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Consideration of accreditation proposals – Addendum II

Re-accreditation assessment of RAPL012

Summary

This document contains the re-accreditation assessment conducted by the Secretariat and the Accreditation Panel in accordance with decision B.24/13, and the recommendation by the Accreditation Panel for re-accreditation of re-accreditation applicant 012 (RAPL012), the Caribbean Community Climate Change Centre (CCCCC) based in Belize, for the second accreditation term.

I. Introduction

1. The Caribbean Community Climate Change Centre (CCCCC) is a regional direct access entity whose work is focused on small island developing States in the Caribbean and on improving the region's framework for and activities that address climate change. Key activities that CCCCC engages in with its Member States include: (i) raising awareness on climate change, building capacity to analyse climate change impacts across various sectors, and identifying adaptation and mitigation opportunities; (ii) developing and implementing mitigation and adaptation projects in the region; and (iii) providing policy advice and support during events such as the international climate change negotiations. CCCCC, the accredited entity (AE), has built strong relationships with institutions across the region and internationally in order to deliver effective solutions and projects.

2. CCCCC was accredited by the Board on 9 July 2015 in decision B.10/06, paragraph (c), for the following parameters, as recommended by the Accreditation Panel (AP), under the fit-for-purpose approach of GCF:

- (a) **Access modality:** direct access, regional. The national designated authority or focal point nomination from Belize remain in effect for the re-accreditation application;
- (b) **Track:** normal track;
- (c) **Maximum size of an individual project or activity within a programme:** small;¹
- (d) **Fiduciary functions:**²
 - (i) Basic fiduciary standards;
 - (ii) Specialized fiduciary standard for project management; and
 - (iii) Specialized fiduciary standard for grant award and/or funding allocation mechanisms;
- (e) **Maximum environmental and social risk category:** medium risk (category B/intermediation 2 (I-2));³ and
- (f) **Indicative results areas for intended projects/programmes with GCF:**
 - (i) Energy generation and access;
 - (ii) Buildings, cities, industries and appliances;
 - (iii) Forestry and land use;
 - (iv) Health, well-being, food and water security;
 - (v) Most vulnerable people and communities;
 - (vi) Infrastructure and built environment;

¹ As per annex I to decision B.08/02 (annex I to document GCF/B.08/45), "small" is defined as "maximum total projected costs at the time of application, irrespective of the portion that is funded by the GCF, of above USD 10 million and up to and including USD 50 million for an individual project or an activity within a programme".

² Decision B.07/02.

³ As per annex I to decision B.07/02 (annex I to document GCF/B.07/11), category B is defined as "Activities with potential mild adverse environmental and/or social risks and/or impacts that are few in number, generally site-specific, largely reversible, and readily addressed through mitigation measures", and intermediation 2 is defined as "When an intermediary's existing or proposed portfolio includes, or is expected to include, substantial financial exposure to activities with potential limited adverse environmental or social risks and/or impacts that are few in number, generally-site specific, largely reversible, and readily addressed through mitigation measures; or includes a very limited number of activities with potential significant adverse environmental and/or social risks and/or impacts that are diverse, irreversible, or unprecedented".

- (vii) Ecosystems and ecosystem services; and
- (viii) Public, private and cross-cutting types of projects/programmes.

3. CCCC signed its accreditation master agreement (AMA) with GCF on 25 May 2016, which became effective on 23 January 2018. With the AMA having become effective, the AE's first accreditation term was from 23 January 2018 to 22 January 2023. The AE submitted its application for re-accreditation to GCF via the digital accreditation platform on 4 July 2022. Accreditation fees were not applicable since the AE is seeking re-accreditation for the same accreditation scope that it was previously accredited for; thus, the stage I institutional assessment and completeness check commenced upon submission of the re-accreditation application. Stage I was completed on 14 December 2022 and the applicant was progressed to the stage II (step 1) accreditation review by the AP, which has been concluded with the publication of this assessment.

4. The AE has applied for the same accreditation scope that it was previously accredited for. The AE has updated the indicative results areas for the projects/programmes it intends to submit to GCF as follows:

- (a) **Indicative results areas for intended projects/programmes with GCF:**
 - (i) Energy generation and access;
 - (ii) Transport;
 - (iii) Buildings, cities, industries and appliances;
 - (iv) Forests and land use;
 - (v) Health, food and water security;
 - (vi) Infrastructure and built environment;
 - (vii) Ecosystem and ecosystem services; and
 - (viii) Public, private and cross-cutting types of projects/programmes.

II. Stage I institutional assessment and completeness check

5. The AE applied and was assessed by the Secretariat during stage I under the normal track re-accreditation process in accordance with the GCF policies and standards to the extent applicable to accreditation below:

- (a) "Updated Strategic Plan for the Green Climate Fund: 2020–2023" (decision B.27/06);
- (b) "Matters related to the accreditation framework" regarding the re-accreditation process (decisions B.24/13 and B.26/01);
- (c) "Guiding Framework and Procedures for Accrediting National, Regional and International Implementing Entities and Intermediaries, Including the Fund's Fiduciary Principles and Standards and Environmental and Social Safeguards" (decision B.07/02);
- (d) "Guidelines for the Operationalization of the Fit-for-purpose Accreditation Approach" (decision B.08/02);
- (e) "Policy on Prohibited Practices" (decision B.22/19);
- (f) "Anti-Money Laundering and Countering the Financing of Terrorism Policy" (AML/CFT Policy) (decision B.18/10);
- (g) "Policy on the Protection of Whistleblowers and Witnesses" (decision B.BM-2018/21);

- (h) “Environmental and Social Management System: Environmental and Social Policy” (decision B.19/10);
- (i) “Revised Environmental and Social Policy” (decision B.BM-2021/18);
- (j) “Comprehensive Information Disclosure Policy of the Fund” (decision B.12/35) regarding the disclosure of environmental and social (E&S) information;
- (k) “Updated Gender Policy and Gender Action Plan 2020–2023” (decision B.24/12); and
- (l) “Evaluation Policy” (decision B.BM-2021/07).

2.1 Legal status, registration, permits and licences

6. The AE provided documents on its establishment and licences to operate, where relevant, as a part of the application. The AE confirmed that there had been no change in its legal status or licences to operate since the original accreditation application.

7. As indicated in paragraph 3 above, the AE and GCF entered into the AMA for the AE’s first accreditation term from 23 January 2018 (date of AMA effectiveness) to 22 January 2023. Although the AE’s first accreditation term lapsed on 23 January 2023, the AE submitted its re-accreditation application within the deadline prior to the end of the accreditation term. As the AE had sought re-accreditation prior to the end of its accreditation term, it shall remain designated as an AE during the period between its first and, if re-accredited and with a signed and effective amended and restated AMA, second accreditation terms.

8. If the Board approves the AE’s re-accreditation, GCF and the AE will amend and restate the AMA. The amended and restated AMA will set out the terms and conditions of the re-accreditation, including but not limited to (i) the scope of the AE’s accreditation; (ii) any conditions of re-accreditation based on the AP assessment of the AE against the GCF standards and policies listed in paragraph 34 below; and (iii) reflection of the GCF policies and standards adopted by the Board in effect as of the date of the amended and restated AMA. If the Board approves the AE’s re-accreditation, the AE’s second accreditation term will commence on the date of the effectiveness of the amended and restated AMA.

9. The AE confirmed at the time of publication of this recommendation that it is willing to engage with GCF on negotiating the amended and restated AMA and that it will provide the necessary resources to review the draft amended and restated AMA.

2.2 Accredited entity performance in contributing to GCF programming results

2.2.1 **Approved GCF projects under implementation and national designated authority participatory monitoring**

10. CCCCC’s portfolio with GCF includes two approved funded activities in Barbados with GCF financing of USD 66.99 million in grants and co-financing of USD 28.21 million also in grants. These are funding proposal FP060, titled “Water Sector Resilience Nexus for Sustainability in Barbados (WSRN S-Barbados)”, a public sector project approved at the nineteenth meeting of the Board (B.19) in March 2018, and FP192 titled “The R’s (Reduce, Reuse and Recycle) for Climate Resilience Wastewater Systems in Barbados (3R-CReWS)”, also a public sector project approved at B.34 in October 2022. FP060 has been under implementation since January 2019 and is in its fourth year of a five-year implementation period. FP192 became effective on 29 November 2022 but is yet to receive any disbursements.

11. **Implementation performance and delivery rates:** Overall, as of 31 January 2023, the key performance assessment of CCCCC was based only on the WSRN S-Barbados (FP060) since it was the only project that had progressed to implementation stage and 3R-CReWS had yet to receive any disbursements. The performance of WSRN S-Barbados has been average in terms of results delivery, disbursement rates and execution rate, and above-average in terms of timely reporting for all reporting obligations. While project implementation was slow at the beginning due to delays in staff recruitment and procurement, the project progress improved and accelerated after its sixth month.

12. Implementation of the WSRN S-Barbados project has been generally satisfactory and is progressing well despite the impact of the COVID-19 pandemic. The project initially experienced delays at the start of project implementation which were well documented in the project inception report submitted in 2019. However, with proactive adaptive management, the Project Management Unit and the Project Steering Committee were able to overcome the various external factors that had caused the delays. Nevertheless, overall, as of 31 January 2023, based on the 2021 annual performance report (APR), project implementation was only at 35 per cent which is relatively concerning for a project that had reached the mid-point of its grant duration. With regard to the results at mid-point, FP060 was able to mitigate 2,077 tonnes of carbon dioxide equivalent (t CO₂ eq) out of 7,339.46 t CO₂ eq expected for the period. The project has been able to replace 22.3 km of mains and the executing entity (EE), Barbados Water Authority (BWA), has fully installed 0.42 MW solar photovoltaic panels at the Bowmanston Pumping Station, and included an emergency 0.7 MW microturbine to ensure that water can be delivered to the most vulnerable communities in rural areas. In terms of beneficiaries, out of a total number of 94,501 beneficiaries at mid-term, 18,134 people have directly benefitted from project interventions, and 4,220 out of 142,498 people expected for the mid-term period.

