Readiness and Preparatory Support

Direct Access Proposal Template

DAE Support Window

Proposal title

Advancing ArmSwissBank's Institutional Readiness for GCF Programming and Climate-Aligned Investment (38570)

Direct Access Entity

ARMSWISSBANK Closed Joint Stock Company

* The full proposal, including the financial proposal and annexes, is available on the GCF Partner Platform.

Version Update: 15 Sep 2025 | Initial: 22 Sep 2024
Aligned with the Revised Readiness Results Management Framework

How to complete this template?

This proposal template is designed for Direct Access by Direct Access Entities (DAEs) for the DAE Support Window.

To assist with completing this proposal template, the GCF provides the following guiding documents available on the GCF website:

- **Guide for Direct Access Entities to Access Readiness Support**
- **Guide for Direct Access Entities on Strategic Planning of Readiness Support**

If the DAE opts for the Direct Access option under the DAE window[1], there is no need to complete the FMCA questionnaire, as accreditation already verifies the entity's financial capacity.

While this template allows DAEs to prepare the direct access proposal offline, please note that all information must be entered and officially submitted through the online submission platform in the **GCF Partner Portal**.

How to get support to complete this template?

If you are not sure how to complete the proposal, or require support, please send an email to the relevant GCF regional team. Please refer to the GCF website to identify the relevant GCF regional team.

[1] Within the DAE window, funding is provided to assist accredited DAEs as well as candidate DAEs in the advanced stages of the accreditation process. For candidate DAEs, this refers to the stage of resolving outstanding accreditation conditions subsequent to the Board's approval of accreditation.

Proposal Details

Title of the Direct Access Proposal

Advancing ArmSwissBank's Institutional Readiness for GCF Programming and Climate-Aligned Investment

Total Approved Amount (in USD)

$247,702

Implementation Period (in months)

24 months

Country Information

☐ Single DAE

☐ Multi-DAE

Lead DAE

ARMSWISSBANK Closed Joint Stock Company

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Position

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Type of Access

- Direct Access by DAE

Participating DAE Information

If the proposal involves multiple DAEs (multi-DAE)– please list each one below, adding as many rows as necessary. The entry listed above serves as the lead for the multi-DAE proposal.

Participating DAE	Name of contact person	Contact person's position	Contact person's email	Budget

1. Summary of the proposal

This Readiness proposal aims to strengthen ArmSwissBank CJSC's (ASB) institutional and operational capacity to effectively deliver Green Climate Fund–supported activities and to translate its recent accreditation into a sustainable pipeline of climate investments in Armenia. The proposal is grounded in Armenia's national climate strategies and aligned with the GCF Updated Strategic Plan (USP-2), with a focus on reinforcing internal systems, tools, and skills required for compliant and efficient project implementation, while strengthening collaboration and learning within the global climate finance ecosystem.

The proposed support will enhance ASB's internal project management and oversight capacity by streamlining end-to-end project workflows and embedding GCF fiduciary, environmental, social, and gender requirements across the full project lifecycle. This will improve the Bank's ability to originate, appraise, implement, and monitor GCF-funded projects in a structured, transparent, and accountable manner. In parallel, the proposal will strengthen ASB's institutional capacity to engage in structured knowledge exchange and peer learning with other accredited entities, particularly commercial banks, enabling the transfer of proven implementation models and best practices. The knowledge gained through these exchanges will be systematically integrated into ASB's internal policies, procedures, and staff training programmes to ensure sustained institutional learning.

Overall, the Readiness activities are expected to reduce operational and compliance risks, improve project quality and delivery efficiency, and position ArmSwissBank to effectively implement and scale high-impact mitigation and adaptation investments that support Armenia's climate and development priorities in line with GCF standards.

2. DAE Context

Guidance

This section provides an overview o– the DAE context, including institutional capacity and accreditation status, priority areas for funding by the GCF and programming capacity. It also highlights the DAE's key challenges, pipeline as well as readiness needs and stakeholder engagement.

2.1 Institutional Context and Accreditation Track

Project/programme size

- Small

Environmental & social risk category

- Category B

Financing modalities

- Basic, Project Management, On-lending and/or blending (Loans)

ArmSwissBank CJSC (ASB) is a private commercial and investment bank headquartered in Yerevan, Armenia, established in 2004 and licensed by the Central Bank of Armenia. ASB provides corporate and SME lending, trade and project finance, and has developed a portfolio with increasing emphasis on sustainable and climate-relevant investments. The Bank has longstanding partnerships with international financial institutions, including KfW, EBRD, ADB, and the European Investment Bank, through which it has financed renewable energy, energy efficiency, and SME development programmes in Armenia. As part of its medium-term strategic development, ASB has established a Sustainability Committee and expanded its engagement in climate finance, with approximately 20 % of its loan portfolio dedicated to green and climate-related projects prior to accreditation. The Bank is also a member of the UN Environment Programme Finance Initiative and the Partnership for Carbon Accounting Financials, which reinforces its alignment with global sustainable banking standards.
In February 2025, ASB was accredited by the Green Climate Fund (GCF) under the direct access, national modality, following a comprehensive normal-track review conducted by the GCF Secretariat and Accreditation Panel. The accreditation scope includes implementation of GCF-funded activities with a maximum project size of up to USD 50 million and covers the following fiduciary functions: (i) basic fiduciary standards, (ii) specialized fiduciary standards for project management, and (iii) on-lending and/or blending for loans. The Bank was accredited to manage activities with a maximum Environmental and Social (E&S) risk category of Medium (Category B) under Intermediation 2, allowing ASB to channel resources to activities with limited, site-specific and mitigable E&S risks. The indicative result areas for ArmSwissBank's GCF engagement include energy generation and access, transport, buildings and industries, health, food and water security, and private and cross-cutting investment types.
ASB's accreditation application underwent Stage I and Stage II assessments, verifying its legal standing, governance structures, financial management systems, compliance frameworks (including AML/CFT, procurement, and whistleblower protections), and project monitoring capacities against GCF standards. As part of its institutional context, the Bank has a structured internal control framework with defined roles for the Board of Directors, Audit and Risk Management Committee, and dedicated risk and compliance functions, ensuring robust oversight of fiduciary and operational risk.
Through its accreditation, ASB is positioned to leverage GCF resources to catalyze private-sector climate finance in Armenia, mobilizing capital for low-emission and climate-resilient development while strengthening its internal systems and aligning its operational processes with international best practices.

Accreditation stage

- Negotiation Finalized

ArmSwissBank was accredited as a Direct Access Entity by the GCF Board in February 2025, subject to three accreditation conditions. All conditions were successfully addressed during the course of 2025. The Accreditation Master Agreement (AMA) between ArmSwissBank and the Green Climate Fund has been duly signed and became effective on 9 December 2025.

2.2 Entity Climate Priorities and Programming Capacity

ArmSwissBank's climate priorities are closely aligned with Armenia's national commitments under its Nationally Determined Contributions (NDCs) and long-term low-emission development strategy. The Bank views climate finance as a core pillar of its future growth and places strong emphasis on mobilizing private-sector investment in renewable energy, energy efficiency, battery energy storage systems, climate-resilient infrastructure, and sustainable resource management. Its strategic focus is on scaling bankable mitigation and adaptation projects that deliver measurable climate impact while directly supporting national development objectives.
ArmSwissBank has built extensive experience in structuring and financing green investments, including solar photovoltaic projects, industrial energy-efficiency upgrades, and SME-level climate initiatives. Over the past decade, the Bank has strengthened its internal capacities in project due diligence, credit appraisal, risk management, environmental and social safeguards, and monitoring of green performance indicators. Through close engagement with government institutions, technical partners, and private developers, the Bank has also developed a solid and growing pipeline of climate-relevant project concepts.
Following its accreditation in February 2025, ArmSwissBank has further enhanced its programming capacity by strengthening internal systems, training staff, and establishing cross-functional teams dedicated to GCF programming. These teams support project origination and structuring, including blended-finance approaches, while ensuring compliance with gender, environmental, and social requirements and robust climate results reporting. Collectively, these capabilities position ArmSwissBank to effectively develop, implement, and scale transformative climate investments supported by the Green Climate Fund.

2.3 Past and Ongoing Readiness Grants (GCF and non-GCF) and PPF support

Please list past and current GCF readiness grants, and relevant capacity-building initiatives funded by other agencies and funds

GCF Readiness and PPF Activities

Title & Reference Number	Start and End Dates	Amount Approved	Status	Objectives	Key Outcomes & Results	Complementarity with the readiness proposal
N/A	N/A	N/A	N/A	N/A	N/A	N/A

Other Capacity-Building Initiatives Funded or Commissioned by Parties Other Than GCF

Title	Start and End Dates	Status	Funding Agency	Main objectives	Complementarity with the readiness proposal
(v) “Scaling up Green Finance practices in the Republic of Armenia”	10 Jan 2020 - 10 Jan 2022	completed	GCF	The readiness program was aimed at designing Green Finance Roadmap, as a key political document outlining current state, existing impediments for green finance development and establishing comprehensive vision for green finance strategy contributing to implement.	process, Sub-Outcome 1.1: Existing and potential "green finance" practices mapped-out and actors identified and assessed; Sub-Outcome 1.2: International best practices analyzed and adapted, Sub -Outcome 1.3: Regulatory framework scrupulously reviewed; Sub -Outcome 1.4: Regulatory framework improvement recommendations formulated, Sub -Outcome 1.5: Methodological base for mitigation domain projects is designed and made available, Sub-Outcome 1.6: Capacities of beneficiaries are strengthened, Sub -Outcome 1.7: Private sector mobilized into the climate finance activities, Outcome 2. G Climate finance strategies and project pipeline strengthened, Sub -Outcome 2.1: Roadmap for finance summing up recommendations from all activities an outcomes above prepared and disseminated

2.4 Past and Ongoing Funded Activity Implementation and Project Pipeline

Please briefly describe GCF-funded proposals/projects or programmes that the DAE has implemented, is currently implementing, and is in the process of conceptualising and preparing

GCF Funded Activities

Project Title	Status	Amount	Details	Complementarity with the readiness proposal
N/A	N/A	N/A	N/A	N/A

2.5 Challenges, Gaps, and Barriers

Despite its recent accreditation as a Direct Access Entity, ArmSwissBank faces a set of practical and operational constraints that limit its ability to efficiently scale and manage GCF-funded activities in a commercial banking context.

While ArmSwissBank has robust core banking, fiduciary, and risk-management frameworks, these systems are not yet consolidated into a single, end-to-end project management architecture tailored to GCF requirements. The absence of a unified operational framework that embeds GCF fiduciary, environmental, social, and gender standards across the full project lifecycle results in fragmented workflows across departments. This creates inefficiencies in internal review and approval processes, increases transaction costs, and reduces predictability in project delivery and engagement with the GCF Secretariat and national counterparts. Without standardized procedures, escalation pathways, and clearly defined roles, the Bank's capacity to manage multiple GCF-funded projects in parallel remains constrained.

