Readiness and Preparatory Support

Direct Access Proposal Template

DAE Support Window

Proposal title

Strengthening CABEI as a Direct Access Entity: building institutional systems and regional platforms for scaled-up GCF climate finance in Central America and the Dominican Republic (39200)

Direct Access Entity

Central American Bank for Economic Integration

* 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

Strengthening CABEI as a Direct Access Entity: building institutional systems and regional platforms for scaled-up GCF climate finance in Central America and the Dominican Republic

Total Approved Amount (in USD)

$893,765

Implementation Period (in months)

24 months

Country Information

☐ Single DAE

☐ Multi-DAE

Lead DAE

Central American Bank for Economic Integration

Contact person

Manfred Kopper

Position

Chief Sustainability Officer

Email

mkopper@bcie.org

Additional email addresses that need to be copied in correspondences

avilar@bcie.org

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

The objective of this readiness request is to strengthen the capacity of CABEI to deliver impactful programming with GCF to reduce the threat of climate change for the Central American region and the Dominican Republic and to promote green economic development. Activities are focused on aligning with international best-practices on climate finance and ESG principles, streamlining in-house processes for programming with GCF, and creating a platform for continuous engagements with all stakeholders in the region to identify priorities for economic, climate-resilient development.

CABEI has as member countries the 8 countries of Central America and the Dominican Republic. While all 8 countries have their own domestic policies, the regional inter-governmental organization SICA also develops policies with the aim of aligning policies in the member countries. CABEI's programming, with its own resources as well as funds from GCF and other donors, supports this regional alignment. That implies that the programming with GCF is informed by developments throughout the region. The readiness activities strengthen the assessment, analysis and response strategy at that level. The establishment of a virtual platform for collaboration, knowledge exchange, training and joint programming, is the most visible activity under this readiness request in this context, but the other activities likewise contribute to strengthened, more efficient programming for sustainable regional development.

The readiness activities will have direct impacts within CABEI, aligning procedures for GCF programming with on-going daily operations, strengthening regional climate finance monitoring, and safeguarding monitoring and evaluation of ESG principles. The virtual platform will greatly benefit all stakeholders throughout the region, from NDAs and public entities, to professional associations, businesses, civil society, academia, and other stakeholders.

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

- Large

Environmental & social risk category

- Intermediation 1

Financing modalities

- Basic, Project Management, Grant award and/or funding allocation mechanisms, On-lending and/or blending (Loans), On-lending and/or blending (Equity), On-lending and/or blending (Guarantees), On-lending and/or blending

CABEI is an Accredited Entity (AE) of the Green Climate Fund under the revised Accreditation Framework adopted by the GCF Board at its 42nd meeting (B.42). The updated framework—which became effective on 31 October 2025—introduces a more streamlined, risk-based, and performance-oriented accreditation model, replacing the former system of fixed accreditation terms and periodic re-accreditation. In line with Decision B.42/13 and the associated transitional arrangements, all entities accredited prior to the effective date retain their accreditation status and scope under the new framework.

In November 2025, CABEI received official communication from the GCF Secretariat confirming that its accreditation remains valid in full under the revised framework, including the scope approved during its original accreditation and most recent re-accreditation process. The Secretariat also indicated that a digital accreditation certificate reflecting CABEI's accreditation scope as of the effective date will be issued in due course. This certificate will serve as the formal confirmation of CABEI's AE status within the updated system.

Under the revised framework, accreditation is now indefinite, and the re-accreditation requirement has been eliminated. Instead, Accredited Entities are subject to continuous compliance, reporting, and monitoring obligations through the updated Monitoring and Accountability Framework (MAF), including self-certification of institutional changes, periodic self-assessments, and reporting on the AE's contribution to the GCF mandate. CABEI stands ready to comply with these updated requirements and maintain alignment with all applicable GCF standards and policies.

CABEI welcomes the enhanced clarity, predictability, and flexibility offered by the new framework, particularly the ability to propose funding proposals beyond historical size categories or specialized fiduciary scopes—subject to project-level assessment. As a long-standing partner of the GCF in Latin America and the Caribbean, CABEI is committed to leveraging its continued accreditation to scale up climate-resilient and low-emission investments in the region, and to collaborating closely with the Secretariat as the revised framework is fully implemented.

Accreditation stage

- Negotiation Finalized

AMA is signed and effective

2.2 Entity Climate Priorities and Programming Capacity

CABEI's Institutional Strategy 2025-2029 includes climate change-related priorities explicitly within its "Environmental Impact" dimension. Two core strategic goals in this category are: (1) Enhance natural capital across member countries (covering water resources, waste management, and biodiversity protection); and (2) Promote decarbonization of regional economies through innovation and climate action. These strategic goals are supported by: (1) Supporting clean energy generation and related infrastructure investments, including geothermal, hydroelectric, and wind power; (2) Promoting financing instruments (e.g., sustainable bonds) that channel resources into low-carbon development; and (3) Encouraging member countries to adopt climate-smart technologies and energy-efficient solutions.
The strategy highlights adaptation to climate risks with an emphasis on: (1) Strengthening resilience of MSMEs to climate-related shocks through blended finance schemes (e.g., the CAMBio II program); and (2) Supporting climate adaptation investments that integrate training and technical assistance with finance to ensure sustainable impacts.
The strategy explicitly recognizes that the goals can only be achieved through protecting natural capital, including biodiversity, as an essential component of climate action. As part of expanding climate programming, CABEI has set internal targets to channel a proportion of its financing toward biodiversity and ecosystem protection projects (e.g., freshwater and watershed restoration).
CABEI has undertaken a series of internal capacity and operational enhancements to support its climate objectives: (1) CABEI's Institutional Strategy 2025-2029 includes a corporate results framework to measure institutional and operational results, including environmental/climate outcomes; (2) Climate commitments (such as carbon footprint management) are embedded within operational excellence goals, reflecting stronger internal climate governance; (3) The Bank has progressed toward institutional carbon neutrality, including offsetting 120% of its operational emissions through climate-aligned credits; and (4) CABEI is expanding ISO 14001 environmental management certification across its facilities, and its internal practices include waste reduction and energy management enhancements.
The Institutional Strategy 2025-2029 positions climate action as an operational and strategic priority within CABEI's mandate. Climate programming is woven into both external development finance and internal management practices, supported by explicit objectives, monitoring frameworks, and partnerships that enhance financing capacity for climate mitigation, adaptation, and broader environmental sustainability across the Central American region.

