Republic of Ghana
Ministry of Finance

CLIMATE CHANGE

PROJECT PRIORITIZATION TOOL AND GUIDELINES

February, 2016

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ACRONYMS

ACRONYMS

AFOLU	:	Agriculture, Forestry and Land Use
BAU	:	Business as usual
CBM	:	Criteria-Based Matrix
DAC	:	Development Assistance Committee
EPA	:	Environmental Protection Agency
GCF	:	Green Climate Fund
GSGDAII	:	Ghana Shared Growth Development Agenda II
INDC	:	Intended Nationally Determined Contributions
IPPU	:	Industrial Processes and Product Use
LCDS	:	Low Carbon Development Strategy
NAMA	:	Nationally Appropriate Mitigation Action
MESTI	:	Ministry of Environment, Science, Technology & Innovation
NCCP	:	National Climate Change Policy
NDA	:	National Designated Authority
NREC	:	Natural Resources and Climate Change Unit
OECD	:	Organization for Economic Cooperation and Development
PEST	:	Political, Economic, Social, and Technological
REDD+	:	Reducing Emissions from Deforestation and Forest Degradation
TAC	:	Technical Advisory Committee
UNEP	:	United Nations Environment Programme
UNFCCC	:	United Nations Framework Convention on Climate Change

1. INTRODUCTION

Climate change financing has emerged in response to the need for adequate, predictable and sustainable financing to address climate related issues, particularly in developing countries. Ghana has ratified the three main Rio Conventions and the Kyoto Protocol and has taken steps to meet its obligations under these conventions, in particular, the United Nations Framework Convention on Climate Change (UNFCCC) and Kyoto Protocol. Like many other developing countries, Ghana recognizes its vulnerability to climatic risks and the challenges and opportunities climate change presents for economic development. Ghana has therefore taken some steps to combat climate change by consolidating the development gains it has made through effective adaptation and also tap into investment opportunities climate mitigation offer to the economy. Ghana's response to climate change has been very good, when measured by signature and in documentation to meet the external requirements of the international architecture. Unfortunately, limited resources has affected the capacity of the country to respond effectively to the impacts of climate change. The government has a very good awareness of the possibilities for future climate change financing, particularly via REDD+, the Adaptation Fund and the Green Climate Fund.

1.1 Green Climate Fund

The Green Climate Fund (GCF) is an international financial mechanism under the UNFCCC, designed to help developing countries to respond to climate change mitigation and adaptation activities and to strengthen their national capacities to effectively and efficiently plan for, access, manage and monitor international climate funds. The GCF was established in 2010 as an operating entity of the financial mechanism of the UNFCCC, designed to disburse $100 billion per year and additional resources by 2020 for addressing climate change adaptation and mitigation. The Fund seeks to promote a paradigm shift towards low-emission and climate-resilient development pathways by providing support to limit or reduce greenhouse gas emissions and enhance resilience of these countries to adapt to the impacts of climate change. The Fund will work through accredited implementing entities and intermediaries to implement approved projects and programmes through financial instruments such as grants, concessional loans, equity, and guarantees. The Fund targets 50/50 split between adaptation and mitigation with at least 50% adaptation funding to the most vulnerable countries, including SIDS, LDCs and African States.

This project prioritization tool and guideline is developed within the framework of the GCF Readiness Programme which focuses on a range of preparatory activities to build and strengthen the institutional capacity of national entities in Ghana, with a focus on enabling access to the Fund; and to help Ghana prepare climate change mitigation and adaptation investment strategies, programmes and projects.

1.2 GCF Focus Areas and Results Areas

The GCF has identified appropriate types of investment opportunities in the Fund's results areas that can achieve a paradigm shift towards low-emission and climate-resilient pathways in line with its eight strategic mitigation and adaptation impact results areas. These eight results areas are presented in Figure 1.

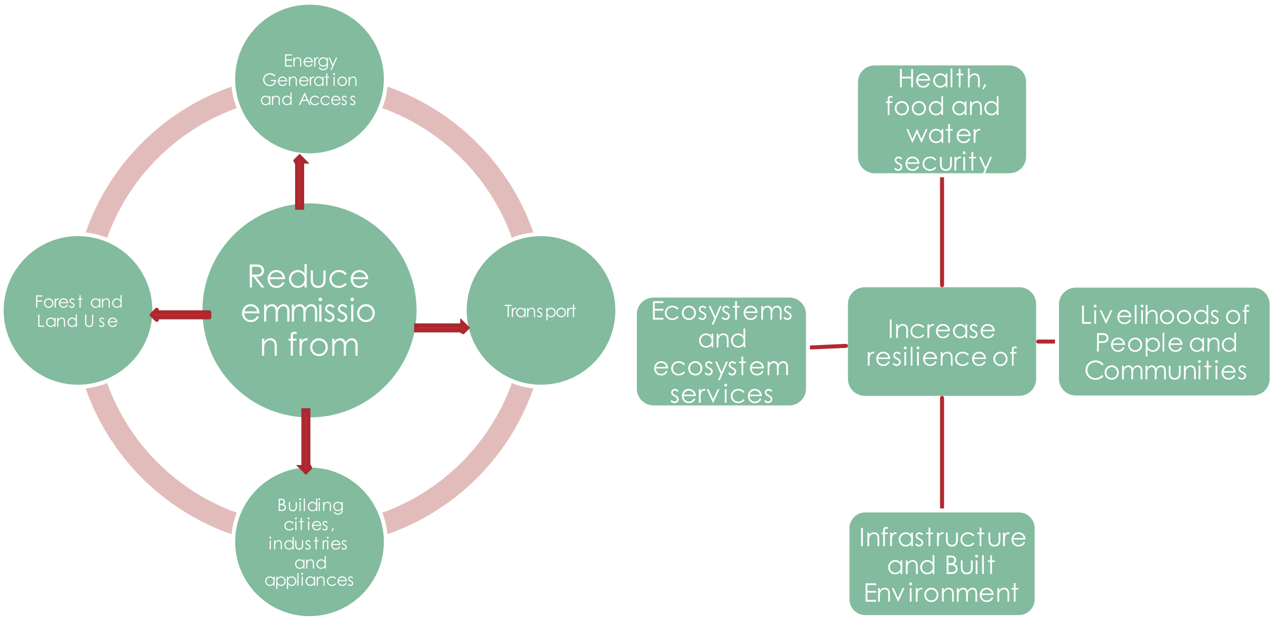

Figure 1: Eight Results Areas of the GCF

The main priority areas of Ghana's National climate change adaptation and mitigation strategies and Ghana's Intended Nationally Determined Contributions (INDCs) are directly in line with the GCF goals as indicated in Table 1. These national strategies, plans and priorities will be the strategic framework guiding the preparation and implementation of GCF funding proposals.

Table 1: Comparison of NCCP and GCF Priority Areas

Adaptation (increase resilience)		Mitigation (Reduce emissions)	
Ghana	**GCF**	**Ghana**	**GCF**
Agriculture and food security	Health , food, and water security	AFOLU	Forest and Land use
Sustainable forest resource management	Ecosystems and Ecosystem Services	Energy	Energy Generation and Access
Resilient Infrastructure in built environment	Infrastructure and Built Environment	Industry	Building Cities, Industries and Appliances
Gender and the vulnerable	Livelihoods of people and Communities	Transport	Transport

Ghana Climate Change Policy, 2013, LCDS, 2015, INDC, 2015 and GCF 2012

1.3 GCF High Level Investment Areas

The GCF has identified a number of clear priority areas for funding. The GCF supports transformational projects that maximize impact, promote paradigm shift, enhance sustainable development benefits, respond to the needs of the beneficiary country, promote country ownership and demonstrate financial soundness. The Fund is targeting innovative, paradigm-shifting projects that will help drive the transition towards low-emission, climate-resilient development. Seven priority investment areas indicated below will inform the prioritization of the GCF projects in Ghana.