A key barrier to effective GCF programming is the lack of an integrated, in-house tool for quantifying greenhouse gas (GHG) impacts and systematically screening and monitoring Environmental and Social Safeguards (ESS) risks. This limits the Bank's ability to appraise investment proposals, track performance during implementation, and report results in a consistent and auditable manner aligned with GCF standards. The current reliance on ad hoc or non-integrated approaches increases operational burden and compliance risk, particularly as project volumes scale. In addition, the absence of alignment with Armenia's national MRV framework constrains the Bank's ability to demonstrate coherence between project-level results and national climate reporting.

Although Armenia has adopted a National Green Finance Taxonomy, ArmSwissBank lacks a bank-specific taxonomy that operationalizes its climate investment strategy in line with GCF requirements. The national taxonomy does not provide the technical screening thresholds, exclusion criteria, safeguards, or product-level decision rules needed for credit origination, risk assessment, portfolio steering, and reporting within a private financial institution. This gap weakens pipeline screening and product design, increases the risk of inconsistent classification of green assets, and exposes the Bank to compliance and reputational risks, including greenwashing concerns, when reporting to regulators, the NDA, co-financiers, and the GCF.

As a newly accredited private-sector DAE, ArmSwissBank has limited access to structured peer learning with other commercial banks and financial institutions experienced in deploying GCF resources. This restricts opportunities to leverage proven business models, risk-sharing structures, and implementation approaches that are critical for scaling private-sector climate finance. Moreover, the absence of systematic mechanisms to capture and integrate lessons from international exchanges into internal systems reduces the institutional impact of knowledge-sharing efforts and limits continuous improvement in project origination and delivery.

Targeted Readiness support is essential to address these constraints by strengthening ArmSwissBank's internal systems, tools, and staff capacity in line with GCF standards. The proposed interventions will enable the Bank to reduce delivery and compliance risks, improve efficiency and consistency across the project lifecycle, and translate its accreditation into a sustainable pipeline of high-quality, bankable GCF-funded investments that support Armenia's climate and development priorities.

2.6 Stakeholder Engagement

During the preparation of this readiness proposal, ArmSwissBank Closed Joint Stock Company (CJSC), as the newly accredited Direct Access Entity (DAE), conducted a series of targeted consultations with two key national stakeholders: the National Designated Authority (NDA) and the only other accredited entity from Armenia, the “Environmental Project Implementation Unit” State Entity under the Ministry of Environment (EPIU). These discussions were held at senior level and focused on ensuring that the proposed readiness support is fully aligned with the country’s climate priorities and the overarching readiness strategy. Multiple rounds of consultations were conducted, allowing the DAE to present its institutional strengthening needs, receive feedback on priority areas, and confirm consistency with the national Green Climate Fund (GCF) programming framework. This process ensured that the proposal builds on existing institutional arrangements and complements ongoing readiness initiatives in Armenia.

During implementation, both the NDA and the EPIU will remain closely engaged through periodic consultations, including structured progress review meetings at key project milestones. They will also be invited to participate in events, workshops and peer-learning activities organized under the readiness support. This continued engagement will provide opportunities to review progress, discuss emerging challenges and adjust activities where necessary. Feedback from these stakeholders will be systematically documented, addressed and incorporated into the implementation process, ensuring responsiveness and fostering a sense of joint ownership over the readiness outcomes.

2.7 Specific Readiness Needs

As a newly accredited private-sector Direct Access Entity, ArmSwissBank requires targeted readiness support to translate its accreditation into effective and scalable implementation of GCF-funded activities. A key readiness need is the strengthening and consolidation of internal project management and oversight systems to ensure that the full project lifecycle—origination, appraisal, implementation, monitoring, and reporting—is consistently aligned with GCF fiduciary, environmental, social, and gender requirements. This includes the development of standardized workflows, operating procedures, and staff capacity to reduce operational inefficiencies and compliance risks as the GCF portfolio expands.

In parallel, ArmSwissBank requires dedicated tools and technical capacity to strengthen climate impact measurement and safeguards compliance. The absence of an integrated system for GHG emissions accounting and Environmental and Social Safeguards (ESS) risk assessment limits consistent project appraisal, monitoring, and reporting in line with GCF standards. Readiness support is therefore needed to establish functional, GCF-aligned monitoring tools and build internal capacity to apply them across the Bank’s climate investment pipeline.

Finally, to support high-quality pipeline development and long-term institutional learning, ArmSwissBank requires enhanced engagement in structured peer learning and knowledge exchange with other accredited entities, particularly private-sector DAEs. Targeted readiness support will enable the Bank to access proven implementation models, integrate lessons learned into internal policies and procedures, and strengthen its ability to design, implement, and scale bankable, high-impact GCF-supported investments aligned with Armenia’s climate priorities.

3. Statement of Objectives

Guidance

This section aims to clearly define the objectives and scope of readiness support being sought. It outlines: (1) the anticipated impact of readiness support to establish and advance DAEs’ capacities to effectively programme, implement and report on GCF-funded activities, as well as broader climate finance, and (2) specific areas of readiness support required, addressing capacity gaps and aligning with the objectives and outcomes of the 2024-2027 readiness strategy.

3.1 Objectives of the Readiness Support

Objective 1: Institutional strengthening and strategic frameworks
Readiness Need 1.3.1 – *Streamlined project management system and strengthened internal capacity for the GCF project implementation and oversight*

Despite its recent accreditation, DAE requires strengthened internal processes to effectively manage the lifecycle of GCF-funded activities. Currently, the bank lacks a unified and codified operational system to guide the initiation, design, appraisal, execution, and monitoring of climate finance projects in alignment with GCF fiduciary, environmental, social, and gender standards. This creates inconsistencies in project oversight, delays in internal review cycles, and reduced efficiency in interfacing with national stakeholders and the GCF Secretariat. There is an urgent need to formalize internal project workflows, standard operating procedures, and risk management protocols across departments involved in climate finance delivery. The development of a comprehensive Project Management Operational Manual - tailored to the standards and compliance requirements of GCF - will ensure structured, transparent, and accountable project implementation practices within DAE. Additionally, internal staff will require capacity building to apply the manual consistently and effectively.

In order to address the gaps in DAE's project management processes, this Readiness intervention focuses on strengthening institutional and technical capacities by supporting:

- the development of a comprehensive Project Management Operational Manual, incorporating GCF-specific requirements for fiduciary oversight, environmental, social, and gender safeguards, and ensuring structured project initiation, design, appraisal, execution, and monitoring practices;
- the formalization of internal project workflows, risk management protocols, and standard operating procedures across departments to streamline project delivery and improve coordination;
- capacity-building initiatives for relevant DAE staff to ensure consistent application of the manual and GCF standards, thereby enhancing the effectiveness of project implementation; and
- the establishment of clear guidelines for managing project life cycles in compliance with GCF criteria, addressing any gaps in the operational system.

These efforts will enable DAE to efficiently manage and oversee GCF-funded projects, ensuring transparency, accountability and alignment with national and international climate finance standards.

Readiness Need 1.3.2 – *Absence of the functional and integrated GHG and ESS monitoring tool for GCF compliance*

DAE currently lacks a dedicated, in-house tool for quantifying greenhouse gas (GHG) emission reductions and assessing Environmental and Social Safeguards (ESS) risks associated with climate investment projects. This limits the bank's ability to appraise project proposals in line with GCF requirements and international best practices. To meet the fiduciary, environmental, and climate-related monitoring standards of the Green Climate Fund, DAE requires the launch (or customization) of a software solution that integrates GHG emissions accounting with ESS risk screening modules. Readiness support will facilitate the procurement or adaptation of such a tool, ensure its alignment with national MRV systems and GCF criteria, and build internal technical capacity for its effective use. This system will significantly strengthen the DAE's project appraisal, implementation oversight, and long-term climate impact tracking capabilities.

To strengthen DAE's ability to meet GCF requirements and international standards for monitoring GHG emissions and assessing ESS risks, this Readiness intervention focuses on supporting:

- the procurement or customization of a GHG and ESS monitoring tool, integrating GHG emissions accounting with ESS risk screening modules to ensure compliance with GCF standards;
- the alignment of the tool with national MRV systems and GCF criteria for consistency with Armenia's climate monitoring frameworks;
- capacity-building efforts to equip internal staff with the necessary skills to effectively use the tool in project appraisal, implementation oversight, and long-term impact tracking; and
- the establishment of ongoing processes for monitoring and reporting GHG reductions and ESS compliance across climate finance projects.
- conducting awareness-raising training for the private sector on direct and indirect GHG emissions disclosures and implementation of a plan of measures aimed at reducing them.

These activities will significantly enhance DAE's ability to manage GCF-funded projects efficiently and ensure the consistent tracking of their environmental and social impacts.

Readiness Need 1.3.3 – *Absence of an institution-specific green finance taxonomy aligned with DAE's investment strategy and GCF standards*

DAE's investment strategy sets clear priorities (target sectors, instruments, risk appetite and impact targets) for originating and managing climate finance, including GCF resources. However, the Bank lacks an institution-specific green finance taxonomy that translates these strategic priorities into operational, decision-ready rules for origination, appraisal, risk, and reporting. The recently adopted by the Government Armenia's National Green Finance Taxonomy provides an economy-wide reference, but it is intentionally broad and does not specify the technical screening criteria, thresholds, negative lists, product-level guardrails, or control points needed for DAE's underwriting, portfolio steering and compliance with GCF standards. This gap increases the risk of inconsistent classifications, weakens pipeline screening and product design, and exposes the Bank to compliance and reputational risks (including "greenwashing" concerns) when reporting to the NDA, regulator, co-financiers, and the GCF.

To address this, the readiness support will focus on supporting:

- a diagnostic gap analysis and mapping between the national taxonomy, GCF results areas/criteria, and DAE's investment strategy, credit/risk policies, and emerging pipeline - pinpointing where institution-specific customization is required;
- the design of an ArmSwissBank Green Finance Taxonomy that defines eligible mitigation and adaptation activities by sector and instrument, with technical screening criteria and thresholds, do-no-significant-harm and minimum safeguards aligned to GCF ESS and gender standards, a negative/exclusion list and a crosswalk to national taxonomy categories;
- operational integration of the taxonomy into credit origination and appraisal (checklists, term sheets, covenants), risk rating and due diligence, portfolio monitoring, and internal reporting - linked to the Project Management Operational Manual (Readiness Need 1.3.1) and the GHG/ESS monitoring tool (Readiness Need 1.3.2), including a simple data model and reporting fields;
- governance and change-control arrangements (Investment/Risk Committee validation, version control, annual review cycle, escalation protocol for borderline cases) to ensure consistent, auditable application; and
- targeted capacity building for front-office, risk and operations staff, plus a concise borrower/co-financier guidance note to improve pipeline quality and transparency.

These activities will operationalize the DAE's investment strategy, enable consistent and auditable classification of green assets, strengthen compliance with GCF standards, improve product design and pipeline vetting, and support credible portfolio steering and reporting to national stakeholders and the GCF.

Objective 3: Knowledge-sharing and learning

Readiness Need 3.2.1 – Strengthening climate finance network and knowledge exchange capacity

As a newly accredited DAE that is also a commercial bank, ArmswissBank requires targeted support to establish strategic connections with other accredited financial institutions -particularly commercial banks - that have experience in managing GCF resources. Networking with peers will allow DAE to learn from practical experiences, replicate tested models, and improve institutional approaches to climate finance. Structured participation in GCF-led and partner-led knowledge exchange platforms, South-South cooperation events, and targeted bilateral learning sessions with other DAEs will enhance Armenia's overall integration in the climate finance ecosystem and improve pipeline quality and project delivery.

