Readiness and Preparatory Support

Direct Access Proposal Template

DAE Support Window

Proposal title

?Strengthening the Climate Finance Readiness of the Cook Islands: Enhancing the Direct Access Entity, Ministry of Finance and Economic Management (MFEM) (38720)

Direct Access Entity

Ministry of Finance and Economic Management, Cook Islands

* 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 the Climate Finance Readiness of the Cook Islands: Enhancing the Direct Access Entity, Ministry of Finance and Economic Management (MFEM)

Total Approved Amount (in USD)

$1,000,000

Implementation Period (in months)

24 months

Country Information

☐ Single DAE

☐ Multi-DAE

Lead DAE

Ministry of Finance and Economic Management, Cook Islands

Contact person

Mani Mate

Position

Director

Email

mani.mate@cookislands.gov.ck

Additional email addresses that need to be copied in correspondences

tessa.vaetoru@cookislands.gov.ck,eileen.story@cookislands.gov.ck,alexandria.mackenzie@cookislands.gov.ck,stephanie.vaiimene@cookislands.gov.ck

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

MFEM, accredited to the Green Climate Fund since 2018 for small Category C (I-3) projects currently has two GCF projects – Direct Financing for Communities and Businesses to Respond to Climate Change (FP281) and Akamatutu'anga To Tatou Ora'anga Meitaki (ATOM): Building a healthy and resilient Cook Islands Community – one block at a time (SAP034) - under implementation.

With the growing responsibilities of accreditation and implementation of GCF projects, MFEM is seeking to strengthen its capability in project implementation as well as value-adding to the foundations it has established as an accredited entity and Government institute, to be able to continue to deliver high-quality climate finance and project management services to its stakeholders.

The **overarching goal** of this Readiness project is therefore to build, and value add to the current capacity of the direct access entity leading to improved project development and implementation across the climate finance portfolio. The objectives of this Readiness in support of this goal are to:

- Strengthen MFEM's accreditation-related policies and systems, including GRM, ESS and Gender Policy
- Strengthen the monitoring, evaluation, reporting and learning (MERL) capacity within the Ministry
- Strengthen the development and readiness of the national climate finance project pipeline through a pre-feasibility study; and
- Develop future capacity and financing through a structured internship programme.

The implementation period of the project is 24 months with the expected impact being improved compliance with GCF standards, enhanced monitoring and reporting and a pathway established to cultivate skilled climate finance professionals.

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 C **Financing modalities** ● Basic, Project Management, Grant award and/or funding allocation mechanisms
The Readiness grant will be implemented through basic support activities, dedicated project management arrangements and grant award modalities to ensure effective delivery and oversight of approved capacity-building activities.
Accreditation stage ● Negotiation Finalized

MFEM was accredited to the Green Climate Fund on 20 October 2018 for Small (USD10-50 million) Category C projects with basic, project management and grant financing modalities.

2.2 Entity Climate Priorities and Programming Capacity

MFEM as a central government agency and DAE, aligns its climate priorities with the Cook Islands Country Programme and the Cook Islands Economic Development Strategy (EDS) - specifically Pillar 5: Greening Our Economy. These priorities are fully integrated with national strategies, including the National Sustainable Development Agenda 2020+, and are consistent with the Cook Islands' Nationally Determined Contribution (NDC) and long-term climate strategies. MFEM works closely with the National Designated Authority (NDA) to advance NDC implementation and ensure coherence with national and international commitments. As a central agency, MFEM's geographical and sectoral focus is national and cross-sectoral, supporting all sectors through coordination with relevant ministries and agencies to advance sector-specific climate priorities.

MFEM works closely with the NDA to advance implementation of the Cook Islands' Nationally Determined Contribution (NDC) and to ensure coherence with national and international climate, development, and sustainable finance commitments. This coordination is underpinned through alignment with existing and emerging national policy and institutional frameworks that promote inclusive, equitable, and gender-responsive climate action, including the National Sustainable Development Agenda 2030+, the Cook Islands Economic Development Strategy (EDS), and relevant Cook Islands gender and social inclusion policies.

