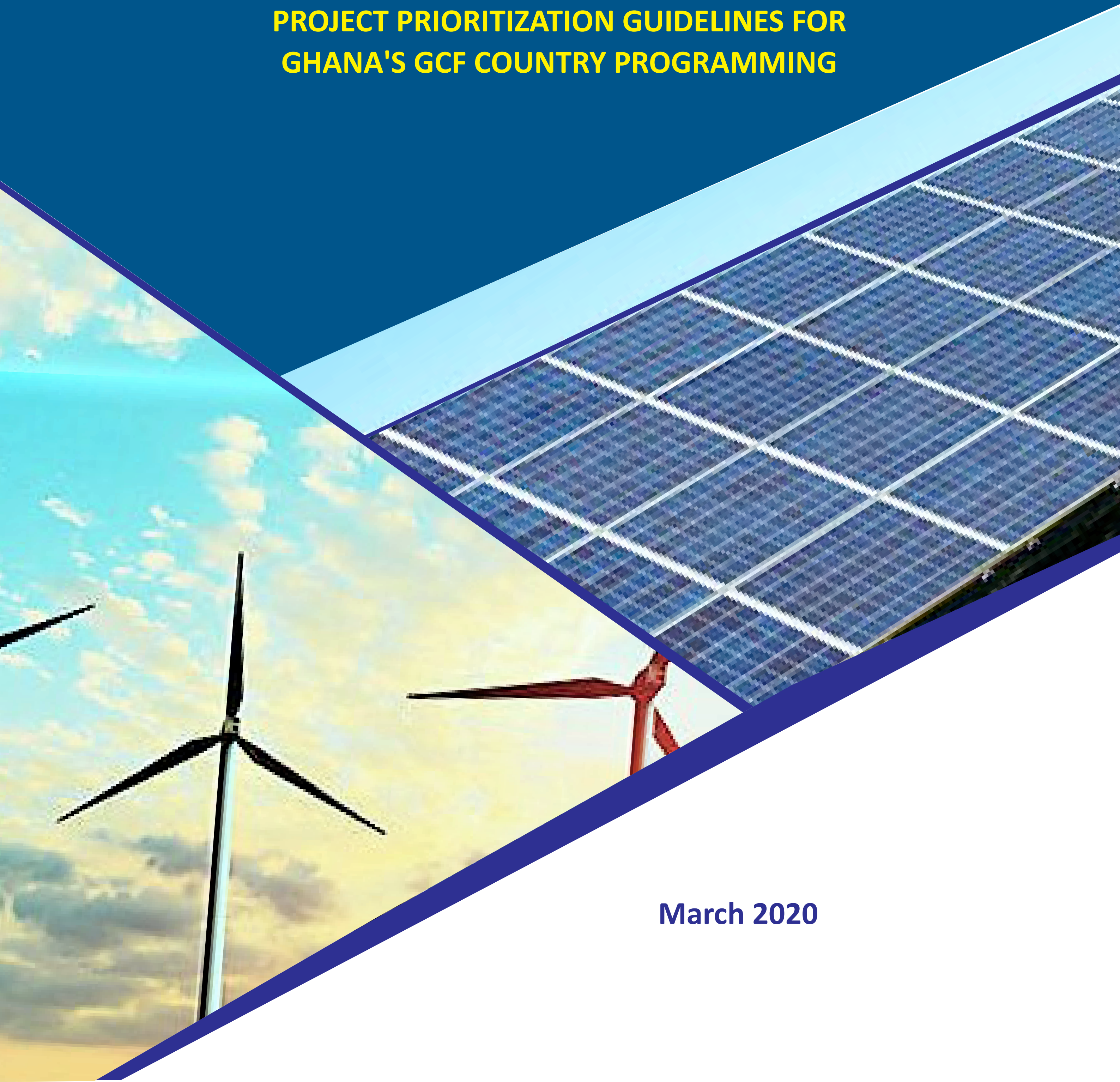
REPUBLIC OF GHANA

MINISTRY OF FINANCE

GREEN CLIMATE FUND

PROJECT PRIORITIZATION GUIDELINES FOR GHANA'S GCF COUNTRY PROGRAMMING



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LIST OF ACRONYMS

AF	:	Adaptation Fund
AFOLU	:	Agriculture, Forestry and Land Use
AfDB	:	African Development Bank
CIF	:	Climate Investment Funds
CO2 eq	:	Carbon dioxide equivalent
GCF	:	Green Climate Fund
GEF	:	Global Environment Facility
GH-NDCs	:	Ghana's Nationally Determined Contributions
GSGDA 2	:	Ghana Shared Growth Development Agenda II
LCDS	:	Low Carbon Development Strategy
NCCP	:	National Climate Change Policy
NDA	:	National Designation Authority
NDA-TAC	:	National Climate Change Policy - Technical Advisory Committee
NDCs	:	Nationally Determined Contributions
REDD+	:	Reducing Emission from Deforestation and forest Degradation
SDGs	:	Sustainable Development Goals
TAC	:	Technical Advisory Committee
tCO2eq	:	Tons of Carbon Dioxide Equivalent
TOR	:	Terms of Reference
UNFCCC	:	United Nations Framework Convention on Climate Change

SECTION ONE: INTRODCUTION

The Green Climate Fund (GCF) is a new global fund established within the framework of the UNFCCC to support the efforts of developing countries to respond to the challenge of climate change. GCF seeks to support developing countries adaptation and mitigation projects, programmes, policies and other actions to counter climate change. Subsequent to the 2015 Paris Agreement, the GCF was given an important role in supporting the goal of keeping climate change well below 2 degrees Celsius. The Paris Agreement has reaffirmed the need for high-quality and ambitious funding proposals to scale up action for climate change mitigation and adaptation. GCF aims to catalyze a flow of climate finance to invest in low-emission and climate-resilient development, driving a paradigm shift in the global response to climate change.

1.1 What does the GCF support?

GCF aims to balance its allocation of funds between adaptation and mitigation. Generally, the Fund supports mitigation and adaptation projects and programmes developed by the public and private sector organisations which contribute to climate change priorities of the country. These projects and programmes must demonstrate impact potential, national ownership, contribute to sustainable development, promote synergies, meet the fiduciary principles and standards and gender sensitive. The GCF will support programmes and projects in Ghana which are aligned with the National Climate Change Policy (NCCP) and Ghana's Nationally Determined Contributions.

1.2 What Makes a Good GCF project?