13. As of 31 January 2023, USD 27.2 million has been disbursed which represents 98.5 per cent of approved GCF funds for WSRN S-Barbados. The project received its first disbursement of USD 5.0 million of total GCF funds on 22 March 2019, USD 12.9 million on 14 September 2020, and USD 9.2 million on 24 January 2023. A total of USD 2.31 million in AE fees had also been disbursed. Out of the disbursed amount, the project had spent USD 14.3 million from GCF funds (79.88 per cent of amount disbursed) and USD 18.7 million from co-financing representing 106 per cent of total co-financing (the EE had provided additional financing of USD 475,580 representing a 2.7 per cent increase to the approved amount). The total budget utilization rate for WSRN S-Barbados is 73 per cent of total approved funding.

14. In the interim evaluation report submitted to the Secretariat in April 2022, no significant weaknesses that impacted project implementation were found. The project strategy was rated highly satisfactory, and the project was found to be relevant, effective and efficient with the proposed co-financing already mobilized, being tracked and monitored. The project is being effectively implemented and is already demonstrating positive results. FP060 has responded and strategically adapted to short- and long-duration crises, which had affected the project during implementation. The overall rating for the project was moderately satisfactory with most of its planned outcomes having been achieved. While the logic framework design is deemed relevant, the findings were that the project results framework would need to be better aligned with the Gender Action Plan by incorporating nuanced gender-sensitive outcomes with related gender-disaggregated indicators in some instances. The continual challenge in the APRs relates to the disaggregation of gender statistics. One key point highlighted in the interim evaluation report was the fact that only 25 people would be beneficiaries of the Revolving Adaptation Fund and not 100 per cent of the Barbados population.

15. In terms of progress towards results, the IE indicated that the project has shown meaningful progress towards obtaining results in components 2 and 4, while components 1 and 3 would require special attention to ensure that the Fund-level impacts are realised.

Component 1 was affected by the delay in shipment of PC components to Barbados due to adverse supply chain impacts from COVID-19. For component 3, specific activities were impacted by knowledge gaps created due to project staff transition at BWA. The project's achievements have been significant using innovative approaches and providing training opportunities for the staff of its implementation partner and its beneficiaries.

16. **Reporting timeliness and quality:** The AE has been timely in the submission of its key reports and the turnaround times have been efficient. CCCCC has submitted three APRs – 2019, 2020 and 2021 which have been detailed and provided information on implementation progress, challenges as well as the financial reporting. The AE has also been proactive when seeking guidance and clarifications on reporting obligations and other project management issues. Furthermore, the overall quality of reporting has been above average with detailed reporting and clarity of information in the submitted documents. However, there were delays in the submission of all required reports in 2022, i.e. 2021 APR, the financial report and the interim evaluation report. In terms of communication, the Focal Point has been responsive and proactive in contacting the Secretariat.

17. **Fiduciary issues:** None as of 31 January 2023.

18. **Challenges and risk flags:** Key operational risks in the FP060 (approved in 2018) project include budget projections in the initial design and consideration of inflation and transportation costs that were based on assumptions valid at the time of project design and approval. As a result, in August 2021, accounting for the adverse impacts of COVID-19, global inflation and disruption of global supply chains, the AE requested a budget reallocation to allow for awarding new contracts under component 3 of the funded activity totaling USD 8.09 million by the end of October 2021. In order to award these contracts, the AE had requested the reallocation of funds to cover the costs of the impact of COVID-19 on various aspects of the project services to be provided, notably to cover the increase in costs associated with international shipping and production. Furthermore, in November 2022, there was an additional request for a budget reallocation for the utilization of the contingency budget line to enable the project to have adequate resources to complete various procurement activities due to cost increases associated with the impact of the COVID-19 pandemic and other factors. Both requests were granted (in November 2021 and 2022, respectively) within the above context.

19. **CCCCC as a delivery partner for the GCF Readiness and Preparatory Support Programme:** The CCCCC portfolio of Readiness programme and Project Preparation Facility (PPF) currently has 25 approved grants valued at USD 16.8 million under implementation in 11 Caribbean Community (CARICOM) countries. Of those under the Readiness programme, 95 per cent of the portfolio or 20 grants are Readiness non-national adaptation plan grants, and one grant is a national adaptation plan support grant. CCCCC is also implementing 4 PPF grants, with the most recent one approved in January 2023.

20. CCCCC reporting is timely and of good quality. In terms of financial reporting, the portfolio currently stands at 79 per cent disbursement rate in relation to the total amount approved. In terms of the amount expended, CCCCC has a high expenditure rate of 90 per cent in relation to the total amount disbursed, which is a clear indication that CCCCC is rapidly utilizing and committing resources as they are made available for grant activities. CCCCC's work is vested in the Caribbean region, owing to its mandate from CARICOM, and is well received by the countries in the region.

2.2.2 Officially submitted entity work programme, concept notes, funding proposals and Project Preparation Facility requests

21. **Entity work programme:** CCCCC submitted its entity work programme to GCF which was endorsed by the Climate Investment Committee in November 2021. CCCCC has

subsequently refined its project pipeline in line with recommendations received during the entity work programme discussion. The AE has dedicated time during the past year to addressing outstanding Secretariat comments and advanced the resubmission of concept notes and the development of funding proposals, including those projects that received PPF support. CCCCC's second project was recently approved by the Board at its B.34 meeting, and the AE is discussing a third funding proposal that may be ready for submission to the Board in 2023, subject to the Board's approval of the AE's re-accreditation. CCCCC is in the process of discussion with countries on addressing the needs of the remaining pipeline of projects for advancing with GCF during its second replenishment window.

22. **Concept notes and funding proposals:** As of 31 January 2023, the AE has 11 active public sector concept notes and funding proposals with a total value of USD 274.56 million, including USD 218.95 million of GCF funding. Three of these projects are undergoing a PPF process for development into full proposals to be submitted shortly (with one funding proposal submitted in December 2022). The submitted pipeline would significantly contribute to a number of GCF result areas and national climate objectives. The focus of the 11 submitted project ideas is on adaptation and cross-cutting results areas, such as forests and land use, ecosystem and ecosystem services, livelihoods of people and communities, health, food and water security, and energy generation and access, with some similarity between the projects but varied by country and sector. While this is a reflection upon the level of homogeneity of the Caribbean region, and the remit of CCCCC, the AE may wish to consider the opportunity for a more regional approach, scaling up submissions (i.e. FP192 for wastewater reuse), and expanding to specific sectoral value chains in conjunction with other public and private entities.

23. The inclusion of projects such as "Caribbean ReefCare Initiative" (Reefcare) and building the resilience of the forest and regenerative agricultural communities are a useful diversification to the portfolio, and to tackling rising impacts of climate change upon forests, ecosystems and reefs. In addition, taking the concepts of integrated adaptive management across sectors and transforming the water supply such as in St Kitts and Nevis, would reduce the exposure to climate hazards, and increase the resilience of the local population. The ability to use a grant award fiduciary instrument to enable the entity to support stakeholders and community enterprise is welcomed. However, some of the proposals need rationalizing and further discussions with project teams before they are submitted. The projects should be encouraged to develop co-financing, exit and sustainability strategies taking into account local and gender contexts and settings beyond the life of GCF, in particular, linkages to national financial institutions, microfinance initiatives as well as identifying a role for the private sector. Subject to the Board's approval for re-accreditation, it is recommended that during the next term of CCCCC's accreditation, it establish these linkages through partnership and executing entities for current and new proposals.

2.2.3 **Risk flags incurred by the projects, accredited entity or country during the previous accreditation term**

24. With regard to portfolio concentration risk, there are no risk flags. While there are no risk tolerance levels approved by the Board, the Secretariat monitors concentration levels of a single AE, which was 0.2 per cent for CCCCC as of 31 January 2023. Portfolio concentration risk by single funding proposal is thus within the tolerance level approved by the Board.

25. Regarding CCCCC's first-level due diligence of funding proposals reviewed, environmental and social safeguards (ESS) and gender issues were identified that needed to be addressed by the AE. For one funding proposal, the Secretariat identified numerous notable issues with meeting the GCF requirements for ESS and gender at the time of the appraisal stage, the extent of which presented a challenge during the interdivisional review process. Some issues were addressed by the AE prior to Board approval of the funding proposal, while the

remaining issues are to be addressed by the AE by meeting the conditions of the funding proposal. For its future project pipeline, the AE is recommended to continue to strengthen its capacities on ESS and gender-related matters for project preparation, including the project development stage, and implementation of GCF projects. Otherwise, the AE is recommended to engage the services of related experts for the preparation, including at the GCF appraisal stage, and implementation of GCF projects. No significant ESS, indigenous peoples and gender issues have been identified in annual performance report reviews of the funded activity that is under implementation.

26. Specifically, with regard to the integrity risk related to the GCF's AML/CFT Policy and the Policy on Prohibited Practices, the Secretariat is not aware of any relevant risk flags pertaining to engagement with the AE during the current accreditation term. Furthermore, the Secretariat consulted with the Independent Integrity Unit regarding any reports of prohibited practices to its knowledge; the Independent Integrity Unit confirmed that it had not received any reports of integrity violations and therefore did not have any reservations with this re-accreditation proposal being presented to the Board for consideration.

2.3 Accredited entity-level reporting on continuing to meet GCF accreditation standards

27. In line with AMA clauses 15.02(c)(i) and 5.03(b)(iv), CCCCC has submitted the required AE-level reports throughout its five-year accreditation term. It needs to be noted that all required reports have been submitted after the deadlines as stipulated in the AMA. These include annual self-assessments for calendar years 2018 and 2019, followed by a mid-term accreditation review that included the self-assessment for calendar year 2020. CCCCC's re-accreditation application includes the self-assessment for calendar year 2021.