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
Strengthening policies and structures to access climate finance in the Republic of Nicaragua - NIC-RS-004	19 Apr 2021 - 18 Apr 2023	673,692.32	Completed	Strengthen capacities in the NDA and other public institutions to support programming of funded activities with the GCF	The readiness activities have been implemented successfully	Limited
Strengthening the financial system in the Republic of Nicaragua to support priority investments of the public and private sectors to meet the NDC commitments - NIC-RS-005	16 Oct 2023 - 15 Apr 2025	675,000	Disbursed	Improve financial management capacity in publishing institutions to attract and manage climate finance	Activities are being finalized	Limited
Analysis and Implementation Feasibility Study Fast Train Passenger Project - PPF026	10 Dec 2019 - 9 Mar 2022	562,960	FP Approved	To support the full preparation of a GCF funding proposal for the Light Rail Transit (LRT) project in Costa Rica by financing key climate and project design studies, including: (i) climate risk and vulnerability assessment, (ii) zero-emission last-mile connectivity solutions, (iii)	he PPF financed a comprehensive package of technical studies that climate-proofed the project and transformed it from a conventional rail investment into a low-emission, climate-resilient urban mobility project. Key outputs included: a Climate Risk and Vulnerability	This PPF experience provides a direct institutional learning baseline for CABEI as a Direct Access Entity in structuring complex, multi-sectoral and transformational GCF projects. The proposed Readiness support builds on these lessons by systematizing internal capacities, tools and processes for

transit-oriented development (TOD) and integration with public transport, and (iv) quality assurance of all studies and preparation of the GCF funding proposal.	Assessment with adaptation measures and costings; studies on zero-emission last-mile mobility; TOD and public transport integration strategies; and full quality assurance and preparation of the GCF Funding Proposal. This work enabled CABEI to successfully structure and submit the funding proposal, which was approved by the GCF Board in 2021 for USD 271.3 million.	project structuring, climate risk integration, and quality assurance, allowing CABEI to replicate and scale this approach across multiple countries and sectors in its regional portfolio.

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
Technical Assistance to Support CABEI in the Design of an Energy Policy and an Action Plan for the Operationalization of its Climate Strategy and Adoption of the MDBs Common Principles for Climate Finance	1 Oct 2025 - 30 Apr 2026	underImplementation	International Development Finance Club (IDFC)	o strengthen CABEI’s institutional capacity to align its operations with the Paris Agreement by: (i) developing a comprehensive Energy Policy to be embedded in CABEI’s Institutional Strategy; (ii) preparing a detailed 2025–2029 Action Plan with governance arrangements and SMART climate targets to operationalize CABEI’s climate strategy; and (iii) strengthening staff technical capacity to apply and report climate finance using the MDBs Common Principles for Climate Mitigation and Adaptation.	This technical assistance established key strategic, policy and methodological foundations for Paris alignment, climate governance, and climate finance tracking within CABEI. The proposed GCF Readiness support builds on this work by moving from strategic and policy-level frameworks to hands-on operational capacity for structuring, assessing, and implementing GCF projects, strengthening internal systems, workflows, quality assurance processes, and cross-departmental coordination required for CABEI to scale up its role as a Direct Access Entity.

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
Productive Investment Initiative for Adaptation to Climate Change (CAMBio II) - FP097	Approved	15,500,000	The full allocation of the reimbursable component (USD 25 million) has been successfully committed and disbursed through participating financial intermediaries. The programme is currently in its final phase of implementation, with approximately USD 2 million remaining to be executed under the non-reimbursable technical assistance component and Component 3 (Adaptation Award). These remaining activities focus on capacity building, innovation, and the scaling up of good adaptation practices across participating countries.	The proposed Readiness will directly strengthen CABEI's capacity to manage and supervise large multi-country adaptation programmes such as CAMBio II by improving internal systems for climate finance tracking, ESG monitoring, and results management. Enhanced project cycle management tools, standardized quality assurance processes, and a strengthened M&E framework will improve portfolio-level oversight, fiduciary control, and compliance with GCF reporting requirements. This will translate into higher quality supervision, more consistent results reporting, and faster identification and resolution of implementation bottlenecks across participating financial intermediaries and countries.
Ecosystem-based Adaptation to increase climate resilience in the Central American Dry Corridor and the Arid Zones of the Dominican Republic - FP174	Approved	174,300,000	The programme is at the initial stage of implementation. Start-up activities and institutional arrangements are underway, and the programme is currently pending the completion of signature processes with the participating countries, which are expected to be finalized during 2026 in order to enable full-scale implementation.	The Readiness will reinforce CABEI's capacity to manage complex, multi-country, nature-based solutions programmes such as FP174 by strengthening internal coordination, safeguards management systems, and climate results monitoring. Improved institutional workflows, digital monitoring tools, and standardized reporting processes will enhance supervision quality, evidence-based decision-making, and compliance with GCF requirements. In addition, the regional coordination and knowledge management tools supported by the Readiness will facilitate cross-country learning, replication and scaling-up of EbA approaches across CABEI's portfolio.

Light Rail Transit for the Greater Metropolitan Area (GAM) - FP166	Approved	271,300,000	The Funded Activity Agreement (FAA) has been signed following the approval of the restructured project by both the GCF Board and CABEI in 2025. The project is currently pending final approval by the Legislative Assembly of Costa Rica, which is required to proceed with effectiveness and start full implementation of the investment.	The Readiness support will consolidate the institutional lessons learned from the structuring and approval of the Light Rail Transit project, particularly in complex multi-partner operations involving large-scale co-financing, E&S risk management, and long-term results monitoring. By strengthening CABEI's internal project structuring, appraisal, and quality-at-entry systems, as well as its ESG and climate results tracking platforms, the Readiness will improve the quality, consistency and efficiency of implementation supervision, fiduciary control and annual reporting to the GCF for this flagship investment and similar future transformational infrastructure projects.

2.5 Challenges, Gaps, and Barriers

Institutionally, CABEI has made important strides towards supporting sustainable economic paradigm shift in the region, accounting for natural and social values and recognizing external risks such as climate change. The strategy and policy changes made in CABEI, however, are not yet fully implemented due to a variety of challenges such as building skill sets in staff to implement the new paradigm underpinning the Bank's operations, updating information systems to support new operating modalities and M&E functions, and aligning operations throughout the Bank. Specific gaps include: (1) Several climate-critical indicators are in under development, such as GHG emissions from financed operations and portfolio-wide climate mitigation/adaptation measurement; baselines are not yet established for key climate results; (2) Lack of expertise in key areas such as GHG accounting, natural capital valuation, structured climate financing, aggregation of program-level results to the portfolio level.
The member countries of CABEI have uneven institutional, fiscal, and technical capacity, making it difficult to establish and operate regional programs. Limited absorptive capacity in some member countries slows down operations on climate-resilient infrastructure, biodiversity and natural capital projects, and innovative financing solutions.