To enhance DAE's capacity to effectively engage in climate finance and broaden its network of strategic partnerships, this Readiness intervention focuses on supporting:

- the identification of priority peer institutions, especially other commercial banks that are DAEs, to create a framework for knowledge sharing and collaborative initiatives;
- participation in GCF-led and partner-led knowledge exchange platforms, South-South cooperation events, and bilateral learning sessions with other DAEs, to gain insights into best practices and replicate successful climate finance models;To enhance the institutional impact of participation in peer-learning events, it is essential to ensure that the knowledge gained is not only shared but also integrated into DAE's internal systems and practices. The key learnings from these exchanges will be systematically documented and analysed by a dedicated team within DAE, ensuring that the insights are captured in a way that is useful for both current and future projects. These findings will be integrated into DAE's internal practices through policy updates, internal training modules and operational process revisions. This will ensure that the lessons learned from peer institutions and climate finance best practices are translated into actionable strategies and methodologies that enhance DAE's climate finance project management. In addition to internal documentation, the lessons derived from peer exchanges will

inform updates to ASB's internal policies and procedures. The findings will be used to refine existing project management frameworks and introduce new guidelines aligned with global best practices. These updated policies will include enhanced project design, financial management, risk assessment, and climate impact measurement protocols, ensuring ASB's operations remain at the forefront of climate finance delivery. This adaptive approach will also ensure that ASB remains flexible and responsive to emerging trends in climate finance, further strengthening its capacity to manage GCF-funded projects.

- strengthening Armenia's integration into the global climate finance ecosystem by facilitating cross-border collaboration, andIn addition to internal documentation, the lessons derived from peer exchanges will inform updates to ASB's internal policies and procedures. The findings will be used to refine existing project management frameworks and introduce new guidelines aligned with global best practices. These updated policies will include enhanced project design, financial management, risk assessment, and climate impact measurement protocols, ensuring ASB's operations remain at the forefront of climate finance delivery. This adaptive approach will also ensure that ASB remains flexible and responsive to emerging trends in climate finance, further strengthening its capacity to manage GCF-funded projects.
- enhancing institutional approaches to project pipeline development and delivery through peer learning.

The knowledge gained from peer-learning exchanges will also be embedded into DAE's capacity-building initiatives. Internal training modules will be developed and tailored to meet the evolving needs of the organization. These training sessions will be delivered to key staff members involved in climate finance project development and management, ensuring they are equipped with the necessary skills to incorporate new approaches and strategies into their work. By building internal capacity, DAE will be better prepared to apply the knowledge gained from these exchanges to real-world projects, ultimately leading to the successful scaling of GCF-funded climate projects. These activities will empower ASB to engage with international peers, improve project quality, and increase its capacity to manage and scale GCF-funded climate finance projects effectively.

Objective 1. Capacity-building for climate finance coordination and setting up the enabling environment for integrated climate investment

☐ 1.1. Developing countries, through NDAs or focal points, have enhanced capacity to fulfil their roles, responsibilities and policy requirements, including coordination mechanisms to engage relevant stakeholders to develop, advance, and implement NDCs, NAPs and LTSs.

☐ 1.2. Developing countries design and implement strategic frameworks (including NDC/NAP/LTS), policies and instruments, including climate investment plans, to create enabling environments for integrated climate investments.

☒ 1.3. Direct access applicants and accredited entities (DAEs) have met and maintained the accreditation standards of the GCF and strengthened their programming capacities, as evidenced by the development of GCF-funded activities.

Objective 2. Paradigm-shifting GCF pipeline development and implementation for adaptation and mitigation, based on country needs and guided by USP-2

☐ 2.1. Developing countries have developed or updated their country programmes to guide GCF investment.

☐ 2.2. Developing countries have developed high-quality concept notes linked to approved GCF proposals for adaptation and mitigation that are aligned with the USP-2 results, including through DAEs, that build on readiness support and country programmes.

☐ 2.3. NDAs and DAEs have enhanced processes and systems to effectively oversee the implementation, financial management, monitoring and reporting of climate programmes and projects.

Objective 3. Knowledge-sharing and learning to enhance national and regional cooperation on climate programming and financing

☐ 3.1. Developing countries, through NDAs or focal points, have made use of knowledge products to address policy gaps and integrated climate investment programming and implementation.

☒ 3.2. Enhanced collaboration among developing countries on climate change issues, evidenced by transboundary and regional cooperations/South-South cooperation.

3.2 Anticipated Impact on Direct Access Entity Climate Programming and Implementation Capacity

Implementation of the above activities, deliverables and milestones will have a cumulative and systemic impact on ArmSwissBank's capacity to programme and implement GCF-funded climate projects as a DAE. The sequencing from diagnostics and design (reviews, specifications, gap analysis, peer mapping) to operationalization (manuals, tools, taxonomies, coordination frameworks) and finally to institutionalization (training, knowledge products, presentations to NDA and internal teams) will progressively transform ASB from a newly accredited entity into a mature, learning, and fully operational climate finance institution.

Importantly, this systemic transformation is designed to be embedded within ArmSwissBank's existing governance and operational structure rather than dependent on temporary project arrangements. While the Bank does not foresee the immediate creation of a fully separate department at this stage, the institutionalization measures described above will formalize roles, workflows, and accountability mechanisms across risk, E&S, fiduciary, investment and management functions. As GCF-funded activities progress from readiness to implementation and the climate portfolio expands, ArmSwissBank will continuously assess operational workload and capacity needs. Where justified, additional specialized staff (e.g., climate finance, ESS, MRV or project management experts) will be recruited through the Bank's own internal investment planning framework. This ensures that capacity gains supported by the Readiness grant translate into long-term, financially sustainable institutional strengthening.

First, the process mapping, institutional review, and coordination framework Activities will give ASB a clear, evidence-based picture of how climate projects currently move through the organization, where bottlenecks and compliance gaps lie, and how roles and responsibilities are distributed. The stepwise diagnostic (review plan, draft findings, validation and final report) will ensure that the new project management system is built on a solid understanding of real workflows rather than generic assumptions. The design and adoption of a formal internal coordination protocol—complete with TORs, workflow charts, and approval authorities—will streamline decision-making, reduce duplication and delays, and strengthen accountability in climate project review and approval. These institutional changes will directly enhance ASB's ability to manage the full project cycle in a predictable, transparent and GCF-compliant manner.

Building on this foundation, targeted staff training on the Project Management Operational Manual will ensure that new procedures are not only written but actually used. The training needs assessment, design of modules, delivery of sessions and post-training evaluation will create a structured capacity-building loop. As a result, staff across programming, finance, ESS, gender, M&E and procurement will develop a shared understanding of how to apply the manual in practice. This will reduce interpretation gaps between departments, standardize the treatment of GCF requirements, and significantly improve the quality and consistency of project preparation, implementation oversight and reporting.

In parallel, the design, acquisition, testing and institutionalization of the GHG and ESS monitoring tool will provide ASB with robust technical infrastructure for climate impact assessment and safeguards compliance. The functional needs assessment and technical specifications will ensure that the tool responds to ASB's real portfolio and is aligned with GCF and national MRV requirements. Software procurement/customization, installation, pilot application to a representative project, and refinement of outputs will result in a fit-for-purpose system that can reliably estimate GHG reductions and classify ESS risks. User manuals, operational guidelines and a structured training programme for 15–20 technical staff will embed this tool into daily practice, enabling ASB to systematically apply climate and ESS criteria in project appraisal, monitoring and long-term impact tracking. The dedicated private-sector training on GHG disclosures and reduction pathways will, in turn, raise the capacity of clients to generate better quality, climate-relevant proposals, thereby improving the pipeline that ASB can bring to the GCF.

At the same time, development and integration of a bank-specific Green Finance Taxonomy will translate ASB's climate strategy and GCF's results areas into concrete, operational decision rules. The gap analysis and mapping will anchor the taxonomy in Armenia's forthcoming National Green Finance Taxonomy while tailoring it to ASB's investment strategy, credit/risk policies and pipeline. The resulting taxonomy—complete with technical screening criteria, thresholds, DNSH and safeguard provisions, exclusion lists, sector guidance and borrower/co-financier note—will enable consistent and auditable classification of climate projects. The operational integration plan and associated governance arrangements will embed the taxonomy into origination, appraisal, risk assessment, due diligence, portfolio monitoring, reporting and product design, and will define how the Investment/Risk Committee oversees its ongoing application. Designed staff training will ensure that this taxonomy becomes a living tool used by front-office, risk and operations staff. This will substantially reduce the risk of inconsistent classification or "greenwashing" and support credible reporting to the NDA, regulators, co-financiers and the GCF.

Finally, the peer-learning, cross-learning and South–South exchange activities will act as a powerful accelerator and quality-enhancer for all of the above institutional reforms. Systematic identification of peer institutions, development of a networking plan, participation in international DAE network events and GCF-sponsored workshops, and a dedicated South–South exchange with an experienced commercial bank DAE will expose ASB to tested models of climate project management, risk control, impact monitoring and product design. The structured documentation of lessons learned (peer learning report, South–South mission report, summary brief on transferable best practices) and their synthesis into a presentation to the NDA and internal teams will ensure that peer experiences are not fragmented but captured, validated and fed back into ASB's manuals, coordination frameworks, taxonomy implementation, tool use and training curricula. In this way, external learning will continuously refine internal systems, keeping ASB aligned with evolving international best practices and strengthening Armenia's integration into the global climate finance ecosystem.

Taken together, this coherent package of diagnostics, system design, tool development, taxonomy operationalization, staff training and structured peer learning will substantially elevate ArmSwissBank's climate programming and implementation capacity. The Bank will emerge from the Readiness period with: (i) streamlined and well-coordinated project management processes; (ii) robust technical tools and guidelines for GHG/ESS assessment; (iii) a fully operational green finance taxonomy integrated into core banking processes; and (iv) an institutional culture of continuous learning, grounded in peer experience and internal knowledge management. This will enable ASB to originate, appraise, implement and monitor GCF-funded projects more efficiently, more transparently and with higher climate impact—significantly strengthening its role as Armenia's Direct Access Entity to the Green Climate Fund.

4. Approach, Methodology, and Implementation Activities

Guidance

Please describe technical approach, methodology, and implementation plan to address the country needs and gaps, through the Direct Access modality.

4.1 Theory of Change

The first step in articulating the programme's objectives as well as the logic behind the delivery of its intended results is the formulation of a TOC. Please provide a TOC which highlights key challenges being addressed, as well as the step-by-step pathways to achieving the expected results. Key steps to designing a TOC are outlined in the **RRMF Handbook**.