A good GCF (adaptation, mitigation or cross-cutting) project or programme is one that demonstrates how it will contribute to achieving a impact and paradigm shift to a country's low-emission and climate resilient development pathway. To demonstrate this, project developers should:

- Ensure that funding proposals describe a long-term vision of how impact of proposed project or programme can be achieved in terms of mitigation, adaptation or both.

- Promote country ownership through alignment with national climate change priorities and comprehensive consultation and engagement with all relevant stakeholders, including the National Designation Authority (NDA), the target group (especially vulnerable communities, women, minority groups, etc.), government staff from different ministries or departments, other relevant organisations and sector experts.

- Demonstrate value for money and secure co-financing to encourage crowding in, that is, stimulating long-term investments beyond the GCF resources and the up-front commitments.

1.3 The Need for revised Prioritization Tool

In line with the GCF's readiness support programme for Ghana with the focus on strengthening the capacity of the Ghana-National Designated Authority (NDA) and its Technical Advisory Committee (TAC) to prioritize climate change project proposal portfolios for submission to GCF for funding, the UNDP in 2016 supported Ghana to develop project prioritization tool to guide the prioritization of climate change project proposal portfolios for submission to GCF for funding. The existing tool faced a couple of challenges in its operationalization. These include inflexibility in its application to prioritize cross-cutting proposals and the lack of minimum indicative benchmarks. It therefore became necessary to review the existing prioritization tool to make it more acceptable to all stakeholders for project selection for Ghana's GCF country programming. The revised prioritization tool provides an enhanced guidance which is more user-friendly and simpler to use to prioritize projects for Ghana's GCF country programming.

1.4 Purpose of the Project Prioritization Tools and guidelines

This prioritization tool seeks to provide procedural guidance to NDA to prioritize projects for consideration by GCF. This tool is in line with global best practices and GCF's strategic impacts, investment criteria, operational modalities and other mitigation, adaptation and REDD+ prioritization procedures. The guidance tool will guide the NDA's decision-making processes in terms of determining which projects it considers the most important amongst a number of projects submitted by project developers for consideration for submission to GCF.

