
Readiness and Preparatory Support

Proposal title:	Strengthening institutional capacities and processes to enhance project development and to increase mobilization of climate finance for the implementation of Nationally Designated Contributions (NDCs) and the Long-Term Strategy (LTS) in Chile.
Country(ies):	Chile
National Designated Authority(ies):	Ministry of Finance
Delivery Partner:	Corporación Andina de Fomento - CAF
Date of <u>first</u> submission:	14 August 2023
Date of <u>current</u> submission:	22 November 2023
Version number:	Version #2



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Section 1. Summary

1.1 Country(ies) submitting the proposal	Country name: Chile	
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1.2 Date of initial submission	14 August 2023	
1.3 Last date of resubmission	22 November 2023	Version number V. 2
1.4 Institution that will implement the Readiness grant.	<input type="checkbox"/> National Designated Authority <input checked="" type="checkbox"/> Delivery Partner	
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1.5 Title of the Readiness support proposal	Strengthening institutional capacities and processes to enhance project development and to increase mobilization of climate finance for the implementation of Nationally Designated Contributions (NDCs) and the Long-Term Strategy (LTS) in Chile.	

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1.6 Readiness Objectives of the Proposal	<input checked="" type="checkbox"/> Objective 1. Capacity Building <input checked="" type="checkbox"/> Objective 2. Strategic frameworks <input type="checkbox"/> Objective 3. Adaptation planning ¹ <input type="checkbox"/> Objective 4. Pipeline development <input checked="" type="checkbox"/> Objective 5. Knowledge sharing and learning
1.7 Total requested amount and currency	USD 399,750
1.8 Implementation period²	24 months
1.9 Is this request a multiple-year strategic Readiness implementation request?³	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
1.10 Brief summary of the request	<p>Chile is a tricontinental country with territory in South America's western and southern parts. It includes Easter Island in Oceania and extends south into Antarctica. According to Article 4, paragraph 8 of the United Nations Framework Convention on Climate Change (UNFCCC, 1992), Chile is considered a country highly vulnerable to the detrimental effects of climate change given its geographical location and some of its natural characteristics, which include, amongst others, low-lying coastal areas, arid and semi-arid regions, areas exposed to forest degradation, areas prone to natural disasters, and areas exposed to drought and desertification. Additionally, a significant part of the population is exposed to high urban air pollution and areas of fragile ecosystems, including montane ecosystems. The confluence of these factors, in addition to the negative effects of increasing global temperatures, directly impacts the socioecological landscapes across the territory and some of the most important economic sectors, such as fishing, aquaculture, water resources, biodiversity, forestry, and agriculture.</p> <p>Given the above, Chile is a country that has been concerned with maintaining the discussion of climate ambition as a priority issue not only at the international level but also at the national level through the development of climate policies. Evidence of this is that, in June 2022, Chile published its Climate Change Framework Law (LMCC), whose objective is to achieve carbon neutrality and greater resilience by 2050 at the latest. This shows that, for Chile, climate action is a State policy focused on scientific evidence, which seeks to contribute to the global goals under UNFCCC.⁴ By applying its climate policy, Chile seeks to shift its economic development models from a business-as-usual to a more climate-centered approach, contributing to the well-being of its people and ecosystems.</p>

¹ Please note that for adaptation planning proposals, only the box for objective 3 may be ticked.

² The implementation period shall begin on the date the grant is effective.

³ Please note that proposals for adaptation planning support (objective 3) cannot be submitted as multiple-year strategic Readiness proposals.

⁴ MMA. (2022). Strengthening the Nationally Determined Contributions (NDCs). Santiago, Chile. Available at: <https://cambioclimatico.mma.gob.cl/wp-content/uploads/2023/01/Chile-Fortalecimiento-NDC-nov22.pdf>

Considering the objectives established in the LMCC, the LTS, and the Nationally Determined Contribution (NDC), and more importantly, the increasing climate vulnerability of the main socioecological landscapes of the country, the government of Chile has determined the need to prioritize and enhance its engagement with the GCF to: i) increase the level of international climate financing to implement cross-cutting adaptation and mitigation actions, and ii) increase the level of participation of national entities in the process of climate change planning and implementation. To achieve this, the government of Chile has identified the need to strengthen the capacities of its NDA to assess and approve climate change projects to be presented before the GCF and bolster the role of national entities in the formulation and implementation of GCF-supported projects.

The main barriers this Readiness grant will seek to overcome are:

1. Limited operational capacities to guide, assess, prioritize, and select climate change projects that can be financed by the GCF.
2. Limited capacity to effectively engage national stakeholders that actively participate in formulating and implementing climate investments in the country, particularly from the private sector
3. Limited number of accredited direct access entities (DAEs) to support the execution of a nationally responsive GCF pipeline.
4. Limited capacity to finance climate change projects that contribute to achieving climate objectives established in the LMCC, LTS, and the NDC.

Considering the barriers mentioned above and the need to strengthen the technical and operational capacity of the NDA to effectively engage and respond to all GCF-related activities in the country, the main objective of this Readiness support is to strengthen the capacities of the NDA and its Technical Secretariat to coordinate and implement Chile's response to climate change more effectively, through more efficient and ambitious country engagement with the GCF and through the identification and support of Direct Access Entities (DAEs) that can play a vital role in the formulation and implementation of climate change project through the GCF. This includes improving various institutional and human capacities to i) further engage national stakeholders in GCF financing, ii) assess, prioritize, and approval the formulation of project ideas, concept notes, and funding proposals, iii) follow up on pipeline implementation, iv) strengthen stakeholder participation from different sectors and encourage private sector participation in climate finance, including local financial institutions, amongst others.

The direct beneficiaries of this Readiness support are the NDA and potential DAEs. Indirect beneficiaries, including private and public entities, could be engaged in climate change action supported by GCF in Chile.

1.11 List of abbreviations

Abbreviation	Meaning
APR	Annual Progress Report
CAF	Latin-American Development Bank
DAE	Direct Access Entity
FYNESA	Finance and Business Financial Services Limited
GHG	Greenhouse gas
GCF	Green Climate Fund

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IP	Indigenous People
LMMC	Framework Law on Climate Change
LTS	Long-Term Climate Strategy
MMA	Ministry of the Environment
NAP	National Adaptation Plan on Climate Change
NBS	Nature-Based Solutions
NDA	National Designated Authority
NDC	Nationally Determined Contribution
PARCC	Regional Climate Change Action Plans
PB	Project Board
PM	Project Manager
PSC	Project Steering Committee
SOFOFA	Industrial unions
UNFCCC	United Nations Framework Convention on Climate Change

Section 2. Situation analysis

2.1. Country's background and context

Chile is a tricontinental country with territory in South America's western and southern parts. It includes Easter Island in Oceania and extends south into Antarctica. The Juan Fernández archipelago and the Salas y Gómez, San Félix, and San Ambrosio islands are also part of the national territory. In addition, it includes the exclusive economic zone of 200 nautical miles and the corresponding continental shelf. It has a total area of 2,006,096 km², without considering the maritime territory (territorial sea and continental platform), which includes 755,932 km² in South America, 1,250,000 km² in Antarctica, and 163.6 km² in Oceania.⁵

According to article 4, paragraph 8 of the text of the UNFCCC, Chile is considered a country highly vulnerable to the detrimental effects of climate change given its geographical location and some of its natural characteristics, which include, amongst others, low-lying coastal areas, arid and semi-arid regions, areas exposed to forest degradation, areas prone to natural disasters, and areas exposed to drought and desertification. Additionally, a significant part of the population is exposed to high urban air pollution and areas of fragile ecosystems, including montane ecosystems; the confluence of these factors, in addition to the negative effects of increasing global temperatures, translate into direct impacts on the socioecological landscapes across the territory and to some of the most important economic sectors such as fishing, aquaculture, water resources, biodiversity, forestry, and agriculture.⁶

Given the above, Chile is a country that has been concerned with maintaining the discussion of climate ambition as a priority issue not only at the international level but also at the national level through the development of climate policies. Evidence of this is that, in June 2022, Chile published its Climate Change Framework Law (LMMC), whose objective is to achieve carbon neutrality and greater resilience by 2050 at the latest. This shows that, for Chile, climate action is a State policy focused on scientific evidence, which seeks to contribute to the global goals under the UNFCCC.⁷ By applying its climate policy, Chile seeks to shift its economic development models from a business-as-usual to a more climate-centered approach, contributing to the well-being of its people and ecosystems.

According to the national greenhouse gas (GHG) inventory, Chile's participation in GHG emissions concerning total global emissions was approximately 0.23% in 2018. Per capita GHG emissions are 2.6 tCO₂eq per capita, increasing by 413% since 1990 and 32% since 2016,⁸ which is slightly below the world average of 4.3 tCO₂eq per capita and well below the standard of the countries of the Organization for Economic Cooperation and Development (OECD), which was 8.9 tCO₂eq per capita on that same year.⁹

However, the country's emissions have increased steadily in recent decades. In 2018, the country's total GHG emissions were 112.3 MtCO₂eq, increasing by 128% since 1990 —the base year of the time series— and by 2% since 2016. The primary sources of GHG emissions are the burning of fossil fuels for electricity generation and land transport, methane emissions generated by livestock (enteric fermentation and manure management), and nitrous oxide emissions from the application of nitrogen to soil agriculture. That same year, GHG emissions by category were energy 77.4%, agriculture 10.5%, waste 6.2%, and industrial processes and product use 5.9%.¹⁰

Climate vulnerability and risk in Chile have also increased in the past decades. According to the Fourth National Communication, Chile has experienced more variable temperature and precipitation patterns, accelerated rates of cryosphere melting, fires, and more frequent and intense extreme events such as floods, tidal waves, and heat waves. On the one hand, an increase in temperature is projected throughout the national territory, with a gradient from higher to lower, from north to south, and from the

⁵ MMA. (2021). Fourth national communication of Chile. Santiago, Chile. Available at: https://unfccc.int/sites/default/files/resource/4NC_Chile_Spanish.pdf

⁶ MMA. (2021). *op.cit.*

⁷ MMA. (2022). Strengthening the Nationally Determined Contributions (NDCs). Santiago, Chile. Available at: <https://cambioclimatico.mma.gob.cl/wp-content/uploads/2023/01/Chile-Fortalecimiento-NDC-nov22.pdf>

⁸ MMA. (2022). Chile Country Program- Green Climate Fund (draft).

⁹ *op.cit.*

¹⁰ *ibid.*

Andes to the ocean. It should be noted that the average warming in Chile is less than the global average. For the near term, between 2011 and 2030, temperature increases are expected to fluctuate between 0.5°C for the southern zone and 1.5°C for the highland northern zone. For the period between 2031 and 2050, the heating pattern is expected to be maintained, albeit with higher values.

On the other hand, in terms of precipitation, a decrease between 5% and 15% is projected to occur in a vast area of the country, specifically between the Copiapó River basin and the Aysen River basin between 2011-2030. Likewise, between 2030 and 2050, a more dramatic decrease of approximately 20% in precipitation is projected to occur in the same area, specifically between the Mataquito and Aysen River Basin. Furthermore, there is scientific evidence linking at least 25% of the drought that the country has experienced since 2009, the longest temporally and spatially recorded, with anthropogenic climate change.¹¹

2.2. Institutional and Policy Framework

i) Policy Framework

Given the increasing climate risk and vulnerability in the country and the commitment of the government to achieve carbon neutrality by 2050, Chile has recently advanced in strengthening its climate change institutional, regulatory, and planning framework, mainly through the preparation and promulgation of the update to the NDC, the LTS, and LMCC, the latter becoming the most critical legislative milestone in the country.

Framework Law on Climate Change

Firstly, the LMCC establishes the foundations of governance, institutionality, instruments, and procedures to address the challenges imposed by climate change. The objective of the Law is to: i) move towards low-emission development until attaining and maintaining carbon neutrality by 2050, at the latest, ii) reduce the vulnerability and increase resilience to the adverse effects of climate change, and iii) comply with the country's international commitments on climate change. The LMCC establishes an institutional framework in which the various bodies of the State administration are endowed with a set of new competencies, functions, and obligations and assigns them the development of several climate change planning instruments, including Sectoral Mitigation and Adaptation Plans and Regional and Community Climate Change Action Plans.¹²

Additionally, the LMCC recognizes the LTS as the instrument that, in accordance with the Paris Agreement, will guide the country in a transversal and integrated manner in compliance with the objectives of the LMCC and in accordance with the commitments established in the NDC. Likewise, it regulates the preparation of the country's NDC, establishing the procedure, which includes a public consultation and a consultation with organizations such as the scientific committee. It is essential to mention that NDCs are established by the Ministry of the Environment's supreme decree (MMA) and signed by the Ministers of Foreign Affairs and Finance.¹³

Chile responds to the call for greater ambition in climate action by recognizing "climate urgency" as a principle in the LMCC. Therefore, according to the LMCC, the commitment to manage both the national budget of GHG emissions for the years 2030 and 2050 will be binding, according to the goal of neutrality and by criteria of cost-effectiveness and shared responsibilities, and the sectoral budgets for GHG emissions for the year 2030, assigned to the sectors indicated in article 8 of the LMCC. The emission reductions necessary to not exceed the respective sectoral budget will be achieved through the measures contemplated in the Sectoral Mitigation Plans (PSM), which should be prepared by 2024.¹⁴ Furthermore, to extend the commitment to climate action and communicate a sense of urgency, the LMCC states that planning instruments at the regional and community level will be binding, committing

¹¹ Center for Climate Science and Resilience (CR)2. (2015). The 2010-2015 mega-drought: A lesson for the future. Santiago, Chile. Available at: <http://www.cr2.cl/wp-content/uploads/2015/11/informe-megasequia-cr21.pdf>

¹² MMA. (2022). Strengthening the Nationally Determined Contribution (NDC). Santiago, Chile.

¹³ *op.cit.*

¹⁴ *op.cit.*

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the preparation of 16 Regional Climate Change Action Plans by 2024 and the 346 Community Climate Change Action Plans by 2025.¹⁵

Long-Term Climate Strategy

Secondly, the LTS, the planning instrument that will guide compliance with the objectives of the LMCC and the NDCs, describes the main transformations needed to achieve carbon neutrality and increase resilience no later than 2050. The LTS commitments revolve around three main elements: i) the transition of the productive sectors, ii) human settlements and life in communities, and iii) the ecosystem functions and nature-based solutions (NbS).¹⁶

By the provisions of the LTS, the main sectoral transformations in the transition towards meeting the carbon neutrality goals of the NDCs must occur around the energy, forestry, agriculture, transportation, circular economy, and mining sectors. For the energy sector, critical actions include the reduction of energy intensity and the increase in the use of zero-emission fuels. The LTS prioritizes zero-emission transport (vehicles, urban public transport, mining transport fleets) for the transport sector. For the mining sector, the LTS highlights the gradual reduction of emissions and the future use of 100% energy from renewable sources. The agricultural and forestry sector will advance in the abatement of animal waste-related emissions, the efficient use of fertilizers, and the implementation of agricultural production strategies focused on increasing climate change mitigation and progressing towards carbon neutrality of cattle farming. Finally, for the waste sector, the transformations will include reducing municipal waste generation, increasing recycling rates, and the valorization of municipal organic waste. Additionally, the LTS and updated NDC promote participation in the decision-making processes and use of NbS in public and private sector policies, plans, and programs, including territorial management and planning instruments to build resilience across multiple sectors. Thus, the set goals related to NbS for sectors such as building and cities, infrastructure, fisheries and aquaculture, water resources, and biodiversity will be met in 2025, 2030, and 2050.¹⁷

The LTS 's guidelines, objectives, and long-term goals in terms of climate change will subsequently be achieved through the implementation of several instruments, including:

- Sectoral Mitigation Plans establish the set of actions and measures to reduce or absorb GHGs and not exceed the sectoral emissions budget and to ensure compliance with the objectives and goals set by each sector. The Sectoral Mitigation Plans are being prepared by the following sectoral authorities: Ministries of Energy, Transport and Telecommunications, Mining, Health, Agriculture, Public Works, and Housing and Urbanism. According to the LTS, these plans must be ready by 2024.
- Sectoral Adaptation Plans establish the set of actions and measures to implement the objectives and goals proposed by each sector to adapt to the detrimental effects of climate change. According to the LTS, the following twelve sectors have been prioritized to elaborate the corresponding Sectoral Adaptation Plans by 2024: biodiversity, water resources, infrastructure, health, mining, energy, forestry, agriculture, fishing and aquaculture, cities, tourism, and coastal areas.
- Regional and Community Climate Change Action Plans are prepared by the Regional Committees for Climate Change (CORECC) and the Municipalities, respectively, to consolidate the actions of the Sectoral Plans that will be implemented in the territory and to establish the additional steps that will be developed in the regions through regional financing according to the local circumstances. Regional Action Plans must be elaborated by 2024. They must follow and be aligned to the guidelines of the LTS, the Sectoral Mitigation and Adaptation Plans, and the community mitigation and adaptation plans when approved.