IF ArmSwissBank, as a newly accredited DAE, strengthens its institutional systems for project management, develops an integrated greenhouse gas (GHG) and Environmental and Social Standards (ESS) monitoring tool, adopts an institution-specific green finance taxonomy aligned with its investment strategy and builds capacity to identify, prepare and implement climate-priority-aligned projects through targeted pipeline development, feasibility studies, and stakeholder engagement, while also expanding its peer learning and knowledge exchange, THEN it will be able to originate, appraise and deliver high-quality, GCF-aligned climate finance projects that address Armenia's adaptation and mitigation priorities, ensure compliance with GCF standards and mobilize wider public and private sector participation in climate-resilient investment, BECAUSE these actions directly address the current gaps in operational systems, technical tools, classification frameworks, project preparation capacity, and institutional networks that limit ArmSwissBank's ability to perform its DAE role effectively, ensure strategic alignment with national priorities, and deliver transformational climate outcomes.

The TOC for this readiness support sets out a clear, sequenced pathway from addressing current institutional and technical gaps within ArmSwissBank to achieving strengthened capacity for climate finance delivery in line with GCF and national priorities. It begins by identifying the key barriers limiting the Bank's effectiveness as a DAE, links these to the relevant Readiness Results Management Framework (RRMF) objectives and outcomes, and outlines the targeted activities and deliverables required to overcome them. The pathway also captures the enabling assumptions, the causal link from outputs to intended outcomes, and the risks with corresponding mitigation measures, ensuring that the readiness interventions are both results-driven and grounded in Armenia's institutional context .

TOC – Step-by-Step pathway

Step 1 – Barriers

ArmSwissBank lacks:

- A unified, GCF-compliant project management system.
- An integrated GHG emissions and ESS risk monitoring tool.
- An institution-specific green finance taxonomy aligned with its investment strategy.
- Sufficient capacity and systems for climate-priority-aligned pipeline development, feasibility analysis, and Concept Note preparation.
- Strong, structured peer-learning and knowledge-exchange mechanisms.

Step 2 – Linking to RRMF Objectives and Outcomes

- Objective 1 → Outcome 1.3: Maintain GCF accreditation standards and strengthen programming capacity.
- Objective 2 → Outcome 2.2: Develop high-quality, GCF-aligned Concept Notes for priority projects.
- Objective 3 → Outcome 3.2: Enhance collaboration and knowledge exchange with peer DAEs.

Step 3 – Activities and Deliverables

- Develop and institutionalize a Project Management Operational Manual.
- Procure/customize and operationalize a GHG & ESS monitoring tool.
- Design and integrate an institution-specific green finance taxonomy.
- Conduct regulatory gap analysis, market assessments, and targeted stakeholder consultations.
- Prepare feasibility studies and complete Concept Note packages for priority projects.
- Engage in structured peer-learning and knowledge exchange, integrating lessons into internal systems.

Step 4 – Assumptions and Enablers

- Continued NDA and EPIU engagement ensures strategic alignment and complementarity.

- Timely access to technical expertise for tool customization, taxonomy design, and feasibility studies.
- Active participation from private sector actors in consultations and co-financing discussions.
- Availability of GCF-aligned technical criteria to inform taxonomy and project appraisal.

Step 5 – Outputs → Outcomes

- Outputs: Project Management Operational Manual, operational GHG/ESS monitoring tool, institutional Green Finance taxonomy, regulatory gap analysis, prioritized project pipeline, feasibility study, Concept Note, peer-learning outputs.
- Outcomes: Improved institutional capacity and systems for climate finance delivery, high-quality GCF funding proposal, enhanced national and regional cooperation.

Step 6 – Risks and Mitigation

- Risk: Limited capacity to absorb new systems → Mitigation: Role-specific training and internal champions.
- Risk: Stakeholder consultation fatigue → Mitigation: Integrate with existing national platforms and processes.

While this Readiness proposal will be implemented under Objectives 1 and 3, Objective 2 is expected to be implemented through pre-qualified Delivery Partners; it is therefore retained in the Theory of Change and the accompanying ToC diagram to present the full and coherent picture of the readiness pathway and its linkages across objectives.

4.2 Implementation Activities

Please list all proposed activities under their corresponding outputs. For each activity:

- Assign a unique identifier using the format aligned with the output (e.g., activities under Output 1.2.1 should be labelled as 1.2.1a, 1.2.1b, 1.2.1c, etc.).
- Ensure these activity labels match those referenced in the Financial Proposal to maintain consistency and traceability.
- Provide a clear and detailed description of each activity, specifying the exact actions that will be undertaken.

Objective 1. Capacity-building for climate finance coordination and setting up the enabling environment for integrated climate investment

☒ Outcome 1.3. Direct access applicants and accredited entities (DAEs) have met and maintained the accreditation standards of the GCF and strengthened their programming capacities, as evidenced by the development of GCF-funded activities.

☐ Output 1.3.1. Institutional gaps of direct access applicants and accredited entities (DAEs) are addressed to obtain and/or maintain accreditation.

Activities

1-3-1.a. Project Management Operational Manual-Inception and scoping - undertake a review of existing project management processes across relevant DAE departments, identify gaps against GCF fiduciary, ESS, gender, and M&E requirements, and define the scope and structure of the manuals to be developed, covering SOPs, Programming, Finance, ESS, Gender, and M&E.; Process mapping and consultation - map current workflows across the full project cycle (concept note preparation, appraisal, implementation, closure) and conduct consultations with internal teams (risk, credit, operations, compliance) and the NDA to ensure alignment with institutional practices and national frameworks.; Drafting of manuals - develop draft manuals for each operational area, integrating risk management protocols, reporting lines, and escalation procedures, and embedding GCF standards for fiduciary management, safeguards, gender, and monitoring throughout the processes.; Validation and endorsement - Organize internal validation workshops with staff and management, revise the drafts based on feedback, and secure formal endorsement of the final manuals by DAE senior management or the Board.; Consolidated reporting to GCF - Compile a consolidated report on standard operating procedures and submit it to the GCF, documenting compliance with GCF accreditation requirements.; System implementation report - Document the implemented project management system, describing its modules and features, and prepare a user guidance note to facilitate staff understanding and uptake.; Capacity building - conduct structured training sessions for relevant DAE staff on the application of the manuals and the use of the project management system to ensure consistent practice across departments.
1-3-1.b. Process mapping and institutional review report - Diagnostic review - Conduct a comprehensive diagnostic review of existing project management workflows across relevant departments, examining current practices in programming, finance, ESS, gender, and M&E.; Identification of gaps and inefficiencies - Analyze the workflows to identify overlaps, bottlenecks, and compliance gaps with GCF policies and standards, paying attention to fiduciary management, safeguards, and accountability mechanisms.; Formulation of recommendations - Develop recommendations for streamlining procedures and improving coordination, ensuring that adjustments address identified weaknesses and prepare the ground for structured and accountable implementation.; Linkage to operational manual - Ensure that the findings of the review directly inform the design of the finalized operational manuals and the configuration of the project management system, creating a clear foundation for institutional adjustments.
1-3-1.c. Staff training on Operational Manual application-Training needs assessment - Conduct a brief assessment with relevant departments to identify staff training needs on the application of the new Project Management Operational Manual and its procedures.; Development of training modules - Design training modules covering GCF-compliant procurement, fiduciary processes, implementation oversight, and internal coordination mechanisms, ensuring alignment with the finalized manuals.; Delivery of training sessions - Deliver tailored training sessions for relevant DAE staff, ensuring that content is practical and focused on the consistent application of new project management procedures.; Post-training follow-up - Collect feedback from participants, document lessons learned, and refine guidance notes or materials to support continued staff application of the manual.

	1-3-1.d. Internal coordination framework for climate project delivery-Assessment of coordination needs - Review current internal coordination practices across departments involved in climate finance delivery and identify gaps or inefficiencies in project review and approval processes. ; Design of coordination protocol - Develop a formal coordination protocol that defines roles, responsibilities, and communication channels for project delivery, ensuring clarity in workflows and decision-making processes.; Development of governance instruments - Prepare terms of reference for project review committees or task forces, draft workflow charts, and define approval authorities to operationalize the coordination framework.; Validation and adoption - Consult internally with key departments, revise the framework based on feedback, and secure formal endorsement by DAE management for institutional use.
	1-3-1.e. Specifications and Procurement Plan for the GHG and ESS Tool-Needs assessment - Review DAE's current practices in GHG emissions accounting and ESS risk screening to identify functional requirements for the new tool in line with GCF standards.; Drafting technical specifications - Prepare detailed technical specifications of the tool, including system architecture, required modules, data inputs/outputs, interoperability with national MRV systems, and user requirements.; Identification of software options - Assess available options, including open-source platforms, licensed products, or tailored development, highlighting advantages, limitations, and compliance aspects.Development of procurement plan - Formulate a procurement or development plan with timelines, budget estimates, vendor requirements, and compliance with DAE procurement rules and GCF policies.; Internal validation and approval - Present the draft specifications and procurement plan for internal review, integrate feedback, and secure DAE management approval.
	1-3-1.f. Training curricula and implementation report-Training needs identification - Engage with private sector stakeholders to assess awareness levels, gaps, and priorities related to GHG emissions disclosures and reduction pathways.; Development of training curricula - Design a structured training programme and curricula that cover direct and indirect GHG emissions accounting, disclosure practices, and practical reduction measures consistent with GCF and national standards.; Delivery of training sessions - Conduct targeted training sessions for private sector participants, ensuring practical demonstrations, case studies, and guidance on emissions reduction pathways.; Documentation of implementation - Prepare an implementation report summarizing training delivery, participant feedback, lessons learned, and recommendations for sustaining private sector capacity on GHG reduction.
	1-3-1.g. Customized or procured software tool operationalized-Software acquisition or customization - Finalize procurement or customization of the selected software tool for GHG estimation and ESS risk screening, based on approved specifications and procurement plan.; System installation and configuration - Install or launch the tool, configure modules, and integrate it into existing project appraisal platforms where feasible.; Internal testing and adjustments - Conduct pilot testing of the tool with sample project data, troubleshoot issues, and refine functionality to ensure compliance with GCF and national MRV requirements.; Operational handover Formally operationalize the tool within DAE, document user protocols, and designate responsible staff for ongoing use and maintenance.
	1-3-1.h. Initial test run and Report-Selection of pilot project - Identify a suitable real or mock project for testing the GHG and ESS tool, ensuring it represents typical project characteristics handled by DAE.; Pilot application of the tool - Apply the tool to the selected project, input relevant data, and generate outputs on GHG reductions and ESS risk screening to validate functionality.; Review and refinement - Analyze the pilot results, assess accuracy and usability, and make necessary refinements to improve tool performance and alignment with GCF requirements.; Development of reporting template - Finalize a reporting template for ongoing use, ensuring compatibility with GCF monitoring formats and integration into DAE's internal reporting system.; Preparation of test run report - Compile a report summarizing the pilot application, findings, refinements made, and the finalized reporting template for institutional use.