28. In the annual self-assessments, CCCCC reported changes related to its organizational structure and fiduciary standards requirements against which CCCCC was assessed for its original accreditation, all of which CCCCC reported as having no impact on its capability to continue to serve in its role as AE.

29. As detailed in document GCF/B.30/03/Add.02 titled "Report on mid-term accreditation reviews", the AP and Secretariat reviewed the mid-term review report covering calendar years 2018 to 2020. Regarding fiduciary standards, the AE did not report any changes. The AP recommended the AE to provide to the Secretariat recent evidence indicating its good standing with multilateral organizations during the next institutional level assessment. Regarding ESS standards, CCCCC reported enhancements, including a revised ESS policy that strengthens the AE's E&S capabilities as well as enhanced capacity in managing E&S matters. Regarding gender, the AE also reported enhancements, including a revised Gender Policy and Action Plan. The AP and the Secretariat reviewed the report and concluded that the AE continued to meet the relevant GCF accreditation standards and obligations as an AE as per its AMA with GCF in the context of its accreditation scope.

2.4 Overall portfolio of activities of the accredited entity beyond those funded by GCF

30. As per the Updated Strategic Plan for the GCF: 2020–2023,⁴ the re-accreditation process,⁵ and the monitoring and accountability framework,⁶ the Secretariat and the AP are

⁴ Decision B.27/06 and annex VI thereto.

⁵ Decision B.24/13 and annex XXVI thereto.

⁶ Decision B.11/10 and annex I thereto.

requested to provide an assessment of the extent to which the overall portfolio of activities of the AE beyond those funded by GCF has evolved during the accreditation period, in order to advance the goal of GCF to promote the paradigm shift towards low-emission and climate-resilient development pathways in the context of sustainable development.

31. CCCCC expressed its commitment to support and promote projects intended to contribute to resilience building in the region. In 2019, CCCCC updated its 2009 regional framework to the “Climate Change and the Caribbean: The Revised Regional Framework for Achieving Development Resilient to Climate Change (2022–2023)” (RRF). The AE reported that the updated framework is comprehensive in its treatment of areas of focus for resilience-building and fully embraces the eight results areas of GCF. The new Regional Framework is planned to provide a guide to policy/institutional framework for low-carbon climate-resilient development across the region.

32. Launched in 2016 and led by the CARICOM Lead Head for Sustainable Development and Climate Change, the Prime Minister of St Lucia, the AE established the Regional Coordinating Mechanism called the Regional Coordinating Committee on Climate Change that aims to bring together all regional agencies, institutions, including civil society and youth, into a forum for guiding the region’s approach to resilience-building.

33. The AP reviewed the following information provided by the AE with regard to guiding questions established in document GCF/B.28/Add.02 titled “Methodology for establishing a baseline of greenhouse gas emissions and climate resilience for the portfolio of accredited entities”:

- (a) **Guiding question:** Has the entity established policies or commitments in the short, medium or long term regarding investment in climate change projects?
- (i) The CCCCC is mandated by CARICOM Heads of Government to coordinate the region’s response to climate change working in collaboration with countries, partner agencies, the private sector and civil society. This guidance is embedded in the vision issued by CARICOM Heads in the Liliendaal Declaration on Climate Change and Development.⁷ The strategy for that vision is articulated in the RRF – the Regional Framework for Achieving Development Resilient to Climate Change.⁸ The associated implementation plan gives effect to the RRF and prescribes actions to be undertaken by all regional and national stakeholders to achieve resilience to the impacts of climate change. Additionally, CCCCC also coordinates the mobilization of financial and other resources required for the successful implementation of the RRF covering 2022–2032.
- (ii) The Liliendaal Declaration was issued by the 30th Meeting of the Conference of Heads of Government of CARICOM in July 2009. It sets out the vision and policy framework for addressing climate change and its impacts on national and regional development. The original strategy for giving effect to the Declaration, has since been revised to now include 11 aspirational pillars of sustainable development from the original five as listed in the RRF (see figure 1 below). The revised implementation plan to the RRF is anticipated to be endorsed by CARICOM Heads in early 2023.

Figure 1: CCCCC strategic elements

⁷ Available at: <https://caricom.org/liliendaal-declaration-on-climate-change-and-development-issued-by-the-thirtieth-meeting-of-the-conference-of-heads-of-government-of-the-caribbean-community-2-5-july-2009-georgetown-guyana/>

⁸ Available at: <https://www.preventionweb.net/publication/climate-change-and-caribbean-regional-framework-achieving-development-resilient-climate>



- (iii) In line with the above mandate given to CCCCC to lead the CARICOM region's response to climate change, the CARICOM Heads have set climate change as a permanent item on the agenda of all their meetings, so as to receive updates from CCCCC on the state of play within the region at each meeting.
 - (iv) The AP finds that CCCCC's policies and commitments as reflected in its Strategic Plan 2022–2032 in the short, medium, and long term regarding investment in climate projects are in line with the GCF Updated Strategic Plan.
- (b) **Guiding question 2:** Does the entity receive resources from third parties for the financing of climate projects?
- (i) CCCCC collaborates with multiple regional and international partners in fulfilling its mandate and has successfully implemented and executed projects funded by agencies that include multilateral entities, such as the: Green Climate Fund (GCF), European Union (EU), German Development Bank (at the time KfW), Inter-American Development Bank (IADB), World Bank (WB), Caribbean Development Bank (CDB), Global Environment Facility (GEF) and the United Nations Development Programme (UNDP), and Global Affairs Canada. The Centre has also partnered bilaterally with entities such as the United Kingdom Department for International Development (UK DFID), United States Agency for International Development Eastern and Southern Caribbean Office (USAID ESC), and the Governments of Italy, Greece and Australia. CCCCC also collaborates with the Open Society Foundations, the World Resources Institute, and many other institutions in advancing the position of the CARICOM region in international negotiations forums to limit emissions to keep global warming to below 1.5°C. Donor support is primarily geared towards building the resilience of CARICOM member states through mitigation and adaptation initiatives.

- (ii) Since its establishment in 2005, CCCCC has managed projects valued at USD 310 million with a further pipeline of potential funding projects valued at approximately USD 300 million.
 - (iii) The AP finds that CCCCC has actively engaged with various international agencies to mobilize resources from third parties for the financing of climate projects.
- (c) **Guiding question 3:** Does the AE calculate and reduce its greenhouse gas (GHG) emissions at the corporate level?
- (i) To advance GCF's goal to "promote the paradigm shift towards low-emission and climate-resilient development pathways in the context of sustainable development",⁹ a consultancy firm was commissioned to develop a baseline report on climate resilience and GHG emissions of CCCCC's overall portfolio of activities. CCCCC's operational emissions were calculated through records of air travel, road transport fuel and electricity purchases. Due to the limited time for digitization and information availability, emissions estimations were only made for 2018. Operational emissions associated with CCCCC in 2018 has been calculated as 120.5 t CO₂, the majority of which (108.2 tonnes) was attributable to air travel.
 - (ii) CCCCC's brand-new premises do not belong to the Centre and also house other tenants. Some of the energy uses are therefore outside the control of CCCCC such as external lighting, ducted A/C, elevators and other ancillary systems. CCCCC has just taken occupation of this new building, which is still undergoing some construction, and some staff are still working remotely due to this, so at this time, CCCCC is unable to produce concrete results on its own carbon footprint since prior to the COVID-19 lockdowns, staff occupation of the offices decreased to zero. During this period also, the new offices of CCCCC were being constructed and the slow return to full occupancy started in August 2022 and was expected to be completed by the end of 2022. However, the calculation of the carbon footprint of CCCCC will be undertaken once the construction works on the new building are complete.
 - (iii) CCCCC remains willing and fully committed to assess the corporate level carbon footprint, climate risk assessment, and related areas and to establish these instruments and secure implementation during its second accreditation term.
 - (iv) The AP finds CCCCC's reporting of its corporate level carbon footprint mission and related GHG emissions to be adequate.
- (d) **Guiding question 4:** Does the AE evaluate the climate risks of its portfolio?
- (i) In 2018, the CCCCC Resilience Assessment – Project Performance Tool was developed on behalf of CCCCC. The Caribbean Climate Online Risk and Adaptation Tool (CCORAL) is an online support system for climate resilient decision making.¹⁰ CCCCC has also developed a Microsoft Excel-based tool to calculate and track the carbon footprint of projects and that of CCCCC. The AE is currently using the tool to update carbon emissions. Calculation of CO₂ for the GCF funding proposal FP060 –WSRN S-Barbados is ongoing. GCF funding proposal FP192 was just approved in October 2022 at B.34 and will also benefit from the application of the Tool. The CCCCC OCF is tracked in two categories – Energy consumption and Transportation (Flights and Vehicle Use).

⁹ Document GCF/B.22/Inf.15, summary.