Nationally Determined Contributions

Chile recognizes the incorporation and integration of the Just Transition concept for implementing the NDC. This forward-looking, action-oriented framework identifies public and private investment opportunities in sustainable and inclusive economic development. Just Transition draws inspiration from well-established global frameworks on climate change, human rights, labor standards, and inclusive growth. Additionally, by incorporating the Just Transition concept, the NDC promotes sustainable socio-environmental development while minimizing possible negative impacts on the most vulnerable groups and ensuring equal opportunities without leaving behind marginalized groups that could be negatively

¹⁵ *op.cit.*

¹⁶ *op.cit.*

¹⁷ *op.cit.*

affected by policies adopted to address climate change. This is particularly relevant considering the evolution towards carbon neutrality with an electricity generation matrix based mainly on non-conventional renewable energies, which will imply that measures must be designed to allow a fair and equitable transition that adequately manages the changes in the industrial workforce.¹⁸

In addition to the Just Transition sustainable development pillar, the NDC is structured around four components and eight implementing criteria, underpinned by information for clarity, transparency, and understanding. The four components are mitigation, adaptation, integration, and means of implementation. The eight implementing criteria are SDG synergy, Just Transition, water security, equity, gender equality, cost-efficiency, NbS, knowledge, and inclusive participation.¹⁹

In terms of mitigation, the NDC considers an ambitious increase in Chile's commitment to achieve the objective of the Paris Agreement, also in line with a trajectory towards GHG neutrality by 2050. This increase in ambition is consistent with what was promoted and highlighted by the country during COP25, which is reflected by Parties through decision 1/CP.25. The NDC includes the following mitigation contributions:

- M1) Chile commits to a GHG emissions budget that will not exceed 1,100 MtCO₂eq between 2020 and 2030, with a maximum GHG emissions (peak) by 2025, and to reach a level of GHG emissions of 95 MtCO₂eq by 2030.
- M2) A reduction of at least 25% of total emissions of black carbon by 2030, compared to 2016. This commitment will be implemented mainly through national policies on air quality. In addition, the goal will be monitored through permanent and periodic work to improve black carbon inventory information.²⁰

In terms of adaptation, the NDC will contribute to the global adaptation goal by reducing vulnerability, strengthening resilience, and increasing the country's adaptive capacity, mainly through increasing water security and implementing NbS. This is to protect people, livelihoods, and ecosystems, considering the urgent and immediate needs of the country, based on the best available science. Chile's contribution in terms of adaptation has two parts: i) climate change policies, strategies, and plans, and ii) areas of greatest urgency for climate change adaptation. The NDC includes the following adaptation contributions:

- A1) By 2021, the objective, scope, goals, and elements that will make up the adaptation component in the LTS will have been defined, carrying out a participatory process in which various actors will be incorporated at different territorial scales.
- A2) Coordination of climate action in adaptation at the national level will be strengthened through the National Adaptation Plan (NAP) and adaptation plans for 11 prioritized sectors, incorporating the lessons learned in implementing the first plans. These will be inputs for the adaptation communication, which will be sent to the UNFCCC no later than 2022.
- A3) By 2025, the capacities and institutions of climate change at the regional level will have been strengthened, and the implementation of adaptation and mitigation actions and the necessary means of implementation will have begun through regional action plans on climate change in 10 regions of the country, and by 2030 the 16 regions of the country will have said instrument.
- A4) During the implementation period of this NDC, the existing studies and analyses of vulnerability and risks in the country will be deepened and updated, considering the gender approach, to address the threats, which should be regarded as essential inputs for the design of adaptation measures.
- A5) By 2026, the current evaluation and monitoring system will have been strengthened through progress and impact indicators for all climate change adaptation instruments, allowing progress evaluation and compliance with the established goals.
- A6) During the implementation period of this NDC, the inclusion of non-governmental actors in the planning and implementation of adaptation instruments will be strengthened.
- A7) The country's information and management mechanisms will be increased regarding the impacts of climate change on water resources to increase its resilience.
- A8) The capacity to adapt to climate-related risks will be strengthened, as well as the ability to manage the adverse effects caused by socio-natural disasters in the country.²¹

¹⁸ *op.cit.*

¹⁹ *op.cit.*

²⁰ *op.cit.*

²¹ *op.cit.*

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Finally, regarding integration, the NDC considers contributions to circular economy, land use, land-use change and forestry, and actions transversal to ecosystems and oceans. In terms of means of implementation, it considers aspects related to capacity building and strengthening, technology development and transfer, and climate financing.²² One of the objectives included in the contribution to climate financing is to improve the institutionality of the government of Chile to access resources from the GCF, which is one of the main objectives of this Readiness support.

ii) Institutional Framework

As mentioned in the previous section, the LMCC (Law No. 21455 published in the Official Gazette on June 13, 2022) sets the goal of carbon neutrality and climate resilience no later than 2050 and establishes powers and obligations at the national level, central, regional, and local, for 17 ministries, regional governments, and all municipalities in Chile. The law also recognizes the NDCs, which contain Chile's commitments to the international community in mitigation and adaptation to climate change. It establishes the LTS roadmap that details how the country will fulfill its commitments through concrete actions, considering a 30-year horizon- as the guiding instrument to achieve its goals. The LMCC also establishes obligations for the Treasury to report public climate investment annually and for financial institutions to declare their private investments' climate impacts and risks annually.²³

To ensure effective compliance with the Law, the LMCC establishes the institutional and legal structure to deal with climate change, which represents how State agencies coordinate with other external interested parties to generate and promote concrete climate actions that allow the country's goals to be met. The institutionality of climate change in Chile is organized as shown in Figure 1.²⁴

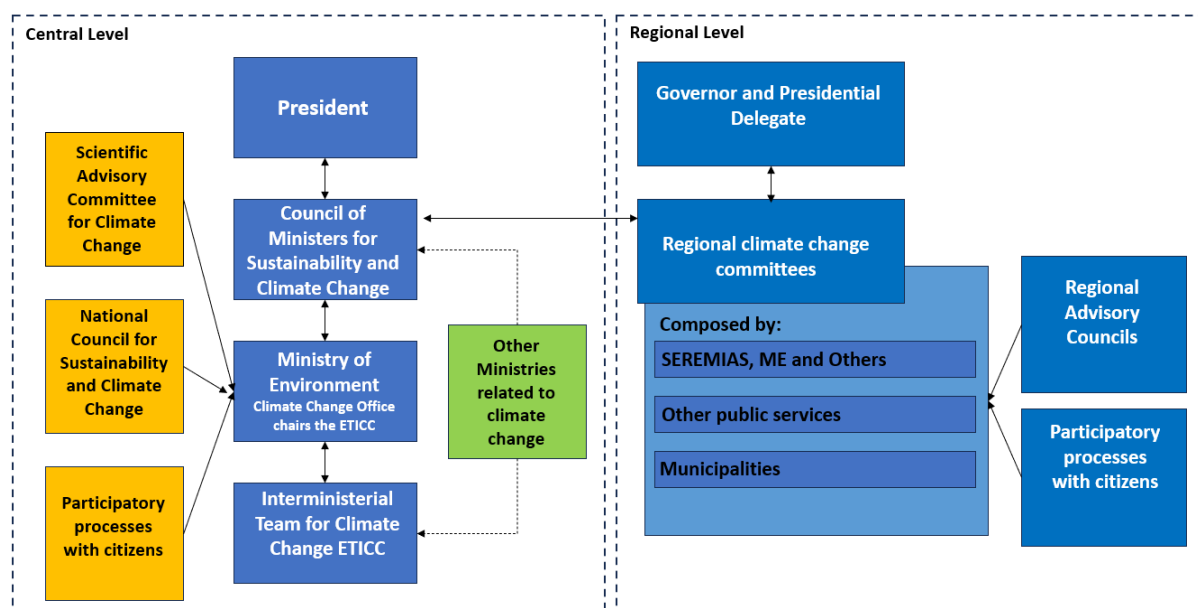


Figure 1. Climate Change Institutionality in Chile

The leading national bodies for climate change established by the LMCC relevant to this Readiness support are:

Ministry of the Environment (MMA)

Law No. 20,417 of 2010 created the MMA, the Environmental Assessment Service, and the Superintendence of the Environment. MMA must “propose policies and formulate plans, programs, and action plans on climate change. In exercising this competence, it must collaborate with the different bodies of the State Administration at the national, regional, and local level to determine its effects and establish the necessary adaptation and mitigation measures.”

²² *op.cit.*

²³ MMA. (2022). Chile Country Program- Green Climate Fund (draft).

²⁴ *op.cit.*

Division of Climate Change

In 2010, the Climate Change Office was created, which reports directly to the Undersecretary of the Environment and was in operation until June 2022. Following the promulgation of the LMCC, the Climate Change Division was created through Resolution MMA No. 664 of June 12, 2022, with four Departments: i. Climate mitigation and transparency; ii. Adaptation to climate change; iii. Climate finance and means of implementation; and iv. Ozone.

Sector authorities

The law recognizes the State bodies that have jurisdiction over climate change and defines the roles and obligations of each of them at the national, regional, and local levels. The sectoral authorities in climate change are competent in sectors representing the country's highest GHG emissions or the greatest vulnerability to climate change. These correspond to the ten ministries with obligations to prepare sectoral mitigation and adaptation plans: a. Agriculture, b. Economy, Promotion, and Tourism; c. Energy, d. Mining, e. Public Works, f. Health, g. Transport and Telecommunications, h. National Defense, i. Housing and Urbanism, and j. MMA.

Council of Ministers for Sustainability

Law 19.300 created the Council of Ministers for Sustainability, which the LMCC modified to incorporate more ministries. Today, the Council is chaired by MMA and integrated by the ministries of Agriculture, Finance, Economy, Energy, Public Work, Housing and Urbanism, Transport and Telecommunications, Social Development, Education, and Science. The Council is responsible for guiding the nation's environmental and climate policies. Its primary objective is to integrate sustainability across sectors, propose strategies for renewable resource use, and ensure ecological considerations in national decisions. It acts as a cohesive force in navigating environmental challenges. Among the public policies discussed in the Council of Ministers are the National and Sectoral Mitigation and Adaptation Plans, the NDC, and, generally, all the country's environmental regulations.

Additionally, other bodies established by the LMCC with a role in climate change planning and implementation that are relevant to this Readiness grant are:

Interministerial Technical Team on Climate Change (ETICC)

The Interministerial Technical Team for Climate Change (ETICC) was created through the National Adaptation Plan to Climate Change in 2014 and is made up of various Ministries and Public Services related to climate change policies, including the Ministry of Environment, Ministry of Public Works, Ministry of Science, Technology, Knowledge, and Innovation, Ministry of Economy, Undersecretary of Regional and Administrative Development, Ministry of Health, National Indigenous Development Corporation, Undersecretary of Fisheries and Aquaculture, Ministry of Housing and Urban Planning, Ministry of National Assets, Ministry of Mining, Ministry of Energy, Ministry of Finance, Undersecretary of Tourism and Meteorological Directorate of Chile. The ETICC collaborates with the MMA in designing, developing, implementing, updating, and monitoring climate change management instruments. Likewise, it may provide technical assistance to other bodies of the State Administration or public services with competence in the said matter.

Regional Climate Change Committees (CORECC)

The CORECCs are committees created in each of the country's administrative regions. Their members include the Regional Governor, who presides over it, the Regional Presidential Delegate, the regional secretaries of the ministries that make up the Council of Ministers established in article 71 of Law No. 19,300, on General Bases of the Environment, two representatives of the regional civil society as indicated by the respective regulation, and one or more representatives of the municipalities or associations of municipalities of the region. The Regional Ministerial Secretariat for the Environment will also exercise the Technical Secretariat of CORECCs (LAW No. 21,455, 2022).

Municipalities

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Without prejudice to the powers conferred by law, the municipalities will collaborate in the management of climate change at the local level, individually or through municipal associations, through the support and integration of the CORECCs and participation in the development of regional and community plans on climate change, by the guidelines of the LTS. Municipalities must include climate change considerations in their plans, programs, and ordinances (LAW No. 21,455, 2022).

Territorial climate action working groups

The municipalities, in coordination with the CORECC, may create territorial climate action working groups based on the specific characteristics of each territory, in which representatives of civil society and especially representatives of vulnerable groups will participate to propose and relieve the most urgent actions and measures that need to be implemented in the respective territories.

National Designated Authority

In addition to the institutions and official coordination mechanisms mentioned above, it is essential to note that the Council of Ministers for Sustainability defined, on March 14, 2016, the institutional arrangements needed to actively engage the GCF as part of the government agenda to address climate change and increase climate financing. The GCF works through a partnerships approach, uniquely positioning it as a bridge for developing countries in navigating a complex climate financing landscape. Within this partnership network, the GCF plays a catalytic role complementary to other sources of climate finance: unlocking projects that would not have happened without GCF financing or that would not have otherwise internalized rigorous climate considerations. In this way, the GCF complements multilateral development banks, development finance institutions, and other partners to crowd investment into low-emission, climate-resilient development while driving a more significant share of climate finance into adaptation.²⁵

Considering the role of the Ministry of Finance to i) efficiently manage public resources through a modern State at the service of citizens, generate conditions of stability, transparency, and competitiveness in an internationally integrated economy to promote sustainable and inclusive growth, and ii) raise potential growth through public and private, local and external investment, ensuring efficient use of resources and a profitable insertion in the world economy, from a perspective of sustainable, inclusive development, with gender equality and responsible with the environment; the Council of Ministers for Sustainability appointed the Undersecretary of Finance of the Ministry of Finance to act as the NDA to provide broad strategic oversight of the GCF's activities in the country and communicate the country's priorities for financing low-emission and climate-resilient development. The main advantages of appointing the Ministry of Finance as NDA include: i) the central role the Ministry has in many aspects of the Chilean development agenda and budget, and ii) the capacity of the ministry to engage with the private sector and include, or expand, climate concerns in a core government body rather than a niche or climate/sustainability institution. However, considering the learning curve on GCF matters and the specialized knowledge required to guide, prioritize, and assess climate investments, the specialized office on climate issues, the NDA has some constraints related to limited financial resources, people, and technical capacity, which will be discussed further in the gaps and barriers section of this Readiness support grant. Figure 2 shows the organizational chart of green financing in the Ministry of Finance.

Within its central mandates, the NDA is expected to 1) act as the focal point between the national government and the GCF, 2) approve all GCF-funded activities within the country, and 3) submit. No-Objection letters stating that funding proposals are aligned with national priorities and comply with

²⁵ Green Climate Fund. (2023). Available at: <https://www.greenclimate.fund/about/partners>

national legislation, and 4) issue and sign the documents that represent the projects that Chile submits to the Board of Directors of the GCF.

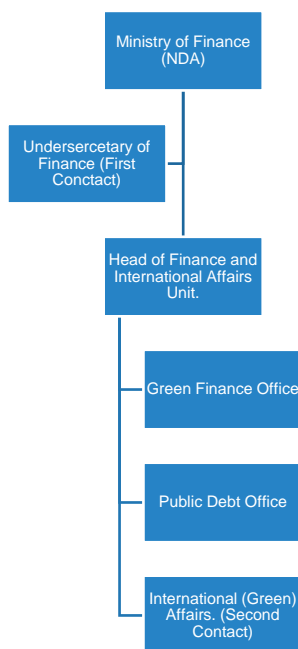


Figure 2: Organization chart of matters related to green finance – Ministry of Finance

Moreover, to support the functions of the NDA, the Council of Ministers for Sustainability established a Technical Secretariat, called the "Technical Secretariat for the Green Fund of Chile," responsible for analyzing the relevance, coherence, and integrity of the proposals that request financing from the GCF. Therefore, the Technical Secretariat is expected to provide technical recommendations to the NDA on the proposals that are considered a priority to request funding from GCF and to submit a concept of the evaluation and prioritization of investments.

The Technical Secretariat comprises the MMA, the Ministry of Foreign Affairs (MINREL), and the Ministry of Finance (NDA). Members are designated by each Minister, considering the climate change focal points already designated. The importance of including MINREL in the Technical Secretariat lies in its responsibility for conducting Chile's foreign policy on the environment, playing a strategic and active role in various international instances. Indeed, it is responsible for articulating the participation of different governmental and non-governmental actors to build a coherent and consensual policy that reflects national objectives on environmental issues in the international arena. This coordination allows Chile to present itself with a unified and cohesive voice in global forums, strengthening its capacity for influence and leadership in international discussions. On the other hand, MINREL assumes a coordination function of Chile's participation at UNFCCC COPs. This coordination allows Chile to actively influence international decisions and commitments related to environmental protection and combating climate change.

2.3. Gender equality analysis

As recognized by the IPCC in 2014, climate change affects men and women in a differentiated manner given that women are more exposed to its detrimental effects due to socially constructed roles and responsibilities, mainly related to access to natural resources and their control, the burden of unpaid work, health and safety, political voice, dependency, and poverty, among others interrelated aspects that translate into greater insecurity facing the environmental crisis. Given the above, integrating a gender perspective in the design, formulation, and implementation of climate change policies can generate solutions that allow for the recognition and measurement of differences in the impact of climate

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effects at the national and sectoral levels, as well as create policies that are effective and prevent an increase the degradation of the environment and an increase in the gaps already existing.²⁶

In line with its LMCC and NDCs, Chile's government has advanced its commitment to mainstream gender across its climate change national policies and instruments. In 2019, Chile, through the MMA and the Ministry of Women and Gender Equity, established a Gender and Climate Change Roundtable in which the gender and climate change focal points of the institutions that make up ETICC are called upon to participate continuously to incorporate gender approaches into public policy instruments. One of the first products of this multisectoral initiative was the preparation of a checklist whose objective is to facilitate incorporating the gender approach in climate change instruments. Based on this last effort, various public policy instruments have been reviewed, where members of the roundtable have generated recommendations to the respective institutions to include the gender perspective and reduce the gaps observed in formulating and/or updating policies.