- **Impact potential:** Potential of the programme/project to contribute to the achievement of the Fund's objectives and result areas

- **Paradigm shift potential:** Degree to which the proposed activity can catalyze impact beyond a one-off project or programme investment

- **Sustainable development potential:** Wider benefits and priorities, including environmental, social, and economic co-benefits

- Gender-sensitive development impact: Gender sensitivity of climate change project
- Responsive to recipient's needs: Vulnerability and financing needs of the beneficiary country and population in the targeted group

- Promote country ownership: Beneficiary country ownership of and capacity to implement a fund project or programme (policies, climate strategies and institutions)

- Efficiency & effectiveness: Economic and, if appropriate, financial soundness of the programme/project, and for mitigation-specific programmes/projects, cost-effectiveness and co-financing

1.1 Purpose of the Project Prioritization Tool and Guideline

The project prioritization tool is designed to provide the guideline for National Designated Authority (NDA) and Technical Advisory Committee (TAC) to prioritize climate change project proposal portfolios for submission to GCF. The tool is to assist the NDA's internal decision making processes in terms of determining which projects it considers the most important amongst a number of projects submitted by NIEs for consideration for submission to GCF. The guideline provides procedural guidance to NDA-TAC to identify and recommend priority projects for consideration by GCF. The tool also provides a key point of reference for the country-driven processes to engage with the Fund and access its resources. The prioritization tool is therefore hinged on the funding criteria and investment framework from GCF and other programmes and project prioritizations by the National climate change policy, Ghana's low carbon development strategy, and Ghana's intended nationally determined contributions (INDCs).

2. National Mitigation and Adaptation Priority Areas

This section highlights the national climate change mitigation and adaptation priority areas identified within the framework of National Climate Change Policy, the Low Carbon Development (LCD) strategy of Ghana, and the Intended Nationally Determined Contributions (INDCs). These national policy documents have identified and prioritized mitigation and adaptation areas for interventions.

2.1 National Climate Change Policy Priorities

The National Climate Change Policy (NCCP) is Ghana's integrated overarching response to the threats of climate change. The policy is developed within the framework of Ghana's sustainable development goals and priorities. It defines the pathways for dealing with the challenges of climate change within the current socio-economic context of Ghana, and looks ahead to the opportunities and benefits of a green economy (NCCP, 2013). In order to develop a climate resilient and compatible economy while achieving sustainable development through equitable low-carbon economic growth, five critical priority areas have been identified within Ghana's National Climate Change Policy.

The following five key areas have been prioritized into a total of ten programme areas to address climate change mitigation and adaptation issues in Ghana:

- Agriculture and Food Security
- Disaster Preparedness and Response
- Natural Resource Management
- Equitable Social Development
- Energy, Industrial and Infrastructural Development

2.2 Low Carbon Development Strategy

Ghana's Low Carbon Development Strategy (LCD) was developed to facilitate the operationalization of the mitigation objectives of the NCCP in a way that will enhance the country's overall development agenda. The LCD Strategy is built on existing and previous national Policies such as the Ghana Shared Growth and Development Strategy, The National Climate Change Policy (NCCP), Forest and Wildlife Policy, Energy Policy Renewable Energy Policy and Ghana's Intended Nationally Determined Contributions (SNDC). The LCDs provides for a consistent set of policy objectives and strategies to guide the implementation of enhanced mitigation measures in Ghana. The development of the strategy has been informed largely by various sectoral policies, legislations and measures that have direct and indirect implications on climate change mitigation and adaptation in Ghana. The LCD Analysis of the trends in Greenhouse (GHG) emissions in Ghana shows an increase in total emissions from 14.2 $MtCO_2e$ in 1990 to 33.7 $MtCO_2e$ in 2012 (Ghana's LCD, 2015). The observed increases in the emission trends corresponded to the on-going structural economic transformation which has led to sustained growth and expansion of the national economy. The expansion in the economy had resulted in notable rise in emissions from road transport, electricity generation from thermal plants, increasing demand for biomass use, solid and liquid waste disposal and deforestation. Out of the total emissions of 33.7 $MtCO_2e$, carbon dioxide (CO_2) constituted the major share of 44% followed by N_2O (31%) and CH_4 (25%). With regards to sectoral distribution of emissions, the AFOLU sector is the largest source in the country followed by energy, waste and industrial process sectors.

2.3 Ghana's INDC Focus Areas

Ghana's INDC is also hinged on the medium-term development agenda (Ghana Shared Growth Development Agenda II – GSGDA 2), National Climate Change Policy and the Low Carbon Development Strategy, as well as the anticipated 40-year long-term development and the universal sustainable development goals. Ghana submitted its Intended Nationally Determined Contribution (INDC) to UNFCCC in 2015. In the INDC Ghana put forward mitigation target to unconditionally reduce its economy-wide CO2 emissions from 2010 (base year) by 15% relative to BAU scenario emissions of 74 MtCO2e by 2030 (target year. Ghana identified some key mitigation and adaptation actions in various sectors of the economy in the INDC (Ghana LCD, 2015). These strategic areas for mitigation and adaptation are also consistent with the GCF priority areas. A number of mitigation and adaptation programme actions have been proposed within the INDC framework. The implementation of the programmes and projects in these priority areas are expected to help Ghana attain the low carbon pathway and increase the resilience of the country. The proposed INDC priority areas are:

- Sustainable land use including food security
- Climate proof infrastructure
- Equitable social development
- Sustainable mass transportation
- Sustainable energy security
- Sustainable forest management
- Alternative urban waste management

2.4 Sectoral Adaptation and Mitigation Priorities

This section summarizes the sectoral climate change mitigation and adaptation needs of Ghana based on the NCCP, LCD and the INDC.

2.4.1 Priority Areas for Adaptation

The long-term goal of Ghana's adaptation strategy is to increase climate resilience and decrease vulnerability for enhanced sustainable development. Ghana's climate change policy and the country's INDC have identified a number of sectoral priority areas that need intervention to increase the country's resilience which are also aligned with GCF's priority areas. Table 2 presents some priority sectors and the required actions to enhance Ghana's resilience.

Table 2: Ghana's Priority Areas for Adaptation

Sector	Strategic area	Policy Actions
Agriculture and food security	Sustainable land use	Agriculture resilience building in climate vulnerable landscapes
Sustainable forest resource management		Value addition-based utilization of forest resources
Resilient Infrastructure in built environment	Climate resilient strategic infrastructure	City-wide resilient infrastructure planning
		Early warning and disaster prevention
Climate change and health	Equitable social development	Managing climate-induced health risk
Water resources		Integrated water resources management
Gender and the vulnerable		Resilience for Gender and the Vulnerable

Ghana INDC, 2015

2.4.2 Priority Sectoral Areas for Mitigation

Assessment of Ghana's vulnerability to climate change and the corresponding mitigation measures needed to offset the impact on the national economy has been carried out on some important sectors in the Ghana NAMAs investor guide, Ghana's Low carbon development strategy, and Ghana's INDCs which include energy, transport, AFOLU, waste and industry (MESTI, 2015). Ghana's energy sector is currently the largest emitter of GHG followed by Agriculture, Forestry and Land Use (AFOLU), IPPU and waste. According to the 2014 National Carbon Accounting, the sum of the total emissions from the key sector such as energy, transport, waste and IPPU amounted to 17.57 MtCO2e in the year 2012, representing 57% of Ghana's total greenhouse gas emissions (without AFOLU). On the other hand, when AFOLU emissions were included, total emissions from the key sectors were 26.13 MtCO2e in 2012 which was 84.7% of the total national emissions (EPA, 2014). The high contribution of the AFOLU sector to total GHG emissions can be attributed to forest deforestation and degradation, unsustainable land management practices as well as enteric processes that lead to GHG emissions. Increased GHGs emissions in the energy sector can be attributed to inefficient and ineffective transportation system and energy generation.

This suggests that mitigation actions in the energy and the AFOLU sectors will be more appropriate. Ghana's emission reduction goal is to unconditionally lower its greenhouse gas emissions by 15 percent relative to a business as usual (BAU) scenario emission of 73.95MtCO_2e by 2030. The INDC policy actions therefore identified critical sectors for action to achieve the mitigation goals.