2.6 Stakeholder Engagement

The design of this readiness proposal is based on two pillars.
On the one hand, it is based on the experience of CABEI with programming a portfolio of impactful investments in climate resilience with GCF. Extensive discussions between CABEI and GCF have informed the design of the activities under outputs 1.3.1 and 2.3.1. Through these activities CABEI is also responding to international developments related to climate finance, building on support that was granted by IDFC to align programming, monitoring and reporting of operations with the MDB Common Principles for Climate Mitigation Finance Tracking, as well as international best practices on the implementation of ESG principles.
The second pillar is based on continuous discussions between CABEI and its member countries, including the SICA Secretariat. These discussions are focused the role that CABEI plays in financing sustainable and climate-resilient development in the region, responding to the national policies and programmes, which in turn are responding to regional discussions and agreements. A recurring theme in these discussions has been the difficulty of translating SICA strategies into effective national policies and realising the regional coherence that SICA is promoting. A lack of information on what neighbouring countries are doing is often cited as a barrier for developing effective national policies and national climate plans and investment opportunities. At the regional level these barriers are further compounded, effectively making regional climate investment very complicated to define, design and implement. Establishing a communication and collaboration mechanism between the competent authorities in the region, jointly with other stakeholders, is repeatedly mentioned as a prerequisite for enabling regional coherence and collaboration in climate action.
Output 3.2.1 of this readiness request responds to this request from the key stakeholders, establishing a virtual platform for knowledge and information management and continuous private and public communication between stakeholders, both among the key stakeholders in the governments of the countries in the SICA region and stakeholders from the various sectors for which climate investments are made, including stakeholder groups such as MSMEs, professional associations, academia, civil society and others.

2.7 Specific Readiness Needs

With the Institutional Strategy 2025-2029 and the Sustainability Policy recently approved, CABEI is now entering into the implementation phase of the new operational paradigm. As mentioned in the section on ”Challenges, gaps and barriers”, there are several areas where significant work needs to be done. Under this Readiness proposal, Outcome 2.3, support is requested for two critical areas: (1) Development of a system for regional climate finance tracking; and (2) Development of an M&E system for ESG indicators throughout the portfolio. These two areas will enable the Bank to identify opportunities for leveraging climate finance and areas of impactful investments, while applying ESG principles in program design, implementation, monitoring and reporting.
Additionally, with this Readiness support the Operations Manual for GCF engagement and implementation of funded activities will be updated to reflect both GCF’s new structure and operations and CABEI’s new structure and policies. The existing Operations Manual has been developed in-house in an informal way: recording the interaction with the GCF Secretariat on the various processes that CABEI has interacted with the GCF, coupled with the formal policies of GCF and the internal structure and procedures of CABEI. With the recent changes in CABEI and GCF, the Operations Manual needs to be rewritten in its entirety, in a more formal manner and laying down tasks and responsibilities in several departments of CABEI, and responding to the new policies in GCF and the new structure in the GCF Secretariat. The rewrite is furthermore necessary to effectively support the growing scope and scale of the relationship between GCF and CABEI.
Finally, a virtual platform will be established to foster exchange of information and ideas between all stakeholders in the region, from NDAs and line ministries to NGOs, professional associations, academia, MSMEs and farmers, regional DAEs, and the general public. The virtual platform will allow for a more comprehensive engagement with stakeholders in the identification, design and implementation of programs and projects financed by GCF, CABEI and other parties.

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

The objectives of this readiness support center around streamlining procedures in CABEI to effectively implement the policies and guidelines of GCF, as well as adhere to other international best-practices on climate finance, and thus serve the needs and priorities of CABEI’s eight member countries in Central America and the Dominican Republic.
Integration of GCF policies and guidelines into the daily operations of CABEI through the updated Operations Manual (activities 1.3.1.a-b) aligned with CABEI’s accreditation standard with GCF, will ensure that the development of funded activities is streamlined, as well as the review by GCF due to the better alignment of funding proposals with GCF policies and guidelines, allowing CABEI to serve its member countries more effectively. The updated Operations Manual and its application in climate finance activities in CABEI will ensure that CABEI can maintain its accreditation standard with GCF and operate accordingly.
Management and oversight of the implementation of funded activities will be strengthened through implementation of policies and information management services related to climate finance (activities 2.3.1.a-c), ESG (activities 2.3.1.d-f) and building capacities in regional NDAs for CN development (activities 2.3.1.g-h), aligned with GCF policies. Tracking of regional climate finance flows will ensure that GCF resources are leveraged to the extent possible to achieve maximum paradigm shift potential. Alignment with international best-practices on ESG will ensure that safeguards are enforced and maintained in line with GCF policies. After implementation of these activities, CABEI will have "enhanced processes and systems to effectively oversee the implementation, financial management, monitoring and reporting of climate programmes and projects", with improved regional capacity to define and development investment proposals for submission to GCF.
Finally, through this readiness support a regional virtual platform (activities 3.2.1.a-c) will enable South-South collaboration between all relevant stakeholders of the region, in the public sector but also including civil society, businesses, academia and other stakeholders, contributing to outcome 3.2 of the Revised RRMF. The virtual

platform will enable broad participation of stakeholders in the development of regional climate policies, identify options for regional and national investments in climate resilience and the green economy, and act as a knowledge bank for stakeholders, researchers, students, and the general public.

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

The readiness support will have a number of direct impacts on the programming and implementation capacity of CABEI.
Updating the Operations Manual to reflect the current organizational structure of CABEI and the updated GCF policies and guidelines will enable CABEI to more efficiently and effectively develop proposals for funded activities, which will have a more agile review process in GCF due to closer alignment with GCF policies and procedures. The Operations Manual will also contain procedures to be followed during implementation of funded activities, such as programme oversight, financial management, reporting, monitoring safeguards, tracking progress, and evaluation.
Tracking regional climate finance flows will enable CABEI to identify opportunities for synergy and leveraging of funds from different sources, scaling up impacts and delivering a larger paradigm shift. Regionally integrated and/or alignment investments will speed up the development of green economic development and increased resilience to the impacts of climate change.
Integrating climate finance tracking functionality and monitoring and evaluation of ESG principles and indicators into the information management systems of CABEI ensures that these aspects are always considered in programming, monitoring of implementation, including reporting, and evaluation.
Establishment of a virtual platform provides CABEI (and other participating regional DAEs or AEs) with the opportunity to reach out to NDAs and other public bodies in its member countries to discuss climate programming opportunities, as well as engage with all relevant stakeholders in responding to the threats of climate change and the development of a green economy in the region. This will greatly enhance the quality of CABEI’s programming with GCF.