In 2020, Chile also launched its first Gender and Climate Change Action Plan and its Management Manual for the Integration of the Gender Approach. It designated two focal points before the UNFCCC to monitor and report gender matters in the country. Moreover, as part of the update process of its NDCs, Chile included a specific criterion of equity and gender equality in its social pillar as part of its strategy to mainstream gender across climate change actions.

For this Readiness grant, applying a gender perspective will be critical, considering that several activities aim to strengthen technical capacities related to project formulation, appraisal, and implementation. To ensure that gender is considered and mainstreamed through the execution of this Readiness grant, the Ministry of Finance, supported by its Gender Coordination, will spearhead the technical revision of the different capacity-building materials and methodologies. This will guarantee that all training is conducted through a gender approach. Additionally, the Gender Coordination will support the revision of all Readiness deliverables to ensure that gender issues are being considered and aligned with gender commitments defined at the national and/or regional levels. For instance, considering that this Readiness grant will support the elaboration of guidelines and criteria to formulate and prioritize concept ideas, concept notes, and funding proposals, mainstreaming gender from an early stage will be vital to ensure that the Readiness outcomes are in line with the advances that the government of Chile has made in terms of gender mainstreaming and consideration.

Part of the inputs that will be considered for gender mainstreaming will be the Gender and Climate Change Action Plan, which already defines guidelines to integrate gender into climate change planning and implementation, and the Management manual for the integration of the gender approach developed by the Ministry of Environment in the framework of the commitments made during the COP25. These two inputs will be considered critical for developing many activities, including elaborating the guidelines for project prioritization and formulation and finalizing the Country Programme. The project manager, with the support of CAF and the Gender coordination, will ensure that these inputs are used and that project deliverables are aligned with its central mandates and recommendations. Moreover, this Readiness grant will engage the Gender and Climate Change Roundtable to receive inputs for mainstreaming gender in the Country Programme. The engagement will be done through bilateral meetings organized by the project manager and the Ministry of Economy.

Finally, it is essential to mention that this Readiness proposal has been designed to be executed through a gender approach so that men and women have an equal opportunity to participate and contribute to the different outcomes. This can be seen in several activities in which it has been indicated that gender-sensitive methodologies must be used to encourage equal participation.

2.4. Gaps and Barriers

²⁶ Vásquez, A., Clements, R., Pacha, MJ., Villamarín, G. (2021) Management manual for the integration of the gender approach in climate action. Ministry of Environment of Chile, United Nations Chile and Fundación Futuro Latinoamericano. Santiago de Chile, Chile.

Considering the objectives established in the LMCC, the LTS, and the NDCs, and more importantly, the increasing vulnerability of the main socioecological landscapes of the country to the detrimental effects of climate change, the government of Chile has determined the need to prioritize and enhance its engagement with the GCF to: i) increase the level of international climate financing to implement cross-cutting adaptation and mitigation actions across the national territory, and ii) increase the level of participation of national entities in the process of climate change planning and implementation. Nonetheless, to achieve this, the government of Chile has identified the need to strengthen the capacities of its NDA to assess and approve climate change proposals to be presented to GCF and bolster the role of national entities in the formulation and implementation process of GCF-supported investments.

As mentioned in the previous section, the NDA has recognized the need to strengthen its technical and operational capacities to fully undertake its role as a focal point to the GCF. For instance, the green finance office currently has only two professionals with no capacity to conduct GCF's activities, as their primary role is to lead and execute the Ministry of Finance's financial strategy. Similarly, the public debt area- temporarily responsible for acting as the focal point of the NDA- has limited operational capacities in terms of personnel to conduct all actions related to GCF engagement. Furthermore, the government of Chile has budgetary limitations to have more dedicated full-time staff at the NDA and the Technical Secretariat to comply with their roles, particularly in terms of project evaluations and stakeholder engagement. This creates inefficient work regarding the search for investment initiatives and generates delays in the delivery of documentation. Additionally, it makes an overall appreciation that Chile's NDA and its Technical Secretariat are working inefficiently, resulting in a lack of a defined pipeline and a small number of proposals presented and approved.

Additionally, as part of the formulation process of the GCF Country Programme -developed with Readiness support²⁷- other institutional, technical, and operational barriers related to the capacities of the NDA and the Technical Secretariat as the coordination unit of GCF activities in Chile were identified. These barriers were identified through consultation with different climate change planning and implementation stakeholders, including the NDA.

These barriers include:

Barrier 1. Limited operational capacities to guide, assess, prioritize, and select climate change investments that can be financed by the GCF. This barrier results from the limited technical and operational capacity of the NDA and the Technical Secretariat to participate actively in the formulation process of GCF concept notes. Even though countries' NDAs do not entirely develop GCF concept notes, the NDA of Chile should have the technical capacity to provide inputs to national entities and accredited entities accountable for developing concept notes that consider aspects such as gender mainstreaming and crowding-in. Additionally, the NDA should have the capacity to assess, prioritize, and select project ideas that respond to the objectives established in the LMCC, the LTS, and the NDCs and to coordinate the formulation process of concept notes to ensure there is no duplication of efforts and investments are complementary. Furthermore, considering the central role of the NDA in allocating public financing, the NDA should have the capacity to advise national entities and accredited entities in terms of identifying project co-financing and additional funding opportunities. Given the technical limitations of the NDA and the Technical Secretariat, Chile has not been able to advance as needed in constructing a project pipeline that addresses climate change needs in the short to medium term.

Barrier 2. Limited capacity to effectively engage national stakeholders that actively participate in formulating and implementing climate investments in the country, particularly from the private sector. This barrier results from the limited technical and operational capacities of the NDA and the Technical Secretariat to engage national stakeholders in the formulation and implementation process of the GCF concept notes and funding proposals, particularly from the private sector. This includes the limited capacity to promote the participation of private investors in climate projects, under a solid understanding of climate risks and benefits, and the identification of potential partners to steer the formulation process of GCF proposals, including the gathering of climate and socioeconomic

²⁷ Enhancing climate action with an updated Country Programme, strengthening direct access entities (DAEs) to develop a pipeline of projects and effectively implement GCF funded activities (2021-2022).

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information at the local level which is vital for the preparation of feasibility studies, concept notes, and funding proposals. Additionally, the NDA should have the technical capacity to raise awareness on GCF matters at different levels to encourage the participation of several actors, including public and private institutions, members of academia, and research centers. Furthermore, the NDA has acknowledged the need to bolster the coordination of the Technical Secretariat with Accredited Entities in multi-country projects.

Barrier 3. Limited number of national entities accredited to support the execution of a nationally responsive GCF pipeline. This barrier is a result of the limited capacity of the NDA and the Technical Secretariat to support national entities through the GCF accreditation process. It includes identifying, prioritizing, assessing, and selecting entities with the potential to support the execution of climate change investments in multiple sectors through a programmatic approach. This not only restrains the capacity of Chile to execute a GCF-responsive project pipeline but also limits the capacity of national stakeholders to engage in climate change planning and implementation processes. To address this, the NDA has recognized the need to strengthen its ability to engage with potential Direct Access Entities (DAEs) in multiple sectors and support them through technical assistance during accreditation.

Barrier 4. Limited capacity to finance climate change actions that contribute to achieving climate objectives established in the LMCC, LTS, and the NDCs. This barrier results mainly from the limited capacity of the NDA and the Technical Secretariat to systematically build a pipeline of cross-sectoral investments that are aligned with the national priorities and that respond to the GCF investment criteria. Despite the advances achieved in the formulation of the first version of the GCF Country Programme, the NDA acknowledges the need to update and finalize it so that the Programme can be utilized to implement climate change actions in the medium to long term and to leverage additional funding from the GCF, with the support from national entities.

As previously stated, the Government of Chile has made progress in shaping its strategy to address the climate change and biodiversity loss crisis in recent years. Implementing the LMCC has created and acknowledged different instruments to achieve the country's carbon neutrality and resilience goals. Furthermore, the Government of Chile has defined an LTS, a National Adaptation Plan, and Sectoral, Regional, and Communal Adaptations and Mitigation plans. These tools incorporate both technical perspectives and territorial needs, promoting a genuine productive transformation of the country towards carbon neutrality. Additionally, The Government of Chile has defined a National Strategy for Organic Waste, the National Sovereignty Strategy for Food Security, the Circular Economy Roadmap, the National Biodiversity Strategy, the latest law on Biodiversity and Protected Areas Service, and the Green Hydrogen Action Plan, among others. All these initiatives highlight the need to update the Country Programme to consider the latest institutional, regulatory, and operational framework on which the implementation of the Country Programme will be based. This will ensure that the identified projects' pipeline is aligned with the country's priorities and support the ongoing intersectoral efforts to transition to a new development model that's sustainable, carbon neutral, and in harmony with nature. Moreover, the Ministry of Finance is revising the Financial Strategy for Climate Change, which is highly relevant to the country's program and an essential input for its update.

Additionally, the following shortcomings were identified after analyzing the current state of the Country Programme. Firstly, the Country Programme pipeline includes only six GCF investments- three with a national scope and three with a regional scope- either terminated or under implementation. Therefore, there is an urgent need to update the program pipeline so that there is a longer planning horizon. Secondly, the Country Programme does not consider sources of finance additional to the GCF, which limits the capacity of the Government of Chile to identify potential sources of co-financing through the private sector or multilateral cooperation. Finally, the Country Programme does not consider the participation of Accredited Entities (AEs), which is critical for identifying and implementing potential investments.

2.5. Problem statement

Based on the need to strengthen the technical and operational capacity of the NDA to effectively engage and respond to all GCF-related activities in the country, the **main objective of this Readiness support grant** is to strengthen the ability of the NDA and its Technical Secretariat to coordinate and implement Chile's response to climate change more effectively, through more efficient and ambitious country

engagement with the GCF and through the identification and support to potential DAEs that can play a vital role in the formulation and implementation of GCF-supported climate change investments. This includes improving various institutional and human capacities to i) further engage national stakeholders in GCF financing, ii) assess, prioritize, and approval the formulation of project ideas, concept notes, and funding proposals, iii) follow up on pipeline implementation in the territory, iv) strengthen stakeholder participation from different sectors and encourage private sector participation in climate finance, amongst others, and (v) finalize a GCF Country Programme.

Three specific objectives have been identified:

1. Improve the NDA's current governance mechanism and operational capacities: Limited capacities at the NDA and the Technical Secretariat prevent the efficient identification and assessment of climate investments. For this reason, the first specific objective is to bolster the institutional capacity of the NDA to i) review and propose improvements to the GCF institutional and governance system defined at the national level, ii) formalize decision-making processes that support GCF activities more efficiently; iii) develop methodologies to assess and track project formulation and implementation through a programmatic approach that includes issues such as gender mainstreaming and private sector crowding-in, and iv) align the long-term financial strategy of the Ministry of Finance with the GCF through a more comprehensive engagement and planning.

2. Enhance the engagement mechanism between the NDA and DAEs. Limited capacities at the NDA and the Technical Secretariat prevent the efficient identification and support of potential national entities seeking accreditation by GCF. For this reason, the second specific objective is to improve the current stakeholder engagement approach to i) review and propose improvements to the current stakeholder engagement process established in the framework operation of the GCF; ii) establish procedures to assess and track the status of potential and accredited DAEs; iii) support national entities that are currently under the accreditation process; and iv) raise awareness amongst national actors to promote the participation of national entities in different sectors in the formulation and planning of GCF investments.

3. Increase national capacities to formulate GCF proposals under different financing schemes and strengthen the country's current pipeline: The lack of a systematized pipeline of climate investments that the GCF can fund limits the capacity of the country to leverage additional climate financing needed to comply with the objectives of the LMCC, the LTS, and the NDCs. Therefore, identifying potential projects and national entities that can support the implementation of national climate change priorities through a nationally agreed Country Programme is paramount to improving the country's engagement with the GCF. For this reason, the third specific objective is to revise and finalize the Country Programme by i) developing and implementing a process to identify and assess potential investments and accredited entities (incl. DAEs) that reflect the priorities of the LTS and NDCs, including gender mainstreaming and higher participation from the private sector, and ii) enhancing participation of potential investors through awareness-raising activities to foster a better understanding of climate risks and opportunities.

2.6. Beneficiaries

The direct beneficiaries of this Readiness support are the NDA and potential DAEs. Indirect beneficiaries, including private and public entities, could be engaged in climate change action supported by GCF in Chile. These include:

Public sector representatives: This Readiness grant will support the finalization of Chile's GCF Country Programme and will strengthen the capacities needed to formulate, assess, and prioritize climate investments. These will benefit public institutions, including the Ministries of Environment, Transportation and Telecommunications, women and gender equality, Public Works, Health, Mining, Energy, Agriculture, Economy, Development and Tourism, Housing and Urbanism, National Defense, and the regional and local governments, including the CORECCs.

Private sector: Through this Readiness support and specifically through the Country Programme, the government of Chile will be able to l) inform private sector actors in terms of current climate public policies and country priorities at the sectoral and subnational level and i) identify potential opportunities to leverage additional funding through blended finance mechanisms that can foster the implementation

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of climate change actions. Private sector actors will benefit from identifying potential climate investments and improved access to climate finance. Additionally, there is a public-private roundtable for green finance, which has been consolidating its work by greening the actions of financial institutions and banks in Chile under the commitment of a Green Agreement. Some of the institutions that participate in the roundtable are the Ministry of Finance, the Central Bank of Chile, Banco Estado, the Commission for the Financial Market, the Superintendency of Pensions, Investment Managers, Mutual Fund Managers, Pension Fund Managers, Insurers, the Association of Banks and Financial Institutions of Chile (ABIF) -which is a trade organization that brings together private banks and private foreign institutions that maintain offices in the country-, and Securities Intermediaries. Although financial institutions and banks are already working on greening their operations and aligning them with national commitments, this Readiness grant will seek to engage some of them through the public-private roundtable to raise awareness of the funding opportunities of the GCF-

Civil society representatives: Civil society actors, including Non-governmental Organizations, Civil Society Organizations, research centers, and academia, can play a vital role in the formulation and implementation of climate change actions that contribute to the achievements of national priorities. Therefore, as part of the GCF awareness raising and the strengthening of the Country Programme, the Government of Chile will engage actors from civil society, such as national and regional universities and their respective research centers and nonprofit foundations and organizations involved in climate action. Additionally, considering the importance of involving actors from the sub-national level, other actors such as communal Civil Society Councils, Communal Environmental Committees, neighborhood councils, potable water committees, and NGOs, in general, are also expected to be invited to participate in engagement activities, particularly related to GCF engagement and the finalization of the Country Programme.

2.7. Stakeholder engagement

This Readiness proposal was formulated with the NDA and the Technical Secretariat. Additionally, to detail the specific objectives and main barriers, inputs from a participative stakeholder analysis conducted in the framework of the Readiness grant “*Enhancing climate action with an updated Country Programme, strengthening direct access entities (DAEs) to develop a pipeline of projects and effectively implement GCF funded activities (2021-2022)*” (CHL-RS-006) were used.