¹⁰ Available at: <https://www.caribbeanclimate.bz/caribbean-climate-chage-tools/tools/>

- (ii) CCCCC, is at this time, collating information on GHG reduction by projects approved, being implemented and the potential reduction in GHG if projects in the pipeline are approved. CCCCC will provide a report on this by the end of 2022.
 - (iii) The AP finds CCCCC's climate risk screening tool to be rational to support its decision on climate finance.
- (e) **Guiding question 5:** What are the main sectors of activity of the AE?
- (i) CCCCC either operates or provides guidance to CARICOM countries in all the areas listed in the 11 strategic elements working either as a single entity or through partnerships with agencies/organizations. Mitigation investments include energy generation through renewable energy technologies and in many instances are blended with adaptation elements for Buildings, Cities, Industries and appliances; Forestry and Land Use; and Nature-based Solutions for the sustainable use of natural resources.
 - (ii) Adaptation secures investments in infrastructure and the built environment in the water sector, early warning systems, data capture for forecasting through the installation of automatic weather stations, coral reef early warning systems stations, water resources management, health, coastal resources management, and agriculture.
 - (iii) CCCCC Member States will determine their own priorities for action once the implementation plan for the RRF is completed. This priority listing will also determine the focus of attention of CCCCC. The work of CCCCC is demand driven and is geared towards addressing the priorities of CARICOM member states of the region.
 - (iv) On the matter of investments in fossil fuels, CCCCC by virtue of its mandate issued by CARICOM Heads of State, has no past, current, future, ambition or interests in venturing directly or indirectly into fossil fuels in any form, including oil and gas, coal-mining, coal-fired power plants and carbon intensive investments, such as steel or cement manufacturing in any of its forms. CCCCC would not be allowed to pursue any actions related to the above by CARICOM Heads and would be in serious breach of its mandate should this ever be considered. The commitment to low-carbon climate-resilient development remains at the forefront of the focus on programming by CCCCC.
 - (v) The AP finds that CCCCC does not invest in fossil-fuel-related projects/programmes and its climate-related investments show an increasing trend over this period.
- (f) **Guiding questions 6 & 7:** Is the AE investing in mitigation and/or adaptation projects/operations?
- (i) The investments supported by CCCCC are solely related to the mandate given to CCCCC as it relates to the impacts of climate change with CCCCC focusing on adaptation and mitigation. CCCCC is a not-for-profit government organization and supports interventions in resilience-building across the 15 member states of CARICOM (or 17 if the Dominican Republic and Cuba are included under EU-funded programmes). These investments are guided by the donor/development partner imperatives.
 - (ii) CCCCC operates as a self-financing organization and covers its operating and capital costs primarily through indirect project-related costs charged when performing the functions of implementing and executing agency for regional

projects. CCCCC therefore has engaged and continues to engage with third parties to support the vast resilience-building requirements in climate change. Owing to the fact that in the region, mitigation and adaptation investments are linked very closely, for example, the establishment of reverse osmosis plants in St Vincent and the Grenadines as well as Grenada that use solar photovoltaic cells as their source of power, there is no significant separation of activities in the two categories. Examples of these types of investments where mitigation merges with adaptation elements can also be found in Belize, Dominica and St Lucia to name a few.

- (iii) Over the years, many projects ranging from small to large were conducted by the Centre as regional public goods. Examples of regional public goods include climate information, data, training and education, and data and climate modelling services essential to its mainstreaming functions. Most of these regional public goods are produced and disseminated through governmental and non-governmental partners. Some are available without charge through the Centre's website,¹¹ including CCORAL, intended to guide both public and private sector entities through climate change impact assessments when planning projects, investments and policies. The website also links to a Clearinghouse Search Tool for accessing CCCCC's archive of climate change related documents, databases and publications.
- (iv) CCCCC collected information on 56 CCCCC-managed projects, 36 of which have been implemented or planned since GCF accreditation in 2015. The total value of projects was then over USD 260 million. Since accreditation, the average project funding value has approximately doubled to USD 5.7 million from USD 2.8 million. The projects are estimated to have benefitted at least 38 million individuals across the region. A resilience assessment tool was developed to aid the analysis of projects. The tool used elements from GCF's performance measurement frameworks for mitigation and adaptation projects, and UNDP's Climate Action Impact Tool to provide CCCCC with a robust framework of indicators to assess a project's impacts on increasing climate resilience.
- (v) The AP finds CCCCC's investments in mitigation and adaptation programmes to be robust.
- (vi) **Overall conclusion:** The AP considers that the evidence provided by CCCCC for the first accreditation term demonstrates the continuous positive trend of developing climate change mitigation and adaptation, and cross-cutting activities. Both the strategy and the trend of activities are aligned with GCF's mandate and objectives.

III. Stage II accreditation review assessment

34. The AE applied under the normal track accreditation process. Its application has been assessed by the AP during stage II (step 1) against the standards of GCF in accordance with the re-accreditation requirements to the extent applicable to accreditation identified in paragraph 5 above.

35. The AE was accredited as a regional implementing entity by the Adaptation Fund Board in April 2022 for five years on a fast-track basis under the AE's prior GCF accreditation. The AP notes that in parallel with the current re-accreditation recommendation, the AE is being

¹¹ Available at: <https://www.caribbeanclimate.bz>

presented to the GCF Board for approval of fast-track re-accreditation for the subsequent accreditation terms, should the AE choose to continue the partnership with GCF.

36. As part of this assessment, the AP consulted the AE's website and third-party websites to complement the information provided in the application.

3.1 Fiduciary standards

3.1.1 Basic fiduciary standards: key administrative and financial capacities

37. CCCCC has fulfilled and closed conditions with regard to basic fiduciary standards on key administrative and financial capacities recommended by the AP and was approved by the Board in its decision to accredit the AE for the first accreditation term.¹²

38. CCCCC's governance structure and the composition and functions of its Board of Governors (CCCCC Board) remain as per the 2002 Agreement Establishing the CCCCC by CARICOM Heads of government. However, a key change in governance during the accreditation term that strengthened the AE's systems, policies and processes was establishing a CCCCC Board-level Ethics Committee with a mandate to oversee, investigate and report to the CCCCC Board on ethical and anti-corruption matters.

39. The AE's increasing portfolio of funding has necessitated and driven changes in organizational structure, including strengthening project management through a Programme Development and Management Services Unit, which incorporates several new specialist roles; some scheduled for recruitment in 2023 and a Corporate Services Unit.

40. CCCCC's 2021–2025 strategy (strategic and implementation plan), developed in a facilitated, participatory process, integrates strategic objectives centred on climate change outcomes and outputs and prioritized activities under CCCCC's role as executing agency for regional environmental projects relating to climate change. A robust communication strategy and a resource management plan accompany the strategy. In addition, the AE's Monitoring, Evaluation and Learning Framework developed as a separate document aligned to the strategic and implementation plan includes results-based management and sets out a performance management framework and indicators for expected outcomes.

41. CCCCC's audited financial statements for the two most recently audited financial years (2020 and 2021) continued to be prepared in accordance with International Financial Reporting Standards and featured unqualified audit opinions and management letters with recommendations and management responses.

42. The CCCCC Board's Finance and Audit Committee (FAC) was not fully operational and effective until 2021. Following a refresh of its charter and terms of reference, an enhanced track record is evident in terms of fulfilling its oversight responsibilities for financial budgeting and reporting, internal control and risk management, legal and regulatory compliance, internal and external audit and prohibited practices investigations.

43. CCCCC's Internal Audit Charter provides the framework for the internal audit function and is outsourced to a qualified professional firm working to Institute of Internal Auditors standards. Recent internal audit plans largely focus on support systems and donor compliance and do not incorporate controls surrounding core business processes such as strategic planning, resource mobilization and project management. The most recent annual internal audit plans and summary reports, prepared for management, evidence the tracking of implementation of internal audit recommendations; however, findings are not prioritized in terms of risk and significance. Interaction between the FAC and the AE's internal auditors in

¹² Refer to documents GCF/B.18/09 and GCF/B.23/04.

developing and agreeing on annual audit plans under strategic areas and prioritizing based on risk assessments was not apparent in the FAC's minutes.

44. Regarding its control framework and risk management, the AE has existing practices; however, it recognized the need to systematize its approach and ensure CCCCC Board oversight. As a subobjective within its strategic and implementation plan, the AE intends to close this system and procedural gap by further developing its risk management ethos and implementing an enterprise risk management approach, that will lead to producing a comprehensive risk register and organizing risk management training for staff.

45. The AE updated and strengthened its financial management systems by developing and issuing its Financial and Accounting Policy and Procedure Manual in 2021. The manual effectively highlights and addresses the segregation of duties in the AE's processes. Following an assessment in 2022, consultancy services are being identified to link CCCCC's financial accounting system (QuickBooks Enterprise Solutions – non-profit edition) to its management information system. The AE is scoping future systems to manage its increased portfolio of directly implemented and beneficiary-executed programmes.

46. Currently, the Head of the Project Development and Management Unit (PDMU), under the Assistant Executive Director, oversees the procurement function. Under the AE's approved 2022 organization chart, procurement will report to a Corporate Services Director, a new position for which a budget was recently approved with recruitment in 2023. This should enhance the oversight of procurement.

47. The AE's 2021 procurement policies, procedures and guidelines are fit-for-purpose and published in full on its website, as are competitive procurement opportunities. An example of responding to clarifications during the procurement tender processes is the procurement of groundwater quality monitoring equipment for a St Kitts and Nevis project; however, links to the original tender documents were no longer valid – only the responses to clarifications.

48. CCCCC's policy and procedures describe the publication of the results of procurement awards and the AE recently retrospectively published the results of procurement activities as per the policy for 2022 and will do so on an ongoing basis. The AE has, within its procurement modules, guidelines for managing bidder appeals and dispute resolution, and the full procurement manual is available alongside procurement notices (opportunities) on the AE's website. Procurement queries/disputes are channelled through the AE's Complaints mechanism.

49. The AP finds that the AE's policies, procedures and capacity partially meet the basic fiduciary standards on key administrative and financial capacities. The relevant gap is identified in paragraph 44 and is reflected by the corresponding condition for re-accreditation in section 4.2. The AP finds that the AE's track record is sufficient.

3.1.2 **Basic fiduciary standards: transparency and accountability**

50. CCCCC has fulfilled and closed conditions with regard to basic fiduciary standards recommended on transparency and accountability by the AP and approved by the Board in its decision to accredit the AE for the first accreditation term.¹³

51. The AE's recently approved Ethics Committee's terms of reference and examples of agendas and meeting minutes portray the committee's track record, and several revised and new policies are currently under management and committee review pending CCCCC Board approval. A standalone, institutional Code of Ethics that applies to staff and other contractual parties will be prioritized and finalized in 2023. Several different policies are embedded in the AE's Staff Rules and Regulations that are currently under revision, such as an Anti-Fraud and

¹³ Refer to documents GCF/B.12/07 and GCF/B.15/16.