In line with the Cook Islands' commitment to leaving no one behind, MFEM integrates considerations of gender equality and social inclusion across its climate finance programming and institutional systems. This is demonstrated through deliberate measures to ensure the participation and inclusion of women, persons with disabilities (PWDs), and other vulnerable or marginalised groups throughout climate finance planning, implementation, monitoring, and grievance processes. For example, under the Akamatutu'anga To Tatou Ora'anga Meitaki (ATOM) project, MFEM has formal representation from the Cook Islands National Disability Council on the Project Steering Committee, ensuring that the perspectives and needs of persons with disabilities are embedded in project governance, decision-making, and implementation oversight.

In addition, MFEM has established a Memorandum of Understanding (MoU) with a local women's non-governmental organisation to support implementation of the Grievance Redress Mechanism (GRM), including community-level awareness-raising, survivor-centred handling of Gender-Based Violence (GBV) and Sexual Exploitation, Abuse and Harassment (SEAH) cases, and referral to appropriate support services, should any cases arise. MFEM works closely with this partner not only on case handling but also on strengthening institutional capacity in GBV and SEAH prevention and response, ensuring alignment with national systems and international good practice.

These practical arrangements complement and operationalise MFEM's Gender Policy, Environmental and Social Safeguards (ESS) Framework, and GRM, all of which are being further strengthened under this Readiness support to ensure systematic, evidence-based application in line with evolving GCF requirements.

Programming Capacity

MFEM has progressively strengthened its governance and management systems through successive GCF readiness support. Key achievements include:

- Institutional Coordination: Establishment of a Climate Change Technical Working Group, comprising the NDA and both National DAEs (MFEM & BCI), to coordinate pipeline planning and capacity-building. In addition, the NDA convenes quarterly platform meetings with public and private stakeholders to ensure integrated planning and implementation of climate priorities.
- Financial Management Systems: MFEM has invested in a robust financial management system that streamlines fiduciary standards, including KYC procedures and internal audit functions. Through ongoing GCF readiness support, MFEM is enhancing system capabilities to capture and report climate finance flows, supporting national reporting to Parliament and international obligations such as Biennial Update Reports (BURs) and Biennial Transparency Reports (BTRs).
- Track Record and Experience: Since the Cook Islands' first GCF readiness proposal in 2015, MFEM has built capacity through readiness grants, concept note development, PPF applications, and full proposal design and implementation. The Cook Islands is now implementing two national GCF-funded projects and has participated in multiple regional programmes as the National Executing Entity, demonstrating a strong trajectory from readiness to full project delivery.
- Systems Integration: Investments from GCF projects, such as LiDAR data and climate information systems have been and continue to be integrated into national platforms to enable cross-government coordination for planning, monitoring, and evaluation. These systems are now accessible to all GCF project teams, fostering data-driven decision-making.

Despite these advancements, gaps remain in institutional capacity, monitoring and evaluation, and reporting systems. This readiness proposal seeks to address these gaps, ensuring MFEM, the NDA, and other executing entities have the tools and capabilities to deliver high-quality climate finance programming and projects.

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
NDA Strengthening - COK-RS-001	3 Feb 2016 - 31 Aug 2017	N/A	Completed	The first readiness proposal established the Cook Islands engagement with the GCF by strengthening the NDA. It built institutional capacity to align proposals with national priorities, facilitate inclusive stakeholder consultations and introduced systems for accreditation. These efforts enabled the Cook Islands to access and manage climate finance, laying the foundation for long term engage to build resilient and strategic climate programming.	Establishing and strengthening the National Designated Authority and raising awareness of the GCF. Specific Outcomes • NDA role formally defined and institutionalised. • Formal no objection procedure began • Strengthened institutional capacity (operational knowledge of GCF modalities and policies) • Progress towards National Direct Accreditation for MFEM and BCI. • Identification of national priority areas for investment.	The 2016–2017 readiness grant (COK-RS-001) was foundational for the Cook Islands' engagement with the Green Climate Fund. Under this programme, the National Designated Authority (NDA) was established, and strategic planning began for how the country would access GCF resources. This included defining institutional roles, building awareness of GCF processes, and setting a roadmap for future accreditation of national entities such as MFEM and BCI. The current readiness proposal builds directly on that foundation. While COK-RS-001 focused on creating the enabling environment and planning for future engagement, this proposal addresses the next stage—strengthening MFEM's institutional capacity as an accredited entity to deliver high-quality climate finance