Table 3: Ghana's Priority Sector for Mitigation

Sectors	Policy Actions
Energy	Scale up renewable energy penetration by 10% by 2030
	Promote clean rural households lighting
	Programme on market-based cleaner cooking solutions
	Double energy efficiency improvement to 20% in power plants
Transport	Sustainable mass transportation
AFOLU	Sustainable utilization of forest resources through REDD+
Waste	Programme on alternative urban solid waste management
Industry	Double energy efficiency improvement to 20% in industrial facilities
	Green Cooling Africa Initiative

In the 10-year period, Ghana needs USD 22.6 billion in investments from domestic and international public and private sources to finance these actions (USD 6.3 billion is expected to be mobilized from domestic sources and USD 16.3 billion is expected to be mobilized from international sources)(Ghana LCD, 2015).

3. Project Prioritization Tools and Methods

3.1 What is Project Prioritization?

Project prioritization is the process of assigning special importance to particular projects based on agreed indicators or criteria. Prioritization of climate change projects usually takes into account projected geographic distribution of climate change impacts, as well as differential vulnerability to the impacts among a country's population. The main aim of project prioritization is to evaluate projects and rank them in order of importance in line with the funding criteria and investment framework of the GCF.

3.2 Prioritization Tools

There are a number of tools for prioritizing climate change projects such as SWOT Analysis, Multi-voting Technique, MCA4climate project prioritization tool, PEST Analysis, OECD-DAC criteria for assessing development projects, Criteria-Based Matrix, and other qualitative assessment tools. SWOT analysis is a method use to evaluate the Strengths, Weaknesses, Opportunities, and Threats involved in a project. It involves specifying the objective of the project and identifying the internal and external factors affecting project goals. Multi-voting Technique is a method of conducting a vote with a team to select the most important or popular items from a list with limited discussion and difficulty. Multi-voting is used to narrow down a list of projects to a few high priority projects. MCA4climate project prioritization tool developed by UNEP to help prioritize climate change mitigation and adaptation programmes and projects. The OECD-DAC criteria is used for assessing and evaluating development projects using five criteria including impact potential, relevance, efficiency, effectiveness, sustainability and cost. However, Criteria-Based Matrix is recommended for prioritizing Ghana's mitigation projects within the framework of GCFs project portfolio due to its benefits and ease of application. MCA4Climate is proposed for the prioritization of adaptation projects. The OECD-DAC was proposed for prioritizing REDD+ projects whiles PEST Analysis Tool was recommended for prioritizing private sector investments.

4. Prioritization tool for GCF Mitigation Projects

Criteria-Based Matrix (CBM) prioritization tool has been adopted to prioritize GFC mitigation projects.

4.1 Criteria-Based Matrix (CBM) Prioritization

The criteria-based matrix is used to determine which projects are most likely to yield successful improvements based on key factors or criteria. A criteria-based matrix can be an effective tool in prioritizing climate change **mitigation** projects. The tool helps to sort a diverse set of projects into an order of importance through scoring and prioritizing based on an agreed criteria.

4.2 Benefits of Criteria-Based Matrix Prioritization

The Criteria-Based Matrix was selected due to a number of benefits.

- It prioritizes complex projects especially where multiple criteria for determining importance are involved.
- It provides a fairly consistent method for evaluating project
- It helps reduce biases and individual perceptions in project selection
- It makes it easy to convert qualitative assessments into numeric values for ease of ranking projects

- It is adaptable for prioritization of different types of projects
- It enables more detailed analysis of vital factors
- When used by many experts, it facilitates easy consensus building

4. 3 Weaknesses of Criteria-Based Matrix Prioritization

The Criteria-Based Matrix may have some weaknesses such as:

- The effectiveness of the Criteria-based Matrix depends on the expertise of the personnel involved in evaluating the project
- It reduces project evaluation to quantitative assessments but some aspects of project evaluations require qualitative assessment.

4.4 Steps in CBM Prioritization

Creating and using a prioritization matrix involves five steps:
Criteria determination and rating scale

- Establishment of criteria weight
- Creation of project matrix
- Scoring of projects
- Prioritizing Projects

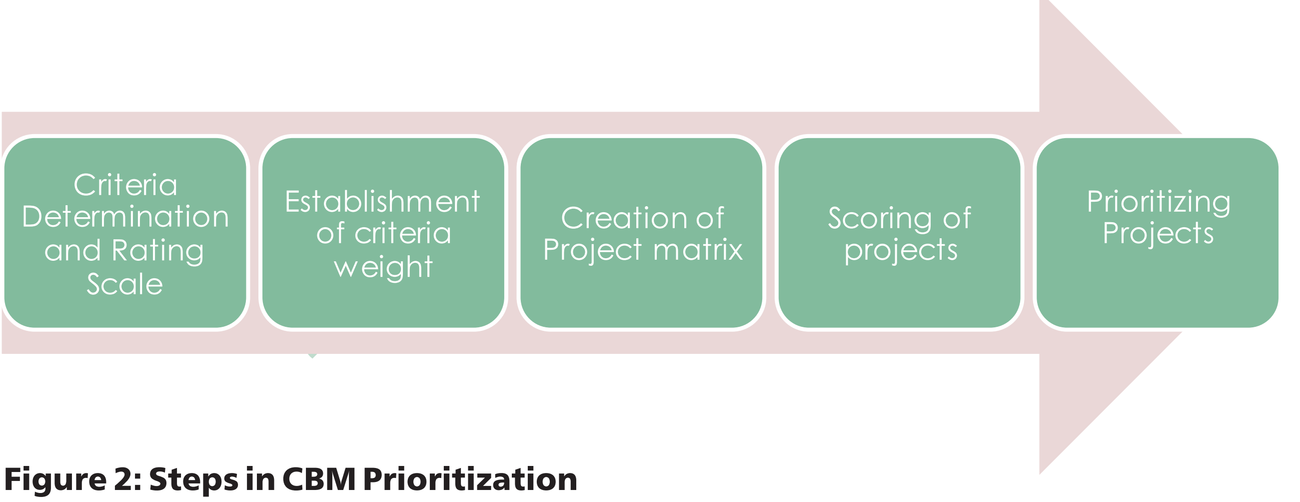

Figure 2: Steps in CBM Prioritization

4.5 Criteria Determination and Rating Scale

The first step in CBM prioritization is to determine the key factors or criteria to be used to assess the importance of each project. The factors must help to clearly differentiate important from unimportant mitigation projects. For the purposes of assessing importance of mitigation projects in Ghana, seven factors have been chosen. The factors were chosen due to their relevance to Ghana and the GCF funding and investment criteria. These include:

- Impact potential
- Paradigm shift potential
- Sustainable development potential
- Relevant to needs of Ghana
- Country ownership
- Gender issues
- Efficiency & effectiveness

For each of this criterion, a rating scale is established to assess how well a particular project satisfies that criterion. Table 4 presents the criteria, description and the rating scale. Table 5 also explains the criteria for determining the rating scale.