1.5 Approach

In line with the objectives outlined in the terms of reference (TOR), the consultant approached the assignment in three main stages. The first involved conducting a review of the existing prioritization tool. In order to draw upon best practices of other climate funds and international financial institutions, the prioritization methods of a number of climate funds and financial institutions including the Adaptation Fund (AF), Climate Investment Funds (CIF), Global Environment Facility (GEF), African Development Bank (AfDB), World Bank and Green Climate Fund were reviewed. To advance this work and ensure that key stakeholders are actively engaged in the process, a stakeholder consultative workshop was held in Tamale as well as two technical consultative meetings with key stakeholders (NDA and NDA Technical Advisory Committee and other stakeholders from academia and civil society organizations) to provide inputs for the consultant to revise the tool, align it to the aspirations of all stakeholders and the end users. Finally, two stakeholder consultative workshops were also held with the public sector, private sector and civil society organizations for their inputs which have been integrated into the final document.

1.6 Structure of the Prioritization Tool

This document is comprised of four sections. Section 1 introduces the document. It provides background information on Green Climate Fund, highlighting what the purpose of the Fund, the types of programmes and projects it supports, the purpose of the guidance tool, the need for a revised prioritization tool and the structure of the tool. Section 2 presents an overview of the GCF results areas and their linkages with the Ghana's nationally determined contributions (GH-NDCs). Section 3 discusses the GCF investment criteria for assessing funding proposals. It presents an overview of the six investment criteria including its impact potential, paradigm shift potential, sustainable development, needs of recipient, country ownership, efficiency and effectiveness. The section also highlighted the need for co-financing, risks management. Section 4 presents GCF project prioritization guidelines.

SECTION TWO: GCF RESULT AREAS AND GHANA'S NDCS

The GCF identifies eight results areas where targeted GCF investment would have greater impact. When developing a GCF project, a project proponent should identify which strategic impact areas its proposed project or programme contributes towards. Figure 1 illustrates the eight results areas of the GCF.

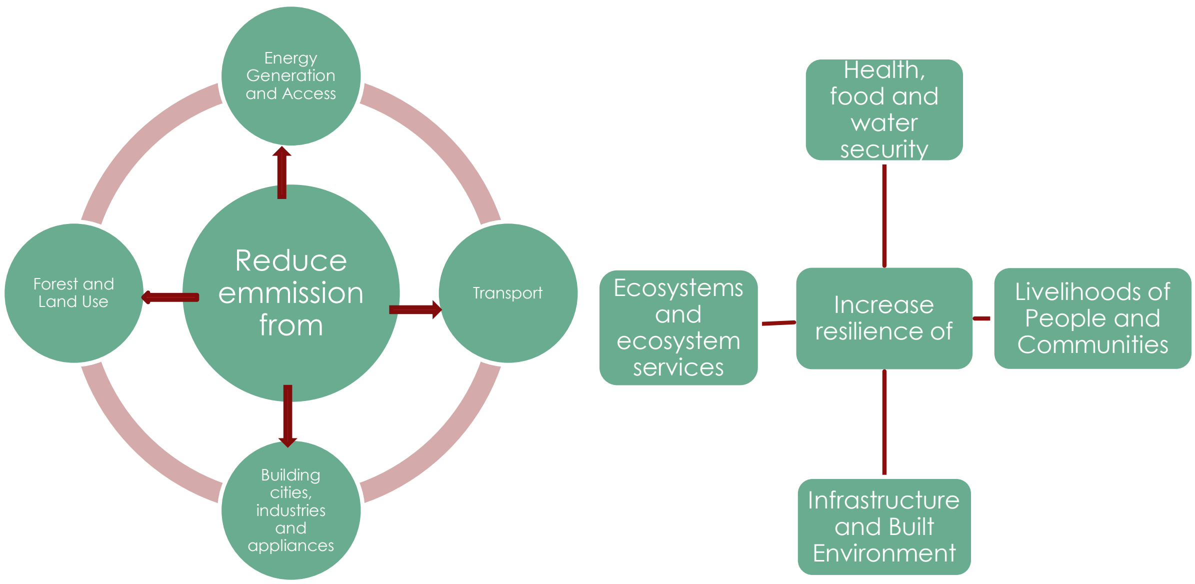

Figure 1: Eight Results Areas of the GCF

2.1 GCF Results Areas and Ghana's NDCs

Ghana's NDC is 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 (SDGs). A number of mitigation and adaptation programme actions have been proposed within the NDC framework. These strategic areas for mitigation and adaptation are also consistent with the GCF priority areas. The implementation of the programmes and projects in these priority areas are expected to help Ghana attain the low carbon development pathway and increase the resilience of the country. Table 1 highlights the main linkages between Ghana's NDCs and GCF results areas to guide the preparation and implementation of GCF funding proposals in Ghana.