						programming. It operationalises the strategic vision developed under COK-RS-001
Continue to strengthen the National Designated Authority and the Ministry of Finance and Economic Management(MFEM), in developing strategic frameworks for engagement with the GCF, including the preparation of country programmes and progress towards Direct - COK-RS-002	11 Sept 2017 - 29 Feb 2020	N/A	Completed	This proposal aimed to strengthen the Cook Islands' capacity to engage with the GCF by building institutional and technical capabilities within the NDA and MFEM. Objectives included developing a comprehensive Country Programme aligned with national development and climate strategies, advancing Direct Access accreditation for national entities such as MFEM and the Bank of the Cook Islands, and improving policies on environmental and social safeguards, gender, and procurement and laying the groundwork for project pipeline development, including preparing concept notes and a Country Programme Manual tailored to the Cook Islands.	Development of the Country Programme and undertaking Direct Access Accreditation for the Ministry of Finance and Economic Management (MFEM). Specific Outcomes achieved: • Strengthened institutional capacity of MFEM through the developed of the accreditation policy suite and revision of national policies to align to international standards. • Formal No Objection Procedure established and implemented. • Cook Islands Country Programme Developed based on the priority areas from the first readiness. • Country Programme Handbook also developed • Cook Islands Climate Change policy developed and approved • Climate Finance tracking capacity reviewed and recommendations for improvements • MFEM entity workplan developed. • SAP034 concept note developed • Accreditation of MFEM	COK-RS-002 is complementary to this readiness proposal. It supported early accreditation and establishment of foundational policies. This readiness proposal updates and institutionalise these systems to meet evolving GCF standards and operational demands.
Strengthen the implementation of the Country Program - COK-RS-003	10 Jan 2020 -	N/A	Disbursed	The objective of the RS-003 readiness proposal was to strengthen the implementation of the Cook Islands Climate	Implementation of the Country Programme; preparation of a national prioritisation framework; assistance to the Bank of the Cook Islands with its	COK-RS-003 is complementary to this readiness proposal. It focused on establishing the Country Programme and prioritisation

	8 Oct 2022			Change Country Programme by supporting concept development, developing a national project prioritisation framework, capacity building for key stakeholders (including MFEM, Climate Change Cook Islands and partners), and advancing institutional readiness—including progressing accreditation with the Green Climate Fund for the Bank of the Cook Islands—while initiating planning for an enhanced Nationally Determined Contribution (NDC) and a comprehensive climate risk assessment to integrate into the Country Programme.	accreditation preparation; capacity building with the NDA, Accredited Entity (AE), Executing Entities (EEs) and the Private Sector. Specific Outcomes: • Country programme operationalised • Cook Islands pipeline developed as well as capacity • National platform established between NDA, AE and potential AE and private sector • BCI Accreditation gaps identified and addressed, accreditation begins.	frameworks. This readiness proposal builds on that foundation by strengthening institutional systems required for delivery at scale.
Green, Resilient Recovery Rapid Readiness Support in the Cook Islands - COK-RS-004	18 Feb 2022 - 16 Nov 2023	270,000	Disbursed	The objective of COK-RS-004 is to integrate green and climate-resilient strategies into the Cook Islands' post-COVID-19 economic recovery by strengthening adaptation and mitigation planning, aligned with national development priorities, including the NSDA and the EDS, and supporting the "Greening our Economy" objective	Enhanced strategic frameworks to address policy gaps; improved sectoral expertise; and enhanced enabling environments for GCF programming.	COK-RS-004 is complementary to this readiness proposal. It strengthened strategic frameworks and enabling environments for climate programming. This readiness proposal shifts focus to institutional delivery, oversight, and compliance during project implementation.
Increasing the Resilience of the Cook Islands through Enhancing	30 June 2022 -	N/A	Disbursed	The objective of COK-RS-005 is to enhance the resilience of the Cook Islands to climate change	Specific Outcomes. - V&As completed for all islands in the Cook Islands. - LiDAR Mapping	COK-RS-005 is complementary to this readiness proposal. It addressed adaptation knowledge