Table 4: Criteria and Rating Scale

No	Criteria	Description	Rating
1	Impact potential	Potential of the programme/project to contribute to significantly to reduction of emissions or increase resilience	5 : Very High 4 : High 3 : Medium 2 : Low 1 : Very low 0 : No impact
2	Paradigm shift potential	Degree to which the proposed activity can catalyze impact beyond a one-off project or programme investment	5 : Very High 4 : High 3 : Medium 2 : Low 1 : Very low 0 : No Paradigm shift
3	Sustainable development potential	Wider benefits and priorities, including environmental, social, and economic co-benefits as well as gender-sensitive development impact	5 : Very High 4 : High 3 : Medium 2 : Low 1 : Very low 0 : Not impact
4	Relevant to needs of Ghana	Vulnerability and financing needs of the beneficiary country and population in the targeted group	5 Very relevant 4 Relevant 3 some relevant 2 Low relevant 1 Very low relevant 0 Not relevant
5	Promote country ownership	Beneficiary country ownership of and capacity to implement a fund project or programme (policies, climate strategies and institutions)	5 : Very High 4 : High 3 : Medium 2 : Low 1 : Very low 0 : Not demonstrated
6	Gender	The Impacts of climate change affects women and men. Projects must adopt gender sensitive approach and contribute to gender equity.	5 : Very High 4 : High 3 : Medium 2 : Low 1 : Very low 0 : Not demonstrated
7	Efficiency & effectiveness	Economic and, if appropriate, financial soundness of the programme/project, and for mitigation-specific programmes/projects, cost-effectiveness and co-financing	5 : Very High 4 : High 3 : Medium 2 : Low 1 : Very low 0 : Not efficient

Table 5 explains the determination of the scale (high, low, medium, etc. impacts)

Table 5: Determination of Rating Scale

Criteria	Rating Scale					
	0	1	2	3	4	5
Impact potential	No clear impact identified	Very low impact identified	Low impact identified	Medium impacts identified	High Impacts identified	Very high impacts identified
Paradigm shift potential	No paradigm shift	Very low paradigm shift	Low paradigm shift	Medium paradigm shift	High paradigm shift	Very paradigm shift
Sustainable development potential	No environmental, social, and economic co-benefits identified	Very low environmental, social, and economic co-benefits	Low environmental, social, and economic co-benefits	Medium environmental, social, and economic co-benefits	High environmental, social, and economic co-benefits	Very High environmental, social, and economic co-benefits
Relevant to needs of Ghana	No relevance to the needs of Ghana	Very low relevance to the needs of Ghana	Low relevance to the needs of Ghana	Medium relevance to the needs of Ghana	High relevance to the needs of Ghana	Very high relevance to the needs of Ghana
Promote country ownership	Not demonstrated country ownership	Very low demonstration of country ownership	low demonstration of country ownership	medium demonstration of country ownership	High demonstration of country ownership	Very high demonstration of country ownership
Gender and vulnerability issues	no demonstrated gender sensitivity and equity	Very low demonstrated gender sensitivity and equity	Low demonstrated gender sensitivity and equity	Medium demonstrated gender sensitivity and equity	High demonstrated gender sensitivity and equity	Very high demonstrated gender sensitivity and equity
Efficiency & effectiveness	no demonstrated value for money and financial soundness	Very low demonstrated value for money and financial soundness	Low demonstrated value for money and financial soundness	Medium demonstrated value for money and financial soundness	High demonstrated value for money and financial soundness	Very high demonstrated value for money and financial soundness

Table 6: Scoring Guide

Criteria	Indicator	Scoring guide					Determination
		Very low (1)	Low (2)	Medium(3)	High(4)	Very high (5)	
Impact potential	Total tons of CO_2 eq to be avoided or reduced due to the project	Very low Co_2 to be reduced	low Co_2 to be reduced		Significant amount of Co_2 to be reduced by the project	Very high Co2 to be reduced by the project	Analysis by expert
Paradigm shift potential	Innovation Potential for scaling-up and replication Potential for knowledge and learning Contribution to the regulatory framework and policies	Very low innovation Very low potential for replication Will contribute very low to regulatory framework and policies	low innovation low potential for replication Will make low contribution to regulatory framework and policies	Very low innovation Very low potential for replication Will make some contribution to regulatory framework and policies	High innovation High potential for replication Will contribute high to regulatory framework and policies	Very high innovation Very high potential for replication Will contribute very high to regulatory framework and policies	Analysis and judgement by expert Analysis and judgement by expert Analysis and judgement by expert
Sustainable development potential	number of jobs created improved air quality	Very low job creation Very low Potential to improve air quality	low job creation low potential to improve air quality	low job creation low potential to improve air quality	High job creation potential high potential to improve air quality	Very high job creation very high potential to improve air quality	Analysis of project document by expert Analysis and judgement by expert
Relevant to needs of Ghana	Economic and social development level of the affected population Absence of alternative sources of financing for the proposed project in Ghana Needs for strengthening institutions and implementation capacity	Intervention will not improve the socioeconomic levels of the population Alternative sources of funds in Ghana Project has no potential to build institutional capacity of local institutions	Impact on socioeconomic levels of the population very low Some alternative sources of funds in Ghana Project has low potential to build institutional capacity of local institutions	Impact on socioeconomic levels of the population very low Some alternative sources of funds in Ghana Project has low potential to build	Impact on socioeconomic levels of the population high low Very low alternative sources of funds in Ghana Project high potential for institutional capacity building	Very high likely impact on socioeconomic levels of the population Alternative sources of financing for the proposed project in Ghana Project very high potential for institutional capacity building	Analysis of socio-economic data Project and expert judgement Analysis of funding opportunities in Ghana by expert Expert judgement
Promote country ownership	Coherence and alignment with the country□s	Very low alignment of	low alignment of project to national	Not properly aligned to	Good alignment of project to national	Very strong alignment of project to national climate	Analysis of national climate

	national climate strategy and priorities Capacity of accredited NIEs to deliver	project to national climate change priorities Very low capacity of NIEs to implement project	climate change priorities low capacity of NIEs to implement project	national climate change priorities Some minimum capacity of NIEs to implement project	climate change priorities High capacity of NIEs to implement project	change priorities Very high capacity of NIEs to implement project	change strategies and expert judgement Analysis of the capacities of the NIEs
Gender and vulnerability issues	Proportion of women in jobs to be created by the project The involvement of women and vulnerable groups in the project	Very low proportion of women beneficiaries Very low participation of women and vulnerable groups in the project	low proportion of women beneficiaries low participation of women and vulnerable groups in the project	good proportion of women beneficiaries minimal involvement of women and vulnerable groups in the project	High proportion of women beneficiaries high participation of women and vulnerable groups in the project	Very high proportion of women beneficiaries Very high participation of women and vulnerable groups in the project	Analysis of project document by expert
Efficiency & effectiveness	Estimated abatement cost per unit of CO_2 eq. Total investment cost Financial viability and other financial indicators	Abatement cost per unit very high Investment cost extremely high Project not viable	Abatement cost per unit high Investment cost high Project demonstrates low viability	Abatement cost per unit moderate Investment cost moderate Project demonstrates some viability	Abatement cost per unit low Investment cost low Project demonstrate high viability	Abatement cost per unit very low Investment cost very low Project demonstrates very high viability	Expert judgement Expert judgement Expert judgement

4.6 Establish Criteria Weight

The second step in the CBM prioritization is the determination of criteria weight. Because the criteria are not all equally important, some have greater relevance than others, the selected criteria are weighted to assess their relative importance to the overall criteria selected in **step 1** in order to improve decision making. To establish the criteria weights, the criteria (factors) are arranged in order of importance and assigned a weight. Note that when a project is scored, the numeric rating of the project is multiplied by the criteria's weight to create a priority score. Table 7 indicates the weights to be assigned to the criteria based on their importance to the overall criteria.

Table 7: Criteria Weighting

Criteria	ProposedWeight
Impact potential	5
Paradigm shift potential	5
Sustainable development potential	4
Relevant to needs of Ghana	4
Gender issues	4
Promote country ownership	3
Efficiency & effectiveness	3

Note: This is a guide: NDA-TAC may review and agree with assigned weights before weighting

4.6.1 Determination/Justification of Proposed Weights

This sections explains how proposed weights assigned to criteria were determined

- Impact and Paradigm Shift Potentials

A weight of **(5)** each is assigned to **impact and paradigm shift potentials** of projects that will deliver long-term impacts and have the potential to catalyze impact beyond a one-off project investment. As the GCF seeks to achieve a paradigm shift toward low-carbon and climate resilient development, Ghana's project portfolio will need to prioritize and support activities that have potential to deliver long-term mitigation impacts.

- ## Sustainable Development Potential and Relevant to needs of Ghana

A weight of (4) each is assigned to sustainable development potential and relevant to needs of Ghana criteria. Sustainable development potential of a project is very relevant to Ghana and GCF's objective. A project that demonstrates potential sustainable development co-benefits will be very relevant. Potential projects must therefore demonstrate ability to generate co-benefits to the people of Ghana including environmental, social, and economic co-benefits.