1-3-1.i. User manual and operational guidelines-Compilation of tool functionalities - Document all key functions of the GHG and ESS monitoring tool, covering emissions estimation, ESS classification, and data management features.; Drafting of user manual - Prepare a detailed manual with step-by-step instructions for emissions estimation, ESS risk categorization, and data entry/validation procedures, ensuring clarity for end users.; Development of operational guidelines - Complement the manual with operational guidelines that outline roles, responsibilities, and workflows for applying the tool consistently across departments.; Validation and finalization - Share the draft manual and guidelines with relevant staff, collect feedback during internal review sessions, and finalize the documentation for official use.
1-3-1.j. Training programme for DAE staff- Training needs assessment - Identify the specific skills and knowledge gaps among DAE staff related to the use of the GHG and ESS tool, interpretation of outputs, and application in project evaluations.; Design of training programme - Develop a structured training programme with tailored modules covering tool operation, data entry and validation, output interpretation, and integration of results into GCF-aligned project appraisal and monitoring.; Delivery of training sessions - Conduct training for at least 15–20 relevant technical staff, combining practical demonstrations, hands-on exercises, and case-based applications to strengthen applied capacity.; Evaluation and follow-up - Collect participant feedback, evaluate learning outcomes, and provide supplementary guidance or refresher materials to ensure sustained capacity for tool use and result interpretation.
1-3-1.k. DAE Green Finance Taxonomy -Gap analysis and mapping - Conduct a diagnostic gap analysis comparing the forthcoming National Green Finance Taxonomy, GCF results areas and criteria, and the Bank's investment strategy, credit/risk policies, and pipeline to determine where institution-specific customization is required.; Drafting of taxonomy framework - Develop a bank-specific green finance taxonomy that defines eligible mitigation and adaptation activities by sector and financial instrument, incorporating technical screening criteria, thresholds, minimum safeguards, and do-no-significant-harm provisions.; Integration of operational elements - Prepare supporting elements including a negative/exclusion list, sector-specific guidance, and a crosswalk to national taxonomy categories, ensuring applicability for origination, appraisal, and monitoring.; Development of guidance note - Draft a concise borrower and co-financier guidance note to facilitate transparent and consistent project classification under the taxonomy.; Validation and adoption - Organize internal consultations to review the draft taxonomy, incorporate feedback, and secure formal adoption by the Bank's governance structures.
1-3-1.l. Operational integration plan for the taxonomy -Review of existing processes - Assess current credit origination, appraisal, risk assessment, due diligence, portfolio monitoring, reporting, and product design workflows to identify integration points for the taxonomy.; Drafting of integration plan - Prepare a detailed plan for embedding the taxonomy into internal processes, specifying required updates to the Project Management Operational Manual and ensuring alignment with the GHG/ESS monitoring tool.; Governance and review arrangements - Define governance and oversight procedures, including the roles of the Investment/Risk Committee, version control, escalation protocols, and the annual review cycle for maintaining taxonomy relevance.; Staff training programme design - Design a training programme for staff across all relevant departments to ensure consistent and auditable application of the taxonomy in daily operations.; Validation and approval - Consult internally on the draft integration plan, incorporate feedback from management and technical teams, and secure formal approval for implementation.

Objective 3. Knowledge-sharing and learning to enhance national and regional cooperation on climate programming and financing

☒ Outcome 3.2. Enhanced collaboration among developing countries on climate change issues, evidenced by transboundary and regional cooperations/South-South cooperation.

☐ Output 3.2.1. Regional or South-South partnerships, programmes, policies, MOUs and/or collaboration mechanisms established among developing countries, including through their DAEs.

Activities

3-2-1.a. Peer learning and networking plan and report - Identification of peer institutions - Map and select priority peer institutions, with a focus on DAEs that are commercial banks, and identify thematic priorities and knowledge-sharing objectives relevant to climate finance.; Development of networking plan - Prepare a formalized plan outlining peer learning objectives, bilateral and multilateral engagement mechanisms, and priority areas for cooperation, ensuring alignment with ASB's institutional needs.; Implementation of peer-learning sessions - Engage in peer-to-peer exchanges with selected institutions, including bilateral and multilateral meetings, to capture insights, experiences, and practical models for climate finance delivery.; Documentation of outcomes - Compile the results of peer-learning sessions into a comprehensive report, detailing lessons learned, good practices, and recommendations for ASB's future collaboration with other DAEs.; Validation and dissemination - Share the report internally for validation by ASB management, integrate feedback, and circulate the final version for institutional learning and follow-up action.
3-2-1.b. Cross-learning and knowledge exchange. Planning of exchange activities - Identify suitable international DAE network events and relevant GCF-sponsored workshops or events, and develop a plan for ASB's participation or hosting role.; Organization of international visit - Facilitate an international learning visit for ASB staff to attend a DAE network event, enabling direct peer exchange with commercial banking DAEs experienced in managing GCF resources.; Participation or hosting of GCF event - Ensure ASB's participation in, or hosting of, at least one GCF-sponsored workshop or event to share experiences, present lessons learned, and engage in collaborative discussions on climate finance delivery.; Documentation of exchanges - Capture key insights, experiences, and lessons from the international visit and workshop participation, and prepare summary notes for internal use.; Integration of learnings- Feed the lessons from cross-learning events into ASB's internal knowledge base, ensuring they inform updates to practices, training modules, and project management procedures.
3-2-1.c. South-South exchange mission report - Selection of partner DAE - Identify and confirm an experienced commercial bank DAE as the partner institution for the South-South exchange mission, ensuring relevance to ASB's operational context.; Planning of exchange mission - Design the scope and agenda of the exchange, determining whether it will be a physical visit or a structured virtual engagement, and agree on priority topics for knowledge transfer.; Implementation of exchange - Conduct the exchange mission, facilitating structured discussions, practical demonstrations, and sharing of experiences on GCF project design, management, and delivery.; Documentation of lessons learned - Capture institutional insights, good practices, and recommendations derived from the exchange, ensuring they are tailored to ASB's climate finance operations.; Preparation of mission report - Compile the findings into a detailed South-South exchange mission report and validate the report internally with ASB management for institutional use.
3-2-1.d. Summary brief on transferable best practices -Collection of best practices - Gather insights from peer exchanges, networking events, and South-South cooperation activities, focusing on operational, financial, and procedural practices applied by other DAEs.; Analysis of applicability - Assess which of the identified practices are most relevant and transferable to ASB's institutional context and GCF operations.; Drafting of summary brief - Synthesize findings into a concise internal knowledge product that highlights key practices, their relevance, and guidance on how they could be integrated within ASB.; Internal validation - Share the draft brief with ASB management and relevant staff for review, refine content based on feedback, and finalize for institutional use.

3-2-1.e. Presentation to NDA and internal teams - Synthesis of peer engagement outcomes - Consolidate key takeaways from peer learning, networking events, and South-South exchanges, focusing on lessons most relevant to ASB's climate finance programming.; Preparation of presentation materials - Develop a clear, concise presentation that highlights the lessons learned, their institutional relevance, and proposed areas for integration into ASB's climate finance operations.; Internal review and validation - Share the draft presentation internally with ASB management and refine content based on feedback to ensure accuracy and alignment with institutional priorities.; Delivery of presentation - Deliver the presentation to the NDA and relevant ASB teams, providing an opportunity for discussion and feedback on the application of peer engagement insights.

4.3 Stakeholder Engagement Strategy

During the preparation of this Readiness proposal, ArmSwissBank CJSC, as a newly accredited Direct Access Entity (DAE), conducted targeted consultations to identify key gaps, challenges, and barriers and to shape the proposed solutions. Senior-level consultations were held with Armenia's National Designated Authority (NDA) to the GCF and the Environmental Project Implementation Unit (EPIU) State Entity under the Ministry of Environment, the only other GCF-accredited entity in Armenia. These discussions focused on alignment with national climate priorities, consistency with the national GCF programming framework, and complementarity with ongoing readiness and capacity-building initiatives. Multiple rounds of engagement allowed ArmSwissBank to present its institutional strengthening needs, validate priority areas for support, and integrate stakeholder feedback into the final proposal design.
Following its accreditation in February 2025, ASB further broadened stakeholder engagement by organizing a national workshop on 3 July 2025 entitled "Green Climate Fund (GCF) Accreditation and Its Opportunities." The workshop brought together ASB clients and potential project sponsors, representatives of relevant ministries, state institutions, and other national stakeholders. It served as a platform to raise awareness of GCF opportunities, discuss private-sector participation in climate finance, and collect market feedback on pipeline opportunities, data and disclosure challenges, and perceived barriers to accessing GCF resources. The insights gathered directly informed the design of the proposed Readiness activities.
Stakeholder Engagement During Implementation
During implementation, the NDA and EPIU will remain closely engaged through periodic consultations and structured progress review meetings at key milestones. They will be invited to participate in workshops, peer-learning events, and knowledge-exchange activities supported under the Readiness programme, enabling continuous dialogue on progress, emerging challenges, and alignment with national priorities. Feedback from these stakeholders will be systematically documented and addressed through agreed follow-up actions and, where necessary, reflected in adjustments to activities and deliverables.
Private-sector stakeholders, including potential project sponsors, co-financiers, and intermediaries, will be engaged through targeted outreach activities, technical workshops, and consultation sessions linked to the development and testing of new tools, procedures, and guidance developed under the Readiness support. Their feedback will help ensure that strengthened internal systems are practical, market-responsive, and conducive to scaling bankable GCF-aligned investments.
Stakeholder Engagement Strategy
ArmSwissBank will apply a structured stakeholder engagement strategy throughout the Readiness implementation, built on the principles of transparency, inclusiveness, and continuous feedback. Key stakeholder groups include:
(i) national authorities (NDA and relevant ministries),
(ii) accredited entities and peer DAEs,
(iii) private-sector project sponsors and financial partners, and
(iv) internal Bank departments involved in climate finance delivery.

Engagement will be carried out through regular coordination meetings, progress reviews, workshops, peer-learning sessions, and targeted consultations. Feedback and concerns raised by stakeholders will be formally recorded, reviewed by the project coordination team, and addressed through defined action points or adjustments to implementation approaches. This strategy is intended to foster strong ownership among stakeholders, strengthen coordination across the climate finance ecosystem, and ensure that the Readiness outcomes are both institutionally robust and responsive to market needs.

4.4 Risk Assessment and Mitigation measures

Please describe potential risks and risk monitoring plan, as follows:

- Please list the key identified and potential risks as well as the mitigation measures proposed. The potential risks could include, for example, delays, disruptions, cost and market risks, inadequate coordination/participation, lack of political support, money-laundering/terrorist financing, and prohibited practices.
- Please indicate the probability of occurrence (low/medium/high) and impact level (low/medium/high) for each potential risk.
- If managed remotely, please describe the measures (mechanisms and controls) to be taken to identify, assess, monitor and mitigate any risk of money-laundering, terrorist financing or prohibited practices.
- Please describe the measures (mechanisms and controls) to be taken for activities within the proposal to identify, assess, monitor and mitigate any risk of money-laundering, terrorist financing, prohibited practices and other integrity matters.

