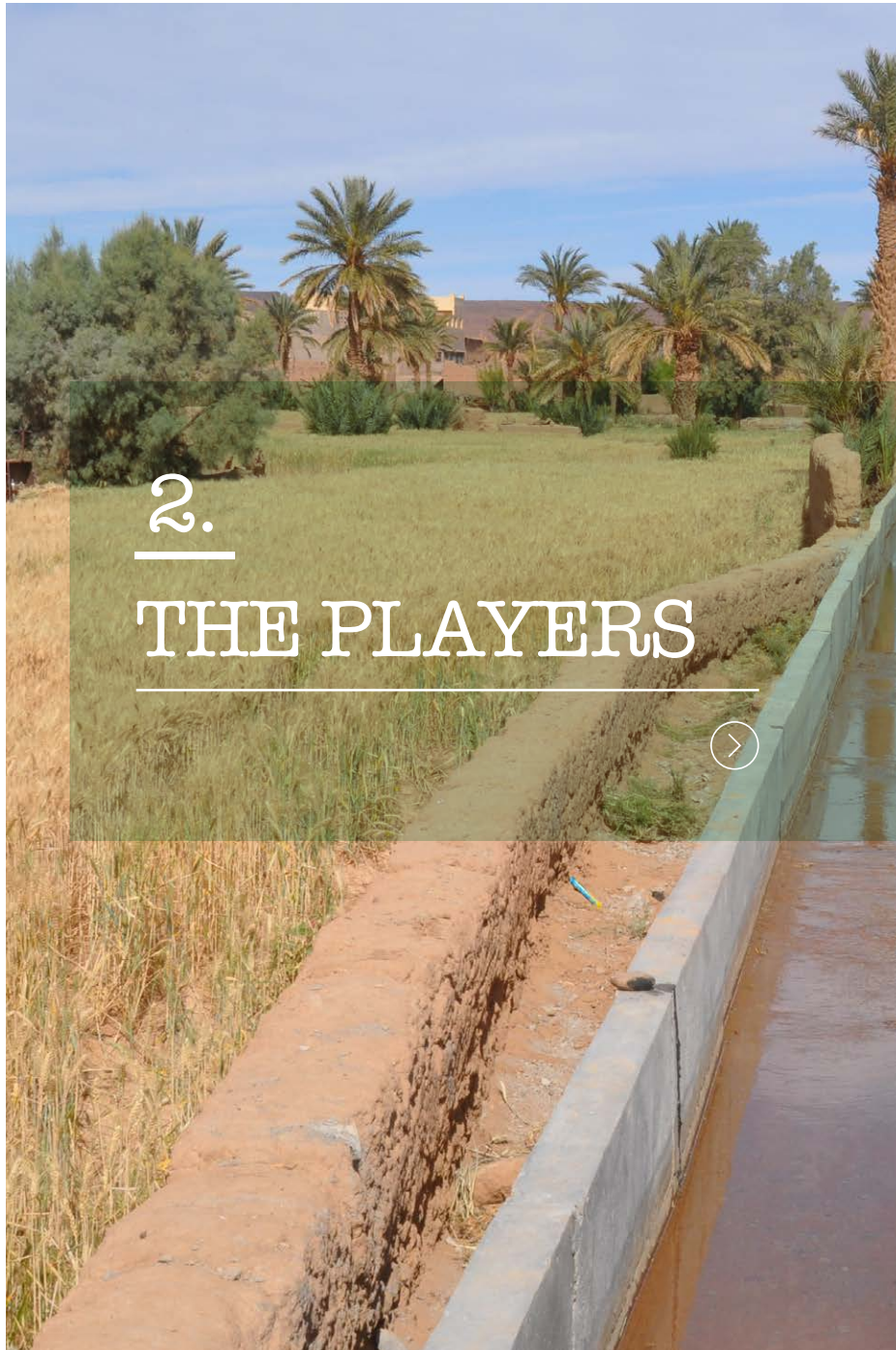


One of the Green Climate Fund's distinctive features is the provision for developing countries to access financial resources through national entities, meaning that climate finance can be channelled to the country directly.

The direct access modality is designed to help developing countries exercise ownership of climate change funding and better integrate it with their national climate action plans.