- ## Gender issues

A weight of **(4)** is also assigned to gender and vulnerable criterion. The Impacts of climate change affects women and men. Women are particularly vulnerable to the impacts of climate change. Ghana recognizes the importance of gender in mitigation and adaptation actions. Also, the overall objective of the GCF's gender policy is to ensure that by adopting a gender sensitive approach, countries will be able to achieve greater and more sustainable outcomes. Gender is therefore at the core of the requirements for accessing the GCF. Potential mitigation and adaptation projects must therefore demonstrate how the project will actively and efficiently contribute to gender equity.

- ## Promote country ownership and Efficiency & effectiveness

A weight of **(3)** each is assigned to **country ownership** and **efficiency and effectiveness** criteria. Ghana's ownership of and capacity of local institutions to implement projects are important. Also, value for money is an important criterion to be considered in prioritizing projects to benefits from GCF. The potential mitigation projects for instance need to be screened to ascertain the cost per tCO_2e to be reduced. While cost effectiveness is not always a strong determining factor in how funds are allocated, it does become relevant in GCF.

4.7 Creation of Projects Matrix

After the criteria have been weighted, the next step is to create matrix of the project. The matrix will clearly show which projects have the highest scores, and thus which ones should be the top priority projects for Ghana. Table 8 shows how sectoral mitigation projects can be prioritized using the CBM.

Table 8: Project Matrix for Prioritization

Criteria	Project				
		Energy	IPPU	AFOLU	Waste
Impact potential	Rating				
	weight				
	Score				
Paradigm shift potential	Rating				
	weight				
	Score				
Sustainable development potential	Rating				
	weight				
	Score				
Relevant to needs of Ghana	Rating				
	weight				
	Score				
Gender Issues	Rating				
	weight				
	Score				
Promote country ownership	Rating				
	weight				
	Score				
Efficiency & effectiveness	Rating				
	weight				
	Score				
Total Score					

4.8 Scoring of projects

After project matrix the next step is to score each project. The scoring must be done by a selected expert panel of 3, 5 or 7 or an odd number nominated from the membership of NDA-TAC or technical experts from the NDA-TAC.

4.8.1 Scoring Formula

Score each project by:

a) Multiplying the rating for each criterion by its weight to get a weighted value.
Project weighted Value= criteria rating x weight

b) After evaluating the project against all of the criteria, add up the weighted values to determine each project's total score.

Project total Score= Σ (criteria rating x weight)

It is always a good idea to go through the process with the prioritization team for a couple of projects to help establish a common understanding of the processes and to ensure a good comprehension of the criteria and their meaning. Table 9 illustrates the scoring formula.

Table 9: Scoring Projects

Criteria	**Project**				
		Energy	**IPPU**	**AFOLU**	**Waste**
Impact potential	Rating	4	5	3	4
	weight	5	5	5	5
	Score	**20**	**25**	**15**	**20**
Paradigm shift potential	Rating	xx	Xx	xx	xx
	weight	xx	Xx	xx	xx
	Score	xx	Xx	xx	xx
Sustainable development potential	Rating	xx	Xx	xx	xx
	weight	xx	Xx	xx	xx
	Score	xx	Xx	xx	xx
Relevant to needs of Ghana	Rating	xx	Xx	xx	xx
	weight	xx	Xx	xx	xx
	Score	xx	Xx	xx	xx
Promote country ownership	Rating	xx	Xx	xx	xx

4.9 Prioritizing Projects and building Portfolio

The final step of the prioritization process is to use the total scores to select priority projects and build project portfolio. After projects have been scored, it is important for the NDA-TAC to have a general discussion to compare results and develop a master list of prioritized projects that most members agree upon. As a final step, the NDA may decide to establish groupings of projects based on scoring, for example high, medium and low priority.

4.10 Decision Making

It is very important to note that the prioritization matrix itself is just a tool, and the people scoring projects are using their best judgment guided by developed criteria. Upon review, the NDA-TAC may decide that a project needs to move up or down in priority, despite the score it received. These types of adjustments are expected to help fine-tune the priority list. Where there is difficulty to reach a consensus over some projects the NDA-TAC should have a vote to determine the final decision. If there is tie the Focal Person will have a casting vote.

5. Prioritization tool for Adaptation Projects

The UNEP's Multi-criteria Assessment for climate change (**MCA4climate)** prioritization tool is recommended for the prioritization of Ghana's adaptation projects proposals.

5.1 MCA4climate prioritization tool

MCA4climate project framework is a practical step-by-step tool for identifying and prioritizing adaptation projects to be implemented as part of the process of formulating an overall climate strategy that is consistent with developmental goals. The framework is a **hierarchical criteria tree** containing a set of generic criteria, against which NDA-TAC can evaluate adaptation project proposals and their potential contribution to a broad range of climate, environmental and socio-economic development objectives.

The tool was developed by UNEP through an intensive process of consultation carried out in close collaboration with a number of international experts involved in the MCA4climate change initiative. This tool allows consideration of both quantitative and qualitative data in the ranking of alternative options. MCA-4Climate project allows assessment of different adaptation options against a number of criteria.

5.2 Strengths of MCA4climate project prioritization tool

- The tool has capability to integrate a diversity of criteria in a multidimensional way
- The tool is very transparent appraisal and decision-making process
- It promote divergent values and opinions
- The tool supports a broad stakeholder involvement
- The tool is able to integrate impacts on non-monetary values

5.3 Weaknesses of the MCA4climate project prioritization tool

- The tool requires well developed stakeholder participation processes
- The tool strongly depends on stakeholders' willingness to participate

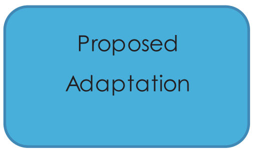

Figure 3: MCA Criteria Tree (adapted from MCA4Climate UNEP, 2011) UNEP DTU, 2015

Step 4: Scoring

In this step, the team scores the options against the set criteria. The outcome and performance of each option is evaluated against each of the criteria. The facilitator is expected to build consensus around a particular score for each technology on the respective criterion. Disagreement has to be recorded and later analysed by carrying out sensitivity analysis with different scores. It is also important to note that whenever some costs and benefits can be valued in monetary terms, either by direct observation of prices if appropriate or indirectly using generally accepted economic valuation techniques (such as cost benefit analysis, cost effectiveness analysis, etc.), then the data should naturally be used within the scoring process.

Table 11: Scoring Determination

Score	Description
0	the option is not applicable
1-20	extremely weak performance; strongly unfavourable
21-40	Poor performance, major improvement needed
41-60	acceptable
61-80	Very favourable performance, but still requires improvement
81-100	Clearly outstanding performance

Note: To agree on a score for each of the criteria and projects, it is recommended to have the group discuss and vote on one criterion at a time. Basic ally, the expert group should discuss the importance of the criterion and then reach a consensus on the score for each technology against this criterion

Step 5. Weighting

When all technology options have been scored against all criteria, the fifth step is the determination and assigning criteria weight. Because the criteria are not all equally important, some have greater relevance than others, the selected criteria are weighted to assess their relative importance to the overall criteria selected. Therefore, each criterion needs to be assigned a weight to reflect the weight of importance that stakeholders assign to each of the specific criterion.

When the criteria have been weighted, the scores against all criteria can be compared. Example is presented below.

Table 12: Criterion Weight (%)

Criterion	Weight
1	25
2	10
3	15
4	15
5	10
6	30
Total	**100**

Expert judgements are important in assigning weight to each criteria to reflect their relative importance in the decision making process. The facilitator is expected to create consensus among the experts on a score for each criterion a percentage score between 0 and 100. The scores must add up to 100

The decision matrix shown in Step 3 can now be expanded to include the weighted scores. In the bottom line, the weight for each criterion is added, and the weighted score is calculated for each scoring point. ***For example if project 1 has a score of 40 and the weight for Criterion A is 10, then the weighted score of project 1 for Criterion A is 40*10% = 4.0.***

Table 13: Weighting

Options	*Criterion A*	*Criterion B*	*Criterion B*	*Criterion N…*	*Total Weighted*
Options 1					
Options 2					
Options 3					
Options n..					
Criterion Weight					

Step 6. Combine weights and scores

In this step, all the weights and scores for each of the options are combined to derive an overall value. The total weighted score of each project is calculated by multiplying its relative score for each criterion by the corresponding weight given to that criterion.