Table 1: Comparison of NDCs and GCF Priority Areas

Adaptation (increase resilience)		Mitigation (Reduce emissions)	
Ghana NDCs	**GCF**	**Ghana NDCs**	**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, NDC, 2015 and GCF 2012

SECTION THREE: GCF INVESTMENT CRITERIA

The GCF has adopted an investment framework, which defined six investment criteria for assessing funding proposals. In formulating the proposal, the project proponents are therefore expected to demonstrate the projects alignment with these six investment criteria which are defined in the GCF's Investment Framework. The Fund's Investment Framework details possible indicators (or indicative assessment factors) that may help entities to quantify impact potential of mitigation and adaptation proposals. The detail investment criteria are presented in subsequent sections.

3.1 Impact potential

The proposal developers should specify the climate mitigation and/or adaptation impact of the proposed project or programme. It is also possible to have programme or project that has co-benefits or cross-cutting theme. The two core indicators for impact potential include.

- **Mitigation core indicator:** Total tons of Carbon dioxide equivalent (CO2 eq.) to be avoided or reduced per annum. For example, 3 million tCO2eq to be reduced or avoided) per the lifetime of the project.

- **Adaptation core indicator:** For adaptation projects, project developers are expected to provide expected total number of direct and indirect beneficiaries and number of beneficiaries relative to the total population (e.g. total lives to be saved from disruption due to climate-related disasters).

3.2 Paradigm shift potential

To demonstrate the paradigm shift potential of the project or programme, the proposal should demonstrate the extent to which the proposed activity can catalyse impact beyond a one-off project/programme investment, by emphasising and providing evidence for paradigm shift factors. The paradigm shift factors include: potential for scaling-up and replication (e.g. multiples of initial impact size) for both mitigation and adaptation, potential for knowledge and learning, contribution to the creation of an enabling environment, sustainability of the project beyond GCF funding, contribution to the regulatory framework and policies and innovation.

3.3 Sustainable development potential

To demonstrate the sustainable development potential of the proposed project or programme, the project proponent should describe the expected environmental, social, and economic co-benefits, as well as the gender-sensitive development impact, which will aim to reduce gender inequalities in climate change impacts. These co-benefits and wider positive impacts may be drawn from an economic, social and environmental analysis of the proposed activities.

3.4 Needs of the recipient

To demonstrate the needs of the recipient, the project developers should describe the scale and intensity of vulnerability within the country and beneficiary groups (adaptation only) of the intervention to address climate change, and elaborate on how the project or programme addresses the economic and social development level of the country and affected population, absence of alternative sources of financing and other co-financing sources, need for strengthening institutions and implementation capacity.

3.5 Country ownership

Country ownership is fundamental to all proposals submitted to the GCF. Proposals must demonstrate coherence and alignment with the country's national climate change strategy and master plan and priorities as well as Ghana's NDCs. In addition, the proponent needs to indicate the degree to which the activity is supported by a country's enabling policy and institutional framework as well as engagement with relevant stakeholders including civil society organizations and documenting the consultative processes and political buy-in.

3.6 Efficiency and effectiveness

GCF programmes and projects proposals should demonstrate economic and financial soundness. It requires proposal developers to provide supporting justification, including the calculation methodology, for these core indicators (if applicable). For instance, the estimated cost per tCO_2 eq. (total investment cost/expected lifetime emission reductions) and the expected volume of finance to be leveraged as a result of the GCF's financing, disaggregated by public and private sources.

3.7 Risks

Project proponents are expected to identify any substantial technical, operational, financial, social and environmental risks that the project/programme may face, and propose respective risk mitigation measures. Risks can be addressed by developing a risk management plan, in which the project proponent will identify foreseeable risks, estimate impacts and define responses to potential issues. A risk management plan requires a risk management strategy to determine how the identified risks can be avoided or managed through mitigation measures, to reduce the probability of the risk occurring.

3.8 Co-financing

While the GCF has no clear requirements in terms of co-financing ratio required in a project or programme, securing co-financing is highly recommended to encourage crowding in, that is, stimulating long-term investments beyond the GCF resources and up-front commitments. The GCF welcomes the opportunity of co-financing project/programmes with other climate funds or multilateral development banks, particularly in the early stages of operation as a way to quickly scale up, capitalise on and learn from the knowledge and experience of these institutions.