Under the guidance of the UNFCCC Conference of the Parties, the GCF Board has taken several decisions to foster direct access. These include prioritizing national direct access entities for accreditation, commissioning an analysis of measures to facilitate increasing the amount of direct access proposals in the GCF pipeline, and making Secretariat support available to direct access entities.

This manual presents the process of accessing GCF funding, through ADA, an entity accredited by the Green Climate Fund.



2.

THE PLAYERS



Three key players in the process of formulating projects to be submitted to the Green Climate Fund :

- **THE GREEN CLIMATE FUND (GCF)**

The Green Climate Fund is the main multilateral financial mechanism of the UNFCCC to support climate action in developing countries. It is a legally independent institution hosted in South Korea, operating since 2015, with a secretariat and a board of directors comprising 24 members (equal number of developed and developing countries).

GCF helps developing countries limit or reduce their greenhouse gas (GHG) emissions and adapt to climate change, taking into account the needs of developing countries that are particularly vulnerable to climate change impacts.

COUNTRY OWNERSHIP: GCF recognizes the need to ensure that developing country partners exercise ownership of climate change funding and integrate it within their own national action plans. Developing countries appoint a National Designated Authority (NDA) that acts as the interface between their government and GCF, and must approve all GCF project activities within the country. This country-driven approach ensures GCF's activities operate in harmony with national priorities.

“

PROMOTE A PARADIGM SHIFT TOWARDS LOWEMISSION, CLIMATE-RESILIENT DEVELOPMENT PATHWAYS.

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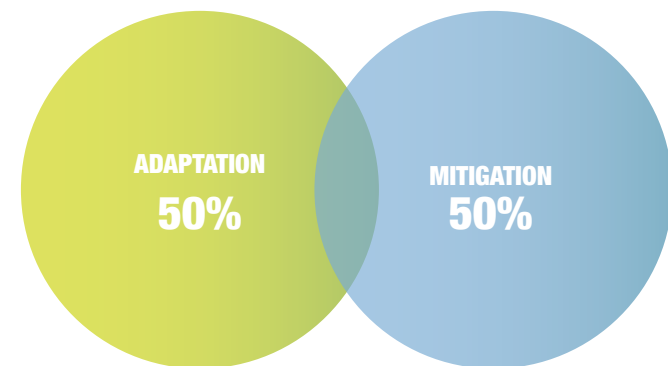
The GCF supports the implementation of NDCs by mobilizing the necessary resources and building an enabling investment environment.



➤ **In order to create an investment environment for NDC implementation, it is necessary to :**

- Translate NDCs into investment strategies
- Identify sources of potential finance and project structuring
- Contribute to the structuring and financing of key NDC transformative projects
- Provide technical support to update NDCs and investment strategies
- Strengthen the institutional and human capacity
- Develop and implement bankable pipelines of transformational projects
- Strengthen & enable regulatory and policy environments
- Codify lessons learnt to help replicate successful project structures

➤ **GCF invests in adaptation and mitigation activities in developing countries, allocating resources equally.**



- NATIONAL DESIGNATED AUTHORITY (NDA)

The role of the NDA - represented in Morocco by the Moroccan Department of the Environment is to select projects / programs in line with national priorities in terms of mitigation and adaptation defined in the Determined National Contribution of Morocco, and to issue the no-objection letter for projects implemented in Morocco.

All funding proposals submitted to GCF must be accompanied by a no-objection letter (NOL) from the National Designated Authority (NDA) to the GCF Secretariat for consideration.

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Royaume du Maroc



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MINISTÈRE DE L'ÉNERGIE, DES MINES ET DE L'ENVIRONNEMENT
DÉPARTEMENT DE L'ENVIRONNEMENT



- AGRICULTURAL DEVELOPMENT AGENCY (ADA)

The ADA is accredited for direct access to GCF funding (grants) for an amount less than \$ 50 million and for Category B and C projects in terms of environmental and social risk. It is the national implementation entity (NIE) whose main mission is to support project leaders in the submission for consideration for GCF funding.



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AGENCE POUR LE DÉVELOPPEMENT AGRICOLE

3.

THE ROLE OF THE ADA, AN ACCREDITED NATIONAL ENTITY

➤ ADA's missions vis-à-vis implementing entities wishing to develop GCF projects are as follows :

- Support the implementing entities during the development of concept notes («Concept Note» - CN) and funding proposals («Funding Proposal» - FP) to be submitted to the GCF, from the launch of the project until its final approval;
- Support the implementing entities in the implementation of the project approved and financed by the GCF, according to its eligibility criteria and according to the requirements of the ADA;
- Ensure the monitoring of the implementation of the project approved by the GCF and this in accordance with the terms of the agreement signed between the GCF and the ADA (called «Funded Activity Agreement» - FAA) on the one hand, and the implementing entity and ADA, on the other hand.