Corruption Statement, Employee Protection (Whistle-blower) Policy and policies/procedures on conflict of interest; policies that are important with respect to the GCF Policy on Prohibited Practices and the GCF Policy on the Protection of Whistleblowers and Witnesses. Finalizing the revised Staff Rules and Regulations is a priority for CCCCC management, and CCCCC Board approval is anticipated in the first quarter of 2023.

52. The AE indicated that to date, as well as being dispersed through key policies, ethical expectations are included in agreements with other contracted parties. To strengthen systems, policies and procedures, the AE has also drafted a Code of Conduct that encompasses ethical standards, including conflicts of interest applicable to all of the AE's employees, interns and consultants or contractors, scheduled for CCCCC Board approval in 2023. Sensitization and training sessions have been held historically and are planned with staff and contractually related parties for all approved policies.

53. Regarding disclosure or conflicts of interest, to date, policies and procedures for preventing and mitigating conflicts of interest have not been fully developed and implemented. Declarations of non-association/affiliation with regard to consultancies and projects are mentioned in the Staff Rules and Regulations and obligations of CCCCC Board members regarding conflicts of interest broadly described in the CCCCC Board Rules of Procedure; however, processes are not holistically implemented and monitored. While the AE's draft Code of Conduct covers conflicts of interest, it does not prescribe proactive annual or process-driven disclosures (and disclosure of no-conflicts), and the AE is advised to include these provisions in the Code, and to ensure declarations are filed for all staff upon the effectiveness of the Code and contracted parties as and when engaged. A CCCCC Board Manual to be introduced in 2023 will incorporate a specific process for disclosing and managing conflicts of interest at the CCCCC Board level and will address the procedural gap at that level.

54. In addition to the reconfiguration of Staff Rules and Regulations, consultancy support from the Canadian Executive Services Organisation (CESO) provided the AE with technical assistance to, among other objectives, develop and revise detailed human resources policies in 2021/2022, which are separate to the Staff Rules and Regulations.

55. The AE's Whistleblowing Policy includes protection provisions; however, the policy is embedded in the AE's Staff Rules and Regulations, which are in the process of being revised. Therefore, the policy only applies to CCCCC staff and not all potential whistle-blowers, representing a gap between the AE's policies and processes and the GCF Policy on the Protection of Whistleblowers and Witnesses. In addition, a gap exists whereby the AE's general and project-related complaints mechanism¹⁴ captures complainant personal information, including email addresses and potentially IP address identifiers and does not facilitate ongoing anonymous communication with complainants, and therefore does not adequately provide for anonymous, as opposed to confidential, reporting.

56. Management handles complaints unless they are related to the Executive Director, and reports are shared with the Ethics Committee. The AE's investigative process involves the Head of Human Resources, in consultation with the Executive Director, forming an Investigation Committee. The Finance and Audit Committee and the Ethics Committee have oversight responsibility regarding reports and investigations, and the Ethics Committee charter points to the use of the internal function to optimize independence in the investigative process.

57. Information on the AE's investigation function and guidelines for processing and managing cases before, during and after the investigation process are not published in sufficient detail on the AE's website to meet GCF fiduciary standards for transparency and accountability and require broader elaboration on the website and either through a detailed explanation or

¹⁴ Available at: <https://www.caribbeanclimate.bz/contact-us/complaints/>

full publication of the process. This corresponds with paragraph 102 on the AE's grievance redress mechanism (GRM).

58. It was noted that the AE informed the Secretariat that it had no cases of suspected or proven prohibited practices in recent years. Based on information shared in relation to procurement queries and grievances, the AE has the capacity and competency to report on case trends with regard to any future reports or investigations to senior management and the CCCC Board.

59. While the AE's AML and CTF policies and principles and digitized vetting forms are robust and fit-for-purpose and whereas no suspicious transaction reports have been required since the approval of the AML and CTF policy in 2021, evidence of implementation in the form of completion of the AE's AML information forms was not available. Know-your-customer (KYC) processes, including checks against EU and UN sanctions lists, are carried out manually by the AE's procurement staff. The AE confirmed plans to automate prescribed, independent KYC checks in the AE's management information system in 2023. Regarding an independent assessment of controls over AML and CTF, an internal audit is scheduled for 2023, and to demonstrate that procedures have been implemented, the AP will review the report from the internal auditors.

60. The AP finds that the AE's policies, procedures and capacity supported by its track record partially meet the basic fiduciary standards on transparency and accountability, and to the extent applicable to accreditation, the GCF Policy on Prohibited Practices,¹⁵ the GCF Policy on the Protection of Whistleblowers and Witnesses,¹⁶ and the GCF AML/CFT Policy.¹⁷ The relevant gaps are identified in paragraphs 51, 52, 53, 55 and 57 and are reflected by the corresponding conditions for re-accreditation in section 4.2.

3.1.3 Specialized fiduciary standard for project management

61. CCCC did not have any conditions with regard to the specialized fiduciary standard for project management recommended by the AP for the first accreditation term.

62. The AE's project management systems and policies are based on three historical manuals: Standard Operating Procedures (SOP) for Project Cycle Management (last updated in 2014), which provides a framework for aligning strategy with objectives and managing phases and project milestones and risks; a Manual for Project Monitoring, Review, Reporting and Evaluation (2015) covering progress monitoring, corrective action and project closure, including evaluation; and a Project Formulation Manual (2015) that focuses on identification, formulation, and appraisal and incorporates logical frameworks and problem analysis.

63. As part of its 2021–2025 strategy and implementation plan, the AE is overhauling its procedures and consolidating historical procedures and practices, and revised procedures and guidance notes into a new Project Development and Management Handbook, which will incorporate and supersede the manuals mentioned above and standard operating procedures.

64. The new handbook aims to provide cohesion and integration across the project management cycle and includes strengthening stakeholder engagement in particular social safeguards, documenting the approach to portfolio management and contract management procedures, strengthening grant awardee selection processes, and integrating relevant elements of general management policies. The handbook will incorporate the AE's recent experience as well as ensure alignment with the rules and requirements of donor agencies as applicable and integrate key elements of the GCF Programme Manual, Appraisal Guidance, Sectoral Guides, Investment Framework and Integrated Results Management Framework,

¹⁵ Decision B.22/19 and annex XIV thereto.

¹⁶ Decision B.BM 2018/21 and annex I thereto.

¹⁷ Decision B.18/10 and annex XIV thereto.

which are widely used in practice by the AE. The AE indicated a firm commitment to completing its new handbook, thereby closing this policy/procedural gap by December 2023.

65. Notwithstanding the gap in policy/procedural alignment with GCF specialized fiduciary standards for project management, the AE's track record demonstrates good practice in project management as found in recent projects, including the financial and cost-benefit analysis in FP192, concept screening in the D-CLEAR-Water project and gender and ESS in the "Building the Adaptive Capacity of Sugarcane Farmers in Northern Belize" project. In addition, legal due diligence at the project appraisal and design stage of the project cycle is well demonstrated in the FP192. The AE's risk-based project preparation and appraisal matrices for climate change projects feature the GCF's six high-level investment criteria. Through the track record examples shared, the AE demonstrates capacity for setting clear proposal project objectives and outcomes and key performance indicators with baselines and targets in the project design.

66. The AE has strengthened its technical capacity and has a Project Development Team in place, which includes technical specialists in ESS and gender, within the AE's PDMU, that works with CARICOM member states to develop project/programme proposals for submission to GCF and other donors. In addition, a Monitoring and Evaluation Specialist will be recruited by mid-2023.

67. Specific to project implementation monitoring, the AE shared robust examples of standard annual operating plans for two projects – Global Climate Change Alliance+ (2022–2023) and LAC-RS-017 (2021–2022) – and completed narrative reports against these plans, endorsed by the Executive Director and Project Steering Committee. In addition, financial monitoring and compliance were demonstrated in the USAID Climate Adaptation Project's final consolidated report and audit report from 2019–2020. Regarding project closeout, the AE shared a project closeout workshop report for its Belize Readiness 2 project, including disseminating lessons learned and best practices.

68. The AE's project monitoring and evaluation systems are not currently covered in detail in the draft Project Development and Management Handbook; however, the AE indicated that updated monitoring and evaluation procedures and processes reflecting current practices and aligned with the GCF Evaluation Policy would feature in the final version of the handbook.

69. Since 2020, portfolio/programme/project monitoring has been undertaken quarterly via portfolio review meetings. A future management information system is under development to further strengthen project monitoring tools and prepare comprehensive portfolio reports and exception reporting based on thresholds/tolerances.

70. Technical monitoring expertise is dispersed among units. A Lead Project Manager, not directly in charge of projects and the PDMU Head coordinate internal monitoring and, in the future, a knowledge management systems expert will be recruited to add a further level of independence and technical expertise to internal monitoring. Senior management sign-off on monitoring reports is required under current procedures. The AE highlighted its historical practices and agile processes, with the example of an Action Plan and Response Tracking Tool for improved monitoring and evaluation, used on the Intra-African, Caribbean and Pacific Group of States Global Climate Change Alliance (Intra-ACP GCCA) and Caribbean Forum (CARIFORUM) Programmes. In terms of independent ex post evaluations, mid-term reviews, as in the example of FP060, are generally provided for in respective project agreements and undertaken with external support from the funding agency or independent consultants, as the AE currently has no independent internal evaluation body.

71. The AE's strong historical good practices and ongoing intent to disclose project monitoring and evaluation information are clear from examples in CCCCC's Regional Clearinghouse,¹⁸ an online archive and information exchange system for climate-resilient

¹⁸ Available at: <https://www.caribbeanclimate.bz/caribbean-climate-change-tools/clearinghouse-search-tool/>

decision-making. However, policies and procedures for public disclosure of key project information are not sufficiently documented to ensure consistent implementation by management.