4. Approach, Methodology, and Implementation Activities

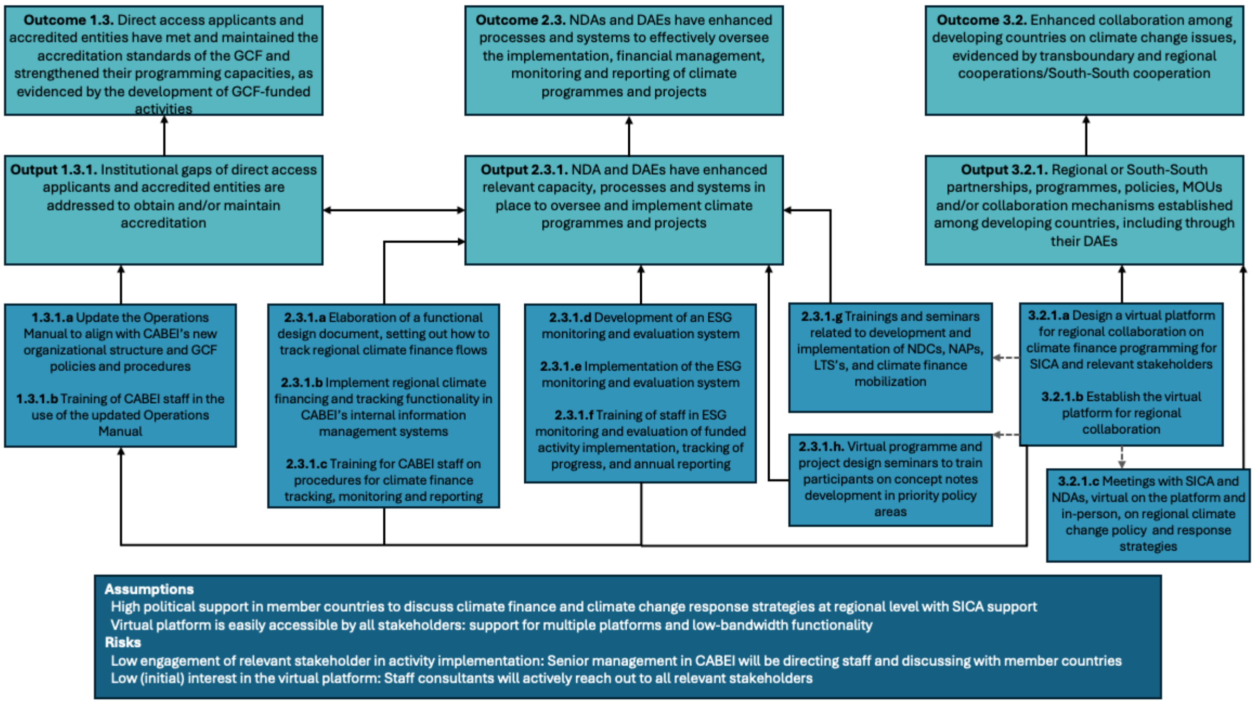
Guidance

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**.

The SICA region, where CABEI's member countries are located, faces increasing climate-related risks and vulnerabilities. Strengthening CABEI's institutional capacity, national and sub-national planning, and project readiness will set the foundation for transformational climate investments in the region. CABEI intends to utilize its readiness resources to achieve three inter-linked objectives: (i) build the institutional frameworks and governance capacities required for climate-resilient development, both within CABEI and regionally through South-South cooperation between the SICA countries, (ii) strengthen the operational capacity of CABEI to build a pipeline of bankable adaptation and mitigation programmes and projects aligned with national climate strategies, jointly with the NDAs of the region, and (iii) embed robust monitoring, learning and stakeholder engagement systems to enable a paradigm-shift toward low-carbon and climate-resilient development.
The readiness support to CABEI will catalyze the following **pathway of change**. First, through training, technical assistance, and capacity-building, national and sub-national entities will enhance their ability to integrate climate risks (and opportunities) into sectoral planning, investment prioritisation and budgetary processes. Simultaneously, readiness support will strengthen the capacity in CABEI, the NDAs and relevant national and regional stakeholders to develop or refine robust programme pipelines, including feasibility studies, pre-investment analyses and climate rationale, thereby improving the bankability of climate-relevant programmes and projects. Third, governance strengthening will lead to improved transparency, coordination and stakeholder participation (with processes that are gender-sensitive, inclusive of vulnerable-groups and respecting the rights of Indigenous Peoples). Fourth, as a result of the above outputs, enabling conditions will be in place that allow CABEI (and other implementing agencies) to deploy larger-scale GCF-funded programmes or blended finance operations with higher paradigm shift potential.
The strengthened institutional and governmental structures and processes enable the following short-to-medium term **outcomes**: better-prioritised portfolios of climate-responsive investments, increased capacity to access and manage climate finance (including from third-party resources), and stronger oversight frameworks that ensure that climate funding aligns with national development and NDC commitments. Over time, this leads to a paradigm shift: more climate-resilient infrastructure and low-emission development pathways become embedded in regional planning and investment practice, private sector engagement is unlocked, co-finance is mobilised and climate considerations become integral to mainstream finance and planning.
The **impact** envisaged is that CABEI's readiness intervention contributes to significantly increased flows of climate finance into Central America, enhanced resilience of vulnerable communities and ecosystems, and a measurable reduction of greenhouse-gas emissions and climate losses—thus supporting GCF's mission of a paradigm shift toward low-carbon and climate-resilient sustainable development in developing countries.
Key assumptions underpinning this Theory of Change include: stable political commitment at national and sub-national levels; willingness of stakeholders to engage in participatory processes; that the readiness activities lead directly to stronger programme and project pipelines and mobilised investment; and that external shocks (e.g., extreme weather events, economic crises) do not significantly derail institutional reforms. Risks and mitigation measures must therefore be built into the programme design, including adaptive learning loops, periodic reviews, feedback mechanisms and linkages to the GCF results-management framework.