Risk Category	Specific risk(s) / Risk(s) description	Probability of occurrence	Impact level	Mitigation action(s)	Entity(ies) responsible to manage the risk(s)
Operational	Delays in procurement and contracting for consultants, tools, or services	Medium	High	Early procurement planning; pre-clearance of TORs and technical specs; use of pre-approved supplier lists. Similar approach used in ongoing readiness grants to avoid start-up delays.	ArmSwissBank PMU
Political	Changes in political or institutional priorities affecting stakeholder participation	Low	Medium	Maintain regular coordination with NDA and EPIU; ensure readiness activities are clearly aligned with national strategies; formalize stakeholder commitments in writing.	ArmSwissBank PMU
Other	Inadequate participation of key stakeholders in consultations or trainings	Medium	Medium	Align events with existing national climate platforms; targeted invitations; hybrid participation options. This mirrors methods from current readiness projects that improved attendance rates.	ArmSwissBank PMU
Other	Limited internal capacity to adopt and operationalize new systems (Operational Manual, GHG/ESS tool, taxonomy)	Medium	High	Role-specific training; appoint departmental “change champions”; phased roll-out. Current readiness work in Armenia confirms incremental implementation is effective	ArmSwissBank PMU
Other	Low private sector demand for eligible projects due to economic or sectoral downturns	Low	Medium	Maintain flexibility in eligible sectors and financial products; conduct early market sounding with private sector actors.	ArmSwissBank PMU

Other	Risk of money-laundering (ML), terrorist financing (TF), or prohibited practices in readiness fund use or pipeline projects	Low	High	Apply AML/CFT policy; conduct KYC and due diligence for all vendors, consultants, and beneficiaries; integrate AML/CFT checks in project origination. These measures are standard in Armenia's banking sector and applied in ongoing readiness grants.	ArmSwissBank PMU
Reputational	Outputs (manual, taxonomy, tools) not perceived as robust or aligned with national/GCF standards	Low	Medium	Conduct peer review by NDA, EPIU, and technical experts; validate outputs through stakeholder workshops before finalization	ArmSwissBank PMU

5. Logical Framework (output)

Guidance

Please complete the logical framework in the separate document.

Objective: Capacity-building for climate-finance coordination and setting up the enabling environment for integrated climate investment.

Outcome: Direct access applicants and accredited entities (DAEs) have met and maintained the accreditation standards of the GCF and strengthened their programming capacities, as evidenced by the development of GCF-funded activities.

Output: Institutional gaps of direct access applicants and accredited entities (DAEs) are addressed to obtain and/or maintain accreditation.

Indicator: Number of direct access applicants and accredited entities (DAEs) with capacity, systems, policies and tools that are compliant with GCF accreditation requirements.

Please provide the number of entities benefitted from the country window or DAE window

Unit: No. of Entities

Accreditation Support	Baseline	Target
Post-Accreditation Support	0	1

Expected Deliverables

☒ Status report on capacity building of direct access applicants and accredited entities to meet GCF accreditation requirements.

Objective: Knowledge-sharing and learning to enhance national and regional cooperation on climate programming and financing.

Outcome: Enhanced collaboration among developing countries on climate change issues, evidenced by transboundary and regional cooperations/South-South cooperation.

Output: Regional or South-South partnerships, programmes, policies, MOUs and/or collaboration mechanisms established among developing countries, including through their DAEs.

Indicator: Number of regional or South-South partnerships, programmes, policies, MOUs and/or collaboration mechanisms established.

Please provide the number of regional, multi-regional, South-South partnerships established or strengthened

Unit: No. of Regional Partnerships

Effectiveness Status	Baseline	Target
Establish	0	1

Expected Deliverables

☒ Status report on the regional or South-South partnerships, programmes, policies, MOUs and/or collaboration mechanisms promoted by the Country or Region.

6. Implementation Arrangements

6.1.1 Partnering under Direct Access

The Readiness Project will be delivered over 24 months, sequenced in line with the activities, deliverables, and milestones set out in the Budget and Workplan template. Activities are phased to ensure early alignment with the TOR and progressive delivery of institutional, pipeline, and knowledge outputs.

Inception Phase (Month 1)

The project will open with a one-month inception phase to establish the foundation for implementation. Key actions will include:

- A kick-off meeting with ASB, the NDA, and partners to confirm objectives, roles, and deliverables.
- Stakeholder consultations to validate project scope and sequencing.
- Baseline review of existing institutional systems and pipeline status.
- Finalization of risk register and monitoring framework, ensuring early identification of issues.
- Confirmation of deliverables and delivery dates with the GCF Secretariat, including the schedule for Secretariat reviews and approvals.

Implementation Phase (Months 2–23)

Activities are organized into three interlinked tracks, with sequencing designed to ensure tools and systems are in place before pipeline preparation and peer learning:

- Institutional Strengthening – preparation and rollout of the Project Management Operational Manual, appraisal tools for GHG/ESS, and the ASB Green Finance Taxonomy. Training and peer exchange ensure institutional uptake.
- Knowledge and Partnerships – implementation of peer learning with other DAEs/CPDAE members and dissemination of south–south knowledge products to strengthen regional practice.

Closure Phase (Month 24)

The final month will consolidate results and ensure sustainability. Activities will include:

- Stakeholder validation of all outputs.
- Delivery of the final project report and wrap-up workshop with recommendations for sustaining institutional improvements.

This sequencing ensures a structured start, efficient roll-out, and a consolidated close, fully aligned with the methodology and activities outlined in the TOR and budget template.

Beneficiaries

Direct beneficiaries

- ArmSwissBank CJSC (DAE) – Senior management, investment and credit committees, risk management units, project origination teams, environmental and social safeguards officers, and operational staff. These groups will directly benefit from enhanced institutional systems (Project Management Operational Manual, GHG/ESS monitoring tool, green finance taxonomy), targeted capacity building, and improved processes for project pipeline development and GCF proposal preparation.
- National Designated Authority (Ministry of Environment) – Will benefit from improved alignment of the DAE's programming with national priorities, more efficient coordination, and strengthened national capacity to deliver on the GCF Country Programme.
- Environmental Project Implementation Unit (EPIU) – As the other accredited entity in Armenia, will benefit from strengthened peer-to-peer engagement, shared learning, and coordinated readiness delivery.

Indirect beneficiaries

- Private sector entities – Particularly renewable energy developers, energy efficiency solution providers, agribusinesses, water management companies, and SMEs seeking climate-resilient financing. Will indirectly benefit from clearer eligibility criteria (taxonomy), improved access to climate finance, and enhanced project appraisal processes.

- Public sector agencies – Line ministries and subnational authorities engaged in climate-relevant sectors (energy, water, agriculture, infrastructure) will benefit from better-coordinated project pipelines and opportunities for co-financing and technical collaboration.
- Civil society organizations (CSOs) – Including environmental NGOs and advocacy groups, will benefit from increased engagement opportunities in project consultations, as well as more transparent project screening and monitoring processes.
- Local communities – Especially those in rural and climate-vulnerable areas, will indirectly benefit from the delivery of high-quality climate-resilient investments prepared through the improved project pipeline.
- Women and gender-focused organizations – Will benefit from the systematic integration of gender safeguards and equitable participation opportunities in the Bank's GCF programming.

Disaggregation and inclusion measures

- By gender – All capacity-building activities will seek balanced participation of women and men; gender considerations will be embedded in the operational manual, taxonomy, and GHG/ESS tool.
- By sector – Beneficiaries span energy, agriculture, water, infrastructure, and financial services, ensuring multi-sector coverage.

Through these outputs and activities, the readiness support will directly address the operational and technical needs of ArmSwissBank as a DAE while creating enabling conditions for indirect beneficiaries to access and benefit from climate finance, thereby improving the overall climate resilience of Armenia's economy.

6.1.2 Framework Agreements

N/A

6.2 Organisation and Staffing

In this chapter, propose the structure and composition of your team. Consider including a visual depiction of the programme team through an organisational chart, depicting reporting responsibilities. List the main disciplines, key experts responsible, and technical and support staff, including their relevant past experience, using the form below.

Please also include any details on any other relevant group of stakeholders, such as steering committees, technical teams, tasks force, coordination mechanisms, PMC structure, etc.

For these groups, describe their composition, decision-making processes, operational procedures, terms of reference (if any) and how the DAE will manage or oversee these units to ensure fulfillment of its obligations.

Name of staff	Organization	Area of Expertise	Position Assigned	Task Assigned	Base Country During Assignment
Ara Makaryan	ArmSwissBank	Business Development, Finance	Head of PIU	Leads the PIU, provides strategic oversight, ensures compliance with GCF requirements, and manages stakeholder coordination	Armenia
Anush Lokyan	ArmSwissBank	Green finance, project management	Deputy Head of PIU	Oversees daily implementation, coordinates PIU team activities, and ensures timely, high-quality delivery of outputs	Armenia

Tatevik Aloyan	ArmSwissBank	Investor Relations	Sustainable development specialist	Coordinates the development, integration, and internal capacity building for the GHG/ESS monitoring tool and Green Finance Taxonomy	Armenia
Mariam Muradyan	ArmSwissBank	Administration	Procurement & Administration Specialist	Manages all procurement processes in line with GCF policies and provides administrative and logistical support to the program	Armenia
Mariam Hovhannisyan	ArmSwissBank	Reporting	Procurement & Administration Specialist	Financial Management & reporting	Armenia
Narine Simonyan	ArmSwissBank	PR & Communication	Communication specialist	Leads program communications, prepares outreach materials, manages media relations, and ensures visibility of GCF-funded activities.	Armenia

The implementation of this Readiness proposal will be anchored within ASB's institutional framework, drawing on existing governance and operational structures while ensuring clear allocation of roles and responsibilities. A dedicated project management team will oversee day-to-day implementation, supported by technical staff across programming, fiduciary, ESS, gender and monitoring functions. Strategic guidance will be provided by senior management, with close coordination maintained with the NDA and other national stakeholders. The organizational and staffing arrangements outlined in the table below ensure accountability, efficiency, and effective delivery of the proposed activities, while strengthening ASB's long-term institutional capacity to manage GCF-funded projects.

Table 1 - Team Composition and Task Assignments

Name of Staff	Organisation	Area of Expertise	Position Assigned	Task Assigned	Base Country During Assignment
Ara Makaryan	ARMSWISSBANK CJSC	Business Development	Head of PIU	Leads the PIU, provides strategic oversight, ensures compliance with GCF requirements, and manages stakeholder coordination.	Republic of Armenia
Anush Lokyan	ARMSWISSBANK CJSC	Green finance	Deputy Head of PIU	Oversees daily implementation, coordinates PIU team activities, and ensures timely, high-quality delivery of outputs.	Republic of Armenia

Tatevik Aloyan	ARMSWISSBANK CJSC	Investor Relations	Sustainable development specialist	Coordinates the development, integration, and internal capacity building for the GHG/ESS monitoring tool and Green Finance Taxonomy.	Republic of Armenia
Mariam Muradyan	ARMSWISSBANK CJSC	Administration	Procurement & Administration Specialist	Manages all procurement processes in line with GCF policies and provides administrative and logistical support to the program.	Republic of Armenia
Mariam Hovhannisyan	ARMSWISSBANK CJSC	Reporting	Financial Management & reporting	Oversees budget execution, maintains financial records, and prepares GCF-compliant financial reports.	Republic of Armenia
Narine Simonyan	ARMSWISSBANK CJSC	PR & Communication	Communication specialist	Leads program communications, prepares outreach materials, manages media relations, and ensures visibility of GCF-funded activities.	Republic of Armenia

Table 2. PIU organizational chart

Ara Makaryan served as Head of the PIU for the GCF-funded project *"Scaling up Green Finance Practices in the Republic of Armenia"* (2020–2022, $0.66 million), implemented by ARMSWISSBANK CJSC. He provided overall strategic oversight, managed work planning, budgeting, and reporting, coordinated with national and international stakeholders, and oversaw the delivery of Armenia's first **Green Finance Roadmap**. His proven leadership and familiarity with GCF operational requirements position him well to oversee the new Readiness project.

