

## **Mangroves for climate: Public, private and community partnerships for mitigation and adaptation in Ecuador**

ANNEX 19: Procedures for controlling procurement by third parties or executing entities undertaking Projects financed by the entity

## **Procedures for controlling procurement by third parties or Executing Entities undertaking GCF projects financed by CI-GCF**

### **Procurement Policies**

The Executing Entity (EE) for this project is CI-Ecuador. Therefore, financial management and procurement for this project will follow relevant CI policies and procedures, as well as relevant provisions in the Accreditation Master Agreement (AMA) signed between CI and the GCF. All procurement for this project must follow the Procurement Process Standards as defined in the CI Procurement Policy, which requires that all procurements of goods or services ensure the best value and comply with all donor funding terms and conditions, and that all goods be used only for their intended purposes and consistent with CI's Code of Ethics and suite of anti-fraud policies. CI's procurement standards are in line with the GCF fiduciary standards. The CI Procurement Policy can be found at <https://www.conservation.org/gcf/procurement> .

CI will assess the procurement policies of any subgrantee organization conducting procurement for this project. Project sub-grantees that meet CI's Procurement Process Standards as defined in CI's Procurement Policy will use with their own procurement policy and procedures for the project; otherwise, they will be required to use CI's Procurement Policy for the project. Detailed procurement requirements consistent with CI and GCF standards will be included in the grant agreement between CI and the grantee.

### **Procurement controls**

The EE's procurement will be conducted based upon a Procurement Plan that is pre-approved and monitored by the CI-GCF Agency (AE); the plan will be periodically updated and approved during implementation. Sub-grantees must submit a procurement plan to the EE prior to grant award and periodically updated during implementation.

All procurement done by CI will follow CI's internal procurement controls and risk-mitigation measures, including procurement planning, multi-level purchasing approvals, quarterly reporting on procurement & equipment, periodic inventories, and post-award reviews. Contract agreements for procurements of USD 20,000 or more are approved by CI's Grant and Contracts Unit and those of USD 50,000 or more are approved by the AE.

CI will apply mitigation measures and monitor all procurement for this project to ensure that any procured goods are used only for their intended purposes. For risk mitigation and due diligence, grantees conducting procurement using Project funds will be required to screen vendors against U.S. and international sanctions lists, follow procurement terms in its grant agreement with CI, attend a procurement training, and submit an annual procurement plan for purchases over a CI-designated threshold. CI will also provide oversight of procurement of the project via quarterly reporting (which includes equipment registers), periodic on-site oversight missions, and post-award reviews, which include testing of procurement processes and awards. The project will be subject to annual financial audits conducted by an independent auditing company, which may include transactions related to procurement. In addition, any suspected procurement violation can be reported to CI's Ethics Hotline, which is described in the Funding Proposal. In addition, CI's subsidiary agreements with sub-grantees require that procurement records be made available to CI or the GCF upon request.

## **Procurement for the Proposed Project**

### **Executing Entity - CI-Ecuador**

CI will self-execute for this project. Therefore, the Executing Entity, CI's Ecuador office, will follow CI's Procurement Policy and will be subject to the controls described above.

### **Sub-grantee - PUCESE**

PUCESE will conduct procurement of goods and services for this project. This will include engagement of field-based service providers, contracting of two assessments, and purchase of field supplies and equipment, aquaculture-related goods, and one boat to reach target communities. CI assessed PUCESE's procurement policy as part of a capacity assessment for the due diligence process. PUCESE has a documented procurement policy with basic procurement standards that are largely in conformity with CI and GCF standards. Therefore, PUCESE will largely follow its own procurement policy for the GCF project but will be required to follow the CI procurement policy sections 2.2-2.3 and conflict of interest terms in order to fully meet CI standards for competitive and transparent solicitation and evaluation. PUCESE will also be subject to CI's standard sub-grantee procurement controls as described in the section above, including standard procurement terms in the grant agreement between PUCESE and CI.

### **Sub-grantee: FIAS**

Funds granted to FIAS will be used for endowment of the Socio Manglar subaccount, and procurement is not applicable to these funds.

The measures outlined in this section are consistent with EE and sub-grantee assessments conducted in July 2023 prior to proposal submission and are subject to revision and updates during project implementation.