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. Update the Operations Manual to align with CABEI's new organizational structure and GCF policies and procedures. CABEI developed an Operations Manual (OM) when it was first accredited to GCF to streamline the development of a portfolio of GCF-funded programmes and projects, and to define procedures for in-house alignment of the GCF portfolio with internal policies and ongoing operations. The emphasis of the OM was on pipeline development: in-house activities and streamlining communication with GCF on concept notes and funding proposals. Following a restructuring in CABEI, the new policies and structure of GCF, and the expanding scope of the partnership between GCF and CABEI, including managing the growing portfolio of funded activities, the OM is no longer fit-for-purpose. The update of the OM will reflect all new and updated GCF policies, align with the new structure and policies of CABEI, and include tasks on elements such as financial management (e.g. disbursements, financial reporting, reflows), M&E and safeguards (including gender, IP and other disadvantaged groups), (fiduciary) risk management, and legal issues (e.g. compliance with AMA and FAAs). The updated OM will also reflect the increased capacity in CABEI for climate-aware programming with the regional NDAs and monitoring and evaluation of its portfolio, built with support from this readiness grant (outputs 2.3.1 and 3.2.1 below). The OM will be updated by an individual consultant, supported by an in-house junior expert consultant. This activity will have as deliverable the updated Operations Manual (D7.1) (2 months after the start of the activity).
1-3-1.b. Training of CABEI staff in the use of the updated Operations Manual. After elaboration of the OM, the consultant will facilitate a training of CABEI staff to socialize the OM and train the staff in the use of the OM. The training materials will be made available permanently on the internal information system of CABEI for continuous learning and reference by staff. This activity will train up to 30 staff in CABEI headquarters and up to 4 staff in each of CABEI's country offices in the region. The training materials will be made available on CABEI's intranet for self-paced learning and review after this activity concludes. The consultant will prepare a report on the training session on the updated Operations Manual (D7.2), including a participants survey (1 month after the training).

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

☒ Outcome 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.

☒ Output 2.3.1. NDA and DAEs have enhanced relevant capacity, processes and systems in place to oversee and implement climate programmes and projects.

Activities

2-3-1.a. Elaboration of a functional design document, setting out how to track regional climate finance flows and to integrate climate finance tracking functionality in CABEI's internal information management systems. Detailed understanding of the regional climate finance flows will enable CABEI to identify options for co-financing of GCF-funded programmes and activities and to create synergies in the programming that will enable more impactful programming and a facilitate a greater paradigm shift potential through scaled-up, integrated financing of climate-resilient, green and sustainable economic development in the region. This activity will propose a tool to monitor international flows of climate finance coming to CABEI member countries to be integrated into internal information management systems. The tool will allow tracking and monitoring of climate finance flows, facilitating their systematic monitoring, analysis and reporting. This task builds on the support that CABEI has received from IDFC through Ernst & Young to align internal systems, policies and procedures with the MDB Common Principles for Climate Mitigation Finance Tracking and Climate Change Adaptation Finance Tracking, and the new CABEI Taxonomy for Sustainable Finance. The design of the climate finance tracking tool will be tendered to a consulting firm, with in-house support provided by a junior consultant. The deliverables of the activity are (1) a Needs Assessment report (D11.1) that includes an analysis of regional climate finance flows and how an understanding of these should inform the development of regional climate finance investment, aligned with internal CABEI structures and procedures (1 month after the start of the activity); and (2) a Functional Design report (D11.2) that specifies in detail how to track international climate finance and how to apply it in climate investments throughout the region (6 months after the start of the activity).
2-3-1.b. Implement regional climate financing and tracking functionality in CABEI's internal information management systems. The climate finance tracking tool will be integrated into CABEI's information management systems to ensure alignment with operational and financial management procedures. This task will be implemented (jointly with 2.3.1.e) by a professional service provider familiar with CABEI's internal information management architecture. The deliverables of this activity (D11.3) include (1) implementation of a functional tool in CABEI for international climate finance tracking in the region; (2) technical description of the tool; and (3) manuals for the use of the tool (6 months after the start of the activity for all 3 deliverables).
2-3-1.c. Training for CABEI staff on procedures for climate finance tracking, monitoring and reporting. After implementation of the climate finance tracking tool, the consulting firm having designed the tool will organize trainings for CABEI staff to use the tool and integrate its results in programming, monitoring and reporting. The training will include 10 staff from CABEI headquarters and at least 1 staff from each of the country offices. The deliverables of this activity are (D11.4): (1) the training materials; and (2) a report on the training of CABEI staff on the use of the climate finance tracking tool, inclusive of a participants survey (1 month after the training).

2-3-1.d. Development of an ESG monitoring and evaluation system. CABEI has a fully developed policy to apply ESG principles to all of its operations, extending to green economic development and resilience to the impacts of climate change. Applying the ESG policies consistently, continuously and in detail to banking operations under implementation, including those financed by GCF, is proving to be a challenge, in part due to the lack of a coherent tool integrated with the other monitoring tools of CABEI. This activity will develop such a tool, enabling CABEI to monitor and evaluate operations under implementation, against the stated objectives and safeguards established during the design of the operation. This tool will strengthen the monitoring and evaluation capacity in CABEI, which will be reflected in all of its reporting, including that of GCF-funded activities. An international consulting firm will be contracted to design this ESG monitoring and evaluation system, with in-house support provided by a junior consultant. The deliverables of the activity are (1) a Needs Assessment report (D11.5) that includes an analysis of international best-practices on ESG and how this can be integrated into CABEI operations, building on existing policies and processes, and aligned with GCF related frameworks and policies (1 month after the start of the activity); and (2) a Functional Design report (D11.6) that specifies in detail how to implement the ESG tool in Bank operations, including aggregating ESG targets, indicators and results from the project to the portfolio level (6 months after the start of the activity).
2-3-1.e. Implementation of the ESG monitoring and evaluation system. The ESG monitoring and evaluation system will be integrated into CABEI's information management systems to ensure alignment with other monitoring, evaluation and reporting procedures. This task will be implemented (jointly with 2.3.1.b) by a professional service provider familiar with CABEI's internal information management architecture. The deliverables of this activity (D11.7) include (1) implementation of a functional tool in CABEI for monitoring and evaluating ESG targets, indicators and results in Bank operations in the region; (2) technical description of the tool; and (3) manuals for the use of the tool (6 months after the start of the activity for the 3 deliverables).
2-3-1.f. Training of staff in integrating data from the ESG monitoring and evaluation system for the monitoring of funded activity implementation, tracking of progress, and annual reporting. After implementation of the ESG monitoring and evaluation system, the consulting firm having designed the system will organize trainings for CABEI staff to use the tool and integrate its results in monitoring, evaluation and reporting of operations of CABEI. The training will include 20 staff from CABEI headquarters and at least 2 staff from each of the country offices. The deliverables of this activity are (D11.8): (1) the training materials; and (2) a report on the training of CABEI staff on the use of the ESG monitoring and evaluation tool, including a participants survey (1 month after the training).
2-3-1.g. Trainings and seminars through the platform on topics of interest for the member countries, related to development and implementation of NDCs, NAPs, LTS's, and climate finance mobilization, inviting other national, regional or global AEs to share their expertise. The virtual platform will be used to deliver trainings and seminars to all relevant stakeholders from the countries of the region. The trainings and seminars will focus on building capacity to understand climate change and its impacts on the region, vulnerabilities among the populations and infrastructure of the region, and identify options for sustainable, climate-resilient development that are aligned with national and regional policies. Regional and international experts will be contracted to deliver these trainings and seminars, based on priorities set by the member countries and other relevant stakeholders. Each seminar will have participants from NDAs, SICA Secretariats, CABEI and/or other AEs, other key stakeholders, professional associations, financial institutions, academia, NGOs, and other stakeholder groups, depending on the topic of the seminar. Each seminar is expected to attract 50 to 60 participants. The deliverables from this activity include: (1) Reports on the meetings and the materials discussed, including participant surveys (D11.9) (1 month after the meeting); and (2) draft documents on options for regional climate-resilient development and climate finance (D11.10) (following clearance by the NDAs).