a National Adaptation Programme - COK-RS-005	29 Dec 2025			by addressing knowledge gaps, strengthening planning, and enabling a coordinated, multi-sector response that reflects the differentiated impacts of climate change, while catalysing private sector engagement and laying the foundation for long-term strategies to address slow-onset climate impacts.	completed for 14 Islands. Traditional Knowledge and Ecosystem based adaptation recorded and recommendations provided to AE and NDA. Ocean Monitoring Programme developed and implemented by FP147. Private Sector vulnerability assessments conducted.	gaps and strengthened national planning frameworks. This readiness proposal focuses on institutional systems to monitor, report, and use these investments during implementation.
Facilitating the Cook Islands Ability to Strengthen Long-term Low-emission and Climate-resilient Development - COK-RS-007	22 Oct 2024 - 21 Oct 2027	N/A	Disbursed	The objective of COK-RS-007 builds on previous Readiness support by strengthening national capacity in climate finance, low-emission development, project pipeline development, and stakeholder engagement, while fostering international knowledge exchange and supporting the continued development of Accredited Entities.	Currently under Implementation. - Internal Audit charter updated by MFEM and now includes financial and non financial policies GCF projects and Programmes added to the Internal Audit Units workplan	COK-RS-007 is complementary to this readiness proposal. It focused on strategic planning, pipeline development, and national frameworks. This readiness proposal operationalises those foundations through institutional systems, staffing, and processes required for project implementation and reporting.
Readiness Support for the Implementation of the IRMF for the Ministry of Finance and Economic Management - DAE-RS-004	15 Nov 2023 - 14 Mar 2026	N/A	Disbursed	The objective of DAE-RS-004 is to strengthen MFEM's capacity to develop GCF funding proposals aligned with the Integrated Results Management Framework, thereby enhancing results-based management and advancing two priority funding proposals under the MFEM Entity Work Programme.	Supplementary documents aligned to the National Sustainable Development Agenda and the Economic Development Strategy (EDS) integrating climate action.	DAE-RS-004 is complementary to this readiness proposal. It supported project-level understanding and application of the GCF Integrated Results Management Framework. This readiness proposal builds on that foundation by establishing an institutional-level MERL system across MFEM's full climate finance portfolio.

Direct Financing for Communities and Businesses to Respond to Climate Change in the Cook Islands - PPF082	9 July 2024 - 9 Mar 2025	N/A	Disbursed	PPF082 funded preparatory activities to develop and strengthen the full project design for a climate adaptation initiative that will provide direct climate finance to communities, small enterprises, and public actors to enhance the resilience of vulnerable residential, commercial and community buildings, and environments against cyclone risk and other climate hazards. It included updating the prefeasibility study, enhancing the climate rationale and baseline data, and refining financial and technical options for the full project proposal.	PPF082 – Completed and resulted in FP281. PPF supported the preparatory activities for the full project, Specific Outcomes Approved FP Feasibility Study Gender and ESS annexes M&E annex Capacity and Capabilities increased for DAE staff.	PPF082 is complementary to this readiness proposal. Earlier readiness support focused on establishing enabling conditions for GCF access and coordination. PPF082 builds on this by advancing detailed project design and preparation for a specific climate adaptation investment, rather than institutional capacity-building.
Building Resilient and healthy Cook Islands Communities - PPF039	8 Nov 2021 - 8 July 2023	N/A	FP Approved	The objective of PPF 039 was to support the engagement of a small team of consultants to support MFEM in preparing the revised Funding Proposal and all required accompanying documents by fully addressing reviewer comments and outstanding points. In addition, the objective is to use PPF support to collect baseline data that demonstrates the project's alignment with the GCF Investment Criteria and provides a robust evidence base for the project's logical framework.	PPF039 – Supported the development of SAP034. Specific outcomes. - FP approved. - Pre-fasibility study, - Gender Assessment and Action Plan -Adaptation Beneficiaries	PPF039 is complementary to this readiness proposal. It supported project-specific feasibility, baseline assessments, and design. This readiness proposal strengthens MFEM's institutional capacity to oversee, monitor, and report on multiple GCF projects under implementation.