➤ As part of South-South cooperation, ADA provides the African countries concerned with its expertise in terms of :

- Training in terms of the engineering of green projects aligned with the eligibility criteria of the GCF and the Adaptation Fund, their environmental and social safeguard policies, and their requirements for project formulation.
- Mobilization of funding for ad hoc expertise relating to techno-economic feasibility studies and environmental and social impacts of projects subject to GCF funding.





4.

ELIGIBLE SECTORS



The GCF aims to have mitigation and adaptation impact across eight business sectors eligible for GCF funding.

MITIGATION ACTIVITIES INCLUDE EMISSIONS REDUCTION IN THE FOLLOWING SECTORS :

- The production of and access to low-emission energy;
- Low carbon transport;
- Buildings, cities, industries and electronic devices
- Sustainable management of lands and forests (including the implementation of REDD +).

The main unit of measurement for mitigation measures is the reduction of greenhouse gas emissions recorded in tonnes of carbon dioxide equivalent.

ADAPTATION ACTIVITIES INCLUDE ENHANCED RESILIENCE IN THE FOLLOWING SECTORS :

- Food, water and health systems;
- Improved livelihoods for vulnerable people, communities and regions;
- Infrastructure;
- Ecosystems.

The main unit of measurement for adaptation measures is the total number of direct and indirect beneficiaries compared to the total population of the country in question