Co-financing can also be sought from bilateral agencies, public finance sources, private investments and other market sources and or instruments that can enhance the terms of financing and make the investment viable. Beyond these sources of co-financing, further investments that are directly or indirectly leveraged by the project can also be considered as co-financing. ***See Annex 2 for details of investment criteria, definitions and indicative minimum indicators***.

SECTION FOUR: GCF PROJECT PRIORITIZATION GUIDELINES

4.1 Project Prioritization

Project prioritization is the process of assigning special importance to particular projects based on agreed indicators or criteria. The main aim of GCF 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.

4.2 Guidelines for Prioritizing GCF Proposals

This section provides the procedural guidance to experts/evaluators to prioritize and recommend projects for consideration by GCF. Based on the review of best practices of other assessment methods by various climate funds and international financial institutions, the use of **indicative minimum benchmarks (quantitative)** and application of **scaling system (qualitative)** assessment methods have been recommended for prioritizing GCF proposals in Ghana. The GCF Board decision **GCF/B.09/07 of 2015** has also recommended this approach due its rigor because the assessors are able to combine the strengths of both assessment methods. The proposed assessment guideline also helps to effectively align proposals to the GCF investment criteria.

4.2.1 Indicative Minimum Benchmarks Assessment

The **Indicative Minimum Benchmarks** is quantitative method which uses the minimum indicative indicators aligned with the GCF investment criteria against which funding proposal are assessed. The benchmarks are intended to give assessors an early indication of whether the mitigation, adaptation or cross-cutting funding proposal broadly is aligned with the Fund's investment criteria. To apply it maximum scores have been agreed and assigned to each criterion based on the importance attached to each criterion to guide the assessors. Table 2 shows the GCF investment criteria, indicative minimum benchmarks and maximum scores assigned. Annex 1 explains how maximum scores were assigned to investment criteria by the technical committee.

Table 2: Indicative Minimum Benchmarks

Investment Criterion	Indicative Minimum Benchmark	Scoring Max Score	Score
Impact potential	• Lifetime emission reductions at least **750,000 t CO2 eq** for proposals in all other developing countries (**mitigation only**)[1] • Number of direct beneficiaries (disaggregated into male, female, youth, etc) at least **5,000** (**adaptation only**)[2]	20	xxx

	• **Cross-cutting projects**
	  ○ Mitigation (at **least 750,000 tC02**
	  ○ Adaptation (at least 5,000)
		10
		10	

Paradigm shift potential	• Potential for scaling-up and replication (e.g. multiples of initial impact size) for both mitigation and adaptation, (***at least two times that of the proposed activity in the targeted area***)[3]; • Potential for Knowledge and Learning, • Contribution to the Creation of An Enabling Environment • Sustainability of the Project Beyond GCF Funding, • Contribution to the Regulatory Framework and Policies • Innovation	20	xxx

Sustainable development potential	• Significant level of co-benefits projected in at ***least two of the four following areas***[4]: environmental, social, economic or gender-sensitive development
	  ○ creation of jobs poverty alleviation
	  ○ improvements in health and safety
	  ○ access to education,
	  ○ cultural preservation,
	  ○ improved access to energy
	  ○ increased air, water and soils quality, conservation and biodiversity; and
		10	xxx

[1] GCF: 2015. Further Development of the Initial Investment Framework: Sub-Criteria and Methodology
[2] GCF: 2015 Further Development of the Initial Investment Framework: Sub-Criteria and Methodology
[3] GCF: 2015 Further Development of the Initial Investment Framework: Sub-Criteria and Methodology
[4] GCF: 2015 Further Development of the Initial Investment Framework: Sub-Criteria and Methodology