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
South - South Cooperation with Tuvalu and SPC	1 Jan 2026 - 31 Oct 2026	underImplementation	The Pacific Community (SPC)	Technical assistance for re-accreditation of Tuvalu's National Implementing Entity to the Adaptation Fund	This initiative is complementary to the readiness proposal. It provides targeted peer learning and technical exchange for Tuvalu's accreditation processes, while this readiness proposal focuses on strengthening MFEM's internal systems, staffing, and institutional capacity for implementation.
Climate Finance Access Network (CFAN) Adviser	20 May 2024 - 21 May 2027	underImplementation	The Pacific Community (SPC)	Support the Cook Islands in accessing finance to achieve their climate objectives.	The CFAN Adviser support is complementary to this readiness proposal. It provides advisory and transaction-level support for accessing climate finance, while this readiness proposal strengthens MFEM's institutional systems and long-term capacity to manage, implement, and report on climate finance.
Entity Support for Cook Islands through PwC (Readiness 2)	1 Jan 2017 - 31 Dec 2017	completed	PricewaterhouseCoopers (PwC)	The proposal developed a gap assessment designed to prepare the BCI for accreditation to the GCF. It aimed to strengthen and enhancing institutional capacity to meet GCF standards. Key priorities include improving fiduciary systems, governance, and compliance frameworks.	The 2017 PwC readiness support is complementary to this proposal. It identified early accreditation gaps for the Bank of the Cook Islands. This readiness proposal supports the practical application of those recommendations during project implementation.

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
Akamatutu’anga To Tatou Ora’anga Meitaki (ATOM): Building a healthy and resilient Cook Islands Community – one block at a time - SAP034	Approved	12,512,509	"Akamatutu’anga To Tatou Ora’anga Meitaki (ATOM): Building a healthy and resilient Cook Islands Community – one block at a time" aims at enhancing the capacity of the health system and the resilience of health services in the Cook Islands, which serve the total population of the country. The project will further support approximately 30 communities and 22 health facilities and/or emergency centres in 12 inhabited islands of the 15 islands, including the 11 outer Pa Enua islands and the main island of Rarotonga.	SAP034 complements FP147 and FP281 by building on the successes of FP147 in strengthening climate information systems and integrating data into the national GIS portal. Through ATOM, health system resilience is enhanced by overlaying climate information with health and infrastructure data, enabling multi-purpose use for development planning, monitoring and evaluation, and high-level decision-making to plan, prepare, and respond to emergencies. Importantly, ATOM activities will also establish baselines for dwellings, feeding this information into the national GIS portal. These baselines will serve as a critical foundation for FP281, enabling a more robust M&E framework under both FP281 and this readiness proposal. Indirectly, with all GCF-funded projects contributing to these integrated systems, the country will gain a comprehensive understanding of the current status and number of the entire building stock and compliance standards across the Cook Islands. This readiness proposal will further reinforce these efforts by strengthening MFEM’s institutional Monitoring, Evaluation, Reporting and Learning (MERL) function, ensuring that data from ATOM and other projects is fully leveraged for evidence-based decision-making and long-term resilience planning.
Direct Financing for Communities and Businesses to Respond to Climate Change in the Cook Islands - FP281	Approved	39,982,375	The programme will provide direct climate finance through an Enhancing Direct Access (EDA) facility, with components ranging from technical support and building retrofitting to public awareness and capacity-building. It will be delivered under a unified framework to individuals, the private sector, non-governmental organisations (NGOs) and community	During the review of FP281, the GCF requested a reduction in the overall project budget, including a significant cut to the Monitoring and Evaluation (M&E) allocation. As a result, several critical M&E activities originally planned under FP281 could not be fully funded. This readiness proposal is designed to bridge that gap by supporting the establishment and

	groups. The programmatic model allows for scalable, country-owned solutions integrating technical, financial and institutional elements to build long-term climate resilience while strengthening national systems for locally driven climate action.	strengthening of MFEM's institutional M&E system and functions. Specifically, it will provide resources to develop a robust Monitoring, Evaluation, Reporting and Learning (MERL) framework aligned with the GCF Integrated Results Management Framework (IRMF) and national strategies, ensuring that FP281 and other climate finance initiatives are effectively monitored, reported, and evaluated. By doing so, the readiness proposal safeguards the integrity of FP281's implementation and enhances MFEM's long-term capacity for results-based management across its climate finance portfolio.