72. The AE described its project risk management methodology, E&S risk management plan and a new supplementary risk tool, currently in its final draft stage and understood to be integrated with the development and implementation of enterprise risk management by the AE and the Project Development and Management Handbook. The AE shared the example of project risk monitoring for its Haiti Readiness Project, where alternative locations were found as a risk mitigation measure to allow for the continuation of project implementation. This example demonstrates the AE's track record in managing project risks brought about by security and safety events and the AE's ability to reconfigure project activities.

73. The AP finds that the AE's policies, procedures and capacity partially meet the specialized fiduciary standard for project management. The relevant gaps are identified in paragraphs 64, 68 and 69 and are reflected by the corresponding condition for re-accreditation in section 4.2. The AP finds that the AE's track record is sufficient.

3.1.4 **Specialized fiduciary standard for grant award and/or funding allocation mechanisms**

74. CCCC did not have any conditions with regard to the specialized fiduciary standard for grant award and/or funding allocation mechanisms recommended by the AP for the first accreditation term.

75. Historically, the AE developed and implemented processes for specific grant award projects and programmes as and when needed. As a result, and because in recent years the AE has not had significant grant award projects, a policy/procedural gap exists, and the AE has indicated that its Project Development and Management Handbook will encompass general contract management, including grant award procedures based on experience to date, and that these policies and procedures will be in place by December 2023.

76. The AE's KfW-funded Coastal Resources Project incorporates elements of competitive grant awarding and provides procedural precedent to inform the AE's handbook. In addition, the approach to grant awards defined in the enhanced direct access funding proposal titled "Enhancing Coastal Protection for Climate Change Resilience", will inform the general policy/procedure in future. Specifically, the enhanced direct access concept note includes sensitization and consultations in advance of the launch of a call for proposals, evaluation of concept notes followed by submission of full proposals, and decisions based on the work of a technical assessment committee and evaluation committee. The project is open to public and private sector applicants, and the AE has the capacity and competency to collaborate and manage both. Selection criteria and the composition of decision-making bodies are well articulated, as are public disclosure requirements and feedback mechanisms, including website publication of calls for concepts/proposals, successful concept note applicants and final results, including the grant amount, beneficiary institution and executing agency. Furthermore, direct feedback to applicants on successful and unsuccessful project proposals is incorporated in line with good grant award mechanism practices.

77. Regarding the oversight of beneficiary institutions, including due diligence guidelines/procedures for assessing grant awardee capacities, including the application of the AE's or beneficiary's procurement rules and procedures, post-grant award activities and procedures for determining the eligibility of expenditure and recovery of funds, suspension and termination of projects, the AE confirmed that the handbook as mentioned above would incorporate such procedures building on the AE's current project track record and proposals.

78. The AE has broad and recent experience and a strong reputation with diverse multilateral and bilateral funders such as USAID, Global Affairs Canada and the EU. External audit reports for the AE's prior projects with GEF/UNEP (Environment for Sustainable Development in Buildings), and USAID (Climate Change Adaptation), and for GCF-funded projects from 2019 to 2021, include unqualified opinions and management control recommendations that the AE has taken on board. It was noted that the AE uses a variety of qualified audit firms for project audits.

79. The AP finds that the AE's policies, procedures and capacity supported by its track record partially meet the specialized fiduciary standard for grant award and/or funding allocation mechanisms. The relevant gaps are identified in paragraphs 75 and 77 and are reflected by the corresponding condition for re-accreditation in section 4.2.

3.1.5 **Specialized fiduciary standard for on-lending and/or blending (for loans, equity and/or guarantees)**

80. The AE did not apply for re-accreditation for this standard during its first accreditation term and did not apply for an upgrade in its accreditation scope for this standard at this time.

3.2 Environmental and social safeguards

81. CCCCC did not have any conditions with regard to the GCF interim ESS standards recommended by the AP for the first accreditation term with a maximum accreditation scope of a maximum E&S risk category B/ intermediation 2.

3.2.1 **Environmental and social policy**

82. CCCCC provided a copy of its environmental and social management system (ESMS) approved by the CCCCC Board at its quarterly meeting held on 20 June 2022. The 2022 ESMS updates the AE's 2014 E&S Policy and Performance Standards. CCCCC made fundamental changes in the 2022 ESMS when compared with its E&S Policy and Performance Standards. The changes included both policy and process related improvements. The ESMS added performance standard 9 (PS9) – Stakeholder Engagement and Information Disclosure that significantly addressed CCCCC commitments, ensuring continued inclusion of its implementing partners. Additionally, further improvements were included by bolstering the high-level project risk categorization process and inclusion of a new risk management methodology. This ensures greater consistency in risk identification and mitigation and will improve the overall project success.

83. CCCCC is committed to the development and implementation of projects that are environmentally and socially sustainable, and to enhancing its environmental and social performance through assessment and management of the environmental and social risks and impacts of projects. The ESMS comprises CCCCC's E&S Policy and related guidelines to implement the Environmental and Social Performance Standards (PS 1–8) of the International Finance Corporation, which are designed to avoid, minimize, reduce or mitigate the adverse environmental and social risks and impacts of projects.

84. The ESMS refers to upholding the conventions, laws and regulations of the member states. The Assistant Executive Director of CCCCC and the Head of the PDMU of CCCCC assisted by the Environment and Social Specialist have ensured that the ESMS has been communicated internally accompanied by the development of training plans for relevant staff within the organization.

85. CCCCC Performance Standard 7, like the GCF's PS 7, recognizes that indigenous peoples, as social groups with identities that are distinct from mainstream groups in national societies,

are often among the most marginalized and vulnerable segments of the population. CCCCC works with CARICOM member states to ensure that the UN Declaration on the Rights of Indigenous Peoples¹⁹ is applied in its projects/programmes where relevant. CCCCC is staffed with an E&S Specialist and a Gender and Stakeholder Specialist who coordinate the implementation and compliance with PS 7. Where projects involve direct impacts on indigenous peoples, a specialist is hired by the implementing partner, to ensure compliance with the Indigenous Peoples Plan, during project implementation.

86. The CCCCC Gender Policy and Action Plan refers to sexual harassment. The CCCCC Sexual Harassment Policy, in its draft phase, has been shared with staff and comments have been received by the Human Resource Department. CCCCC mandates that assessments conducted on its behalf must consider and evaluate the potential for sexual misconduct during the implementation phase of the project and that it will not tolerate sexual exploitation, abuse or harassment in any form. In addition, CCCCC has a draft risk assessment procedure that also provides a robust framework that helps to capture all forms of risks. In the meantime, CCCCC is committed to applying the GCF's Revised Policy on the Prevention and Protection from Sexual Exploitation, Sexual Abuse, and Sexual Harassment.²⁰

87. CCCCC's climate change strategy demonstrates its commitment to responding to climate change challenges, including promoting investments in mitigation and adaptation using its tools and methodologies to calculate and track GHG emissions and climate resiliency, and climate risk assessment of its projects/programmes (please refer to section 2.4 for further details).

88. CCCCC indicated that the GCF Evaluation Policy applies to its GCF funding proposal, and this has been applied to FP060 thus far. A copy of the completed mid-term evaluation for FP060 was provided indicating the AE's capacity to implement the GCF Evaluation Policy. That mid-term evaluation has benefited from inputs and feedback from GCF.

89. The AP finds that CCCCC's environmental and social management system, comprising the Environmental and Social Policy supported by evidence of its track record, fully meets the GCF Revised Environmental and Social Policy to the extent applicable to accreditation and the GCF interim ESS standards for maximum E&S risk category B/I-2 projects/programmes with respect to performance standards 1-8.

3.2.2 Identification of environmental and social risks and impacts

90. Annexes to the E&S Policy define the process for operationalizing the identification and management of E&S risk and impacts, including E&S risk categorization. The PDMU Officers determine the project E&S risk classification, and a single category (A, B or C) is assigned to each project. These risk categories are similar to those defined in the GCF interim ESS standards. A climate risk assessment exercise is then conducted using the templates provided in the annex to the ESMS (Prescreening Screening and Categorization and Environmental and Social Risk Assessment Screening Checklist). The CCCCC risk register is used to manage and report on risk during and after project implementation.

91. CCCCC provided a sample environmental and social impact assessment and a sample environmental and social management plan that constituted evidence of the AE applying its E&S risk and impacts screening and categorization for projects/programmes in E&S risk category B/I-2. The AE also provided a list of its past projects, including its E&S risk category.

92. The AP finds that CCCCC's system of identification of E&S risks and impacts, supported by evidence of its track record, fully meets the GCF Revised Environmental and Social Policy to

¹⁹ Available at: <https://www.un.org/development/desa/indigenouspeoples/declaration-on-the-rights-of-indigenous-peoples.html>

²⁰ Decision B.BM-2021/08 and annex I thereto.

the extent applicable to accreditation and GCF interim ESS standards for maximum E&S risk category B/I-2 projects/programmes with respect to performance standards 1–8.

3.2.3 Environmental and social management programme

93. The E&S Policy includes a description of the applicant's institutional process to manage E&S risk and impact mitigation measures and actions stemming from the E&S risk identification process. The CCCCC environmental and social due diligence is commensurate with the nature, scale and stage of the intervention, and with the level of environmental and social risks and impacts. CCCCC conducts due diligence of all new interventions that are being considered for CCCCC support, whether in the design, construction or operational stage. Where there are significant environmental or social impacts associated with the intervention, including past or present adverse impacts caused by others, CCCCC works with the implementing partners to determine possible remediating measures.