2-3-1.h. Virtual programme and project design seminars, jointly with SICA and other regional DAEs to build capacity among NDAs and other key stakeholders to identify investment needs in priority policy areas and develop core elements of investment proposals such as the climate rationale and the theory of change, either seeking funding from GCF or from other funding sources. The virtual platform will host programme and project design seminars open to NDAs, Ministries and other relevant stakeholders on identifying impactful investments in climate-resilient development and developing ideas into first-draft project idea notes. Regional and international experts will be contracted to guide these design seminars, based on priorities set by the member countries and other relevant stakeholders. Each seminar will have participants from NDAs, SICA Secretariats, CABEI and/or other AEs, other key stakeholders, professional associations, financial institutions, academia, NGOs, and other stakeholder groups, depending on the topic of the seminar. Each seminar is expected to attract 50 to 60 participants. The deliverables of this activity are the reports on the meetings, as well as draft project idea notes, focusing on objectives, theory of change and climate rationale (D11.11) (1 month after the meeting).

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. Design a virtual platform for regional collaboration on climate finance programming for SICA, its member countries, CABEI and other regional DAEs and relevant stakeholders. The SICA region is composed of 8 countries and has a large number of relevant stakeholders in developing and implementing national policies and plans for sustainable climate-resilient development. While the organizational development in the public sector and the main sectors of the regional economy is relatively strong, there is a lack of interaction between the relevant stakeholders. The establishment of a virtual platform for regional collaboration will provide all of the stakeholders with an easily accessible environment that acts as a “marketplace” of experience, knowledge and ideas on making the region climate-resilient and economically prosperous. The virtual platform will host multiple “communities”, ranging from policy development and alignment in the 8 countries guided by the SICA Secretariat, to open forums with civil society, knowledge hubs with academia, business incubators with professional associations and private enterprises, to a library with resources for all stakeholders, including the general public and schools. The virtual platform will be set up as a shared resource between CABEI, SICA, the 8 countries, other regional DAEs and other relevant parties. This activity will design the virtual platform through a participatory process, first identifying stakeholders and their expectations, and then defining the functions of the platform. The activity will be undertaken by an international consulting firm. The deliverables for this activity are (1) a Stakeholder Mapping report (D14.1), setting out the different groups of stakeholders, their expectations of the virtual platform, and their preferences for modalities of communication and knowledge exchange (1 month after the start of the activity); and (2) a Functional and Technical Design report (D14.2) detailing the functional and technical features of the virtual platform, based on the stakeholder mapping (7 months after the start of the activity).
3-2-1.b. Establish the virtual platform for regional collaboration. Following the design of the virtual platform (D14.2), it will be established in a digital environment that is easily accessible by all relevant stakeholders. This activity will be implemented by a professional services provider. The deliverables of this activity (D14.3) include: (1) The virtual platform, operational for use; (2) technical documents and manuals, including options for modifying the virtual platform; (3) user manuals for use of the virtual platform (6 months after the start of the activity for all 3 deliverables).

3-2-1.c. Meetings with SICA and NDAs, virtual on the platform and in-person when combined with other regional meetings, on regional climate change policy and response strategies. A series of meetings will be organized, initially in-person, then moving to the virtual platform as it becomes operational, to discuss regional climate change policy and specific response strategies in economic sectors of interest to the region. The objective of these discussions will be identify regional synergies in the response to climate change, and identify regional investment opportunities for emission-free economic development and climate change adaptation, aligned with the national climate change policies such as the NDCs, NAPs, LTSs, etc. To the extent possible, in-person meetings will be combined with other scheduled regional meetings to reduce travel. Two in-person meetings of 3 days duration are planned with 36 participants each, invited from NDAs, SICA Secretariats, other key stakeholders, and CABEI staff. An additional 4 virtual meetings are planned with 36 participants each. The deliverables of this activity (D14.4) include reports on each of the meetings conducted (expected 8), including any decisions made on climate policy and investments. Each report will be delivered within 1 month from the meeting.

4.3 Stakeholder Engagement Strategy

The design of this readiness proposal is based on two pillars. On the one hand, it is based on the experience of CABEI with programming a portfolio of impactful investments in climate resilience with GCF. Extensive discussions between CABEI and GCF have informed the design of the activities under outs 1.3.1 and 2.3.1. Through these activities CABEI is also responding to international developments related to climate finance, building on support that was granted by IFDC to align programming, monitoring and reporting of operations with the MDB Common Principles for Climate Mitigation Finance Tracking, as well as international best practices on the implementation of ESG principles. The second pillar is based on continuous discussions between CABEI and its member countries, including the SICA Secretariat. These discussions are focused the role that CABEI plays in financing sustainable and climate-resilient development in the region, responding to the national policies and programmes, which in turn are responding to regional discussions and agreements.

During implementation of the readiness activities the engagement of all relevant stakeholders is paramount. The consultants and consulting firms will be explicitly instructed through their terms of reference to engage with all relevant stakeholders in the development of their deliverables. The virtual platform (output 3.2.1) is entirely focused on engaging as many stakeholders as possible, with its design (including the functionality to be offered), based on required extensive stakeholder consultations. The thematic focus of trainings, seminars and programming workshops delivered through the virtual platform will be based on the expression of interest of the stakeholders. As part of this readiness grant, CABEI will recruit several junior consultants to ensure that all relevant stakeholders are informed of the activities developed through the virtual platform.