Table 14: Weighted Score

	Adaptation Project		
Criteria	Weight (a)	Score (b)	Weighted score (axb)/100
Criterion 1			
Criterion 2			
Criterion 3			
Criterion 4			

Step 7: Examine and results

This step examines the results by comparing the performance profiles of options at each level of the criteria tree to identify dominating or dominated options (i.e. those with the highest and lowest scores) and to highlight particular strengths and weaknesses. The process undertaken in step 6 will result in a list of ranked technologies prioritized according to their scoring against the criteria and weights given to each criterion, as identified by stakeholders and facilitator. The project scoring the highest total relative weighted score can be ranked as the most preferred project, whereas the one with the lowest relative score are ranked as the least preferred option. The ranked list of technologies combines all criteria on the same relative scale, and presents the overall preference for technologies. It is always important to allow sector working groups examine the logic of the ranking.

Step 8. Sensitivity analysis

Sensitivity analysis is very important in determining the robustness of the results with respect to the uncertainties in the assigned weights and scores. Sensitivity of project ranking on allocated weights, the weight assigned to each criterion needs was reassessed by taking into consideration any uncertainty and conflicting objectives of multiple stakeholders. The rationale for sensitivity analysis is found in the fact that information available to the decision-makers is often uncertain and imprecise, owing to measurement and conceptual errors, as well as limited knowledge about process and values. The team can therefore make final recommendations and prioritize projects proposals.

6. Prioritization of REDD+ Projects

The Modified OECD-DAC prioritisation tool is proposed prioritizing REDD+ projects.

6.1 Modified OECD-DAC Prioritisation Tool

The REDD+ aims at reducing emissions from deforestation and forest degradation and to create a financial value for the carbon stored in forests. It seeks to create incentives for developing countries to reduce emissions from forested lands and invest in low-carbon paths for sustainable development. A modified version of the OECD-DAC criteria for assessing development projects has been adopted for prioritizing Ghana's REDD+ projects. The OECD-DAC identified five key criteria for assessing potential impacts, relevance, efficiency, effectiveness and sustainability and costs of development projects. We have modified it and added gender dimension which is also very relevant to the GCF investment criteria. These criteria include:

- Impact Potential
- Relevance
- Efficiency
- Effectiveness
- Sustainability and Cost
- Gender issues

a) Impact Potential of project

The potential of the REDD+ project to contribute to the achievement of greater impact is very important. The positive and negative changes that the mitigation project will produce directly or indirectly, intended or unintended will be considered. This also involves the main impacts and effects resulting from the project on the local social, economic, environmental and other development indicators. In prioritizing REDD+ projects, the following questions should be considered:

- What will happen as a result of the mitigation project?
- What real difference will the project make to the beneficiaries?
- To what extent will the REDD+ project reduce emissions?

b) Relevance

Relevance assesses the extent to which the REDD+ project activities are consistent with the priorities of Ghana and the GCF. The REDD+ project must be coherent and relevant to the national sectoral strategies and needs of Ghana. In evaluating the relevance of REDD+ projects, the following questions should be considered:

- To what extent are the objectives of the REDD+ project valid?
- Are the activities and outputs of the project consistent and aligned with Ghana's mitigation goals and the attainment of its objectives?
- Are the activities and outputs of the project consistent with the intended impacts?

c) Efficiency

Efficiency measures the outputs, both qualitative and quantitative, in relation to the inputs. It assesses whether the REDD+ intervention will use the least costly resources possible in order to achieve the desired results. This generally requires comparing the costs of alternative projects aiming at achieving the same outputs, to see whether the most efficient process has been proposed in the proposal. In evaluating the efficiency of REDD+ project, the following questions should be considered:

- will the proposed activities achieve cost-efficiency?
- can the objectives be achieved on time with the resources?
- will the project be implemented in the most efficient way compared to alternatives?

d) Effectiveness

Effectiveness measures the extent to which project will attain its objectives. In evaluating the effectiveness of REDD+ project, the following questions should be considered:

- To what extent will the objectives be achieved / are likely to be achieved?
- What are the major factors likely to influence the achievement or non-achievement of the objectives?

e) Sustainability and Cost

Sustainability is concerned with assessing whether the stakeholders involved have the ability to prolong the adaptation process beyond the project lifetime and, as a result, whether the benefits of the adaptation activity are likely to continue after external funding has been withdrawn. It is proposed that sustainability should also consider the long-term social, environmental and economic consequences of selected strategies. In evaluating the sustainability of the project, the following questions should be considered:

Do the stakeholders have sufficient capacity and resources to sustain the mitigation process?

What is the likelihood that the project's outputs and activities will remain or continue after external funding has ceased?

f) Gender issues

Gender issues will be considered in prioritizing REDD+ projects. Gender issues are relevant because men and women are likely to perceive and experience climate change differently, meaning that they have different adaptation needs. The project will pursue a gender-sensitive approach whereby women's participation in training workshops, demonstration activities and management committees will be strongly promoted. It is important to assess how gender and other social issues will be considered in all stages of project management.

6.1 Benefits

- The tool is based upon evaluated and validation sets of questions
- Flexibility with questions and indicators to be used
- It allows for the inputs of experts

6.2 Weaknesses

- Requires knowledgeable experts on REDD+ projects

Table 15: Scoring for REDD+ Projects

Criteria	ScoringDimensions/guiding questions	Scoring					
		Exceptional/ Outstanding (4)	Significant (3)	Satisfactory/ Average (2)	Below Average (1)	Total SCORE	Remarks
Impact Potential	What will happen as a result of the mitigation project?						
	What real difference will the project make to the beneficiaries?						
	To what extent will the REDD+ project reduce emissions?						
Relevance	To what extent are the objectives of the REDD+ project valid?						
	Are the activities and outputs of the project consistent and aligned with Ghana¤s mitigation goals and the attainment of its objectives?						
	Are the activities and outputs of the project consistent with the intended impacts?						
Efficiency	Will the proposed activities achieve cost-efficiency?						
	Can the objectives be achieved on time with the resources?						
	Will the project be implemented in the most efficient way compared to alternatives?						

Table 15: Scoring for REDD+ Projects

	What are the major factors likely to influence the achievement or non-achievement of the objectives?						
Sustainability and Cost	Do the stakeholders have sufficient capacity and resources to sustain the mitigation process?						
	What is the likelihood that the project□s outputs and activities will remain or continue after external funding has ceased?						
Gender issues	Gender-sensitive development impact - Proportion of men and women in jobs to be created						
	The involvement of women and vulnerable groups in the project						