2.5 Challenges, Gaps, and Barriers

Over the past decade, Cook Islands readiness support has followed a deliberate progression, from establishing institutional foundations and strategic frameworks, to building project pipelines and delivering approved GCF investments. The current readiness request represents the next necessary phase, that is, institutionalisation under scale. With multiple projects now under implementation, earlier readiness gains must be consolidated into permanent systems, staffing structures, and procedures to ensure compliance, accountability, and sustainability. This proposal therefore does not duplicate past readiness, but responds to new operational realities created by successful access to GCF funding.

Building on prior learnings from implementation of country readiness and funded projects, the following gaps have been identified which require addressing to enable the direct access entity to strengthen its operations and value add to the Cook Islands climate priorities for the next phase of planning, programming and implementation.

Barrier 1. Insufficient human resource capacity to undertake the increasing demands of an accredited entity to multiple funding agencies

Whilst the DAE is fully functionable, it is reliant upon current personnel to undertake the accredited entity functions. These personnel undertake the accredited entity responsibilities whilst also concurrently fulfilling their responsibilities as Government officials within the Ministry. This arrangement, whilst satisfactory in previous years, now requires a review due to the growing responsibilities of the DAE (e.g. oversight and management of approved GCF projects now coming on-line), and increased relationship management and related responsibilities of the accredited entity function with the GCF and other donor partners. This Readiness project will support the establishment of a dedicated unit to focus upon the expanding role and responsibilities in climate finance of the direct access entity.

Barrier 2. Gaps identified within key risk management and gender policies

Policies are in place but require updating to align with revised GCF requirements and evolving expectations on evidence of application. To meet ongoing accreditation standards and ensure compliance with international best practice, the DAE has identified gaps within its Environmental and Social Safeguards Framework and Gender Policy. In particular, these policies require strengthening to explicitly address the DAE's approach to Gender-Based Violence (GBV) and sexual exploitation, abuse and harassment (SEAH). This Readiness will support the review, upgrade, and operationalisation of both policies to ensure continued compliance with GCF and international standards, including training of DAE personnel to support effective application in practice.

Barrier 3. Insufficient systems and procedures in place to meet ongoing and future project implementation and reporting requirements

Previous readiness has focused on improving developing indicators to align with the GCF's Integrated Results Management Framework (IRMF) and staff training, and in particular, was aligned to the now-approved SAP project. The work undertaken related to the IRMF sets the foundation for the DAE on project reporting. However, a MERL framework at the institutional level remains unestablished, with MFEM looking to establish an institutional MERL which would include not only the IRMF but also ensures alignment and reporting against the Cook Islands Economic Development Strategy.

Barrier 4. Lack of opportunities to mobilise and interest future champions / managers in climate change in the Cook Islands

The Cook Islands has the challenge of providing opportunities for youth in the field of climate change, and in doing so, encouraging youth to either remain in-country or return to take up Government opportunities following study abroad. This lack of opportunity is leading to a loss of human capital from the country and therefore impacts upon the ability of Government to fully capacitate the Ministries. In looking towards the future of climate champions for the Cook Islands, the DAE under this Readiness is focusing on supporting youth in the climate change and climate finance space.

2.6 Stakeholder Engagement

This Readiness proposal is in support of the Direct Access Entity (DAE) – the Ministry of Finance and Economic Management (MFEM) – through the implementation of measures which will strengthen and value-add to MFEM's capacity in supporting the Cook Islands National Designated Authority (NDA) in forward-looking planning, development and implementation of climate priorities. Within this context, MFEM has consulted across the relevant Units within the Ministry.

In addition, MFEM has undertaken consultations with the Cook Islands National Designated Authority (NDA) on the focus of the proposed Readiness, resulting in a concerted effort to provide funding to build and expand the climate financing capacity of the DAE and the NDA. The NDA fully supports MFEM's focus on strengthening the internal climate finance capacities of the DAE. A No Objection letter from the NDA in support of this Readiness Support is attached.
MFEM has also held consultations with the Bank of the Cook Islands in the preparation of this proposal to ensure alignment between the MFEM DAE proposal and the BCI Proposal.
Broader stakeholder engagement will continue throughout implementation, including with relevant line agencies and stakeholders, particularly in relation to policy updates, capacity-building activities, and project pipeline development and validation.