	o Proportion of men and women in jobs created		
Needs of the recipient Country	• Clear evidence that the Fund's intervention addresses the needs of vulnerable people and groups (***defined as the most vulnerable 50 per cent of the population in terms of exposure***, sensitivity and adaptive capacity to climate change) for proposals in all other developing countries;[5] • Clear evidence that the Fund's intervention addresses the lack of alternative sources of financing or institutional capacity • Adequate description of country's financial, economic, social and institutional needs and the barriers to accessing domestic (public), private and other international sources of climate related finance	10	xxx
Country ownership	• Demonstration of alignment with a country's climate strategy or plan (NDCs) • Demonstration of how the project will help to achieve national development goals and/or climate change policies • Effective Stakeholder consultations • Political buy-in	15	xxx
Efficiency and effectiveness	• Estimated cost per t CO2 eq (defined as total investment cost/expected lifetime emission reductions) below US$ 230 per t CO2 eq for proposals in all other developing countries (mitigation only) • Probability of the risk occurring: low, medium or high. • Risk-adjusted financial rate of return above zero (applies to mitigation or private-sector proposals);	10	xxx
Co-financing	• Ratio of Co-financing or crowding in additional financing ***at least 2:1 (applies to mitigation or private sector proposals***) • Co-financing (minimum of 20% to max 50%) for adaptation only*	15	
Total Score		100	

[5] GCF: 2015 Further Development of the Initial Investment Framework: Sub-Criteria and Methodology

4.2.2 Determination of the Indicative Minimum Benchmarks Assessment

The individual assessment scores of from the indicative minimum benchmark are collated and results tallied as indicated in Table 3.

Table 3. Determination of the Indicative Minimum Benchmarks Assessment

Projects	Assessment Results								
	Assessors								
	A	B	C	D	E	F	G	Total Score	Average Score
Project A	XX	XX	XX	XX	XX	XX	XX	xx	xxx
Project B	XX	XX	XX	XX	XX	XX	XX	xx	xxx
Project C	XX	XX	XX	XX	XX	XX	XX	xx	xxx
Project D	XX	XX	XX	XX	XX	XX	XX	XX	
Project E	XX	XX	XX	XX	XX	XX	XX	XX	
Project F	XX	XX	XX	XX	XX	XX	XX	XX	

4.3 Scaling System Approach

The application of indicative minimum benchmarks cannot solely determine whether a proposal should or will be approved. Instead, it represents the minimum requirements to become eligible for further funding consideration. Funding proposals that meet or exceed the indicative minimum benchmarks are considered eligible for further funding consideration, but do not guarantee that the proposal will receive funding. Because there are other sub-criteria that are not easily quantified, based on the initial results of minimum indicative benchmarks of investment criteria, assessors are required to further do qualitative assessment of the investment criteria by assigning of **scale of low, medium or high and also provide detailed qualitative assessment findings** against each criterion and also give an overall score of the qualitative assessment. See Annex 4 for scoring guide for the scaling (qualitative Assessment). Table 4 provides for scaling and assessment findings. **Table 4 is your scaling scoring sheet. *Scoring guide has been provided in Annex 4 to guide your assessment and allocation of mark. Low (1-7), Medium (8-15), High (16-20)***

Table 4: Scaling System

Investment criterion	Scale at criteria level (Low, medium or high)		Assessment findings
	Score	**Level**	
Impact potential			
Paradigm shift potential			
Sustainable development potential			
Needs of the recipient			
Country ownership			
Efficiency and effectiveness			
Co-financing			
Political buy-in			
Summary of Assessment			**Total Score**

4.3.1 Determination of Scaling System Assessment

The assessment scores of each assessor on the indicative minimum benchmark are collated and results tallied as indicated in Table 5.

Table 5 Determination of the Scaling System

Projects	Assessment Results								
	Assessors								
	A	B	C	D	E	F	G	Total Score	Average Score
Project A	XX	XX	XX	XX	XX	XX	XX	xx	xxx
Project B	XX	XX	XX	XX	XX	XX	XX	xx	xxx
Project C	XX	XX	XX	XX	XX	XX	XX	xx	xxx
Project D	XX	XX	XX	XX	XX	XX	XX	XX	xxx
Project E	XX	XX	XX	XX	XX	XX	XX	XX	xxx

4.4 Ranking and Prioritization of Programmes/Projects

The final ranking is done by combine the scores of the minimum indicative benchmark and the scaling system and then rank the final scores. Table 6 indicates the final scores and ranking. Before final ranking it is important that the weighting is done by scaling the quantitative scores to **60%** and qualitative assessment to **40%.** This is done by multiplying the quantitative assessment score by **60 and divide it by 100** and multiplying the qualitative assessment score by **40** and divide it by **100**.