2.8. Synergies and Complementarity

Chile has benefited from seven Readiness and Preparatory Support grants from the GCF, amounting to USD 3.8 million. The following table provides an overview of the support received and the potential synergies and complementariness with this Readiness grant:

Table 1. Synergies and complementarities with other Readiness support

Details of Readiness grants in the country (date of approval and implementation status/period, DP)	Objectives and key results expected/delivered	Synergies and Complementarities	Key implementation challenges and learnings
<p>Grant reference: CHL-RS-001</p> <p>Title: NDA Strengthening and Country Programming Support for Chile</p> <p>Approved budget: USD 300,000</p> <p>Duration:</p>	<p>The grant supported building the NDA's national capacity for long-term planning and strengthening. Grant activities engaged with national, subnational, and local governments, civil society, and stakeholders. from the private sector.</p>	<p>The grant will continue strengthening the NDA and promoting engagement with national, subnational, and local governments, civil society, and stakeholders. from the private sector.</p>	<p>The grant CHL-RS-001 faced challenges ensuring inter-ministerial coordination. The current grant will address those challenges by developing sound procedures to coordinate with national entities.</p>

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<p>December 15, 2016 May 31, 2018</p> <p>DP: Chilean Development Cooperation Agency</p>			
<p>Grant reference: CHL-RS-002</p> <p>Title: Direct Access Entity Support + Strategic Framework (2016)</p> <p>Approved budget: USD 700,000</p> <p>Duration: January 2, 2018 March 2, 2021</p> <p>DP: Development Bank of Latin America (CAF)</p>	<p>Grant CHL-RS-002 strengthened national capacity to design prioritized projects aligned to the NDCs. The grant-built capacities in different ministries and private sector institutions.</p>	<p>The work with the consulting company will be able to provide support and share experiences between different agencies and expand the knowledge acquired to a more significant number of expert consultants in climate financing who can help more entities.</p>	<p>The first main challenge was the adoption of the Framework Readiness and Preparatory Support Grant Agreement between CAF and the GCF to reach the first disbursement. A significant time passed between the approvals of the Readiness on the 20th of April 2017 and the first disbursement in January 2018. Secondly, and as an important lesson learned, it is essential to consider in the implementation timeline the time required for the procurement and closure of contracts, which was not included in the initial proposals.</p>
<p>Grant reference: CHL-RS-003</p> <p>Title: Support for potential accreditation and executing entities of local agencies (2017)</p> <p>Cancelled</p>	<p>N.A.</p>	<p>N.A.</p>	<p>N.A.</p>
<p>Grant reference: CHL-RS-004</p> <p>Title: Support for Strengthening public-private planning processes at the subnational level for the development of local Country Programmes.</p> <p>Approved budget: USD 700,000</p> <p>Duration:</p>	<p>CHL-RS-004's objective is to support the implementation of the Chilean National Action Plan for Climate Change (PANCC 2017-2022), which focuses on the implementation of the NDC and the voluntary commitment to 2020</p>	<p>This readiness can be complemented with RS-002 in the sense that it seeks to strengthen the development of the Country Programme with local objectives and connect the financing of Chile's regions with the Country Programme's general purposes.</p>	<p>This support has presented the main challenge of, following the government change, the new authorities have requested an adjustment to the Readiness scope to focus it on strengthening the institutions of climate change at the regional and country levels.</p>

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<p>June 4, 2017 Present</p> <p>DP: Latin American Development Bank</p>			
<p>Grant reference: CHL-RS-005</p> <p>Title: Update of the National Climate Change Adaptation Plan for the Forestry, Agriculture and Livestock Sector (2019)</p> <p>Approved budget: USD 499,695</p> <p>Duration: December 6, 2019 Present</p> <p>DP: Food and Agriculture Organization of the United Nations</p>	<p>The project aims to support the government of Chile in formulating an updated National Climate Change Adaptation Plan (NAP) for the Forestry, Agriculture, and Livestock sectors. Develop national and sub-national financing plans to implement the prioritized climate change adaptation measures.</p>	<p>It is observed that this readiness has a direct complementarity between developing adaptation plans in different areas and identifying financing gaps for the fight against climate change. These plans can help update Chile's Country Programme regarding necessary financing and project pipelines.</p>	<p>This support has presented the main challenge of incorporating the different visions that exist in terms of adaptation from civil society and relevant actors to come together in adaptation plans that allow the representation of localities and established national priorities.</p>
<p>Grant reference: CHL-RS-006</p> <p>Title: Enhancing Climate Action with an Updated Country Programme, Strengthening Direct Access Entities (DAEs) to develop a pipeline of projects and effectively implement GCF-funded Activities (2021)</p> <p>Approved budget: USD 307,918</p> <p>Duration: March 15, 2021 Present</p> <p>DP: FYNSA</p>	<p>Strengthening the coordination mechanisms between public entities and strengthening the governance. Also, its project pipeline, coordination mechanisms, and private enhancement will address capacity and technical gaps to achieve priorities set in the Climate Change Framework Law, updated NDCs, NAPs, and long-term climate strategies.</p>	<p>It is observed that this readiness has a direct complementarity between elaborating the different law initiatives for climate change in Chile, the new institutions that need financing, and the prioritization of direct access entities to propose to the Green Climate Fund.</p>	<p>The main challenge has been coordinating the development of climate action pipelines and establishing them within a framework document that considers them aligned with country priorities.</p>
<p>Grant reference: CHL-RS-007</p> <p>Title: Update of the National Climate Change Adaptation Plan (2021)</p> <p>Approved budget: USD 599,893</p>	<p>The project aims to support the Government of Chile in strengthening its national capacity and to update the National Adaptation Plan effectively and efficiently to Climate Change (NAP-2014).</p>	<p>It is observed that this readiness has a direct complementarity between developing adaptation plans in different areas and identifying financing gaps for the fight against climate</p>	<p>Lessons learned to date are related to the optimization of the processes in the initial stage since the project approval and include the involvement of all key institutions at a political and technical level to generate</p>

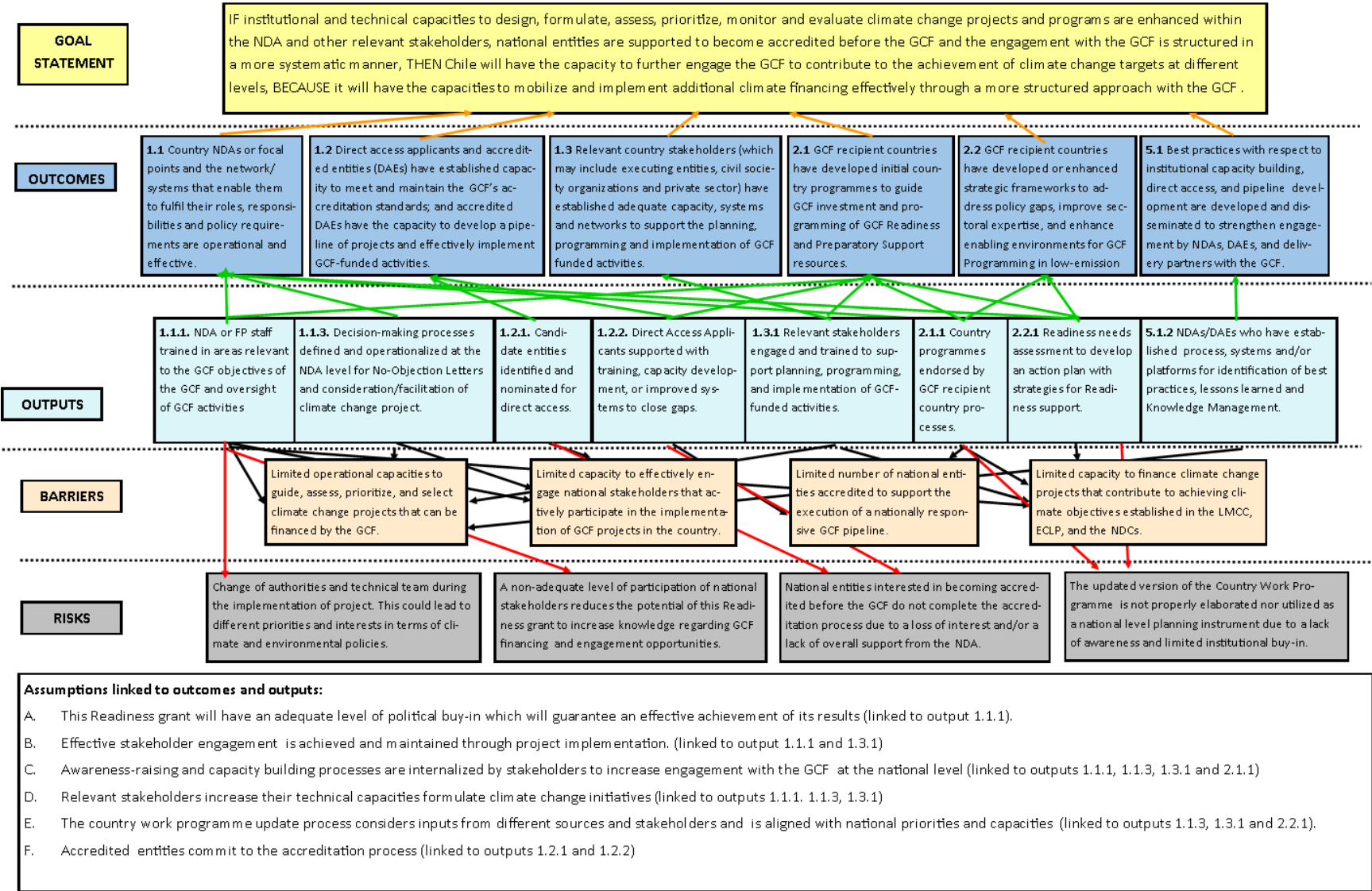
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<p>Duration: December 14, 2021 Present</p> <p>DP: Food and Agriculture Organization of the United Nations</p>		<p>change. These plans can help update Chile's Country Programme regarding necessary financing and project pipelines.</p>	<p>coherence of political policies; the elaboration of the terms of references in advance and communicate efficiently to the new authorities the relevance of the plan.</p>
<p>Grant reference: CHL-RS-008</p> <p>Title: Update of the Climate Change Adaptation Plan for Biodiversity (2021)</p> <p>Approved budget: USD 430,000</p> <p>Duration: December 14, 2021 Present</p> <p>DP: Food and Agriculture Organization of the United Nations</p>	<p>The project aims to strengthen the government's capacity to lead the adaptation process in the biodiversity sector in Chile and to update the previous NAP-Bio from 2019.</p>	<p>It is observed that this readiness has a direct complementarity between developing adaptation plans in different areas and identifying financing gaps for the fight against climate change. These plans can help update Chile's Country Programme regarding necessary financing and project pipelines.</p>	<p>Lessons have already been learned regarding the early involvement of the different divisions of the Ministry of the Environment about the different needs of the products and activities, as well as considering possible legal modifications that may affect the budget during the years of its design.</p>
<p>Grant reference: CHL-RS-009</p> <p>Title: Formulation of the National Climate Change Adaptation Plan NAP for Water Resources of Chile (2022)</p> <p>Approved budget: USD 1,470,000</p> <p>Duration: November 18, 2022 Present</p> <p>DP: Food and Agriculture Organization of the United Nations</p>	<p>The Readiness grant will support the development of a NAP for the water sector in Chile.</p>	<p>The current proposal will build on the capacities developed by the grant CHL-RS-009 related to identifying and prioritizing climate adaptation actions in Chile.</p>	<p>Grant CHL-RS-009 has been recently approved, and no lessons have been drawn.</p>
<p>Grant reference: CHL-RS-010</p> <p>Title: Regional and local capacity building for the implementation of the Climate Change Framework Law in Chile (2022)</p>	<p>The Readiness grant will strengthen the capacities of subnational public and private institutions to implement the LMCC.</p>	<p>The current Readiness proposal complements grant CHL-RS-010 by strengthening the capacities of the NDA to implement the LMCC and to support subnational entities identifying, preparing, and submitting</p>	<p>Grant CHL-RS-009 has been recently approved, and no lessons have been drawn.</p>

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Approved budget: USD 654,430 Duration: November 24, 2022 Present		climate finance proposals that align with the LMCC, LTS, and NDC.	
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Section 3. Theory of change



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The main goal of the Readiness grant is to strengthen the capacities of the NDA and its Technical Secretariat to engage with the GCF, support the identification and appraisal of climate finance proposals, support the nomination and accreditation of DAEs, and engage with a diverse group of stakeholders to implement the LMCC, LTS, and NDC.

The goal statement of the Readiness grant is: **IF** institutional and technical capacities to design, formulate, assess, prioritize, monitor, and evaluate climate change projects and programs are enhanced within the NDA and other relevant stakeholders, national entities are supported to become accredited before the GCF and the engagement with the GCF is structured more systematic manner, **THEN** Chile will have the capacity to engage the GCF further to contribute to the achievement of climate change targets at different levels **BECAUSE** it will have the capacities to mobilize and implement additional climate financing effectively through a more structured approach with the GCF.

This Readiness grant includes **eight outputs** which seek to:

- i) **Output 1.1.1. NDA or FP staff trained in areas relevant to the GCF objectives of the GCF and oversight of GCF activities.** Activities under this output will increase the capacities of the NDA the Technical Secretariat to fulfill their roles in programming and overseeing a portfolio of climate investments.
- ii) **Output 1.1.3. Decision-making processes defined and operationalized at the NDA level for No-Objection Letters and consideration/facilitation of climate change projects.** Activities under this output will improve the current process within the NDA for the assessment and approval of project ideas, concept notes, and funding proposals to speed up existing procedures and increase engagement with the GCF.
- iii) **Output 1.2.1. Candidate entities identified and nominated for direct access.** Activities under this output will support the identification of two potential DAEs that can participate in implementing climate change initiatives in Chile. The grant will also develop a procedure for the NDA to monitor and evaluate the status of the accreditation process of nominated entities and the activities of accredited DAEs in Chile.
- iv) **Output 1.2.2. Direct Access Applicants are supported with training, capacity development, or improved systems to close gaps.** Activities will support the accreditation process of two national entities through guidance and training.
- v) **Output 1.3.1. Relevant stakeholders engaged and trained to support the planning, programming, and implementation of GCF-funded activities.** Activities under this output will generate institutional and operational capacities at the subnational level -in the three macro-regions of the country- to encourage the participation of non-traditional actors in the formulation and implementation of climate change actions as well as disseminate relevant information regarding the functioning of the GCF.
- vi) **Output 2.1.1. Country programs endorsed by GCF recipient country.** Activities under this output will update and finalize the existing Country Programme so that at the end of the grant execution, a final version can be submitted to the GCF.
- vii) **Output 2.2.1. Readiness needs assessment to develop an action plan with strategies for Readiness support.** Activities will elaborate a Readiness needs assessment and a Readiness work plan to engage strategically with the GCF Readiness Programme to support the implementation of the GCF Country Programme.
- viii) **Output 5.1.2. NDAs/DAEs who have established processes, systems, and/or platforms for identifying best practices, lessons learned, and Knowledge Management.** Activities will set up a digital repository to disseminate this Readiness grant's results and report on the status of the Country Programme and engagement with national entities.

The Readiness grant will deliver these outputs following this approach:

Outputs 1.1.1. and 1.1.3. are aimed at strengthening the institutional and technical capacities of the NDA to engage further the GCF and spearhead actions at the different levels; this includes facilitating the assessment and approval process of concept notes and funding proposals to be submitted to the GCF. These outputs are also aimed at bolstering the technical capacities of other stakeholders so that relevant actors are aligned with the NDA in terms of project design and implementation. The confluence of these two factors will guarantee that more high-quality concept notes and funding proposals can be developed and submitted to the NDA for revision and approval. Output 1.1.1 will contribute to achieving outcomes 1.1 and 2.1, given that by strengthening the NDA's technical capacities, the NDA will be able

to coordinate actions at the national level that lead to further engagement with the GCF regarding accessing financing and enhanced programming. Output 1.1.3 will also contribute to the achievements of outcomes 1.1 and 2.1, given that project ideas and concepts will be able to be assessed systematically. Therefore, the NDA will have the capacity to build a more GCF-aligned pipeline and adjust the Country Programme as needed. Activities under outputs 1.1.1 and 1.1.3 will address **barrier one** on limited operational capacities to guide, assess, prioritize, and select climate change investments that can be financed by the GCF, **barrier two** on limited capacity to effectively engage national stakeholders that actively participate in the implementation of GCF investments in the country, and **barrier four** on limited capacity to finance climate change actions that contribute to achieving climate objectives established in the LMCC, LTS, and the NDCs.

These barriers will be overcome through the following activities:

Output 1.1.1. NDA or FP staff trained in areas relevant to the GCF objectives of the GCF and oversight of GCF activities.

A.1.1.1a. Conduct stakeholder consultations to identify key actors that should be involved in implementing this Readiness grant. The consultations should include a gender-based approach to identify critical actors that support gender mainstreaming in climate change at the national and sub-national levels. This activity will ensure that crucial stakeholders are mapped from the start.

A.1.1.1b. Deliver a one-day inception workshop for 15-25 people to officially launch the project and inform key stakeholders about its main outcomes and potential engagement. The workshop should be conducted through a gender approach and include key representatives for gender mainstreaming. This activity will ensure early political buy-in and will enable the technical team to identify clusters of relevant stakeholders that should be involved in training and consultation processes.

A.1.1.1c. Elaborate training materials and deliver a one-day training workshop for 15-25 people to strengthen the capacities of NDA and Technical Secretariat representatives related to their roles as GCF focal points and to effectively coordinate with nominated and accredited entities, Readiness delivery partners, executing entities, and others. This activity will inform the NDA and the Technical Secretariat of the different financing opportunities, mechanisms, and technical resources the GCF offers to leverage to finance climate action in the country. Additionally, this activity will provide detailed information on the benefits and added value of engaging the GCF in different climate investments (e.g., interest and repayment rates and opportunities for crowding in). The workshop should be conducted through a gender approach, considering gender issues relevant to GFC financing opportunities. Approximately 125 people are expected to be trained.

A.1.1.1d. Elaborate training materials and deliver five one-day training workshops for 25-40 people from the NDA, Technical Secretariat, and other relevant national stakeholders related to GCF financing (one workshop), concept and project design, and GCF modalities for project management (four workshops). The training materials will be uploaded to the digital repository to be established in activity 5.1.1a. These trainings will allow stakeholders to gain skills regarding GCF financing opportunities and project design and implementation skills, which are vital for formulating high-quality proposals to the GCF and other international funds. The workshops should be conducted through a gender approach. The training will cover the following topics, among others:

- GCF financing modalities.
- Project design, including climate rationale, feasibility analysis, cost-benefit analysis, gender mainstreaming, environmental and social safeguards, theory of change, and monitoring and evaluation.
- Proposal evaluation and approval processes, including GCF investment criteria.