> GCF ELIGIBLE SECTORS



Production and access to energy



Transport



Buildings, cities, industries and electronic devices



Forests and land use



Health, food and water



Livelihoods of people and communities



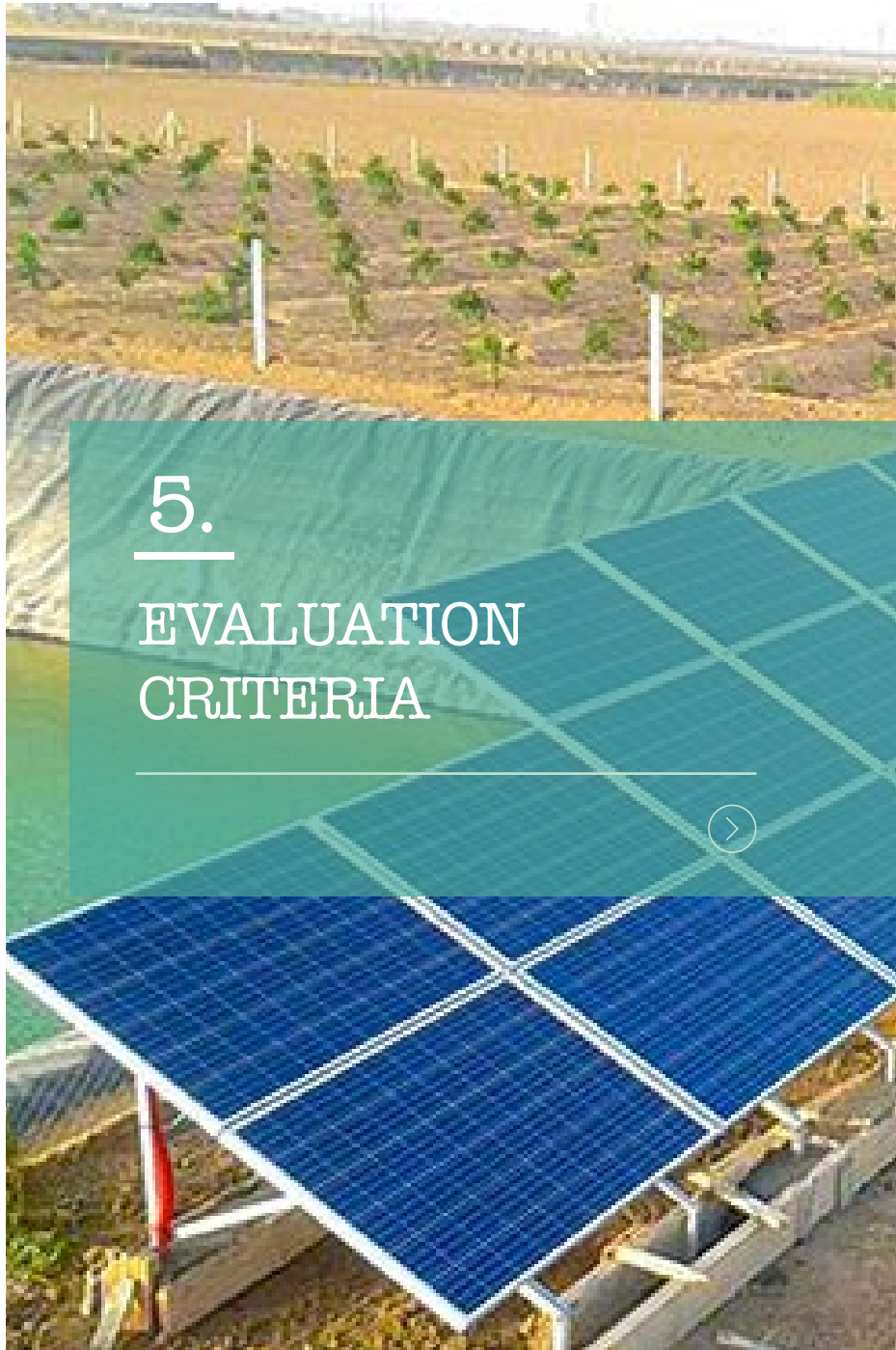
Infrastructure



Ecosystems

THE GCF HAS IDENTIFIED FIVE TRANSVERSAL INVESTMENT PRIORITIES WITH HIGH IMPACT IN TERMS OF MITIGATION AND ADAPTATION :

1. Transform production and access to energy ;
2. Create climate-compatible cities ;
3. Encourage low-carbon, climate-resilient agriculture ;
4. Promote large-scale financing for forests and climate change ;
5. Strengthen the resilience of small island developing States.



5.

EVALUATION CRITERIA

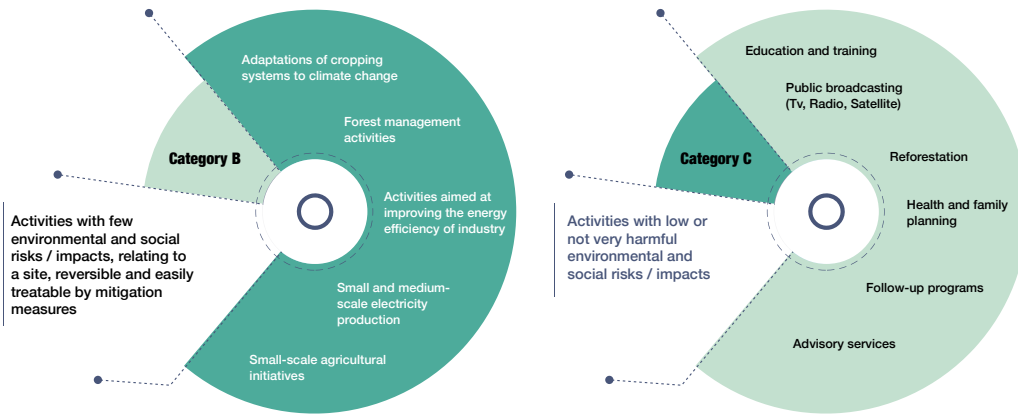


TO ACCESS GCF FINANCING, A FINANCING PROPOSAL MUST BE SUBMITTED TO THE GCF WHICH WILL ASSESS IT ON THE BASIS OF SIX EVALUATION CRITERIA, CALLED INVESTMENT CRITERIA :