Table 6 Ranking of Programmes/Projects

Projects	Indicative Minimum Benchmarks Assessment **60%** **60/100* average total score**	Scaling System **40%** **40/100* average total score**	**Total** **100%**	**Ranking**
Project A	xx	xx	xx	1st
Project B	XX	XX	XX	2nd
Project C	XX	XX	XX	3rd
Project D	xx	xx	xx	4th
Project E	xx	xx	xx	5th
Project F	xx	xx	xx	nth

4.5 Decision Making

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

ANNEXES

Annex 1: Determination of Scores

This section explains how scores were assigned to the prioritization criteria by the technical committee.

Investment Criteria	Maximum Score	Determination of Scores
Impact and Paradigm Shift Potentials	**20**	A maximum score of **(20)** 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 and adaption impacts.
Sustainable Development Potential and Relevant to needs of Ghana	**10**	A maximum score of **(10)** 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 and meets the needs of the people 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. Also, the impacts of climate change affect women and men differently. 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 sustainable development criterion of the GCF. Potential mitigation and adaptation projects must therefore demonstrate how the project will actively and efficiently contribute to gender equity. Project proposals should also demonstrate the vulnerabilities of the target beneficiaries and justify the absence of alternative sources of funding and the need for institutional strengthening.
Promote country ownership	**15**	A maximum score of **(15)** is assigned to **country ownership** criteria. The technical committee agreed that country ownership is fundamental to all proposals submitted to the GCF. Proposals that demonstrate coherence and alignment with the country's national

		climate change strategy and master plan and priorities as well as Ghana's NDCs as well as engagement with relevant stakeholders including civil society organizations and documenting the consultative processes including political buy-in is an important criteria for Ghana.
Efficiency and effectiveness	**10**	A maximum score of **(10)** is assigned to **efficiency and effectiveness** criterion. GCF programmes and projects proposals that demonstrate economic and financial soundness is an important GCF investment criteria. While cost effectiveness is not always a strong determining factor in how funds are allocated, it does become relevant in GCF. In addition, projects that identify and address risks properly with risk management plan to avoid or manage risk.
Co-financing	**15**	A maximum score of **(15)** is assigned to co-financing criterion because co-financing is becoming an important GCF investment criterion to encourage crowding in, leveraging and stimulate long-term investments beyond the GCF resources and up-front commitments.
Total	**100**	

Annex 2: Investment Criteria and Indicative Assessment Factors

No	Investment Criterion	Definition	Indicative indicators (or assessment factors
1	Impact potential	Potential of the project/programme to contribute to the achievement of the Fund's objectives and result areas	• **Mitigation core indicator:** Expected tonnes of carbon dioxide equivalent (t CO_2eq) to be reduced or avoided per annum *For example: A renewable energy project/programme may provide the expected reduction of megawatts as a result of low-emission energy capacity installed or generated* • **Adaptation core indicator**: Expected total number of direct and indirect beneficiaries and number of beneficiaries relative to total population (e.g. total lives to be saved from disruption due to climate-related disasters) • Number of people affected by climate change related natural disasters (including deaths);
	Paradigm shift potential	Degree to which the proposed activity can catalyse impact beyond a one-off project or programme investment	• Potential for scaling up and replication • Potential for knowledge sharing and learning • Expected increase in generation and use of climate information in decision-making • Level of contributions to global low-carbon development pathways • Contribution to the regulatory framework and policies • Expected increase in generation and use of climate information in decision-making • Degree to which the activity will change incentives for market participants by reducing costs and risks, and eliminating barriers to the deployment of low-carbon solutions

			• Sustainability of outcomes and results beyond the completion of the intervention
3	**Sustainable development potential**	The expected economic, social and environmental co-benefits of project or programme investment	- **Economic co-benefits** - Total number of jobs created - Amount of foreign currency savings - Amount of government's budget deficits reduced • **Social co-benefits** - Improved access to education - Improved access to education - Improved health and safety • **Environmental co-benefits** - Improved air and/or water quality - Improved soil quality - Improved biodiversity and ecosystem services • Gender-sensitive development impact - Proportion of men and women in jobs created
4	**Needs of the recipient**	Vulnerability and financing needs of the beneficiary country and population	• Intensity of exposure to climate risks and the degree of vulnerability, including exposure to slow-onset events • Size of population and/or social or economic assets or capital of the country exposed to climate change risks and impacts • Explanation of the existing barriers that create absence of alternative sources of financing and how they will be addressed • Description of how key or relevant institutions' institutional and implementation capacity will be strengthened