Table 16: Indicators and scoring guidelines for REDD+ Projects

No	Criteria	Indicators	Guide for Scoring: Exceptional/ Outstanding (4)	Significant (3)	Satisfactory/ Average (2)	Below Average (1)	Determinati on
1	**Impact Potential**	Potential of the programme/project to contribute to a national climate change priority area	Project demonstrates an outstanding potential to a national climate change priority area	Project demonstrates significant potential to a national climate change priority area	Project demonstrates satisfactory to a national climate change priority area	Project demonstrates very low potential to a national climate change priority area	Assessment of national priorities and project document by expert
		Potential of the programme/project to contribute to increase employment	Project demonstrates an outstanding potential for employment creation	Project demonstrates an significant potential for employment creation	Project demonstrates an satisfactory potential for employment creation	Project demonstrates an very low potential for employment creation	Assessment of project document and expert judgement
		Potential for the REDD+ project to contribute to reduction of emissions or increase resilience	Project demonstrates an outstanding potential to contribute to reduction of emissions or increase resilience	Project demonstrates an significant potential to contribute to reduction of emissions or increase resilience	Project demonstrates an satisfactory potential to contribute to reduction of emissions or increase resilience	Project demonstrates an very low potential to contribute to reduction of emissions or increase resilience	Analysis of cost-benefit analysis (NPV, etc. by expert
2	**Relevance**	Validity of the of the objectives of the REDD+ project	Project Demonstrates Exceptional validity of the objectives of the REDD+ project	Project Demonstrates significant validity of the objectives of the REDD+ project	Project Demonstrates satisfactory validity of the objectives of the REDD+ project	Project Demonstrates very low validity of the objectives of the REDD+ project	Analysis of unit cost of abatement by expert
		Consistency of project activities with Ghana□s mitigation goals and the attainment of its objectives	Project demonstrates outstanding consistency with Ghana□s mitigation goals and the	Project demonstrates significant consistency with Ghana□s mitigation goals and the	Project demonstrates satisfactory consistency with Ghana□s mitigation goals	Project demonstrates very low consistency with Ghana□s mitigation goals and the attainment	Analysis of project risks by experts

Table 16: Indicators and scoring guidelines for REDD+ Projects

			attainment of its objectives	attainment of its objectives	and the attainment of its objectives	of its objectives	
		Consistency of project activities and outputs with the intended impacts	Project activities and outputs demonstrate outstanding consistency with the intended impacts	Project activities and outputs demonstrate significant consistency with the intended impacts	Project activities and outputs demonstrate satisfactory consistency with the intended impacts	Project activities and outputs demonstrate very little consistency with the intended impacts	Expert assessment and judgement
3	**Efficiency**	Potential of the proposed activities to achieve cost-efficiency	Project activities demonstrate outstanding potential for cost-efficiency	Project activities demonstrate significant potential for cost-efficiency	Project activities demonstrate satisfactory potential for cost-efficiency	Project activities demonstrate very low potential for cost-efficiency	Analysis of cost-benefit analysis (NPV, etc. by expert Expert assessment and judgement
		Ability of project objectives be achieved on time with the resources	Project demonstrates outstanding ability to achieve objectives on time with the resources	Project demonstrates significant ability to achieve objectives on time with the resources	Project demonstrates satisfactory ability to achieve objectives on time with the resources	Project demonstrates outstanding ability to achieve objectives on time with the resources	Expert assessment and judgement
		Efficiency in project implementation	Projects demonstrates exceptional potential for efficient implementation	Projects demonstrates significant potential for efficient implementation	Projects demonstrates satisfactory potential for efficient implementation	Projects demonstrates very low potential for efficient implementation	Expert assessment and judgement
		Impact of externalities likely to affect the project negatively or positively	Project demonstrates outstanding consideration for the impact of	Project demonstrates significant consideration for the impact of	Project demonstrates satisfactory consideration for the impact	Project demonstrates little consideration for the impact of externalities	Assessment of project document/Ex pert judgement

			externalities	externalities	of externalities		
	Sustainability and Cost	Stakeholders capacity and resources to sustain the mitigation process	Project demonstrates outstanding capacity and resources for success	Project demonstrates significant capacity and resources for success	Project demonstrates satisfactory capacity and resources for success	Project demonstrates very low capacity and resources for success	Assessment of project document/Expert judgement
		Potential of project□s outputs and activities to continue after external funding	Project demonstrates outstanding potential to continue after external funding	Project demonstrates significant potential to continue after external funding	Project demonstrates satisfactory potential to continue after external funding	Project demonstrates very low potential to continue after external funding	Assessment of project document/ Audited account of NIE
	Gender issues	Proportion of men and women in jobs to be created	Projects demonstrates outstanding consideration for gender issues	Projects demonstrates significant consideration for gender issues	Projects demonstrates satisfactory consideration for gender issues	Projects demonstrates very little consideration for gender issues	Assessment of project document/Expert judgement
		The involvement of women and vulnerable groups in the project	Project demonstrates outstanding involvement of women and vulnerable groups	Project demonstrates significant involvement of women and vulnerable groups	Project demonstrates satisfactory involvement of women and vulnerable groups	Project demonstrates very low involvement of women and vulnerable groups	Assessment of project document/Expert judgement

6.4 Prioritizing Projects and building Portfolio

Table 15 provides a guide on how to score REDD+ projects. For REDD+ project prioritization and portfolio building, refer to 4.9 on page 27.

6.5 Decision Making

For decision making on REDD+ projects, please refer to 4.10 on page 28.

7. Prioritization Tool for private sector investment: PEST ANALYSIS

Private investment in developing countries typically faces many broad economic challenges, including unattractive investment environments. To encourage and scale up low-emissions investments in developing countries, the GCF aims at incentivizing the private sector investors to invest in low-carbon, climate-resilient development through the Private Sector Facility (PSF). The objective of GCF private sector facility is to enhance the capacity of the private sector to directly and indirectly finance mitigation and adaptation activities at the national, regional and international levels. The PSF also seeks to be consistent with country-driven approach to bring about "paradigm shift" towards low-emission and climate-resilient development pathways". Given the range of objectives and priority result areas for the Fund as a whole, there are a wide range of performance indicators that could be applied to prioritize PSF projects. A range of factors have been identified as relevant for the private sector participation and towards the overreaching objectives of the Fund. These include:

- Private Sector interest and country climate policies
- Viability of investments
- Reduction in investment risk
- Building capacity and readiness
- Supporting technology development
- Supporting information dissemination

For **the prioritization of private sector investments** within the framework of GCF, we recommend **PEST** (**Political, Economic, Social, and Technological**) **Analysis tool**.

PEST is a tool that is used to identify and analyze the key drivers of change in the strategic or business environment. PEST has successfully been used in the project management scenario. Pest Analysis is presented as a grid, comprising four segments: Political, Economic, Social, and Technological.

7.1 Benefits of the PEST Tool

The benefits of using the PEST tool:

- The tool is user friendly
- The tool allows for flexibility in the use of expertise
- It helps to capture the key elements in business climate
- The tool encourages system thinking
- It helps to anticipate the effect of future business and investment threats.

7.2 Weaknesses of the PEST Tool

There are some weaknesses of using the PEST tool:

- The use of the tool requires appreciable knowledge of the local context
- Changing conditions may affect the usefulness of the tool over time