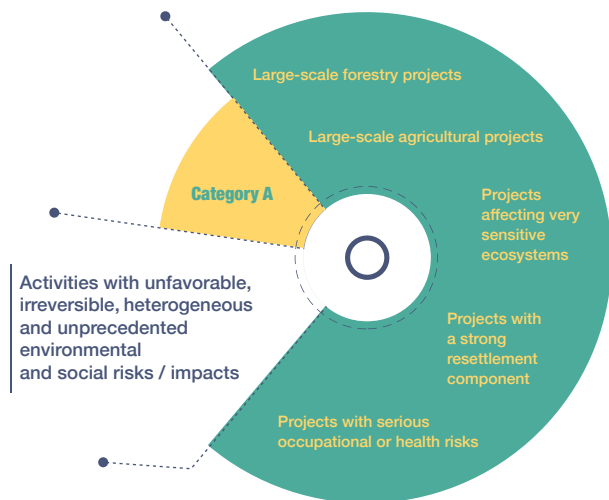
1. Impact potential: the contribution of the projects to the achievement of GCF objectives in one or more of the Fund's eight sectors;
2. Needs of the recipient: the contribution of projects to meet the needs of beneficiary countries and populations;
3. Paradigm shift potential: the contribution of projects to a paradigm shift towards low-carbon and resilient development pathways;
4. Country ownership: coherence of projects with national policies and strategies;
5. Sustainable development potential: the contribution of projects to sustainable development, including economic, social, environmental and gender benefits;
6. Efficiency and effectiveness: the effectiveness and benefits of the proposed intervention, including its ability to raise additional funding (in the case of mitigation)



> **EXAMPLE OF LOW OR MEDIUM RISK ACTIVITY FOR WHICH ADA IS ACCREDITED**



> **EXAMPLES OF HIGH RISK ACTIVITY FOR WHICH ADA IS NOT ACCREDITED AND THEREFORE CANNOT BE INCLUDED IN PROJECTS / PROGRAMS SUBMITTED BY ADA TO GCF**



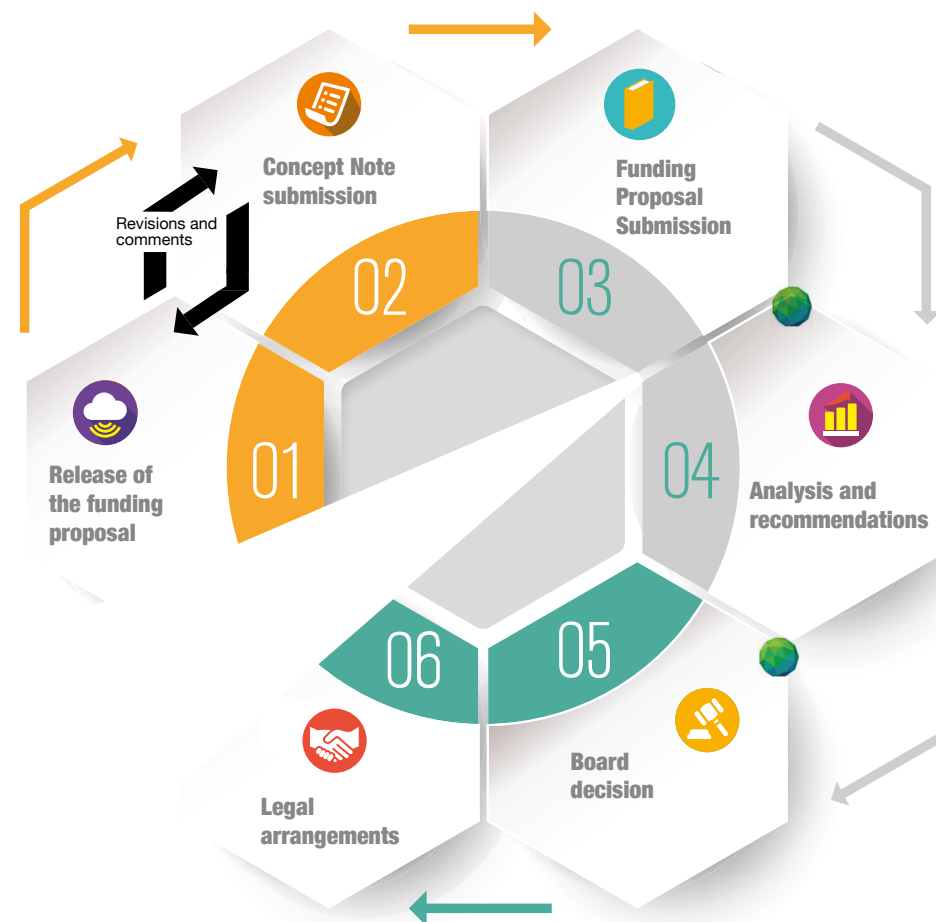
All developing countries, which are Parties to the UNFCCC, are eligible for GCF funding. GCF funding goes through accredited entities that develop and implement the projects / programs.