94. CCCCC applies analytical tools such as environmental impact assessment, environmental audits, social impact analysis, Caribbean Climate Online Risk Adaption tool (CCORAL), natural hazard impact assessment and climate vulnerability assessment to systematically identify, analyse, predict, and assess and evaluate potential impacts and risks; while evaluating project alternatives (e.g. site, design, technology) and providing the mitigation and adaptation measures required to manage the predicted/projected social, environmental, natural hazard and climate change impacts. A project may require the use of one or more of these tools, or elements of these tools, depending on its nature or complexity.

95. CCCCC provided a sample of environmental and social impact assessment and environmental and social management plan in E&S risk category B/I-2 to demonstrate the application of its E&S mitigation management in projects/programmes financed by it. CCCCC also provided a narrative on its oversight mechanism that verifies the overall performance/effectiveness of the ESMS at the institutional level, including reviewing E&S risk and impact identification, project categorization and implementation of E&S mitigation measures. The audit for the effectiveness of the institutional level E&S management will be undertaken for GCF funding proposal FP192 and all such projects within the time frame required by GCF. CCCCC is committed to this process which will be institutionalized within the FP192 and all subsequent projects.

96. The AP finds that the CCCCC's E&S management programme, supported by evidence of its track record, fully meets the GCF Revised Environmental and Social Policy to the extent applicable to accreditation and GCF interim ESS standards for maximum E&S risk category B/I-2 projects/programmes with respect to performance standards 1–8.

3.2.4 Monitoring and review

97. The ESMS includes the description of the applicant's monitoring process/requirements that address E&S matters (including stakeholder engagement). CCCCC's implementing partners, in collaboration with CCCCC, have established measures to monitor and measure the effectiveness of the management programme as well as compliance with any related legal and/or contractual obligations and regulatory requirements. Where the government or other third parties have responsibility for managing specific risks and impacts and associated mitigation measures, the implementing partners will collaborate in establishing and monitoring such mitigation measures.

98. Where appropriate, implementing partners may consider involving representatives of affected communities to participate in monitoring activities. The implementing partners' monitoring programme is overseen at the appropriate level in CCCCC's organization. For intervention actions with projected significant impacts, the implementing partners have

retained external experts to verify their monitoring information. The extent of monitoring is commensurate with the intervention environmental and social risks and impacts and with compliance requirements.

99. The initiation and continuation of the contributing E&S monitoring is conducted throughout the implementation of the various project subactivities. At the project level, E&S monitoring and reporting, annual performance reports, and the mid-term evaluation reports, include a summary of this information and the subactivity level, provide further details. The process for the approval of the APRs is through the office of the national designated authority and for the mid-term evaluation, the Project Steering Committee. CCCCC provided a sample of E&S monitoring reports, APRs, and a mid-term evaluation report.

100. The AP finds that CCCCC's system of E&S-related monitoring and review, supported by evidence of its track record, fully meets the GCF Revised Environmental and Social Policy to the extent applicable to accreditation and GCF interim ESS standards for maximum E&S risk category B/I-2 projects/programmes with respect to performance standards 1–8.

3.2.5 External communications, consultations, information disclosure and grievance redress mechanism at the institutional level

101. The ESMS includes information on its external communication system to receive project-related complaints. CCCCC uses the following email address for receiving general and project-related complaints: complaints@caribbeanclimate.bz. All complaints are received by the Human Resources Manager who forwards these to the relevant CCCCC unit. Project-related complaints are forwarded to the Head of the PDMU and the corresponding Project Manager. A confirmation of receipt is sent within 10 working days for processing and response to complaints. Complainants also have the option of sending complaints to the Executive Director of CCCCC at oed@caribbeanclimate.bz.

102. The mailbox is used to receive “general” complaints and not E&S-related complaints specifically. As the complaints are managed by the PDMU, they are not independent of the project implementation unit. Furthermore, a detailed procedure outlining the steps of the process to manage the complaints is also not available publicly. As such, the complaint mechanism does not meet the institutional level GRM requirements to receive and respond to E&S-related complaints for an independent, effective and transparent institutional level environmental and social GRM procedure as outlined in the GCF Revised E&S Policy, paragraph 79, and related UN Guiding Principles on Business and Human Rights – the so called “Ruggie Principles”.²¹

103. CCCCC has initiated a consultancy to support the upgrade and refinement of CCCCC's institutional level GRM. CCCCC provided terms of reference for the consultancy and facilitated a meeting with the consultants. A draft of the CCCCC's institutional level E&S GRM is expected to be available by the end of January 2023 and a final version is scheduled for completion in the second week of February. In parallel, an E&S GRM Procedures Manual and toolkit will be prepared. Finally, as part of this consultancy, live and hybrid training workshops and training and sanitization workshops are planned, both for internal and external audiences and are scheduled to take place in March 2023.

104. The ESMS generally, and specifically in PS-9 on Stakeholder Engagement and Information Disclosure, describes applicant requirements for E&S-related consultation and information disclosure. The level and nature of stakeholder engagement and participation will vary depending on the project, and CCCCC works with implementing partners to determine the level of consultation and disclosure of information necessary to meet national, regional and

²¹ Available at: <https://www.business-humanrights.org/en/big-issues/un-guiding-principles-on-business-human-rights/>

international (programmatic) requirements. The standard will reduce the likelihood of reputational risk and project delay, emanating from inadequate engagement with beneficiaries. The AE has provided evidence on its track record in applying project-level GRM and disclosure of E&S information in its projects/programmes in category B/I-2.

105. The AP finds that CCCCC's system of external communications, consultations, information disclosure and grievance redress mechanism, supported by evidence of its track record, partially meets the GCF Revised Environmental and Social Policy to the extent applicable to accreditation, GCF interim ESS standards and GCF Information Disclosure Policy regarding E&S information disclosure requirements for maximum E&S risk category B/I-2 projects/programmes with respect to performance standards 1–8. The relevant gap is identified in paragraph 102 and is reflected by the corresponding condition for re-accreditation in section 4.2 below.

3.2.6 Organizational capacity and competency

106. CCCCC provided its organizational structure which includes the E&S functions placed under the PDMU. The PDMU has general responsibility for: institutionalizing the E&S Policy and its requirements; updating and revising this policy for CCCCC Board approval as needed; where necessary, developing other environment and social operational policies/procedures to complement this policy; guiding, familiarizing, and training staff in their use and application of the ESMS; providing technical advice to implementing partners, whether internally or using third-party support; and monitoring the application of the policy.

107. CCCCC provided the biodata of its senior professionals with E&S responsibilities together with information on their capacity in the form of a sample of their work. It also provided biodata of the Head of the PDMU. Projects are screened by the PDMU E&S officers with the Head of the PDMU providing an oversight for this process. The E&S risk categories are approved by the Project Manager/Coordinator. The PDMU E&S experts are also responsible for conducting E&S due diligence and monitoring AE's projects/programmes.

108. CCCCC has commenced conducting a thorough needs assessment to determine the training and/or additional skills required in CCCCC. The needs assessment will identify the gaps, if any, between the current situation and the desired or necessary situation in relation to E&S and gender issues. The analysis of the current situation includes determining the present state of skills, knowledge and abilities of the current and/or staff of the Centre. This analysis will examine CCCCC-specific organizational goals, climate, and internal and external constraints. The analysis of the desired or necessary situation will focus on the necessary standards for change, as well as the skills, knowledge and abilities needed, if deemed so, to accomplish these successfully.

109. The AP finds that CCCCC's organizational capacity and competency to implement the environmental and social management system, supported by evidence of its track record, fully meet the GCF Revised Environmental and Social Policy to the extent applicable to accreditation and GCF interim ESS standards for maximum E&S risk category B/I-2 projects/programmes with respect to performance standards 1–8.

3.3 Gender

110. CCCCC has fulfilled and closed conditions with regard to gender recommended by the AP and approved by the Board in its decision to accredit the AE for the first accreditation term.²²

²² Refer to document GCF/B.12/07.

111. CCCCC provided its revised Gender Policy and Action Plan (2021–2026) approved by the CCCCC Board in December 2021. This policy is built on international best practices and principles but is also grounded in the reality of Caribbean small island developing States. It therefore aligns with the United Nations Sustainable Development Goals (SDGs), which commit to gender equality in the SDG 5 and as a cross-cutting development objective across the other 16 SDGs. Similarly, this policy is also aligned with the United Nations Framework Convention on Climate Change (UNFCCC), which sets out to ensure that when addressing climate change, the principles of gender equality and women’s empowerment are promoted.

112. Through this policy, the work of CCCCC will also be guided by the core values of the UN Convention on the Elimination of All Forms of Discrimination against Women (1979).²³ Consequently, the principle that “All people, by virtue of their shared humanity, carry inherently equal dignity and rights” should remain at the core of CCCCC’s work. CCCCC therefore strives to affirm and uphold equal rights and opportunities for women and men in both its operations internally and in carrying out its mandate. Crafting this policy and action plan has equally benefited from review and adaptation of best practices of other multilateral and regional development partners, including the Caribbean Development Bank (CDB), Green Climate Fund (GCF), Adaptation Fund (AF), and the Global Environment Facility (GEF).

113. This policy is now an active document and operationalized/managed by the Gender Specialist in place at CCCCC. CCCCC extends the Gender Policy and Action Plan to all beneficiaries, including CARICOM Member States to ensure compliance. This also recognizes the sovereignty of State laws and policies relating to gender. The Gender Policy and Action Plan asserts CCCCC’s commitment to ensure that all our actions are gender responsive, and that gender equality is embedded into its core values.

114. CCCCC ensures that gender equality is actively pursued and integrated in CCCCC’s operational and programmatic work. Internally, CCCCC is committed to promoting a culture that embraces gender equality at all levels of its operations. CCCCC encourages and maintains an environment where its employees, contractors and stakeholders recognize that violations relating to gender and sex-based discrimination or harassment are appropriately and confidentially resolved. In carrying out its core mandate, CCCCC commits to ensuring that climate change interventions uniquely respond to the respective needs and circumstances of women, men, boys and girls across the Caribbean region, and that women, girls and marginalized groups are empowered to be change agents for addressing climate change.