PEST ANALYSIS OF PRIVATE SECTOR PROJECT

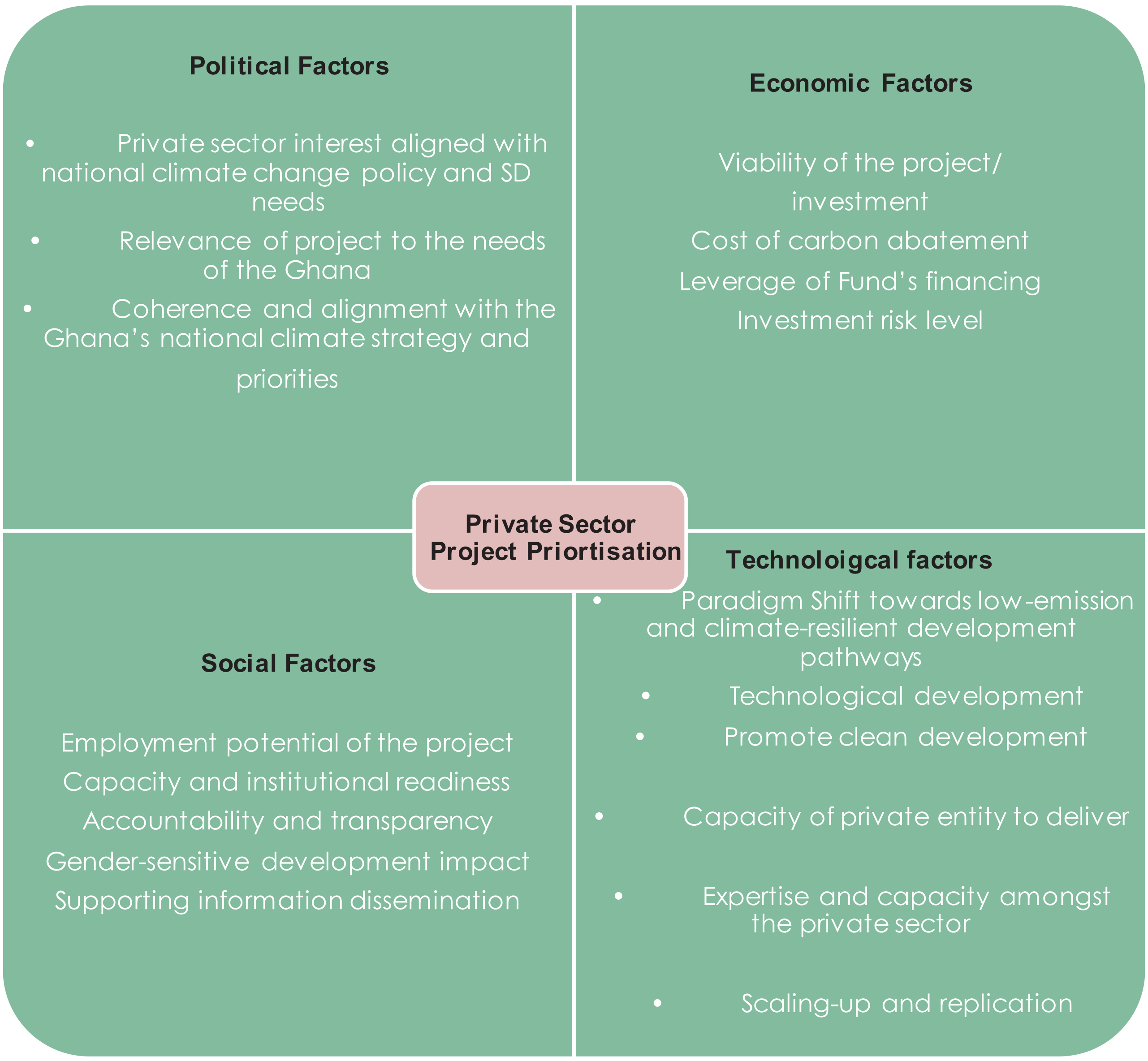

Figure 5: PEST analysis of private sector project

Table 16: Criteria for assessing private sector investment Project

No	Criteria	Description	Guide for Assessment	Scoring				
				Exceptional/ Outstanding (4)	Significant (3)	Satisfactory / Average (2)	Below Average (1)	Total SCORE
1	**Political Factors**	Demonstration of alignment with national climate strategies	Private sector interest aligned with national climate change policy and SD needs					
		Vulnerability of the proposed location of the project and beneficiary groups	Project very relevant to the needs of the Ghana					
		Economic and social development level of the affected population in Ghana	Project coherence and alignment with the Ghana¤s national climate strategy and priorities					
2	**Economic Factors**	Cost-benefit analysis of the project	Viability of the project/ investment					
		Cost of carbon abatement	Estimated cost per tCO_2 eq.					
		Expected volume of finance to be leveraged as a result of the Fund	Leverage of Fund¤s financing					
		High or low risk level of the investment	Investment risk level					
3	**Technological Factors**	Demonstration of potential paradigm Shift	Paradigm Shift towards low-emission and climate-resilient development pathways					

Table 16: Criteria for assessing private sector investment Project

		The project to promote technological development	Technological development					
		Potential of the project to promote clean development	Promote clean development					
		Experience in implementing similar project	Capacity of private entity to deliver Expertise and capacity amongst the private sector					
		Potential of the project for scaling-up and replication	Scaling-up and replication					
4	**Social Factors**	Number of people to be employed by the project	Employment potential					
		Involvement of men and women in the project	Gender-sensitive development impact					
		Capacity and institutional readiness	Capacity and institutional readiness					
		Transparent and accountability in the project	Accountability and transparency					
		Understanding of climate risks information dissemination during the project implementation	Supporting information dissemination					

Table 17: Indicators and scoring guidelines

No	Criteria	Indicators	Guide for Scoring				Determination
			Exceptional/ Outstanding (4)	Significant (3)	Satisfactory/ Average (2)	Below Average (1)	
1	**Political Factors**	Private sector interest aligned with national climate change policy and SD needs	Project demonstrates an outstanding alignment with national climate change policy and SD needs	Project demonstrates significant alignment with national climate change policy and SD needs	Project demonstrates satisfactory alignment with national climate change policy and SD needs	Project demonstrates very low alignment with national climate change policy and SD needs	Assessment of national priorities and project document by expert
		Project very relevant to the needs of the Ghana	project will exceptionally improve the socioeconomic levels of the population Project has outstanding potential for institutional capacity building	Project will significantly improve the socioeconomic levels of the population Project has significant potential for institutional capacity	Project will have some improvement in the socioeconomic levels of the population Project has some potential for institutional capacity building	Project will have very low impact on the socioeconomic levels of the population Project has very low potential for institutional capacity building	Assessment of national priorities and expert judgement Assessment of project document and expert judgement
2	**Economic Factors**	Project viability	Viability of the project exceptional	Project very viable	Project very viable	Project very viable	Analysis of cost-benefit analysis (NPV, etc. by expert
		Unit cost of carbon abatement	Estimated unit cost per abatement exceptionally low	Abatement cost per unit very low	Abatement cost per unit very low	Abatement cost per unit very low	Analysis of unit cost of abatement by expert
		investment risks	Very low risk investment project	Investment risk level very low	Investment risk level satisfactory	Investment risk level satisfactory	Analysis of project risks by experts
3	**Technological Factors**	paradigm Shift	Outstanding project innovation Exceptional potential for replication	significant project innovation significant potential for replication	Project innovation satisfactory Fair potential for replication	Very low project innovation Very low potential for	Expert assessment and judgement Expert

Table 17: Indicators and scoring guidelines

			Project will contribute exceptionally to regulatory framework and policies	Will contribute significantly to policy	Some potential for policy contribution	replication Very low contribution to policy	assessment and judgement
		Promotion of technological development	Project will exceptionally promote clean development	Project will significantly promote clean development	Project has some potential to promote clean development	Project has some potential to promote clean development	Expert assessment and judgement
		Experience in implementing similar project	Very high capacity of private entity to deliver	High expertise and capacity amongst the private sector	Satisfactory expertise and capacity in similar project	Very low expertise and capacity amongst the private sector	Expert assessment and judgement
		Potential of the project for scaling-up and replication	Very high potential for scaling-up and replication	High potential for scaling-up and replication	Some potential for scaling-up and replication	Very low potential for scaling-up and replication	Expert assessment and judgement
4	**Social Factors**	Number of people to be employed by the project	Very high employment potential of the project	High employment potential of the project	Some employment potential of the project	Very low employment potential of the project	Assessment of project document/Expert judgement
		Gender-sensitive development impact	Very high proportion of women beneficiaries Gender issues exceptionally addressed in the project	High proportion of women beneficiaries Gender issues adequately addressed in the project	Low female beneficiaries of the project Gender issues inadequately addressed in the project	Very low female beneficiaries of the project Gender issues not addressed in the project	Assessment of project document/Expert judgement
		Transparent and accountability in the project	Demonstration of very strong accountability and transparency in the project	Demonstration of good accountability and transparency in the project	Demonstration of some accountability and transparency in the project	Demonstration of bad accountability and transparency in the project	Assessment of project document/ Audited account of NIE

		Understanding of climate risks	Demonstration of outstanding understanding of climate change risks	Demonstration of understanding of climate change risks	Demonstration of some level of understanding of climate change risks	Very low understanding of climate change risks	Assessment of project document/Expert judgement

7.3 Prioritizing Projects and building Portfolio

Table 17 provides a guide on how to score private sector investment projects. For private sector investment project prioritization and portfolio building.

7.4 Decision Making

For decision making on private sector investment projects, please refer to 4.10 on page 27.

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