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	CABEI staff do not actively engage with consultants to enable design of new tools	Low	Medium	Junior consultant to support day-to-day activity implementation can flag lagging support early on. Senior management (OSAS) will scale up response to managerial level.	CABEI/OSAS
Operational	NDAs and other institutional stakeholders in the member countries do not	Low	Medium	Consultants will be introduced by CABEI/SICA to national stakeholders CABEI country offices will support consultants in getting meaningful support from national stakeholders	CABEI/OSAS, supported by SICA and CABEI country offices

	support requests from consultants for inputs				
Operational	Virtual platform fails to attract attention from relevant stakeholders	Low	Low	Junior consultants will reach out to relevant stakeholders to have them engage in platform activities. Virtual platform will be socialized with the support of SICA.	CABEI/OSAS, supported by SICA
Regulatory	Readiness activity implementation by contracted third parties is maliciously applied to money laundering or financing terrorism	Low	High	The Risk Management Policy For ML TF PWMD Integrity and Sanctions (https://www.bcie.org/api/documents/6165/Risk%20Management%20Policy%20For%20ML%20TF%20PWMD%20%20Integrity%20and%20Sanctions.pdf) covers Money Laundering, Financing of Terrorism, and Financing of the Proliferation of Weapons of Mass Destruction, establishes guidelines governing the joint management of these risks together with integrity and sanctions matters. This policy is applied to all operations of the Bank, both during procurement and implementation of the contracted activity.	CABEI OSAS and OCI
Reputational	Readiness activity procurement or implementation by	Low	Medium	CABEI has an established policy and operational mechanism to confront prohibited practices (https://www.bcie.org/api/documents/19420/CABEI%20Antifraud%20%20Anticorruption%20and%20Other%20Prohibited%20Practices%20Policy%202024.pdf) in all of its operations. Screening for prohibited practices during procurement and implementation ensures that any violations of the policy are avoided or detected and mitigated early on.	CABEI OSAS and OCI

	contracted third parties involves prohibited practices				
Regulatory	Sanctioned consultants or consulting firms bid for contracts	Low	Low	All third-party contractors are screened prior to contracting, using CABEI's own screening tools, as well as checking against blacklists such as those maintained by the UN and the World Bank and CABEI itself (https://www.bcie.org/transparencia-e-integridad/lista-de-contrapartes-prohibidas).	CABEI OSAS and OCI

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

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

Output: NDA and DAEs have enhanced relevant capacity, processes and systems in place to oversee and implement climate programmes and projects.

Indicator: Number of NDA and DAEs reporting enhanced processes and systems, knowledge and skills that advance their programme/project implementation, financial management, monitoring and reporting, and compliance with GCF standards and policies.

Please provide the number of NDAs/DAEs advancing their programme/project of GCF Funded Activities

Unit: No. of Entities

Institution Roles	Baseline	Target
DAE	0	1

Expected Deliverables

☒ Status report on capacity building of NDA and DAEs in the Country/Region in project/ program design, implementation and oversight.

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

CABEI will implement the readiness support itself, using in-house capacity for procurement, contracting, management of external contractors, monitoring, and reporting. For most activities external contractors will be procured, ranging from long-term (junior) consultants to professional service providers, which aligns with regular operational procedures of CABEI. All external contractors must meet CABEI criteria for contracting which includes KYC screening. The external contractors will not engage directly with GCF on any matter.
CABEI will report directly to GCF on all matters related to the implementation of the readiness support. This includes the status reports that are listed as deliverables, as well as other required reporting.
Financial reporting will be delivered through an independent audit upon completion of the implementation, as agreed with GCF.
An independent final evaluation will be undertaken and reported to GCF.

6.1.2 Framework Agreements

Not applicable

6.2 Organisation and Staffing

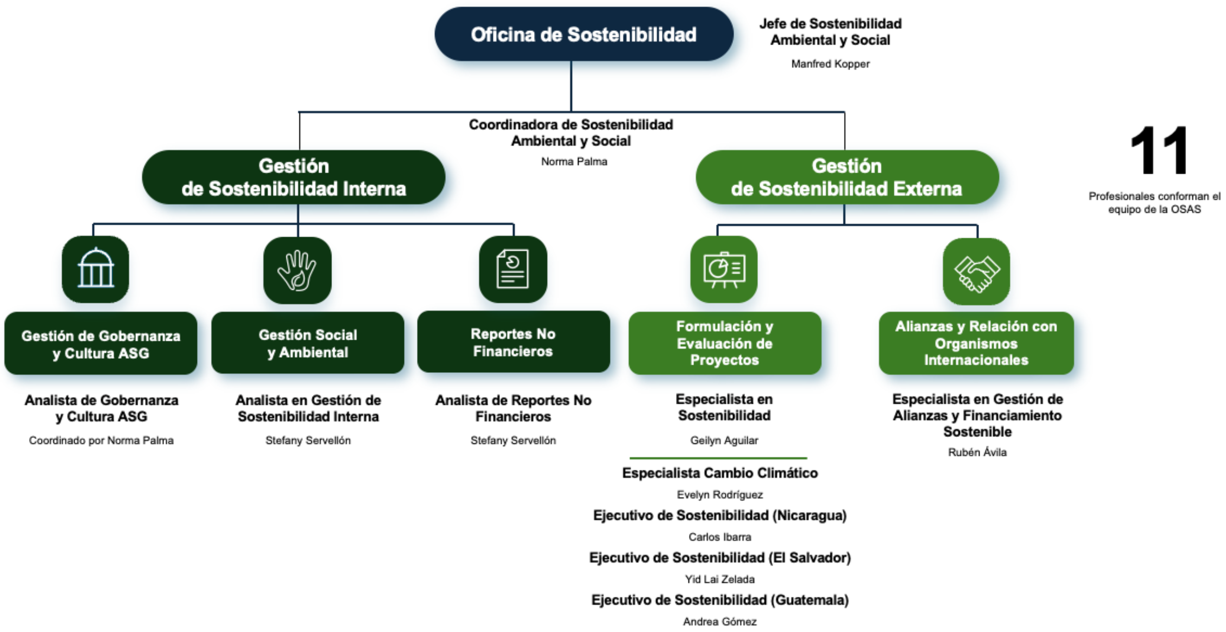
In this chapter, propose the structure and composition of your team. Consider including a visual depiction of the programme team through an organisational chart, depicting reporting responsibilities. List the main disciplines, key experts responsible, and technical and support staff, including their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