A.1.1.1e. Deliver a one-day high-level closing workshop with 15-25 representatives from relevant ministries and sub-national authorities to present the main results of this Readiness grant, including the Country Programme, and elaborate a roadmap that can be used to continue bolstering the institutional and technical capacity of the GCF coordination unit and the country's engagement with the GCF. The roadmap should include a technical and operational capacity analysis that provides institutional and operational recommendations for the functioning of the NDA and the Technical Secretariat. This activity will serve as an opportunity to compile lessons and best practices.

Output 1.1.3. Decision-making processes defined and operationalized at the NDA level for No-Objection Letters and consideration/facilitation of climate change project.

A.1.1.3a. Elaborate evaluation criteria aligned with national priorities and GCF investment criteria that the NDA can use to appraise climate change proposals. The criteria should consider aspects such as alignment with the LMCC, LTS, and NDC, project feasibility, use of climate information, climate rationale, gender mainstreaming, financial mechanisms, exit strategies, the potentiality for crowding-in, co-financing schemes, and alignment with sectoral and regional priorities. This activity will enable the NDA to establish criteria to assess project proposals in a standardized manner and will provide relevant input to line ministries and other stakeholders to design impactful climate investments that respond to local needs, including adequate gender representation. The proposed evaluation criteria will be validated at a one-day meeting with 25-40 key stakeholders, including the NDA and line ministries.

A.1.1.3b. Elaborate a guideline for the technical conceptualization, formulation, and prioritization of project ideas, concept notes, or funding proposals that different stakeholders can use to select, prioritize, and design climate action projects aligned with national priorities and responding effectively to GCF criteria. The guidelines will include a template to be used by project proponents so that projects can be assessed in a standardized manner and in line with Chile's procedures and operational context. The guidelines should consider the Gender and Climate Change Action Plan, which already defines guidelines to integrate gender into climate change planning and implementation, and the Management manual for integrating the gender approach developed by the Ministry of Environment in the framework of the commitments made during the COP25. This activity will facilitate the revision and approval process of project ideas within the NDA and will serve as a vital tool for project proponents to structure high-quality proposals from the start.

A. 1.1.3c. Elaborate a roadmap that enables the NDA to continuously engage private sector actors, particularly financial institutions, to identify opportunities for collaboration in formulating and implementing climate investments. The roadmap will be implemented by the NDA and the Technical Secretariat, with support from the public-private roundtable for green finance, to inform private sector representatives on investment opportunities and needs and identify potential regulatory barriers that must be addressed to catalyze further financing in critical sectors. This activity will incentivize higher participation from the private sector, particularly local financial institutions, in current and future climate investments. The roadmap will be integrated under section 4 (policy, strategy, planning, and Institutional) of the Country Programme.

Outputs 1.2.1. and 1.2.2. will support the identification of national entities that may support the formulation and implementation of climate change initiatives and the establishment of a monitoring and evaluation framework that enables the NDA and the Technical Secretariat to assess the role of the national entities. Additionally, these outputs will support the accreditation of two Direct Access Entities. All the national entities identified should be aligned with the pipelines of projects to be included in the final version of the Country Programme. Additionally, one of the two Direct Access Entities should either come from the private sector or have strong private sector engagement experience, given the increased importance of crowding in co-financing for the submission of funding proposals. This will greatly benefit the implementation of the Country Programme and the formulation of new GCF investments. Output 1.2.1 will contribute to the achievement of outcome 1.2, given that two Direct Access Entities will be identified and selected to receive support through the GCF accreditation process. Output 1.2.2 will contribute to achieving outcomes 1.2 and 2.1, given that technical support will be provided to ensure that the two Direct Access Entities prioritized can meet and maintain GCF's accreditation standards. This outcome will also ensure that the Country Programme pipeline can be aligned with the expertise of the Direct Access Entities and, therefore, facilitate the formulation and implementation of future GCF investments. Activities under outputs 1.2.1 and 1.2.2 will address **barrier two** on the limited capacity to effectively engage national stakeholders that actively participate in the implementation of GCF investments in the country, **barrier three** on the limited number of national entities accredited to support the execution of a nationally responsive GCF pipeline, and **barrier four** on the limited capacity to finance climate change actions that contribute to achieving climate objectives established in the LMCC, LTS, and the NDCs. These barriers will be overcome through the following activities:

Output 1.2.1. Candidate entities identified and nominated for direct access.

A.1.2.1a. Elaborate on a strategic framework that enables the NDA and the Technical Secretariat to assess climate financing needs and, based on those, identify potential national

entities from the public and private sectors that can support the formulation and/or implementation of climate change projects. The strategic framework should consider the capacity of national entities to engage effectively with the private sector through financial mechanisms as a strategy for crowding in and co-financing and their ability to mainstream gender in project formulation and implementation. This activity will facilitate the selection process of national entities interested in formulating and implementing climate investments by establishing criteria that assess the entities' profile, expertise, and technical and financial capacity versus the Country Programme project pipeline.

A.1.2.1b. Elaborate a guideline that establishes a coordination mechanism to assess, prioritize, and select national entities that can support the formulation and implementation of multi-sector climate change initiatives in the country. The guideline should also propose rules for the operation of the coordination mechanism, including the roles and responsibilities. This coordination mechanism will support the NDA in the selection of national entities and will facilitate the identification of entities with the potential to become accredited before the GCF or that can actively contribute to the formulation and execution of climate investments in the country.

A.1.2.1c. Assess and prioritize two potential DAEs through the proposed coordination mechanism. The selected national entities' expertise should be aligned with the existing pipeline of projects prioritized in the latest version of the Country Programme and with other project pipelines identified at the national, regional, and local levels. Given the increased importance of crowding in co-financing to submit funding proposals, one of the two Direct Access Entities should either come from the private sector or have a solid private sector engagement experience. The prioritized DAEs should demonstrate the capacity to mainstream gender considerations to respond to GCF gender-related accreditation criteria.

A.1.2.1d. Elaborate a monitoring and evaluation framework to assess the performance of national entities in formulating and implementing climate investments and to monitor compliance with the GCF accreditation requirements and policies.

Output 1.2.2. Direct Access Applicants are supported with training, capacity development, or improved systems to close gaps.

A.1.2.2a. Develop a work plan to support the accreditation process of the two DAEs prioritized in activity 1.2.1c and a checklist of all the milestones required to complete the accreditation. This activity will enable the NDA to track the accreditation processes and support the DAEs in identifying potential bottlenecks.

A.1.2.2b. Develop capacity-building materials to support two DAEs to become accredited before the GCF and provide direct training to improve institutional, technical, and operational capacities that allow them to i) meet/ and complete the GCF's accreditation standards and ii) increase their capacity to develop a pipeline of projects and implement GCF-funded activities effectively in the country in the short-to-medium term. This activity might include improving information management systems, strengthening outreach work to convene and engage stakeholders in different regions, developing stronger Environmental and Social safeguards systems, aligning their operations with the GCF gender policy and action plan, and enhancing their monitoring, reporting, and evaluation processes and related systems. All training and capacity-building materials should be uploaded to a digital repository, such as an institutional website designated by the NDA for iterative training. Additionally, all training provided should be conducted from a gender perspective. The idea behind this activity is that at the end of grant execution, two national entities can be accredited before the GCF to become critical partners in implementing the country's work program and other initiatives.

A.1.2.2c. Progressively document the compliance process with the accreditation requirements of the two selected entities and prepare progress reports that can be shared with the PSC.

A.1.2.2d. Develop a pipeline of climate investments aligned with the national priorities included in the Country Programme and with the GCF investment criteria. This pipeline of climate investments should be integrated into the final version of the Country Programme under different planning horizons. It should also include an analysis of potential sources of co-financing in addition to GCF financing. The pipeline of projects will be revised by the Ministry of Finance, in particular the Gender coordination, to ensure that climate investments are gender-

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responsive, include gender considerations, and are aligned with the Gender and Climate Change Action Plan, which already defines guidelines to integrate gender into climate change planning and implementation, and the Management manual for the integration of the gender approach developed by the Ministry of Environment in the framework of the commitments made during the COP25.

A.1.2.2e. Evaluate the support given to the Direct Access Entities in activity 1.2.2.a to identify best practices and lessons learned that can be replicated in other accreditation processes. The analysis report should be uploaded to the digital repository established in activity 5.1.1a for future reference.

Output 1.3.1. will build subnational capacities and raise awareness in the three macro-regions of the country so that stakeholders at the local level can participate in GCF-funded activities either in the formulation or implementation phases. These enhanced capacities will facilitate identifying climate-related needs, priorities, and potential investments. Output 1.3.1 will contribute to achieving outcomes 1.3 and 2.1, given that relevant stakeholders from the public and private sectors will be engaged in training processes on GCF planning, programming, and implementation. This will ensure stakeholders can support GCF activities in the country and strengthen the enabling environment for effectively implementing the Country Programme. The activity under Output 1.3.1 will address **barrier one** on limited operational capacities to guide, assess, prioritize, and select climate change investments that can be financed by the GCF, and **barrier four** on limited capacity to finance climate change actions that contribute to achieving climate objectives established in the LMCC, LTS, and the NDCs. These barriers will be overcome through the following activities:

A.1.3.1a. Elaborate training material and deliver nine one-day training workshops for 40-50 people, three in each of the macro-regions of the country (north, central, and south), to train key stakeholders on i) GCF planning, programming, and implementation, and ii), including climate-rationale principles and theory of change structuring. One of the three training workshops in each macro-region will be aimed solely at private sector representatives. In contrast, the other two will be aimed at representatives from local authorities, academia executing entities, and civil society organizations. The private-sector training workshops will be organized preferably with the support of existing entities or platforms such as the public-private roundtable for green finance- mentioned in sub-section 2.6- to ensure a high level of participation of local financial institutions. The workshops should be conducted through a gender approach to ensure a balanced participation of men and women. Approximately 240-300 people are expected to be trained. The training will cover the following topics, among others:

- GCF financing modalities.
- Project design, including climate rationale, feasibility analysis, cost-benefit analysis, gender mainstreaming, environmental and social safeguards, theory of change, and monitoring and evaluation.
- Proposal evaluation and approval processes, including GCF investment criteria.

Output 2.1.1. Chile's Country Programme will be finalized by i) updating the latest advances in the climate change-related institutional, regulatory, and planning framework, ii) including a comprehensive program pipeline with different planning horizons, and iii) aligning the program pipeline with potential Accredited Entities. Output 2.1.1 will contribute to achieving outcomes 1.1, 2.1, and 2.2, given that by finalizing the Country Programme, the NDA will have a crucial tool to steer down GCF programming and engagement in the short to medium term. This will support the NDA to coordinate actions at the level, including identifying financing and co-financing needs and to align financing needs identified in strategic planning frameworks and the sectoral and territorial level. Activities under output 2.1.1 will address **barrier four** on the limited capacity to finance climate change actions that contribute to achieving climate objectives established in the LMCC, LTS, and the NDCs. This barrier will be overcome through the following activities:

A.2.1.1a. Update and finalize the Country Programme program to be used as an official programming instrument for climate financing leverage and execution. This includes integrating the Readiness needs assessment, the analysis of potential DAEs, and the private sector engagement roadmap. The final version of the Country Programme should consider updating the latest advances in the climate change-related institutional, regulatory, and planning

framework, ii) including a comprehensive program pipeline with different planning horizons, and iii) aligning the program pipeline with potential Accredited Entities. The programme pipeline will be developed with the support of the two selected entities to be accredited before the GCF. Additionally, proposals for climate investments will be compiled during the implementation of the workshops included in A.1.3.1a. To ensure that the Country Programme considers a gender approach, the Gender Coordination of the Ministry of Finance will play a crucial role in its revision.

A.2.1.1b. Elaborate and adopt a monitoring and evaluation mechanism to continually assess the implementation of the Country Programme, including the progress of pipeline implementation and the engagement of public and private sector representatives. This mechanism will identify good process practices, gaps, and specific needs.

A.2.1.1c. Deliver a one-day workshop for 25-40 people to validate the Country Programme with relevant stakeholders to assess its content and scope before submitting it to the GCF for revision and approval. The workshop should be conducted through a gender approach.

Output 2.2.1. will support the NDA in developing a strategic approach to the Readiness Programme so that Readiness grants can more effectively support the implementation of the Country Programme. Output 2.2.1 will contribute to achieving outcomes 2.1 and 2.2, given that by preparing a Readiness needs assessment, the NDA will have a better capacity to align future Readiness grants to the required enabling environment of future GCF investments. Moreover, a Readiness needs assessment will enable the NDA to identify institutional, operational, and financing needs more strategically, hence contributing to implementing strategic frameworks at the sectoral and territorial levels. Activities under output 2.1.1 will address **barrier four** on the limited capacity to finance climate change actions that contribute to achieving climate objectives established in the LMCC, LTS, and the NDCs. This barrier will be overcome through the following activities:

Output 2.2.1 Readiness needs assessment to develop an action plan with strategies for Readiness support.

A.2.2.1a. Develop a comprehensive Readiness needs assessment to identify the main institutional, technical, and operational gaps within the NDA and the Technical Secretariat to access climate finance and to develop and implement the investment priorities in the Country Programme. This includes identifying gaps and needs to secure appropriate gender mainstreaming mechanisms. The Country Programme elaborated under output 2.1.1 should include the assessment results.

A.2.2.1b. To complement the elaboration of the Readiness assessment, develop a comprehensive analysis of the different financing opportunities and windows that the NDA can access (national, international, public, and private), indicating those that can complement the support provided by the GCF to promote a more efficient and strategic use of climate financing at the national and local level. This could allow, for example, small projects financed by other funds to be scaled up through GCF climate investment or other sources. This activity will provide the NDA with a solid analysis of financing opportunities to plan the formulation and implementation of future climate investments more strategically.

A.2.2.1c. Based on the Readiness needs assessment and the source-financing analysis, elaborate a Readiness action plan to access Readiness resources to support the implementation of the Country Programme. The work plan should include measurable targets to support the strategic planning of the NDA. The work plan results should be included in the updated version of the Work Programme elaborated in output 2.1.1 and should consider the 2024-2027 updated GCF Readiness strategy

Output 5.1.2. will establish a digital repository - within a website administrated by the Ministry of Finance on GCF investments in the country- to disseminate results from the Readiness grant, including training materials. The repository will also support the NDA monitoring the status of the Country Programme and accreditation of nominated entities. The Ministry of Finance will be responsible for hosting the digital repository and will take the lead in managing and maintaining the platform to ensure its sustainability. Output 5.1.2 will contribute to achieving outcome 5.1 since all training materials and other relevant deliverables developed will be hosted in a digital repository to facilitate the hosting and dissemination

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of the results of this Readiness grant. The activity under output 5.1.1. will address **barrier one** on limited operational capacities to guide, assess, prioritize, and select climate change investments that can be financed by the GCF. This barrier will be overcome through the following activities:

A. 5.1.2a. Set up a digital repository to be used by the NDA and the Technical Secretariat to disseminate relevant information regarding Readiness activities and results. This platform will be used as an official repository containing information regarding i) the structure and functioning of the NDA, ii) information and training valuable material for national and accredited entities, and iii) information regarding the implementation status of the Country Programme and the GCF project pipeline.

A. 5.1.2b. Develop a series of communication products, including information capsules and infographics derived from the main Readiness results that can be incorporated into the digital repository and disseminated through the Ministry's social networks. The elaboration of the communication products should consider a gender-based methodology.

The confluence of the eight outputs described above will ultimately lead to the **project's main goal**, which is to strengthen the ability of the NDA and its Technical Secretariat to coordinate and implement Chile's response to climate change more effectively, through more efficient and ambitious country engagement with the GCF and through the identification and support of DAEs that can play a vital role in the formulation and implementation of climate change projects supported by the GCF. Therefore, **IF** institutional and technical capacities to design, formulate, assess, prioritize, monitor, and evaluate climate change projects and programs are enhanced within the NDA and other relevant stakeholders, national entities are supported to become accredited before the GCF and the engagement with the GCF is structured more systematically, **THEN** Chile will have the capacity to engage the GCF further to contribute to the achievement of climate change targets at different levels **BECAUSE** it will have the capacities to mobilize and implement additional climate financing effectively through a more structured approach with the GCF.

During the implementation of this Readiness support, the delivery partner and NDA will monitor and respond to the following **risks**: a) change of authorities and technical team during the implementation of the project; b) lack of coordination among stakeholders involved in the capacity building and dissemination processes; c) national entities interested in becoming accredited before the GCF do not complete the accreditation process due to a loss of interest and a lack of overall support from the NDA; d) the Country Programme is not utilized as a national level planning instrument due to a lack of awareness; e) activities are not complementary to other readiness activities; f) hiring and procurement delay project implementation; g) natural or external disaster that hinders its operation and h) corruption, money laundering, financing of terrorism, or other prohibited practices. The specific way CAF and the NDA will address these risks and reduce their potential impacts is further explained in section 5.3. Nonetheless, CAF and the NDA will monitor the implementation of this Readiness grant through the PM and the PSC to reduce the likelihood of any operational risks delaying the execution of the grant. Additionally, CAF and the NDA will seek to gain political buy-in from the start to maintain the commitment of the government of Chile through the implementation of the grant and thus reduce impacts related to political turnover and change in staff. Finally, there will be a strong focus on promoting stakeholder participation from the start, given the relevancy of securing involvement from different actors through grant execution.