Anush Lokyan led the drafting and implementation of Armenia's first GCF Readiness proposal *"NDA Strengthening and Country Programming Support for Armenia"* (2018–2021), implemented by the Environmental Project Implementation Unit (EPIU) of the Ministry of Environment. She coordinated with the NDA, GCF Secretariat, and national stakeholders to produce Armenia's **GCF Country Programme** and supported institutional capacity building. In her prior role as **Head of the Project Development and Coordination Division at the Hydrometeorology and Monitoring Center (Armhydromet)**, she designed and secured approval for major public investment projects, including the establishment of a **national forecasting and early warning system for dangerous hydrometeorological phenomena.** Her in-depth knowledge of GCF processes, readiness design, stakeholder engagement, and climate project development will be critical to ensuring technical quality and strategic alignment in the upcoming project.

Tatevik Aloyan, proposed as the Sustainable Development Specialist, has expertise in sustainable finance, climate impact assessment, and development of green finance frameworks. She will coordinate the development and integration of the GHG/ESS monitoring tool and the Green Finance Taxonomy, ensuring alignment with GCF standards, national MRV systems, and the Bank's investment strategy. Her ability to bridge technical outputs with operational adoption will be key to embedding these tools into the Bank's systems.

Mariam Muradyan, as Manager of Organizational Affairs for *"Scaling up Green Finance Practices in the Republic of Armenia"*, was responsible for coordinating day-to-day project operations, managing project correspondence, maintaining documentation, and ensuring smooth internal workflows. She organized project-related events, workshops, and stakeholder consultations, ensuring timely delivery of administrative and logistical support. Her organizational management skills and experience with GCF project operations will contribute significantly to the effective functioning of the new PIU.

Mariam Hovhannisyan, brings strong financial management and reporting expertise gained through her role as Financial Reporting Officer at ARMSWISSBANK CJSC. She has extensive experience in preparing financial statements, monitoring budgets, and maintaining full audit trails in line with international standards. She has supported externally financed projects and is well-versed in fiduciary compliance, making her ideally suited to ensure financial integrity and transparent use of Readiness grant resources.

Narine Simonyan, proposed as the PR and Communication Specialist, has significant experience in communications strategy, stakeholder engagement, and public outreach for development projects. She will design and implement the project's communication plan, ensuring transparency, visibility, and dissemination of results. Her expertise in media relations, content development, and event organization will help raise awareness of the project's objectives and achievements among all relevant audiences.

CVs of the proposed staff are attached to this Readiness Proposal as Annex III.

The organizational and staffing arrangements for this Readiness proposal are structured to ensure strategic oversight, efficient day-to-day management, and clear allocation of responsibilities for each deliverable. At the highest level, overall guidance will be provided by the **Management Board of ASB**, which will act as the **Steering Committee** for the project. In this role, the Board will review progress, validate key deliverables, and ensure coherence between project outcomes, the Bank's institutional mandate, and Armenia's climate priorities. A separate table included in this proposal outlines the structure of the Management Board, its membership, and its decision-making functions in relation to the Steering Committee role.

Table 3 - Composition of the ASB's Management Board**[1]**

Name of Staff	**Organization**	**Position Assigned**	**Base Country During the Project**
Gevorg Machanyan	ARMSWISSBANK CJSC	President of PRC	Republic of Armenia
Grigor Movsisyan	ARMSWISSBANK CJSC	PSC member	Republic of Armenia
Grigor Hovhannisyan	ARMSWISSBANK CJSC	PSC member	Republic of Armenia
Arkadi Pinachyan	ARMSWISSBANK CJSC	PSC member	Republic of Armenia
Sedrak Baghdasaryan	ARMSWISSBANK CJSC	PSC member	Republic of Armenia
Anzhela Barseghyan	ARMSWISSBANK CJSC	PSC member	Republic of Armenia
Hayk Muradyan	ARMSWISSBANK CJSC	PSC member	Republic of Armenia

Day-to-day implementation will be managed by a dedicated project management team within PIU (structure presented in the Table 1.), supported by technical specialists across programming, fiduciary, safeguards, gender, and monitoring functions. This team will be responsible for coordinating activities, managing internal workflows, preparing reports, and ensuring compliance with GCF requirements. These operational arrangements will be further reinforced by the Project Management Operational Manual (Deliverable 1.3.1.1), which codifies the internal procedures, approval processes, and coordination mechanisms required for effective project oversight.
To provide clarity on responsibilities for each deliverable, an Activity-Type table has been developed. This table distinguishes between deliverables implemented at the individual level (e.g., technical experts preparing manuals, reports, and training materials), those managed at the organizational level (e.g., institutional processes such as operational integration or system implementation), and those requiring external expertise from rosters (e.g., climate rationale assessment, feasibility studies). In some cases, deliverables may be undertaken jointly by individuals and the organization, reflecting the need for technical expertise combined with institutional validation and ownership. This table serves as a practical tool for managing implementation by clarifying who is responsible for each activity type and how delivery will be organized. It ensures that tasks requiring deep technical expertise are matched with the appropriate individual capacity, while system-level or process-oriented deliverables are overseen at the organizational level. It also highlights areas where external, roster-based expertise will be mobilized to complement internal resources. Together with the Steering Committee oversight and the dedicated project management team, these arrangements create a transparent, accountable, and efficient structure for delivering the Readiness proposal.

(Mr. Ara Makaryan, who will serve as Head of the PIU (see Table 1), is also a member of the ASB Management Board. However, in meetings discussing issues related to the Readiness, he will not act as a voting member in order to avoid any potential conflict of interest.)

6.3 Fund flow arrangements

ArmSwissBank has prior experience implementing GCF-funded readiness programmes and will apply the same robust financial management structure to this project. A dedicated USD Designated Account and AMD / EUR dedicated accounts would be opened exclusively for receiving and managing GCF proceeds. These accounts will be interest-bearing, and all accrued interest will remain within the project scope and reported accordingly.

1. USD Designated Account (Primary Project Account)

- All disbursements from the Green Climate Fund will be received in a dedicated USD account opened specifically for this project.
- The account will be maintained under ArmSwissBank's fiduciary control with full segregation from any other bank operations.
- Withdrawals from this account will be made strictly in line with approved budgets, procurement procedures, and activity plans.

2. Local Currency (AMD) & EUR Project Account

- When project expenditures are required in local currency or EUR, the Bank will transfer the necessary amount from the USD Designated Account to a dedicated AMD / EUR Project Account opened for this purpose.
- The USD–AMD or USD – EUR conversion will be conducted by ArmSwissBank at the prevailing exchange rate, following internal controls and documentation requirements.
- If specific contracts with service providers are denominated in AMD / EUR , the Bank may convert the full contract value upfront to AMD / EUR upon contract signature and hold the funds in the AMD / EUR project account until the relevant disbursement milestones are reached. This is for managing FX risks.

3. Flow of Funds Between Accounts

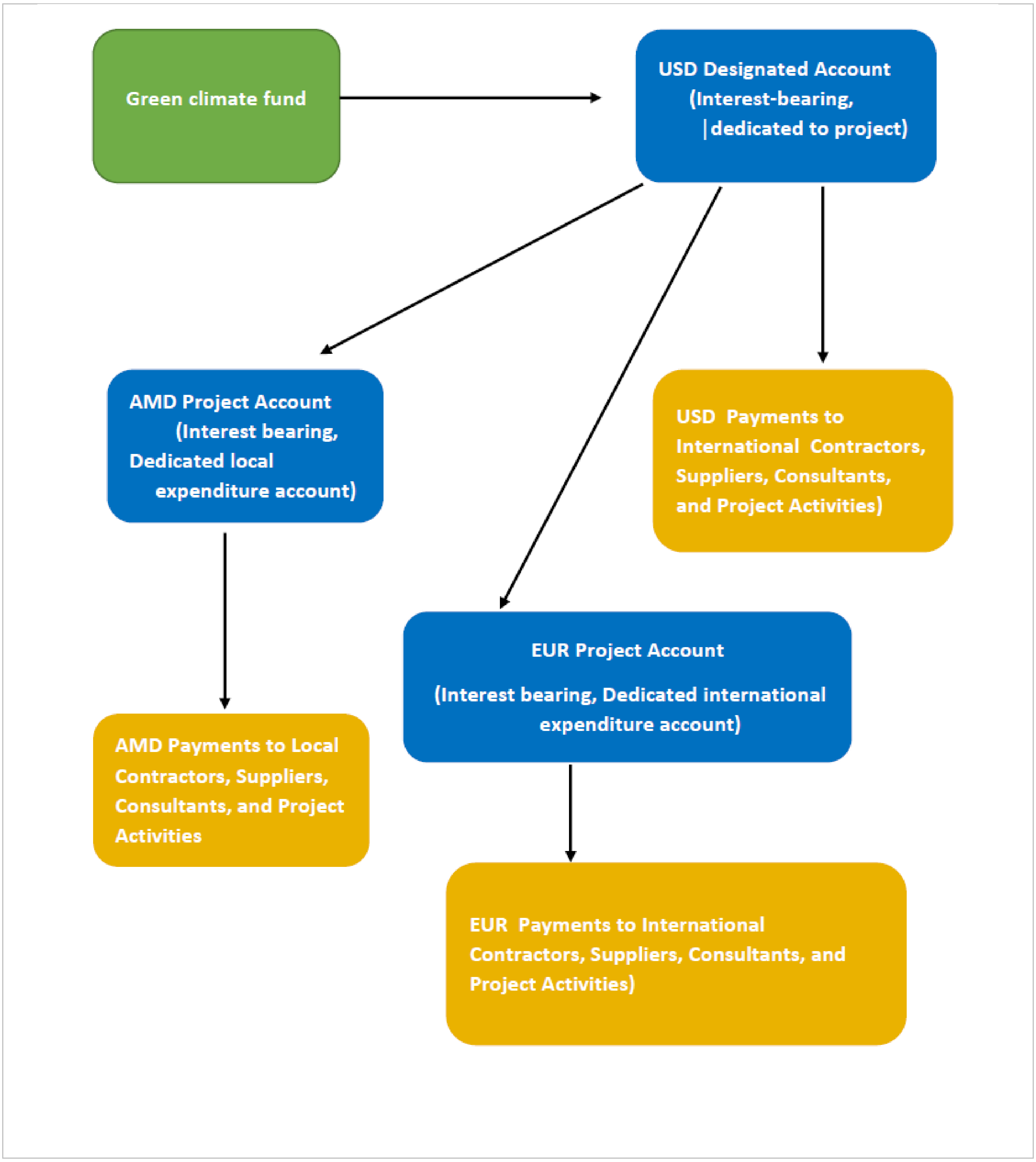
- GCF → USD Designated Account
- USD Designated Account → AMD /EUR Project Account (based on expenditure needs)
- AMD / EUR Project Account → Payments to suppliers, consultants, service providers

Exchange Rate Risk Management

To ensure financial stability throughout the project period, ArmSwissBank will implement the following measures:

- Absorption of FX Risks: The Bank will cover the exchange rate risks associated with USD–AMD & USD – EUR currency fluctuations for all project-related conversions.
- Upfront Conversion Option: For AMD / EUR -denominated contracts, converting the full contract value at the outset eliminates future exposure to FX volatility.
- Strict Internal Controls: Documentation of exchange rates, conversion dates, and financial reconciliation will follow ArmSwissBank's established GCF-compliant procedures.
- Periodic Monitoring: Treasury and financial management units will review currency positions regularly and ensure timely transfers to avoid volatility where possible.

