

CONCEPT NOTE DEVELOPMENT 101

Learning Brief #2

5th GCF Readiness Cross-Regional Learning Exchange

18 October 2023

Objective 4 of readiness support targets the development of projects pipeline for submission to GCF that aim to leverage climate finance which entails the preparation of GCF concept notes.

Concept Note

GCF concept note is a voluntary yet highly recommended step in the project development process. The concept notes are relatively short documents that follow [GCF template](#) and can be accompanied by annexes which include diagram of theory of change, pre-feasibility studies, evaluation of existing projects based on the best available information, etc. Concept note preparation and submission are highlighted in early stages of the [GCF Project Cycle](#).

Concept notes provide a summary of proposed activities to receive feedback from the GCF. This allows a strengthened approach while moving forward to develop project proposals which are more elaborate and comprehensive.

Project Preparation Facility (PPF) of up to \$1.5 million is available to support in developing full GCF project proposals.

GCF Investment Criteria

Concept notes must align with the six GCF investment criteria which are listed below:

- Impact potential
- Paradigm shift potential
- Sustainable development potential
- Country ownership
- Efficiency and effectiveness
- Responsive to the needs of recipients

Alignment with the GCF must be ensured during the idea identification stage itself to succeed in gaining approval for the concept note.

Climate Rationale

GCF concept notes must directly address a climate challenge and requires a strong climate rationale. The “[Developing the Climate Science Information for Climate Action](#)” is a guiding document developed by WMO and GCF to develop a strong climate rationale which includes a four-step methodology.

Here are some climate rationale examples for managing coastal and river erosion:

- ✓ Changing storm frequencies and magnitude
- ✓ Changing river flows
- ✓ Higher rainfall intensities

Here are some examples that are not climate rationale for the same project

- ✗ Land use changes
- ✗ Sediment transport affected by anthropogenic activities
- ✗ Sand mining
- ✗ Riverflow reduced by abstraction (Exception: Unless abstraction was a response to climate change)

As illustrated by the example **it is important that project identification prior to concept note development have a strong climate rationale.**

GCF Integrated Results Management Framework

- Concept notes must also align with the [Integrated Results Management Framework](#). Outcome results level will be measured through four core indicators: GHG emissions reduced, avoided or removed/sequestered
- Direct and indirect beneficiaries reached:
- Value of physical assets made more resilient to the effects of climate change and/or more able to reduce GHG emissions:
- Hectares of natural resource areas brought under improved low-emission and/or climate-resilient management practices:

PMU Role in Concept Note Development

The concept note development process can be primarily divided into three distinct stages as illustrated in the diagram below:

Idea Pre-identification: Major responsibility during this stage of the process is on PMU team to ensure that the ground work has been completed to give direction to the external consultants on the concept note development process. The PMU should mobilise the CWP and RWP network and build strategically on their existing work in the country. This will provide background on climate rationale, national priorities, and the GCF investment criteria before the project ideas have been identified.

Idea Identification: At this stage the external consultants will be onboard and will provide support to the PMU

in identifying and prioritizing specific ideas for the project concept note development that are informed by the first stage of development process. The PMU must also facilitate consultations and provide approval on the project idea and selection process with NDA and other stakeholders. It is essential to build on and ensure that the project identification process aligns with background information on climate rationale, national priorities, and GCF investment criteria.

Concept note preparation: The concept note preparation process is primarily driven by the external consultants under the supervision of the PMU. The PMU will also facilitate on ground coordination where relevant.

It is also important to ensure the engagement of AEs (both direct and international) across the concept note development process. **The below diagram provides a best practices checklist on the different activities under each stage of the concept note development.**

Additional Resources

[GCF Concept Note Template](#)
[GCF Concept Note User Guide](#)
[Developing the Climate Science Information for Climate Action](#)
[GCF Project Development Cycle](#)
[Integrated Results Management Framework](#)