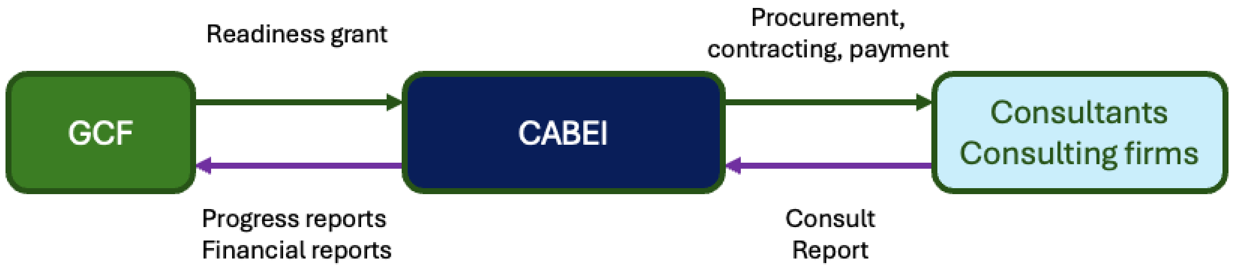
Name of staff	Organization	Area of Expertise	Position Assigned	Task Assigned	Base Country During Assignment
Manfred Kopper	CABEI	Sustainability	Chief Sustainability Officer	Sustainability Office Leader	Honduras
Norma Palma	CABEI	Sustainability	Environmental and Social Coordinator	Coordination of internal and external sustainability management of the office	Honduras
Ruben Avila	CABEI	Climate Finance	Sustainable Finance Specialist	Climate finance mobilization of CABEI with the global climate funds (GCF, AF, GEF, FRLD). Partnerships management with external partners on sustainability matters.	Honduras

Geilyn Aguilar	CABEI	Environmental and Social Risk Management	Sustainability Expert	Environmental and social assessment for the project portfolio	Costa Rica
Evelyn Rodriguez	CABEI	Climate Change	Climate Change Specialist	Climate change assessment for the project portfolio	Honduras
Yid Zelada	CABEI	Environmental and Social Risk Management	Sustainability Executive	Environmental and social assessment for the project portfolio	El Salvador
Carlos Ibarra	CABEI	Environmental and Social Risk Management	Sustainability Executive	Environmental and social assessment for the project portfolio	Nicaragua
Jorge Aguilar	CABEI	Environmental and Social Risk Management	Environmental and social assessment for the project portfolio	Sustainability Executive	Guatemala
Stefany Servellon	CABEI	Environmental Management System	Internal Sustainability Management Analyst	Environmental and social management system, Non-financial reports	Honduras



6.3 Fund flow arrangements

CABEI, as AE to the GCF and as beneficiary of the Readiness activities, will manage all the fund for the Readiness request itself. As with other funded activities holding GCF funds, a dedicated USD ledger account will be maintained for the GCF funds. The exchange rate risks are negligible as contracts to third parties (individual expert consultants and consulting firms) are typically made up in USD amounts.



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

At the time of writing, CABEI is not aware of any United Nations Security Council (UNSC) restrictions on any of the countries where activities of the Readiness proposal will be implemented.

7.6 Grievance Redress Mechanisms
The established CABEI Grievance Redress Mechanism (GRM) will be used for this readiness program. The mechanism is approved by the GCF and has been used for prior GCF funded activities. The GRM will be used at all stages of the readiness activities and will provide an accessible, rapid, fair and effective response to concerned stakeholders, especially any vulnerable groups who may lack access to formal legal systems or support. CABEI's GRM is a formal institutional mechanism designed to address complaints related to: (1) Environmental and social impacts of projects; (2) Governance and integrity concerns, including fraud and corruption, misuse of funds, and conflicts of interest; (3) Transparency and access to information issues; (4) Non-compliance with CABEI policies, procedures, or contractual obligations. A distinction is made between grievances related to banking operations (investment projects) and institutional or integrity complaints; each having specific response and investigation procedures. CABEI provides multiple, accessible channels to submit grievances, including institutional reporting channels (integrity and ethics complaints) and various online reporting channels, including email, for use by the general public. Filing complaints incurs no costs on complainants and complaints are treated confidentially and, in relevant cases, anonymously. The GRM follows a structured, time-bound process that is fully described and accessible to all interested parties. Complainants are acknowledged (if contact details are provided) and will be informed of the formal response, whether that is because the complaint is declined for reasons of contents (e.g. eligibility, lack of evidence) or giving the outcome of the investigation into the complaint.

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

This readiness support is designed around enhancing institutional capacities in CABEI and enhancing access to information and building capacities in all relevant stakeholders, from NDAs in member countries down to businesses, civil society and the population in general.
Several activities enhance the capacity in CABEI to undertake impactful programming with GCF. This ranges from updating the in-house Operations Manual for GCF-funded activities, to monitoring and evaluation of ESG principles and indicators, to tracking regional climate finance flows that allow leveraging available climate finance to achieve more impactful investments with higher paradigm shift potential. All of these activities include a component of training for CABEI staff. Knowledge products and training materials are mandatory deliverables for all consultants and these will be made available to all CABEI staff, including in country offices around the region, through CABEI's intranet, for reference and continuous learning.
The Operations Manual will be reflective of the current structure within CABEI and include the new functionalities in CABEI on regional climate finance tracking and ESG principles and indicators, which themselves will be integrated into CABEI operational information management systems.
The regional virtual platform will also have a focus on knowledge products and training. Activities on the platform revolve around regional coordination and alignment. Training activities and seminars will be open for all relevant stakeholders, with training materials permanently available.

9.2 Readiness Programme Closure

All the activities undertaken by external consultants are governed by a contract signed between CABEI and the external consultant. The standard clause on Intellectual Property reads:
"All studies, reports, graphics, plans, books, brochures, and any other literature or documents, audio material, audiovisual material, photographs, illustrations, images, computer programs (software), and databases, generated, obtained, or produced during the execution of this Contract, for the performance thereof, or resulting from this Contract, whether contained in written media, electronic media of any kind, magnetic tapes, or any other medium or instrument, are and shall be the exclusive property of the Bank, unless such information is protected by the intellectual property rights of the Consultant, who hereby authorizes the Bank to disclose them in the manner it deems appropriate."
Transfer of the assets indicated in this clause is part of standard operating procedures for such contracts.
CABEI commits to maintaining the virtual platform operational for as long as it is proving to be a useful resource for the region. It will engage with other institutional partners in the region (such as the SICA Secretariat) on alternative arrangements if these are deemed desirable.