Table 4. *flow of funds*


Green climate fund
USD Designated Account (Interest-bearing, dedicated to project)
AMD Project Account (Interest bearing, Dedicated local expenditure account)
USD Payments to International Contractors, Suppliers, Consultants, and Project Activities)
EUR Project Account
(Interest bearing, Dedicated international expenditure account)
AMD Payments to Local Contractors, Suppliers, Consultants, and Project Activities
EUR Payments to International Contractors, Suppliers, Consultants, and Project Activities)

7. Monitoring, Evaluation and Reporting

Guidance

The RRMF has been revised to align with the objectives and outcomes outlined in the 2024-2027 readiness strategy, with the view to (1) simplify and streamline monitoring and reporting procedures; (ii) appropriately capture and reflect the systemic approach and strategic, programme-based methodology for planning and implementing readiness support; and (iii) establish a clear connection between readiness support and the enhanced programming capacities of developing countries and DAEs to effectively access and utilise climate finance.

Please note that there are as per the Revised RRMF, there are two levels of monitoring and reporting. The first is at the programme/project level, and the second is at the Country level. Outlined below are the monitoring and reporting requirements and responsible parties.

7.1 Programme Monitoring and Reporting (Output-Level)

Responsibility & Tasks:

- In the case of direct access, the DAE or a Framework Agreement (FWA) holder is responsible for monitoring the programme/project's implementation and preparing relevant reports that detail the progress of output-level results and deliverables as articulated in the programme/project logframe.

Financial Reporting:

- Regular financial reporting is the principal reporting mechanism under Readiness. Reports should provide an overview of funds received and expended and a comparison of planned versus actual expenditure with rationale for any variances. All financial reports must be presented in USD, in line with the approved programme budget. The detailed reporting requirements, including content and format, will be specified in the implementation-related templates.

Reporting Frequency:

- Annual progress reports, including financial reporting, are to be submitted to the GCF Secretariat by 31 March of each year, unless otherwise agreed to in the respective legal agreements. Upon project closure, a completion report must be submitted within three months of the completion of the activities

☒ By checking this box, I acknowledge awareness of reporting tasks, including frequency and content

7.2 Financial Audits

Responsibility:

- Independent, third-party auditor commissioned by [choose appropriate] the DAE or FWA holder in case of direct access, or by the delivery partner if chosen from the GCF pre-qualified pool through mini-tenders.

Task:

- Regular financial audits to ensure responsible and transparent fund management, preventing misuse or mismanagement and ensuring compliance with GCF and national requirements.

Reporting Frequency:

- Annual financial audit reports must be submitted to the GCF Secretariat by 31 March of each calendar year, unless an alternative frequency and deadline is agreed upon at the conclusion of the legal agreement. The completion financial audit report to be submitted to the GCF Secretariat within three months of completing the activities.

Please confirm which type of auditor will be selected and provide any details

○ Private sector auditor Auditor

(If Public Auditor (such as Country Supreme Audit Institution (SAI) or other)):

N/A
N/A

☒ By checking this box, I acknowledge awareness of financial audit responsibilities, including frequency

7.3 Mid-Term Review (if the programme is four years)

This will align with the Year 2 annual progress report; a separate mid-term report is not required. Instead, a specific section in the Year 2 annual progress report will focus on the assessment of the adequacy of the initial design of the four-year programmes, the evaluation of the progress made towards achieving project objectives, and the review of the effectiveness of the delivery partner (if selected from the GCF pre-qualified pool). It will also identify any challenges encountered. The findings from this review will be used to make necessary adjustments to the project implementation plan in Years 3-4.

☒ By checking this box, I acknowledge awareness of reporting tasks, including frequency and content

7.4 Final Evaluation

Responsibility:

- An independent evaluator will be commissioned by the DAE, or a FWA holder, in case of direct access

Task:

- Upon completion of the project implementation period, an independent evaluation will be conducted to assess the overall impact of the readiness activities. This evaluation will measure the contribution of these activities to the country's objectives and GCF outcomes, guided by the GCF Evaluation Policy and Standards. It will include an impact assessment and document lessons learned to inform future project planning and readiness support. If the country selects two programmes, the GCF Secretariat and the country may consult to explore the rationale and feasibility of conducting a single evaluation for both programmes.

Reporting Frequency:

- The final evaluation report will be submitted to the GCF Secretariat within three months of completing the Readiness activities.

☒ By checking this box, I acknowledge awareness of reporting tasks, including frequency and content

7.5 Sanctions and Restrictive Measures

N/A

7.6 Grievance Redress Mechanisms
As a GCF-accredited DAE, ArmSwissBank CJSC maintains a formal Grievance Redress Mechanism (GRM) fully compliant with GCF requirements. The GRM is designed to ensure that any stakeholder, including project-affected people, partner institutions, contractors, or other interested parties, can raise concerns or complaints related to the readiness grant's activities, outputs, or impacts. The GRM provides multiple channels for submission of grievances, including: Email, postal mail, or in-person submission to the designated GRM Officer within ArmSwissBank(ArmSwissBank (integrity@armswissbank.am, hot line: (+374 60) 757-000, (+374 11) 757-000); • Secure online reporting form accessible through the Bank's website(https://www.armswissbank.am/am/whistleblowers/); • Anonymous reporting option to allow complainants to submit concerns without revealing their identity(https://www.armswissbank.am/am/whistleblowers/). The mechanism covers allegations of environmental and social harm, non-compliance with GCF standards, fiduciary irregularities, prohibited practices (fraud, corruption, collusion, coercion, obstruction), and violations of the Bank's policies or procedures. All complaints are logged, acknowledged within 7 working days, and assessed within 30 working days unless a longer investigation period is required. The GRM is underpinned by whistle-blower protection provisions ensuring that complainants (whether named or anonymous) are protected from retaliation. For integrity-related allegations, the Bank's Compliance Unit will coordinate directly with the Board.

8. Budget

8.1 Budget
The DAE (for the DAE Support Window) is required to prepare and submit the Budget for the proposal period. Please complete the Budget using the specified Excel template. As necessary, provide an accompanying narrative (text) explanation in this section of the proposal. If not necessary, please indicate “Refer to the Excel file”. The Budget must include a disbursement schedule linked to deliverables and aligned with the Implementation Plan. Use the Budget narrative to explain and justify the figures as needed. **Download template**
Budget plan (please complete in the separate document) While developing the budget, please consider the ineligible costs as per page 13 of the Initial Guide for Countries to Access Readiness Support

9. Other relevant information

9.1 Exit and Sustainability Strategy

Capacity-Building, Institutionalization and Sustainability Strategy

The proposed Readiness support is designed to deliver lasting institutional strengthening for ArmSwissBank CJSC (ASB) by embedding new skills, tools, and practices into its core operational systems and organizational culture. Capacity-building activities will focus on strengthening the Bank's ability to manage the full lifecycle of GCF-funded activities in a compliant, efficient, and scalable manner, while ensuring that knowledge generated through the Readiness support is institutionalized beyond the project period.

Targeted training programmes will be delivered to ASB staff involved in climate finance programming, including front-office, credit, risk, environmental and social safeguards, gender, procurement, and monitoring and evaluation functions. Training will focus on the practical application of new institutional instruments developed under the Readiness support, including the Project Management Operational Manual, standardized workflows, the GHG and ESS monitoring tool, and the Bank-specific Green Finance Taxonomy. These programmes will emphasize applied learning through case studies, simulations, and hands-on use of tools to ensure that new competencies are directly transferable to daily operations. In parallel, awareness-raising and technical training will be provided to selected private-sector stakeholders to strengthen understanding of GHG emissions disclosure requirements and climate risk considerations, supporting smoother project preparation and compliance.

The Readiness support will also produce a suite of operational tools and instruments that will be fully integrated into ASB's day-to-day business processes. These include standardized operating procedures, templates, screening tools, user manuals, reporting formats, and guidance notes that will be embedded within existing credit, risk, and project management systems. All tools will be tailored to Armenia's regulatory and institutional context and aligned with ASB's internal governance structures, ensuring relevance, ownership, and practical usability.

The Readiness support will strengthen and enhance ASB's existing policies and frameworks by aligning them with GCF fiduciary, environmental, social, and gender standards and formalizing their application across departments. New institutional practices—such as standardized project lifecycle management, systematic climate impact monitoring, and consistent classification of green assets—will be formally adopted through internal approval processes and integrated into ASB's operational manuals, internal coordination protocols, and reporting systems. Alignment with national frameworks, including Armenia's climate strategies and emerging green finance architecture, will be ensured through continued coordination with the National Designated Authority and relevant public institutions, reinforcing coherence between entity-level practices and national climate finance objectives.

To ensure sustainability beyond the Readiness period, the proposal adopts a strong institutionalization and knowledge-retention approach. Selected ASB staff will be trained as internal resource persons through a train-the-trainer model, enabling them to deliver future training, onboarding, and refresher sessions without external support. All training materials, manuals, and guidance documents will be retained as internal knowledge assets and incorporated into ASB's staff induction and professional development programmes.

In addition, structured knowledge-sharing and peer-learning mechanisms will support continuous institutional learning. Lessons from exchanges with other accredited entities and participation in climate finance networks will be systematically documented, translated into internal briefs, and integrated into policy updates, training modules, and operational refinements. This approach will ensure that ASB remains adaptive to evolving GCF requirements and international best practices, while continuously strengthening its institutional capacity to manage and scale GCF-supported climate investments.

9.2 Readiness Programme Closure

The Readiness Programme will be closed through a structured handover process to ensure the sustainability of all outcomes achieved. ArmSwissBank CJSC (ASB), as the Direct Access Entity and primary beneficiary under the DAE Support Window, will assume full ownership and responsibility for all tangible and intangible assets developed or procured through the Readiness support.
All tangible assets, including software solutions, licenses, and related IT resources, will be formally transferred to ASB upon completion of the grant activities and registered within the Bank's internal asset management system. Responsibility for operation, maintenance, and future upgrades will be clearly assigned to relevant departments. All intangible assets, such as operational manuals, standard operating procedures, workflows, training materials, tools, templates, and methodologies, will be formally endorsed by ASB management and integrated into the Bank's internal systems and policies.
The asset transfer process will be fully documented and confirmed through a Readiness Completion Report, including an inventory of assets and confirmation of institutional ownership. This approach ensures that ASB is fully prepared to retain, apply, and sustain the institutional capacities and tools developed under the Readiness Programme beyond the grant period.