Any entity with adequate execution and management capacities can submit projects to the ADA. The ADA operates mainly in the agricultural sector. However, all projects that will affect mitigation or adaptation in other economic sectors can be submitted to ADA for review.

Obtaining funding from the GCF is a clear process. The time it takes from the first step to the board's decision essentially depends on the quality of the proposal: The better a proposal is constructed, the faster the procedure can be completed.

Funding approval takes place during the councils, which usually take place twice a year.

> GCF FUNDING PROPOSAL PROCESS

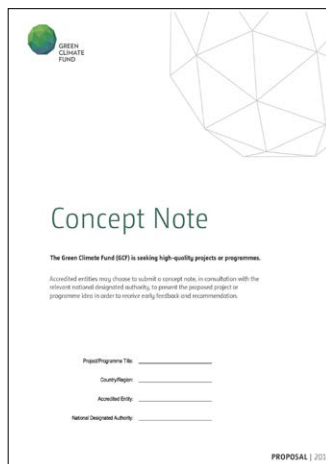


THE PROCESS IS BUILT AROUND TWO DOCUMENTS :

CONCEPT NOTE

The concept note - «Concept Note» (CN) - constitutes a summary identification of the project proposal and addresses the necessary arguments justifying the relevance of the project in relation to Morocco's objectives in terms of mitigation and / or adaptation and in terms of the eligibility criteria of the GCF. The CN is the first step in the process of submitting a project to the GCF.

The Concept Note is a document of around twenty pages which summarizes the project. This step makes it possible to ensure the positioning of the project in the flow of current requests and its compatibility with the updated objectives of the fund



FUNDING PROPOSAL

The Funding Proposal - «Funding Proposal» (FP) - is the main document reviewed and submitted for various evaluations before its approval by the GCF Board. This is a comprehensive document that includes the information included in the CN but at a much more detailed level, in particular with respect to the six GCF investment criteria, the rationale for using GCF funding and the risk analysis and exit strategy of the proposed project. The FP must be supported by appendices that justify the technical and financial feasibility of the project, its relevance, its profitability, its impact on the environment and its contribution as a lever for projects that qualify as low carbon.

The Funding Proposal is a comprehensive, detailed document. It explains the project to be funded and must be presented to the GCF along with a letter of no-objection from the NDA.



➤ PLEASE NOTE



PPF

Implementing entities can apply for grants for the preparation of their funding proposal. This is called the «Project Preparation Facility» (PPF) and has a ceiling of US \$ 1.5 million per project in the form of a grant.

The implementing entity has to submit to the GCF through the ADA the PPF request with the CN (Concept Note) as well as a letter of no-objection from the NDA. The GCF will assess PPF applications on the basis of the GCF's six investment criteria, while ensuring geographical balance.

FUNDING APPROVAL PROCESS :

The GCF then decides, through designated bodies and discussions with the NDA, on the approval of the projects.

Once the project has been approved by the GCF, a contract for the implementation of the project between the ADA and the GCF, called “Funded Activity Agreement” will specify the following aspects :

1. The role of the ADA in the project as an accredited entity responsible for monitoring the project indicators developed within the logical framework of the project ;
2. The physical and financial completion schedule of the approved project ;
3. Preliminary assessments and assessments relating to the conditions precedent before the release of funding ;
4. The ADA's assessment of the implementing entity to ensure the latter's capacity to implement the project from a financial, administrative and accounting standpoint ;
5. The fulfillment of the suspensive conditions by the implementing entity in order to release the funding.

The project can start once it has passed these stages, while ensuring the conditions for the implementation of the project reflected in the FP, including the mitigating aspects described in the environmental and social impact study and the environmental and social management plan.

ABBREVIATIONS

ADA	: Agency for Agricultural Development
NDA	: National Designated Authority
UNFCCC	: United Nations Framework Convention on Climate Change
CN	: Concept Note
FP	: Funding Proposal
GCF	: Green Climate Fund
NDC	: Nationally Determined Contribution (<i>Contribution Nationale Déterminée</i>)
PPF	: Project Preparation Facility



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AGENCE POUR LE DEVELOPPEMENT AGRICOLE
AGENCY FOR AGRICULTURAL DEVELOPMENT

Espace les Patios, Angle Av. Annakhil et Mehdi Benbarka
Bâtiments 2 et 3, Hay Riad-Rabat

+212 537.57.38.26

www.ada.gov.ma