5	**Country ownership**	Beneficiary country ownership of, and capacity to implement, a funded project or programme (policies, climate strategies and institutions)	• Proposal addressed the country's existing and effective climate priorities and national, local or sectoral plans, and attracts sustained high-level political support in implementing countries • Alignment of the project to existing national climate strategy • Proposal demonstrates coherence and alignment with one or more priority areas identified in the country's national climate strategies such as NDCs, NAMAs, and NAPs • Degree to which the activity is supported by a country's enabling policy and institutional framework, or includes policy or institutional changes • Demonstration of the Capacity of Accredited Entities or Executing Entities to deliver • Engagement with civil society organizations and other relevant stakeholders
6	**Efficiency and effectiveness**	Economic and, if appropriate, financial soundness of the programme/project	• Estimated cost per tCO2 eq. (total investment cost/expected lifetime emission reductions) • Expected volume of finance to be leveraged as a result of the GCF's financing, disaggregated by public and private sources • Amount of co-financing

Annex 3: Guide for Qualitative Assessment

Criteria	Indicator	Scoring guide			Determination
		Low	Medium	High	
Impact potential	• Total tons of CO_2 eq to be avoided or reduced due to the project • Number of direct and indirect beneficiaries	low Co_2 to be reduced less than 5000 beneficiaries	Moderate amount of Co2 to be reduced by the project More than 5000 beneficiaries and less than 100,000	Significant amount of Co_2 to be reduced by the project More than 100,000 beneficiaries	Project document/Analysis by expert
Paradigm shift potential	• Potential for scaling-up and replication • Potential for knowledge and learning • Contribution to the regulatory framework and policies • Sustainability • Innovation	low potential for replication no clear evidence of knowledge sharing and learning Will make low contribution to regulatory framework and policies No evidence of sustainability beyond GCF funding low innovation	Very low potential for replication Will make some contribution to regulatory framework and policies some evidence of sustainability beyond GCF funding moderate innovation	High potential for replication Will contribute high to regulatory framework and policies Very clear evidence of sustainability High innovation	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 • improved health • improved education	low job creation low potential to improve health low potential to improve education low potential to improve air quality	moderate job creation potential some potential to improve health some potential to improve education some potential to improve air quality	High job creation potential high potential to improve health high potential to improve education 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	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	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 national climate strategy and priorities	low alignment of project to national climate change priorities	Not effectively aligned to national climate change priorities	Very good alignment of project to national climate change priorities	Analysis of national climate change strategies

	Stakeholder Consultations Political buy-in • Capacity of accredited NIEs to deliver	Low stakeholder consultations Low political buy-in low capacity of NIEs to implement project	Evidence of stakeholder consultation Some evidence of political buy-in Some minimum capacity of NIEs to implement project	Evidence of political buy-in Clear evidence of stakeholder consultation High capacity of NIEs to implement project	and expert judgement Analysis of the capacities of the NIEs Documentation of engagement
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	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	Analysis of project document by expert
Efficiency & effectiveness	Estimated abatement cost per unit of CO2 eq. Total investment cost Financial viability and other financial indicators Risks	Abatement cost per unit high Investment cost high Project demonstrates low viability Project demonstrate high risks	Abatement cost per unit moderate Investment cost moderate Project demonstrates some viability Project demonstrates some minimum level of risks	Abatement cost per unit low Investment cost low Project demonstrate high viability Project demonstrate very low risks and mitigation measures	Expert judgement Expert judgement Expert judgement Expert judgement
Co-financing	Availability of co-financing	Low co-financing	Less than 50% co-financing for mitigation and private sector projects Less than 20% co-financing for adaptation projects	50% or more co-financing for mitigation and private sector projects More than 20% co-financing for adaptation projects	Project documents Expert judgement

Annex 4: Qualitative Scoring Guide

Investment criteria	**Max Score**	**Scoring Guide**
Impact potential	20	Low (1-7) Medium (8-15) High (16-20)
Paradigm shift potential	20	Low (1-7) Medium (8-15) High (16-20)
Sustainable development potential	10	Low (1-3) Medium (4-6) High (7-10)
Needs of the recipient	10	Low (1-3) Medium (4-6) High (7-10)
Country ownership	15	Low (1-5) Medium (6-10) High (11-15)
Efficiency and effectiveness	10	Low (1-3) Medium (4-6) High (7-10)
Co-financing	15	Low (1-5) Medium (6-10) High (11-15)
Total	**100**	

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