Additionally, a series of output-linked assumptions are being considered to achieve the main goals of this Readiness grant, these include: **1)** this Readiness grant will have an adequate level of political buy-in that will guarantee an effective achievement of its results (linked to output 1.1.1), **2)** effective stakeholder engagement is achieved and maintained through project implementation (linked to outputs 1.1.1 and 1.3.1), **3)** awareness-raising and capacity building processes are internalized by stakeholders to increase engagement with the GCF at the national level (linked to outputs 1.1.1, 1.1.3, 1.3.1 and 2.1.1) **4)** relevant stakeholders increase their technical capacities to formulate climate change initiatives (linked to outputs 1.1.1, 1.1.3, 1.3.1), **5)** the Country Programme considers inputs from different sources and stakeholders and is aligned with national priorities and capacities (linked to outputs 1.1.3, 1.3.1 and 2.2.1), and **6)** national entities commit to the accreditation process (linked to outputs 1.2.1 and 1.2.2) The assumptions were considered given the experience of CAF implementing other Readiness grant and securing early political buy-in. Additionally, CAF and the NDA understand the importance of promoting broad stakeholder engagement processes to ensure that additional actors are involved in the climate change planning and implementation framework at the national and local levels.

Section 4. Logical framework

The logical framework has been shared as a separate document to this Readiness proposal using the corresponding GCF Readiness template.

Section 5. Implementation arrangements and other information

5.1. Implementation arrangements

Latin-American Development Bank (CAF). As the delivery partner for this Readiness and Preparatory support grant, CAF will be responsible for overall coordination, oversight of the implementation of activities and evaluation of the Readiness grant activities, which will be done in coordination with the Project Steering Committee (PSC) and the National Project Manager (PM).

Additionally, CAF will be responsible for i) implementation of the activities under this grant, ii) fiduciary and financial management of the funds provided by the GCF, iii) the procurement of any goods and services under the proposal following CAF's Manual on Good and Services Procurement, as reviewed by the GCF during CAF's Accreditation process, and iv) monitor and report on the implementation progress by the of the Framework Readiness and Preparatory Support Grant Agreement entered into between GCF and CAF dated 20 September 2017, as amended by the side letter dated 16 March 2022 to reflect the updated policy framework of the GCF and side letter dated 11 January 2023 to reflect new reporting requirements for each approved Readiness and preparatory support proposal (the "Framework Agreement"). CAF will ensure the transparent execution of resources, assuring that it be in accord with the budget previously presented to the GCF and that the contracting, purchases, and disbursements in general be carried out under its manuals, procedures, and regulatory guidelines.

Furthermore, CAF, with the support of the NDA and its Technical Secretariat, will follow up the development of the approved project deliverables through the monitoring of the technical products developed by the PM, the two local consultants, and the consultancy firm that will support the delivery of project activities, guaranteeing they are in agreement with the clauses established in the contracts (professional services contracts, service orders or other), ensuring quality control, and providing technical inputs in the whole process of project implementation. Regular consultations will be held between CAF, the NDA, and other relevant stakeholders, including the Ministry of Environment, to ensure that project activities adhere to the results framework in the proposal document. CAF will submit Annual Progress reports (APRs) to the GCF by the terms of the Framework Agreement.

In close coordination with CAF's GCF Focal Point, a CAF Executive from the Climate Change Coordination will be responsible for project oversight and supervision and ensuring consistency with GCF and CAF policies and procedures. The functions of this Executive will include, but will not be limited to, the following:

- I. Co-chairing PSC meetings.
- II. Undertaking the technical review of project deliverables.
- III. Preparing requests for disbursements and any other requests related to project implementation.
- IV. Clearing and delivering the APRs and Project Completion Report to the GCF.

Finally, the CAF will manage this proposal at the portfolio level through the Framework Agreement signed between CAF and the GCF. The disbursements of the grant resources from GCF to CAF shall thus follow the disbursement schedule described in the Framework Agreement. Grant funds will not be used to pay for current staff or consultants employed by the government or a beneficiary.

Ministry of Finance. The Ministry of Finance, as NDA, will support the development of all national-level activities but will not receive any grant funds or directly implement any of the activities included in this Readiness support. The Ministry of Finance will ensure the appropriate participation of national actors and stakeholders, effective use of resources, and country ownership over the different outputs to be delivered under this grant. Additionally, given the experience of the Ministry of Finance in strengthening the country's climate change framework, this will provide technical inputs to the deliverables included in this Readiness support. It is important to note that the Ministry of Finance, with

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the backing of its Gender Coordination, will be responsible for incorporating and integrating gender-related concerns and considerations through the grant implementation. Finally, the Ministry of Finance will also monitor the grant execution, as explained in section 5.4. The functions of the Ministry of Finance will consist of, but will not be limited to, the following:

- I. Cochair PSC meetings.
- II. Support CAF in preparing Terms of Reference and selecting individual consultants and/or professional services to be procured during project implementation.
- III. Provide technical inputs to the consultancy firms and/or individual consultants hired to ensure that deliverables meet the country's needs.
- IV. Undertake the technical review of project deliverables.
- V. Provide inputs to APRs and Project Completion Report.

Project Steering Committee (PSC): A PSC will be established to avoid duplication of efforts at the country level, increase the effectiveness of the project, maintain complementarity with other activities, and ensure coherence with national priorities. The PSC will be co-chaired by a representative of CAF as well as representatives of the Ministry of Finance, such as the NDA, the Ministry of Foreign Affairs, and the Ministry of Environment. The PM will serve as the secretary to the PSC. Other institutions relevant to implementing this Readiness support grant may be invited to participate in the PSC if deemed necessary, as well as national experts or consultants hired under the Readiness grant. The PSC will primarily provide oversight and advisory support, including i) overseeing project implementation and ii) reviewing annual work plans. The PSC will meet every six months, with Ad-hoc meetings held as and when necessary to discuss the project's leading performance indicators and provide strategic guidance.

Project Manager: A national Project Manager (PM) will be recruited by CAF in close coordination with the NDA. The PM will report directly to CAF and the designated focal point of the NDA. The cost of the PM will be partially covered by Project Management Costs (PMC), as envisaged in the project budget. The PM will spend about 60% of their time on technical issues related to conducting activities and about 40% on national-level project management work. The PM will coordinate national-level activities between CAF, the NDA, the consultants, and the consultancy firm hired to support the execution of the project's activities. The PM will be tasked with:

- I. Preparing and revising the annual project work plans and budgets, including analysis and reporting.
- II. Tracking and monitoring of project costs and deliverables.
- III. Maintenance of a knowledge and records management system.
- IV. Preparation of progress reports and financial management reports.

The implementation map below describes the implementation arrangements for the project, including the flow of funds, reporting lines, and provision of technical inputs:

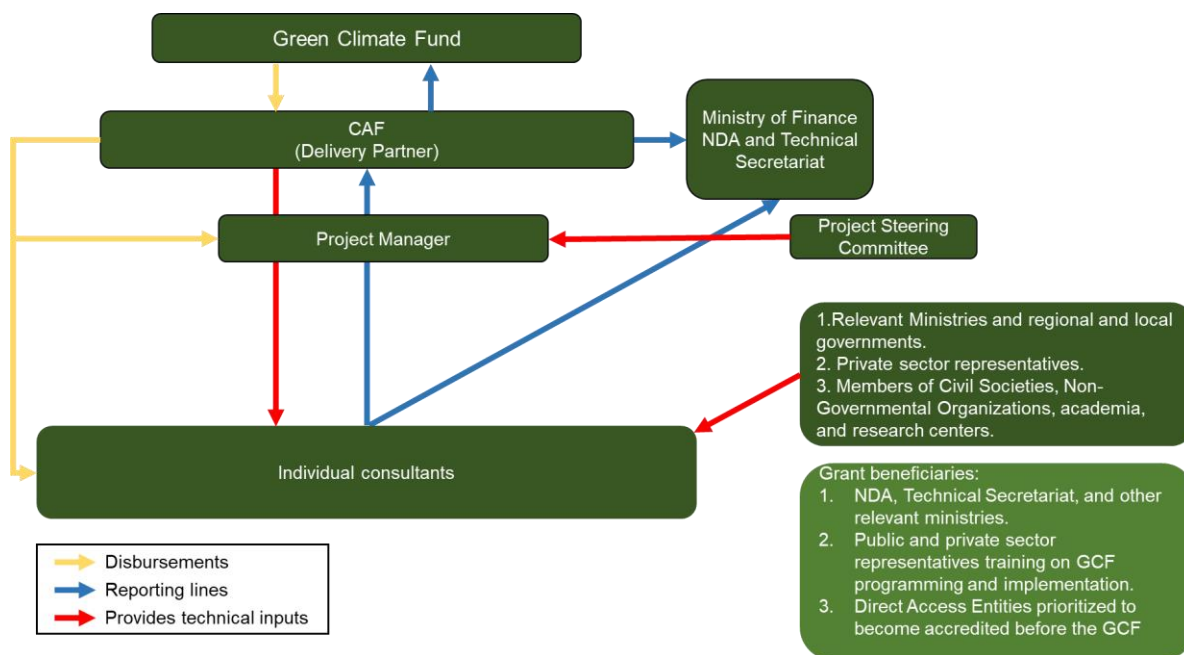


Figure 4. Implementation structure and flow funding.

5.2. Implementation and Execution Roles and Responsibilities

Entity	Position Title	Outputs	Responsibilities	Minimum Qualifications
CAF	Project Manager	All outputs.	<p>Oversee and manage the grant delivery.</p> <p>Support the overall coordination of the project, including the coordination between the main stakeholders (CAF, NDA, Government Institutions, and Consultants) to identify potential issues and ensure adequate compliance with the implementation plan.</p> <p>Engage national stakeholders to ensure an effective implementation of training and dissemination activities.</p> <p>Support the execution of all activities by delivering technical inputs and conducting detailed reviews to ensure the deliverables comply with the quality expected by CAF and the NDA.</p>	<p>Academic qualifications:</p> <ul style="list-style-type: none"> Master's degree in engineering, climate change, natural resource management, environmental sciences, or a related field. <p>Professional qualifications:</p> <ul style="list-style-type: none"> At least five (5) years of experience in the formulation and/or implementation of climate change projects and/or designing climate change planning instruments or policies at the national, regional, or local level. Demonstrated knowledge of climate change policies, planning, and implementation at the national, sectoral, and subnational levels. Demonstrated analytical capacity to contribute to technical products related to climate planning and implementation. Previous experience working on GCF-funded projects will be an asset.

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			<p>Elaborate quarterly progress reports for CAF and the NDA.</p> <p>Provide inputs for the elaboration of APRs and report to CAF and the NDA on any potential issues related to the execution of the project.</p>	<ul style="list-style-type: none"> • Demonstrated experience conducting stakeholder engagement processes, facilitation, and writing technical reports. • Demonstrated experience in mainstreaming gender considerations in planning processes related to climate change. • Experience working in the accreditation process will be an asset. <p>Language:</p> <ul style="list-style-type: none"> • Excellent written and oral communication skills in Spanish and English.
CAF	Climate change specialist	1.1.3 1.3.1 2.1.1 2.2.1	Deliver all activities in outputs 1.1.3, 1.3.1, 2.1.1, and 2.2.1.	<p>Academic qualifications:</p> <ul style="list-style-type: none"> • Master's degree in engineering, climate change, natural resource management, environmental sciences, or a related field. <p>Professional qualifications:</p> <ul style="list-style-type: none"> • At least five (5) years of experience in the formulation and/or implementation of climate change projects and/or designing climate change planning instruments or policies at the national, regional, or local level. • Demonstrated knowledge of climate change policies, planning, and implementation at the national, sectoral, and subnational levels. • Demonstrated analytical capacity to contribute to technical products related to climate planning and implementation. Previous experience working on GCF-funded projects will be an asset. • Demonstrated experience conducting stakeholder engagement processes, facilitation, and writing technical reports. • Demonstrated experience in mainstreaming gender considerations in

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				<p>planning processes related to climate change.</p> <ul style="list-style-type: none"> • Experience working in the accreditation process will be an asset. <p>Language:</p> <ul style="list-style-type: none"> • Excellent written and oral communication skills in Spanish and English.
CAF	Accreditation Specialist	1.2.1 1.2.2	Deliver all activities in outputs 1.2.1 and 1.2.2.	<p>Academic qualifications:</p> <ul style="list-style-type: none"> • Master's degree in environmental studies, environmental law, economics, engineering, or any related field. <p>Professional qualifications:</p> <ul style="list-style-type: none"> • At least five (5) years of experience developing technical products to comply with environmental and social standards in the public or private sector. • At least five (5) years of experience in climate financing and project design. • Demonstrated analytical capacity to contribute to technical products related to accreditation processes. • Experience conducting stakeholder engagement processes, facilitation, and writing technical reports. <p>Language:</p> <ul style="list-style-type: none"> • Excellent written and oral communication skills in Spanish and English.
CAF	Website and graphic designer	5.1.2	Deliver all activities in output 5.1.2	<ul style="list-style-type: none"> • Bachelor's degree in graphic design, programming, or other related areas. <p>Professional qualifications:</p> <ul style="list-style-type: none"> • At least two (2) years of experience in website design. • At least two (2) years of experience in graphic design and communication product elaboration. <p>Language:</p>

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				<ul style="list-style-type: none"> Excellent written and oral communication skills in Spanish and English.
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5.3. Risk and Mitigation Measures

5.3.1 Risk Assessment and Risk Monitoring Plan

Risk category ²⁸	Specific risk(s) / Risk(s) Description	Probability of occurrence (low, medium, high)	Impact level (low, medium, high)	Mitigation action(s) If relevant, specify the strategies adopted by the ongoing readiness grant in the country to mitigate the risks.	Entity(ies) responsible to manage the risk(s)
Political	Change of authorities and technical team during the implementation of the project. This could lead to different priorities and interests regarding climate and environmental policies.	Medium	Medium	This risk will be mitigated through the implementation of the PSC. The main objective of the PSC is to keep all relevant stakeholders informed about the execution of the grant, and, In the case of a change of authorities, CAF will rapidly involve the new authorities in the PSC and will provide a technical description of the project to ensure political buy-in.	NDA
Stakeholder engagement	Lack of coordination among stakeholders involved in the capacity-building and dissemination processes.	Medium	Medium	The NDA, with the support from the PM, will promote high-level participation and involvement of key stakeholders at the national and sub-national levels.	NDA CAF
Implementation	National entities interested in becoming accredited before the GCF do not complete the accreditation process due to a loss of interest and/or a lack of overall support from the NDA.	Low	High	To ensure that this Readiness grant will support entities committed to being accredited before the GCF, this Readiness grant will implement a process for identifying and prioritizing entities that will receive support. This process should help filter out entities not committed to pursuing the accreditation process. Additionally, this grant will be partially	NDA CAF

²⁸ Risk categories can include Operational, Political, Stakeholder engagement, Implementation, Natural-hazards related disasters, Unsustainability, Compliance, Money laundering, terrorist financing and prohibited practices, etc.

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				used to provide continuous support to the selected entities to ensure technical support and overview through the process.	
Implementation	The Country Programme is not utilized as a planning instrument due to a lack of awareness and limited institutional buy-in.	Low	High	To finalize the Country Programme, a participatory approach will be implemented. Relevant stakeholders will be consulted to update the pipeline of projects currently included. This will promote transparency over the process and increase awareness of the importance of the Country Programme as a national planning instrument. Additionally, At the end of the project execution, a high-level workshop with representatives from relevant ministries and sub-national authorities will be conducted. This workshop will present and highlight the Country Programme to promote political buy-in.	CAF
Operational	Activities are not complementary to other Readiness activities	Low	Low	The PM will hold regular meetings with the NDA to avoid duplication and overlap to identify complementary activities with other Readiness and projects under implementation.	CAF
Operational	Hiring and procurement delay project implementation	Medium	Medium	A three-month inception period has been considered at the start of the project to mitigate the risk of significant delays in project execution. During this time, CAF will advance in hiring the local consultants included in the procurement plan.	CAF
Implementation	Natural or external disasters hinder activities.	Low	Low	A contingency plan will be developed, envisaging possible disruptions and the effect of external disruptions.	CAF
Compliance	Anti-money Laundering and Counter-Financing	Low	High	The project will be implemented by CAF regulations, rules, and policies regarding Anti-	CAF

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	<p>Terrorism, harassment, and other misconduct and prohibited practices.</p>			<p>Fraud and Anti-Corruption. Additionally, the financial management and procurement will be guided by CAF's Financial Regulations, Rules, and practices, ensuring transparent practices in all operations.</p> <p>The risk of GCF proceeds being utilized for prohibited practices, money laundering, or terrorist financing will be mitigated through appropriate legal instruments to ensure compliance with the GCF Policy on Prohibited Practices.</p> <p>All contracts signed in the framework of this project shall include a contractual obligation to ensure that individual consultants and/or professional firms comply with the Anti-Fraud and Corruption Framework of the UN and GCF Prohibited Practices.</p>
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5.3.2 Sanctions and Restrictive Measures

No individual or entity listed on any UN Security Council sanctions list, including the UN Consolidated Sanctions list, will be involved in any manner with the project or its activities, either as a counterparty, implementer, or beneficiary. To guarantee the above, CAF will perform a screening of the project manager, the two local consultants, and the consultancy firm to be procured to ensure that these are not sanctioned in any way that may prejudice project implementation.