115. The Gender Policy and Action Plan articulates the gender mainstreaming in projects/programmes at all stages of the project cycle and provides for a project-level GRM accessible to all stakeholders; socioculturally appropriate, gender-sensitive and tailored to the relevant context and need of both men and women. The integration of a gender equality perspective in all projects and programmes as outlined in the Project Formulation Manual also encourages the Centre to reach the goals set out in this policy.

116. CCCCC maintains the Gender and Stakeholder Specialist position as an essential element of the overall portfolio management. This position was re-advertised as the previous holder of the position had to leave due to personal matters. The AE provided a vacancy announcement for the gender position, and evaluation of the responses received is under way with the aim of filling the position later in January 2023. In the meantime, the Head of the PDMU has the necessary skills and experience to fill in this gap.

117. All project managers are made aware of the sensitivities of gender internally within CCCCC, and fully integrated into the normal implementation of projects. CCCCC has embarked

²³ Available at: <https://www.ohchr.org/en/instruments-mechanisms/instruments/convention-elimination-all-forms-discrimination-against-women>

on a series of training exercises with member states on gender for projects under development, articulating the various considerations as articulated in the Gender Policy.

118. CCCCC provided sample of gender analysis/gender action plans for its projects/programmes. Furthermore, the applicant's GCF-funded projects also include a gender assessment/gender action plan.

119. The AP finds that CCCCC's gender policy, procedures, capacities and competencies, supported by evidence of its track record, fully meet the updated GCF Gender Policy to the extent applicable to accreditation.

IV. Conclusions and recommendation

4.1 Conclusions

120. Following its assessment, the Secretariat concludes the following in relation to the application with respect to the potential to continue in the role of an AE and to support the mandate and objectives of GCF: the AE can continue to contribute to GCF in implementing its Updated Strategic Plan for 2020–2023 with respect to:

- (a) Alignment of the AE's GCF portfolio with the climate-related national priorities of the countries where the AE operates;
- (b) Contribution to the adaptation and mitigation balance in the GCF portfolio since the AE has the ability to programme adaptation projects and include adaptation components in its activities; and
- (c) Supporting diversity in GCF results areas such as health and food and water security, forests and land use, and ecosystems and ecosystem services.

121. Following its assessment, the AP concludes the following in relation to the application with respect to the AE's ability to meet the GCF accreditation standards and GCF policies relevant for accreditation it is seeking re-accreditation:

- (a) The AE partially meets the requirements of the GCF basic fiduciary standards, and to the extent applicable to accreditation, the GCF Policy on the Protection of Whistleblowers and Witnesses, the GCF Policy on Prohibited Practices, and the GCF AML/CFT Policy; and the specialized fiduciary standard for project management and the specialized fiduciary standard for grant award and funding allocation mechanisms. The AE does not have, an institutional-level risk management procedure/process, a policy and process for disclosure of conflicts of interest by board members or up-to-date policies aligned to the GCF Policy on Prohibited Practices and the GCF Policy on the Protection of Whistleblowers and Witnesses, incorporating anonymous reporting. The AE has not demonstrated a track record in implementing its AML/CTF policies and procedures, nor does it have updated and revised institutional-level procedures and processes to reflect its practices and track record in project management and grant award mechanisms. The above gaps are reflected in paragraphs 44, 51, 52, 53, 55, 57, 64, 68, 69, 75 and 77 above, and addressed in the corresponding conditions of accreditation in section 4.2;
- (b) The AE partially meets the GCF Revised Environmental and Social Policy to the extent applicable to accreditation, GCF interim ESS standards and the GCF Information Disclosure Policy on disclosure of E&S information in relation to the medium E&S risk (category B/I-2). The AE's complaint mechanism does not meet the independent, effective and transparent requirements for the institutional level GRM requirements of paragraph 79 of GCF's Revised Environmental and Social Policy which sets out the

attributes of such a mechanism; the above gap is reflected in paragraph 102 above and addressed in the corresponding conditions of accreditation in section 4.2;

- (c) The AE has demonstrated that it has a policy, procedures and competencies to implement its gender policy, which is found to be consistent with the Updated GCF Gender Policy to the extent applicable to accreditation and has demonstrated that it has experience in gender consideration in the context of climate change; and
- (d) The AE has demonstrated that it has institutional-level systems, capacities and competencies regarding evaluation as required by the aforementioned GCF basic and specialized fiduciary standards and interim ESS standards that would enable it to implement the GCF Evaluation Policy for its GCF-funded activities.

4.2 Recommendation on re-accreditation

122. The AP recommends, for consideration by the Board, CCCCC for re-accreditation for its second term as follows:

- (a) **Accreditation type:**
 - (i) **Maximum size of an individual project or activity within a programme:** small²⁴ (including micro²⁵);
 - (ii) **Fiduciary functions:**
 1. Basic fiduciary standards;
 2. Specialized fiduciary standard for project management; and
 3. Specialized fiduciary standard for grant award and/or funding allocation mechanisms; and
 - (iii) **Maximum environmental and social risk category:** medium risk (category B/I-2²⁶) (including lower risk (category C/I-3²⁷)); and
- (b) **Conditions:** the AE will be required to submit to the AP, through the Secretariat, information on how it has complied with the conditions. The AP will thereafter assess whether the conditions have been met. This assessment will be communicated by the Secretariat, on behalf of the AP, to the Board for information purposes:

²⁴ As per annex I to decision B.08/02 (annex I to document GCF/B.08/45), “small” is defined as “maximum total projected costs at the time of application, irrespective of the portion that is funded by the GCF, of above USD 10 million and up to and including USD 50 million for an individual project or an activity within a programme.”

²⁵ As per annex I to decision B.08/02 (annex I to document GCF/B.08/45), “micro” is defined as “maximum total projected costs at the time of application, irrespective of the portion that is funded by the GCF, of up to and including USD 10 million for an individual project or an activity within a programme.”

²⁶ As per the Revised Environmental and Social Policy adopted in decision B.BM-2021/18, category B is defined as “Activities with potential limited adverse environmental and/or social risks and impacts that individually or cumulatively, are few, generally site-specific, largely reversible, and readily addressed through mitigation measures,” and intermediation 2 is defined as “When an intermediary’s existing or proposed portfolio includes, or is expected to include, substantial financial exposure to activities with potential limited adverse environmental or social risks and impacts that are few, generally-site specific, largely reversible, and readily addressed through mitigation measures; and no activities with potential significant adverse environmental and social risks and impacts that, individually or cumulatively, are diverse, irreversible, or unprecedented”

²⁷ As per the Revised Environmental and Social Policy adopted in decision B.BM-2021/18, category C is defined as “Activities with minimal or no adverse environmental and/or social risks and/or impacts,” and intermediation 3 is defined as “When an intermediary’s existing or proposed portfolio includes financial exposure to activities that predominantly have minimal or negligible adverse environmental and/or social impacts”.

- (i) Conditions to be met by the AE prior to the effectiveness of the amended and restated accreditation master agreement during stage III of the re-accreditation process:
- (1) Delivery to GCF by the AE of evidence, in a form and substance satisfactory to the AP, of:
 - a. adoption by the AE's Board of Governors of an institutional risk management framework/policy;
 - b. the adoption of the AE's Code of Conduct or equivalent policy document covering actual, perceived or apparent conflicts of interest and which requires periodic, standardised, comprehensive conflict of interest disclosures;
 - c. the implementation of the procedure in the AE's Board Manual for recording Board member conflict of interest disclosures in meetings of the AE's Board of Governors and Board subcommittees;
 - d. adoption and publication on the AE's website of a revised whistle-blowing policy that provides for anonymous reporting, and which is applicable and accessible to staff and contracted parties;
 - e. adoption of a revised, anti-fraud and corruption policy which is aligned to the GCF Policy on Prohibited Practices and which is applicable and accessible to staff and contracted parties;
 - f. publication on the Complaints page of the AE's website of the AE's guidelines for processing and managing complaints before, during and after investigation processes; and
 - g. the adoption of the AE's revised Programme Development and Management Handbook covering project management and grant award procedures, which shall include procedures for monitoring and evaluation and information disclosure procedures that are aligned with the applicable GCF specialized fiduciary standards; and
 - (2) Delivery to GCF by the AE of evidence, in a form and substance satisfactory to the AP, that it has adopted the policy and procedures of the AE's institutional-level grievance redress mechanism to receive and respond to E&S complaints which will be managed by a unit independent of the project implementation unit, that this policy and procedures satisfy the requirements of paragraph 79 of GCF's Revised Environmental and Social Policy, and that the AE has published such policy and procedures on its public website; and
- (ii) Condition to be met by the AE prior to or at the time of submission of the next mid-term accreditation report:
- (1) Delivery to GCF by the AE of evidence, in a form and substance satisfactory to the AP, of the report, including recommendations and management actions from the planned internal audit of the AE's AML/CFT policy and procedure, that includes the satisfactory implementation of the AE's KYC guidelines and templates.

123. The AE has been informed of the recommendation for re-accreditation, including the accreditation type and conditions, as identified in paragraph 122 above, and agrees to the recommendation.

4.3 Remarks

124. The AE is encouraged to ensure that published responses to clarifications during procurement processes are linked to the original, published procurement tender notices and that all website hyperlinks within its published Procurement Manual and links to historical procurements are valid and accessible.

125. The AE is encouraged to continue to prioritize the finalization and implementation of its revised Code of Ethics applicable to staff and contractually related parties, and the development of a Code of Conduct, and to consider the advantages of combining these codes.

126. The AE's Board and Board Ethics Committee are encouraged to build complaints handling and investigations in relation to prohibited practices into the terms of reference of the AE's independent outsourced internal audit function.