5.3.3 Grievance Redress Mechanisms

CAF has a Mechanism for the Prevention of Prohibited Practices (*Prevención de Prácticas Prohibidas* | CAF), which will be shared at the start of the Readiness grant with the three individual consultants and the consultancy firm for dissemination during the consultation and stakeholder engagement processes. This mechanism can be used to report complaints and allegations of impropriety, wrongdoing, or other related issues and will serve as a channel for CAF to monitor any issues during project implementation. Additionally, CAF will set up a direct email through which any complaints and/or allegations can be reported. This email address will be included in all presentations so project stakeholders know their existence.

Furthermore, CAF set up a Mechanism for Environmental and Social Complaints as one of the relevant instruments for the comprehensive management of environmental and social risks, contributing to the change in CAF's culture in promoting access to information and making the entity a more transparent institution. The Mechanism for Environmental and Social Complaints will address and manage the claims or concerns of individuals or communities potentially affected by adverse impacts that CAF operations may have on them or the environment. Additionally, this mechanism will help ensure the

adequate environmental and social performance of said operations and the development of harmonious and constructive relationships with communities and interest groups. The way individuals and communities can access this resource will be disseminated in all Readiness presentations so that people know its existence.

5.4. Monitoring

As the Delivery Partner, CAF will agree with the NDA on a plan to monitor the implementation of the activities using the grant proceeds. The PM will implement this monitoring and evaluation plan and ultimately will be responsible for tracking down the progress of the Readiness grant under the supervision of CAF and the NDA. The PM will be expected to develop quarterly progress reports to document successes, challenges, and lessons learned from implementing the Readiness activities, including all other complementary activities. CAF will present the progress reports in the PSC meetings held every six months to present successes, challenges, and lessons learned so that all members can discuss these. This will enable the PSC to identify potential issues related to project implementation and introduce the corresponding adjustments.

The PSC will be critical in monitoring progress, providing oversight and advisory support, including a) overseeing project implementation and b) reviewing the budget and work plan periodically. The PSC will meet every six months with ad-hoc meetings held as and when necessary to deal with emerging issues, discuss the project's main performance indicators, and provide strategic guidance. Furthermore, CAF will submit Annual Progress Reports to the GCF (APRs) according to the terms of the Framework Agreement between the GCF and CAF; CAF will be responsible for preparing and submitting the Project Completion Report and the Annual Portfolio Audit Report to GCF.

Additionally, minutes and reports will be developed summarizing main messages, lessons learned, challenges, and opportunities for all implemented meetings, workshops, and training activities. These reports will serve as verification for several of the activities expected to be conducted in the framework of this Readiness grant. All workshops' reports will be uploaded to the official digital repository, set up as part of activity 5.1.2a to disseminate the Readiness results further. Additionally, workshop reports will be shared with the NDA to disseminate the lessons learned and highlight the most critical aspects of the presentations and discussions. Pre and post-training evaluations will also be conducted to verify all training and capacity-building activities, assess the activities' effectiveness, and extract lessons learned and good practices. Finally, the workshop reports will also be used by the PM as a crucial input to develop the quarterly progress reports that will be shared with CAF, the NDA, and other important stakeholders such as the Technical Secretariat of the NDA and the Ministry of Environment to keep all project stakeholders up to date regarding the implementation status of the Readiness grant. Since the NDA will revise the progress reports, this will have the opportunity to add to, adjust, and verify its contents.

CAF, as the delivery partner, will also conduct technical meetings with the NDA, the Ministry of Environment, the Technical Secretariat, and the Readiness team- consultants and consultancy firm focal point- every quarter to follow up on the implementation of the Readiness and monitor the performance of the activities. As part of these meetings, the PM is expected to present the progress reports and do a follow-up to the implementation plan for the Readiness grant. Although the implementation plan included in the Readiness proposal is output-based, the project manager will be expected to elaborate an activity-based implementation plan at the start of the project execution to provide a more detailed schedule of the milestones and deliverables (workshop potential dates, deliverables, milestones, and deadlines, amongst others).

Finally, since government representatives will participate in many activities of this grant and will benefit from training, the objective is to strengthen institutional and technical capacities that will remain after completion. In this sense, all these strengthened actors will be expected to continue disseminating and sharing experiences in their day-to-day work. In terms of learning, the objective of this Readiness support is to provide the NDA and other relevant stakeholders with knowledge and tools to enhance their engagement with the GCF through a more programmatic approach and through an increased capacity to develop project ideas, concept notes, and funding proposal that can be submitted to the

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GCF. Therefore, all training and capacity-building processes aim to strengthen learning and best practices that can be incorporated into day-to-day operations.

5.5. Other relevant information

Selection of Delivery Partner: CAF-Latin American Development Bank- has been selected as the delivery partner for this Readiness grant based on its broad experience and knowledge supporting the institutional strengthening and country engagement with the GCF. Since the start of the GCF Readiness Programme, CAF has supported the implementation of Readiness grants aimed at bolstering institutional capacities and promoting a more structured country engagement with the GCF. Therefore, CAF has the experience to guide the development of the deliverables included in this Readiness support and to continuously provide technical support, especially related to the development of the Country Programme.

Additionally, given the broad experience of its climate change unit in the design, structuring, and implementation of climate change projects in the region, CAF has acquired expertise in the development of technical products that contribute to the formulation of innovative climate change projects funded by other international funds including the Global Environment Facility and the Adaptation Fund, which can significantly contribute to the execution of this Readiness grant- particularly in the strengthening framework of the Country Programme.

The selection of CAF as the delivery partner was a high-level decision the Chilean government took as part of its strategy to bolster the capacity of the NDA and its technical secretariat to engage the GCF in a more structured manner. Additionally, given the previous experience that the NDA had with CAF in implementing other Readiness grants, the NDA decided to select CAF for formulating and implementing this Readiness grant. It is also important to mention that Chile is a full member of CAF, and therefore, it has long-standing working experience in several sectors, including climate change.

Exit and sustainability strategy: The main aim of this Readiness support is to create institutional and technical capacities in the NDA and its Technical Secretariat to better engage with the GCF and have a more programmatic approach to climate change planning in the country. Therefore, the exit and sustainability strategy of this Readiness grant will be based on bolstering the technical capacities of several stakeholders, including the NDA and the Ministry of Environment, so that these can increase the country's capacity to access climate finance from the GCF and potentially other international funds. To achieve this, this Readiness grant will create capacities at different levels through capacity-building workshops as well as dissemination workshops to ensure that relevant stakeholders have the know-how and the capacity to engage with the GCF and to formulate project ideas, concept notes, and funding proposals that are aligned with the LMCC, LTS, and the NDCs and meet GCF investment criteria.

Additionally, this Readiness grant will finalize the Country Programme so that the government of Chile has a more programmatic approach to the GCF. This will include the identification of a pipeline of projects that can be structured and submitted to the GCF, as well as the identification of potential accredited entities and implementing partners that can support the formulation and implementation of these projects in the short-to-medium term. This will not only provide Chile with a pipeline of projects, but it will also provide opportunities for national entities to participate in climate financing and strengthen their capacities. Finally, this Readiness grant will support the accreditation process of two national entities so that these entities become critical players in implementing climate change initiatives in the country and can support the sustainability of these Readiness results after project completion.

Additionally, it is essential to mention that for all capacity building and dissemination of information activities, minutes and reports will be elaborated and disseminated to increase their scope further. This will be essential to replicate capacities in other stakeholders. Finally, an official digital repository will be set up as part of activity 5.1.1a so a broader audience can upload and access all capacity-building and raise-awareness material. This includes all materials used to support the accreditation process of the two national entities and all materials used to strengthen the knowledge regarding the functioning of the GCF and the capacities to structure project ideas, concept notes, and funding proposals.

Grant closure: All reports, products, processes, documents, and other materials generated in implementing this project using GCF funding will be shared with the NDA and freely available to all

stakeholders. Considering that no purchase of goods is planned in the framework of this Readiness grant, CAF won't need to transfer any assets to the NDA. In the case goods need to be procured, with the prior approval of the GCF, CAF will ensure that the assets are transferred to the NDA towards the end of project completion.

Section 6. Budget, Procurement, HR, and Implementation plans:

The budget, procurement, HR, and implementation plan have been shared as a separate document to this Readiness proposal using the corresponding GCF Readiness template.

Objective 1 Capacity Building	<p>Outcomes</p> <p>Outcome 1.1</p> <p>Country NDAs or focal points and the network/ systems that enable them to fulfil their roles, responsibilities, and policy requirements are operational and effective.</p>	<p>Outputs</p> <p>Output 1.1.1</p> <p>NDA or FP staff trained in areas relevant to the GCF objectives of the GCF and oversight of GCF activities</p>	<p>Indicators</p> <table border="1"> <thead> <tr> <th data-bbox="802 272 1050 313">Indicator</th> <th data-bbox="1050 272 1270 313">Target</th> <th data-bbox="1270 272 1512 313">Mov</th> <th data-bbox="1512 272 1795 313">Notes</th> </tr> </thead> <tbody> <tr> <td data-bbox="802 313 1050 597"> <p>Indicator 1.1.1.1</p> <p>Has the NDA or FP staff been trained on the operations of the Country Coordination Mechanism?</p> </td> <td data-bbox="1050 313 1270 597">Yes</td> <td data-bbox="1270 313 1512 597">Gender disaggregated training reports and Pre- and post-training evaluation.</td> <td data-bbox="1512 313 1795 597"></td> </tr> <tr> <td data-bbox="802 597 1050 1096"> <p>Indicator 1.1.1.2</p> <p>Has the NDA or FP staff acquired technical training in GCF modalities for concept or project design [the definition then goes into investment criteria, feasibility analysis, CBA, Gender, IP, ESS]</p> </td> <td data-bbox="1050 597 1270 1096">Yes</td> <td data-bbox="1270 597 1512 1096">Gender disaggregated training reports and Pre- and post-training evaluation.</td> <td data-bbox="1512 597 1795 1096"></td> </tr> <tr> <td data-bbox="802 1096 1050 1562"> <p>Indicator 1.1.1.3</p> <p>Has the NDA or FP staff acquire technical training in GCF modalities for project management [The definition then goes into M&E, Fiduciary mgmt., Gender, IP, ESS, etc.]</p> </td> <td data-bbox="1050 1096 1270 1562">Yes</td> <td data-bbox="1270 1096 1512 1562">Gender disaggregated training reports and Pre- and post-training evaluation.</td> <td data-bbox="1512 1096 1795 1562"></td> </tr> </tbody> </table>				Indicator	Target	Mov	Notes	<p>Indicator 1.1.1.1</p> <p>Has the NDA or FP staff been trained on the operations of the Country Coordination Mechanism?</p>	Yes	Gender disaggregated training reports and Pre- and post-training evaluation.		<p>Indicator 1.1.1.2</p> <p>Has the NDA or FP staff acquired technical training in GCF modalities for concept or project design [the definition then goes into investment criteria, feasibility analysis, CBA, Gender, IP, ESS]</p>	Yes	Gender disaggregated training reports and Pre- and post-training evaluation.		<p>Indicator 1.1.1.3</p> <p>Has the NDA or FP staff acquire technical training in GCF modalities for project management [The definition then goes into M&E, Fiduciary mgmt., Gender, IP, ESS, etc.]</p>	Yes	Gender disaggregated training reports and Pre- and post-training evaluation.		<p>Activities</p> <p>1.1.1a. Conduct stakeholder consultations to identify key actors that should be involved in implementing this Readiness grant.</p> <p>1.1.1b. Deliver a one-day inception workshop to launch the Readiness support officially.</p> <p>1.1.1c. Conduct a one-day training workshop for the NDA and the Technical Secretariat on key aspects of their role as focal points before the GCF.</p> <p>1.1.1d. Conduct five one-day training workshops for relevant stakeholders on GCF matters.</p> <p>1.1.1e. Conduct a one-day high-level closing workshop.</p>
Indicator	Target	Mov	Notes																				
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Output 1.1.3
Decision making processes defined and operationalized at the NDA level for No-Objection Letters and consideration/facilitation of climate change projects.

Indicator	Target	Mov	Notes
Indicator 1.1.3.2 Has the NDAs developed any processes, tools, or systems for the consideration and facilitation of climate change projects?	Yes	Guideline for the technical conceptualization, formulation, and prioritization of project ideas, concept notes, or funding proposals.	

1.1.3a. Agree on evaluation criteria to formulate climate change projects aligned with national priorities.

1.1.3b. Formulate a guideline for the technical conceptualization, formulation, and prioritization of project ideas, concept notes, or funding proposals.

1.1.3c. . Elaborate a roadmap to engage private sector actors in formulating and implementing climate investments.

Outcome 1.2
Direct access applicants and accredited entities (DAEs) have established capacity to meet and maintain the GCF's accreditation standards, and accredited

Outputs	Indicators				Activities								
Output 1.2.1 Candidate entities identified and nominated for direct access.	<table border="1"> <thead> <tr> <th>Indicator</th> <th>Target</th> <th>Mov</th> <th>Notes</th> </tr> </thead> <tbody> <tr> <td>Indicator 1.2.1.1 Number of candidate entities nominated for direct access with the support of a Readiness grant, as a result of prioritization</td> <td>2</td> <td>List of candidate entities identified to potentially support the formulation and execution of climate change projects and initiatives in the country</td> <td></td> </tr> </tbody> </table>	Indicator	Target	Mov	Notes	Indicator 1.2.1.1 Number of candidate entities nominated for direct access with the support of a Readiness grant, as a result of prioritization	2	List of candidate entities identified to potentially support the formulation and execution of climate change projects and initiatives in the country					<p>1.2.1a. Elaborate a strategic framework that enables the NDA and the technical Secretariat to assess climate financing needs.</p> <p>1.2.1b. Elaborate a guideline that supports the establishment of a coordination mechanism.</p> <p>1.2.1c. Analyze potential national entities that can</p>
Indicator	Target	Mov	Notes										
Indicator 1.2.1.1 Number of candidate entities nominated for direct access with the support of a Readiness grant, as a result of prioritization	2	List of candidate entities identified to potentially support the formulation and execution of climate change projects and initiatives in the country											

	DAEs have the capacity to develop a pipeline of projects and effectively implement GCF-funded activities.		process, with a nomination letter				support the implementation of multi-sector climate change initiatives in the country and conduct a screening process.									
							1.2.1d. Elaborate an evaluation and monitoring framework for national entities.									
		Output 1.2.2					1.2.2a. Develop a work plan to support the accreditation process of two DAEs.									
		Direct Access Applicants supported with training, capacity development, or improved systems to close gaps.					1.2.2b. Provide technical assistance to the two selected DAEs to meet/ complete GCF's accreditation standards and increase their capacity to develop a solid project pipeline.									
			<table border="1"> <thead> <tr> <th>Indicator</th> <th>Target</th> <th>Mov</th> <th>Notes</th> </tr> </thead> <tbody> <tr> <td>Indicator 1.2.2.2</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Number of direct access applicants supported to strengthen institutional capacities in alignment with GCF accreditation standards</td> <td>2</td> <td>Capacity building material elaborated, progress reports of compliance with accredited requirements, climate investment pipeline, lessons learned reports, and Pre- and post-training evaluations.</td> <td></td> </tr> </tbody> </table>	Indicator	Target	Mov	Notes	Indicator 1.2.2.2				Number of direct access applicants supported to strengthen institutional capacities in alignment with GCF accreditation standards	2	Capacity building material elaborated, progress reports of compliance with accredited requirements, climate investment pipeline, lessons learned reports, and Pre- and post-training evaluations.		
Indicator	Target	Mov	Notes													
Indicator 1.2.2.2																
Number of direct access applicants supported to strengthen institutional capacities in alignment with GCF accreditation standards	2	Capacity building material elaborated, progress reports of compliance with accredited requirements, climate investment pipeline, lessons learned reports, and Pre- and post-training evaluations.														
							1.2.2c. Develop a pipeline of climate investments.									
							1.2.2d. Evaluate the support given to identify best practices and lessons learned.									

Outcome 1.3

Relevant country stakeholders (which may include executing entities, civil society organizations, and the private sector) have established adequate capacity, systems, and networks to support the planning, programming, and implementation of GCF-funded activities.

Outputs	Indicators				Activities
Output 1.3.1 Relevant stakeholders engaged and trained to support planning, programming, and implementation of GCF-funded activities.	Indicator	Target	Mov	Notes	1.3.1a. Conduct nine one-day regional training workshops on GCF planning, programming, implementation, and climate change project design and formulation.
	Indicator 1.3.1.1 Number of relevant stakeholders engaged and trained to support planning, programming, and implementation of GCF-funded Activities	99	Gender disaggregated training reports and Pre- and post-training evaluation.	The target of this activity is to train approximately 240-300 people. However, these numbers are not reflected in the target section of this output, given the template limitations of only accepting two-digit numbers.	

Objective 2

Strategic Frameworks

Outcomes

Outcome 2.1

GCF recipient countries have developed initial country programmes to guide GCF investment and programming of GCF Readiness and Preparatory Support resources

Outputs	Indicators				Activities					
<p>Output 2.1.1</p> <p>Country programmes endorsed by GCF recipient country processes</p>	<table border="1"> <thead> <tr> <th data-bbox="661 235 921 272">Indicator</th> <th data-bbox="921 235 1146 272">Target</th> <th data-bbox="1146 235 1383 272">Mov</th> <th data-bbox="1383 235 1696 272">Notes</th> </tr> </thead> <tbody> <tr> <td data-bbox="661 272 921 987"> <p>Indicator 2.1.1.1</p> <p>Status of the Country Programme</p> </td> <td data-bbox="921 272 1146 987"> <p>Initial CP dev...</p> </td> <td data-bbox="1146 272 1383 987"> <p>Validated Country Programme submitted to GCF.</p> </td> <td data-bbox="1383 272 1696 987"> <p>The validated Country programme should cover the following gaps: i) updating the latest advances in the climate change-related institutional, regulatory, and planning framework, ii) including a comprehensive programme pipeline with different planning horizons, and iii) aligning the programme pipeline with potential Accredited Entities.</p> </td> </tr> </tbody> </table>	Indicator	Target	Mov	Notes	<p>Indicator 2.1.1.1</p> <p>Status of the Country Programme</p>	<p>Initial CP dev...</p>	<p>Validated Country Programme submitted to GCF.</p>	<p>The validated Country programme should cover the following gaps: i) updating the latest advances in the climate change-related institutional, regulatory, and planning framework, ii) including a comprehensive programme pipeline with different planning horizons, and iii) aligning the programme pipeline with potential Accredited Entities.</p>	<p>2.1.1a Finalize Chile’s Country Programme.</p> <p>2.1.1b. Elaborate and adopt a monitoring and evaluation mechanism to continually assess the implementation of the Country Programme.</p> <p>2.1.1d. Conduct a one-day validation workshop of the final version of the Country Work programme.</p>
Indicator	Target	Mov	Notes							
<p>Indicator 2.1.1.1</p> <p>Status of the Country Programme</p>	<p>Initial CP dev...</p>	<p>Validated Country Programme submitted to GCF.</p>	<p>The validated Country programme should cover the following gaps: i) updating the latest advances in the climate change-related institutional, regulatory, and planning framework, ii) including a comprehensive programme pipeline with different planning horizons, and iii) aligning the programme pipeline with potential Accredited Entities.</p>							

Outcome 2.2

GCF recipient countries have developed or enhanced strategic frameworks to address policy gaps, improve sectoral expertise, and enhance enabling environments for GCF Programming in low-emission investment.

Outputs	Indicators				Activities
Output 2.2.1 Readiness needs assessment to develop an action plan with strategies for Readiness support.	Indicator	Target	Mov	Notes	2.2.1a Develop a comprehensive Readiness needs assessment. 2.2.1b. Develop a comprehensive analysis of the different financing the NDA can access, indicating those that can complement the support provided by the GCF. 2.2.1c. Elaborate Readiness action plan to access Readiness resources to support the implementation of the Country Work Programme
	Indicator 2.2.1.1 Has a Readiness needs assessment been developed with an associated action plan with strategies for Readiness support?	Yes	Readiness needs assessment and action plan.		

Objective 5

Knowledge sharing and learning

Outcomes

Outcome 5.1

Best practices with respect to institutional capacity building, direct access, and pipeline development are developed and disseminated to strengthen engagement by NDAs, DAEs, and delivery partners with the GCF.

Outputs	Indicators				Activities				
Output 5.1.2 NDAs/DAEs/ DPs who have established processes, systems, and/or platforms for the identification of best practices, lessons learned, and Knowledge Management	<table border="1"> <thead> <tr> <th data-bbox="661 272 924 310">Indicator</th> <th data-bbox="924 272 1146 310">Target</th> <th data-bbox="1146 272 1386 310">Mov</th> <th data-bbox="1386 272 1696 310">Notes</th> </tr> </thead> </table>	Indicator	Target	Mov	Notes	Indicator 5.1.2.2 Number of NDAs/DAEs who have established a platform for Knowledge Management and dissemination	1	Institutional digital platform and set of communication products.	5.1.2a Set up a digital repository to disseminate relevant information regarding Readiness activities and results. 5.1.2b. Develop communication products, including information capsules and infographics derived from the main Readiness results.
Indicator	Target	Mov	Notes						

Budget Categories
Consultant local
Professional Services – Companies/Firm
Audit Fee
Workshop/Training

Choose percentage
0
1%
2%
3%

*Indicate additional
budget categories*

6.1 Budget Plan

Objectives/Outcomes / Outputs	Budget Categories <small>choose from the drop-down list</small>	Detailed Budget (in US\$)				Total Budget <small>(per sub-outcome)</small>	Total Budget <small>(per budget category)</small>	Total Budget <small>(per outcome)</small>	Expenditure Plan		Executing Entity	Budget notes								
		Unit	# of Unit	Unit Cost	Total Budget <small>(per budget category)</small>				Year 1	Year 2										
Objective 1 : Capacity Building	Outcome 1.1 Country NDAs or focal points and the network/ systems that enable them to fulfil their roles, responsibilities and policy requirements are operational and effective	Output 1.1.1: NDA or FP staff trained in areas relevant to the GCF objectives of the GCF and oversight of GCF activities.	Consultant local	W/Day	45	270.00	12,150.00	19,800.00	42,600.00	22,800.00	6,075.00	6,075.00	CAF	A						
			Workshop/Training	Event	3	560.00	1,650.00				1,650.00	CAF	B							
			Workshop/Training	Event	5	1,200.00	6,000.00				6,000.00	CAF	C							
			Consultant local	W/Day	65	270.00	17,550.00				8,775.00	8,775.00	CAF	D						
			Consultant local	W/Day	15	270.00	4,050.00				2,025.00	2,025.00	CAF	E						
			Workshop/Training	Event	1	1,200.00	1,200.00				1,200.00	CAF	F							
	Outcome 1.2. Direct access applicants and accredited entities (DAEs) have established capacity to meet and maintain the GCF's accreditation standards; and accredited DAEs have the capacity to develop a pipeline of projects and effectively implement GCF-funded activities.	Output 1.2.1: Candidate entities identified and nominated for direct access.	Consultant local	W/Day	82	270.00	22,140.00	80,730.00	116,370.00	28,350.00	28,350.00	11,070.00	11,070.00	CAF	G					
			Consultant local	W/Day	50	270.00	13,500.00					6,750.00	6,750.00	CAF	H					
			Consultant local	W/Day	210	270.00	56,700.00					28,350.00	28,350.00	CAF	I					
			Consultant local	W/Day	89	270.00	24,030.00					12,015.00	12,015.00	CAF	J					
		Outcome 1.3 Relevant country stakeholders (which may include executing entities, civil society organizations and private sector) have established adequate capacity, systems and networks to support the planning, programming and implementation of GCF funded activities.	Output 1.3.1 Relevant stakeholders engaged and trained to support planning, programming, and implementation of GCF-funded activities.	Consultant local	W/Day	80	270.00					21,600.00	100,350.00	100,350.00	3,375.00	3,375.00	10,800.00	10,800.00	CAF	K
				Consultant local	W/Day	25	270.00					6,750.00					3,375.00	3,375.00	CAF	L
	Workshop/Training		Event	9	8,000.00	72,000.00	72,000.00	CAF	M											
Outcome 2.1 GCF recipient countries have developed initial country programmes to guide GCF investment and programming of GCF funded activities.	Output 2.1.1 Country programmes endorsed by GCF recipient country processes.		Consultant local	W/Day	93	270.00	25,110.00	38,730.00	38,730.00	12,555.00	12,555.00	12,555.00					CAF	N		
			Consultant local	W/Day	46	270.00	12,420.00					6,210.00					6,210.00	CAF	O	
			Workshop/Training	Event	1	1,200.00	1,200.00					1,200.00					CAF	P		
Outcome 2.2 GCF recipient countries have developed or enhanced strategic frameworks to address policy gaps, improve sectoral expertise, and enhance enabling environments for GCF Programming in low-emission investment.	Output 2.2.1 Readiness needs assessment to develop an action plan with strategies for Readiness support.	Consultant local	W/Day	55	270.00	14,850.00	22,950.00	22,950.00	7,425.00	7,425.00	7,425.00	CAF	Q							
		Consultant local	W/Day	30	270.00	8,100.00					4,050.00	4,050.00	CAF	R						
Objective 5 : Knowledge sharing and learning	Outcome 5.1 Best practices with respect to institutional capacity building, direct access, and pipeline development are developed and disseminated to strengthen engagement by NDAs, DAEs, and delivery partners with the GCF.	Output 5.1.2 NDAs/DAEs who have established process, systems and/or platforms for identification of best practices, lessons learned and Knowledge Management.	Consultant local	W/day	75	250.00	18,750.00	18,750.00	18,750.00	18,750.00	CAF	S								
Total Outcome Budget								339,750.00	220,275.00	119,475.00										
Project Management Cost (PMC) <small>Up to 7.5% of Total Activity Budget</small>	Consultant local	W/Day	64	270.00	17,280.00	8,000.00	25,280.00	22,950.00	8,640.00	8,670.00	CAF	T								
	Audit Fee	Lumpsum	2	4,000.00	8,000.00						4,000.00	4,000.00	CAF	U						
								Actual amount and % of PMC requested: do not change the formula	Maximum PMC that can be requested: do not change the formula											
								7.44%	7.50%											

FOR GREEN CLIMATE FUND SECRETARIAT'S USE ONLY

Breakdown (per budget category)	Total (per budget category)
Audit Fee	8,000.00
Consultant local	274,980.00
Workshop/Training	82,050.00
Total Outcome Budget + PMC	365,030.00

FOR GREEN CLIMATE FUND SECRETARIAT'S USE ONLY

Total Outcome Budget	339,750.00
Project Management Cost (PMC)	25,280.00
Contingency	3,397.50
Sub-Total (Total Outcome Budget + Contingency + PMC)	368,427.50
Delivery Partner Fee (DP) - Up to 8.5% of the Sub-Total	31,316.34
Total Project Budget (Total Activity Budget + Contingency + PMC + DP)	\$ 399,750.00

Budget Notes

Budget Note	Detailed Description
A	A local consultant (project manager) for USD 12,150 at USD 270 for 60 days for activities 1.1.1a (5 days), 1.1.1b (5 days), 1.1.1c (5 days), 1.1.1d (25 days) and 1.1.1e (5 days).
B	Three one-day training workshops for 15-25 people estimated at USD 550 each for activities 1.1.1b, 1.1.1c, and 1.1.1e. The total value of the workshop is aimed at covering catering expenses and audiovisuals.
C	Five one-day training workshops for 25-40 people estimated at USD 1,200 each for activity 1.1.1d. The total value of the workshops is aimed at covering catering expenses and audiovisuals.
D	A local consultant (Climate change specialist) for USD 17,550 at USD 270 for 65 days for activities 1.1.3a (15 days), 1.1.3b (25 days), and 1.1.3c (25 days).
E	A local consultant (project manager) for USD 4,050 at USD 270 for 15 days for activities 1.1.3a (5 days), 1.1.3b (5 days), and 1.1.3c (5 days).
F	A one-day consultation workshop for 25-40 people estimated at USD 1,200 for activity 1.1.3a. The total value of the workshop is aimed at covering catering expenses and audiovisuals.
G	A local consultant (accreditation specialist) for USD 22,140 at USD 270 for 82 days for activities 1.2.1a (17 days), 1.2.1b (15 days), 1.2.1c (20 days) and 1.2.1d (30 days).
H	A local consultant (project manager) for USD 13,500 at USD 270 for 50 days for activities 1.2.1a (25 days), 1.2.1b (5 days), 1.2.1c (10 days) and 1.2.1d (10 days).
I	A local consultant (accreditation specialist) for USD 56,700 at USD 270 for 210 days for activities 1.2.2a (10 days), 1.2.2b (35 days), 1.2.2c (30 days), 1.2.2.d (80 days) and 1.2.2e (55 days).
J	A local consultant (project manager) for USD 24,030 at USD 270 for 89 days for activities 1.2.2a (5 days), 1.2.2b (20 days), 1.2.2c (20 days), 1.2.2d (30 days) and 1.2.2e (14 days).
K	A local consultant (climate change specialist) for USD 21,600 at USD 270 for 80 days for activity 1.3.1a (80 days).
L	Project manager (local consultant) for USD 6,750 at USD 270 for 25 days for activity 1.3.1a (25 days).
M	Nine regional one-day training workshops for 40-50 people estimated at USD 8,000 each for activity 1.3.1a. The total value of the workshops is aimed at covering travel, catering, and audiovisual expenses.
N	A local consultant (climate change specialist) for USD 25,110 at USD 270 for 93 days for activities 2.1.1a (58 days), 2.1.1b (20 days), and 2.1.1c (15 days).
O	A local consultant (project manager) for USD 12,420 at USD 270 for 46 days for activities 2.1.1a (25 days), 2.1.1b (15 days), and 2.1.1c (6 days).
P	A one-day validation workshop for 25-40 people estimated at USD 1,200 for activity 2.1.1c. The total value of the workshop is aimed at covering catering expenses and audiovisuals.
Q	A local consultant (climate change specialist) for USD 14,850 at USD 270 for 55 days for activities 2.2.1a (15 days), 2.2.1b (15 days), and 2.2.1c (25 days).
R	A local consultant (project manager) for USD 8,100 at USD 270 for 30 days for activities 2.2.1a (10 days), 2.2.1b (10 days), and 2.2.1c (10 days).
S	A local consultant (Website and graphic designer) for USD 18,750 at USD 250 for 75 days for activities 5.1.2a (20 days) and 5.1.2b (55 days).
T	A local consultant (project manager) for USD 17,280 at USD 270 for 64 days to oversee the project coordination and execution.
U	Audit fees estimated at USD 8,000 to conduct two annual financial audits of the project.

6.2 Procurement Plan

Item	Item Description	Estimated Cost (US\$)	Procurement Method	Thresholds as per applicable procurement policy (Min-Max monetary value for which indicated procurement method must be used)	Name of Entity executing Procurement (DP/EE, etc.)	Date of initiating procurement	Estimated contract start date
Goods and Non-Consulting Services							
Workshops/trainings	Seven in-person workshops for 25-40 people each to support consultation, validation, dissemination and training processes estimated at USD 1,200 each.	8,400.00	Public tender	\$10,001 - \$50,000	CAF	Q1Y1 (Approximately month two of the first year of execution)	Q2Y1 (Approximately month five of the first year of execution)
Workshops/trainings	Nine regional in-person workshops for 40-50 people each to support dissemination and training processes estimated at USD 8,000 each.	72,000.00	Public tender	\$1,000 - \$10,000	CAF	Q1Y1 (Approximately month two of the first year of execution)	Q2Y1 (Approximately month five of the first year of execution)
Workshops/trainings	Three in-person workshops for 15-25 people each to support dissemination and training processes estimated at USD 550 each	1,650.00	Public tender (one workshop)/ Direct procurement (two workshops)	\$1,000 - \$10,000	CAF	Q1Y1 (Approximately month two of the first year of execution)	Q2Y1 (Approximately month five of the first year of execution)
Sub-Total (US\$)		\$ 82,050.00					
Consultancy Services (Individual & Professional Firm)							
Consultant local	Project Manager	98,280.00	Open tender	\$50,000-150,000	CAF	Q1Y1 (Approximately month two of the first year of execution)	Q2Y1 (Approximately month four of the first year of execution)
Consultant local	Climate Change Specialist	79,110.00	Open tender	\$50,000-150,000	CAF	Q1Y1 (Approximately month two of the first year of execution)	Q2Y1 (Approximately month four of the first year of execution)
Consultant local	Accreditation Process Specialist	78,840.00	Open tender	\$50,000-150,000	CAF	Q1Y1 (Approximately month two of the first year of execution)	Q2Y1 (Approximately month four of the first year of execution)
Consultant local	Website and graphic designer	18,750.00	Open tender	\$1,000 - \$10,000	CAF	Q1Y1 (Approximately month two of the first year of execution)	Q2Y1 (Approximately month four of the first year of execution)
Audit Fee	Two audits	8,000.00	Request for Quotations	\$1,000 - \$10,000	CAF	Q3Y1 (Approximately month eight of the first year of execution)	Q3Y1 (Approximately month ten of the first year of execution)
Sub-Total (US\$)		\$ 282,980.00					
Procurement plan : Total (US\$)		\$ 365,030.00					

6.3 Human Resources (HR) Plan

Item	Item Description	Estimated Cost (US\$)	Recruitment Method	Thresholds as per applicable policy (if any)	Name of Entity executing recruitment (DP/EE, etc.)	Date of initiating recruitment	Estimated contract start date
Sub-Total (US\$)		\$ -					

6.3 Implementation Plan

Output	Start Date (Month#)	End date (Month#)	Implementation period (Months)	Interdependency output(s)
1.1.1	4	24	21	-
1.1.3	8	13	6	-
1.2.1	4	12	9	-
1.2.2	4	24	21	-
1.3.1	8	15	9	1.1.3
2.1.1	13	24	12	1.1.1, 1.1.3,1.2.1, 1.2.2, 2.2.1
2.2.1	10	18	9	-
5.1.2	4	6	3	-