2.7 Specific Readiness Needs

In addressing the gaps outlined in Section 2.5, the Readiness needs identified to which this project is responding to are:

- Establishing dedicated, time-bound resources to oversee and manage the Direct Access Entity's accreditation maintenance, including ongoing compliance with GCF requirements under the Revised Accreditation Framework (RAF), and to strengthen institutional relationships with the GCF and other climate finance partners.
- Strengthening institutional and technical systems within the Direct Access Entity to meet evolving GCF requirements for planning, programming, and implementation, with a focus on institutionalisation rather than project-specific capacity.
- Establishing an institutional-level Monitoring, Evaluation, Reporting and Learning (MERL) system and integrated risk management framework to support oversight of multiple climate finance projects, improve portfolio-level tracking and reporting, and manage risk in line with the DAE's expanding implementation responsibilities.

- Strengthening the development, prioritisation, and readiness of the national climate finance project pipeline, including feasibility-level analysis and stakeholder validation, to support the preparation of high-quality concept notes aligned with GCF investment criteria and the country programme.
- Building a sustainable pipeline of national climate finance capacity by strengthening the skills and practical experience of future climate change leaders, addressing staff turnover and safeguarding long-term institutional capability.

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 **overarching goal** of this Readiness project is to build, and value add to the current capacity of the direct access entity leading to improved project development, pipeline readiness and implementation across the climate finance portfolio. The objectives of this Readiness project are therefore to:

- Maintain and upgrade MFEM's accreditation standards through improved policies and systems [Objective 1, Outcome 1.3].
- Strengthen the development and readiness of the national climate finance project pipeline, including feasibility analysis and concept note preparation aligned with GCF requirements [Objective 2, Outcome 2.2].
- Institutionalise MERL and risk management frameworks for robust monitoring and reporting. [Objective 2, Outcome 2.3], and

Build future capacity through the Young Achievers Programme [Objective 2, Outcome 2.3].

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 anticipated impacts of this Readiness project on MFEM's programming and implementation capacity include:

- Improved short and medium-term programming and implementation of climate finance through the establishment of a dedicated, experienced and knowledgeable climate finance unit within the DAE.
- Strengthened development and progression of the national climate finance project pipeline, including improved prioritisation, feasibility assessment, and preparation of high-quality concept notes aligned with GCF requirements.
- 10 DAE personnel trained (50% women) covering GRM, ESS, MERL system use and gender policies and procedures, strengthening project implementation and compliance, building internal capacities and competencies.
- The DAE has strengthened project implementation, compliance with international standards and reduced risk through upgrading the DAE's ESS and Gender policies and procedures.
- This Readiness programme strengthens MFEM's ability to deliver, oversee, and sustain climate finance at scale. As a result of the activities implemented, MFEM will have an institutional MERL system, upgraded safeguard and risk management frameworks, and dedicated staffing to consistently track results, manage safeguards, and report on multiple GCF projects. These changes directly improve compliance, accountability, and investment quality across the Cook Islands' climate finance portfolio
- Improved monitoring and reporting of climate finance investments and results – including improvements in the quality of data and information - to the GCF, UNFCCC and other development partners through the establishment of a MERL institutional framework.
- Two young climate leaders provided with experience, skills and knowledge through on-the-job training and mentoring to strengthen the AEs internal human resources capacity, institutional knowledge retention and continuing of GCF accreditation, compliance and project implementation functions

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**.

This Readiness project is guided by a Theory of Change [ToC] demonstrating how the proposed interventions can contribute towards the overarching outcomes of (a) institutional gaps are being addressed to maintain accreditation standards of the GCF and strengthened programming capacities; (b) development of high-quality concept notes linked to GCF proposals; and (c) the DAE has enhanced processes and systems to effectively oversee implementation, financial management, monitoring and reporting of climate projects.
In this way, the goal statement for this DAE Readiness project is:
IF the Ministry of Finance and Economic Management strengthens its institutional systems, human resources and accreditation-related policies and procedures, including MERL, risk management, ESS, gender and GRM, **THEN** it will more effectively access, manage and implement climate finance from the GCF and other partners in line with national priorities, **BECAUSE** these strengthened capacities will ensure sustained compliance with accreditation standards, improved coordination and oversight, and enable effective, evidence-based delivery of climate actions.

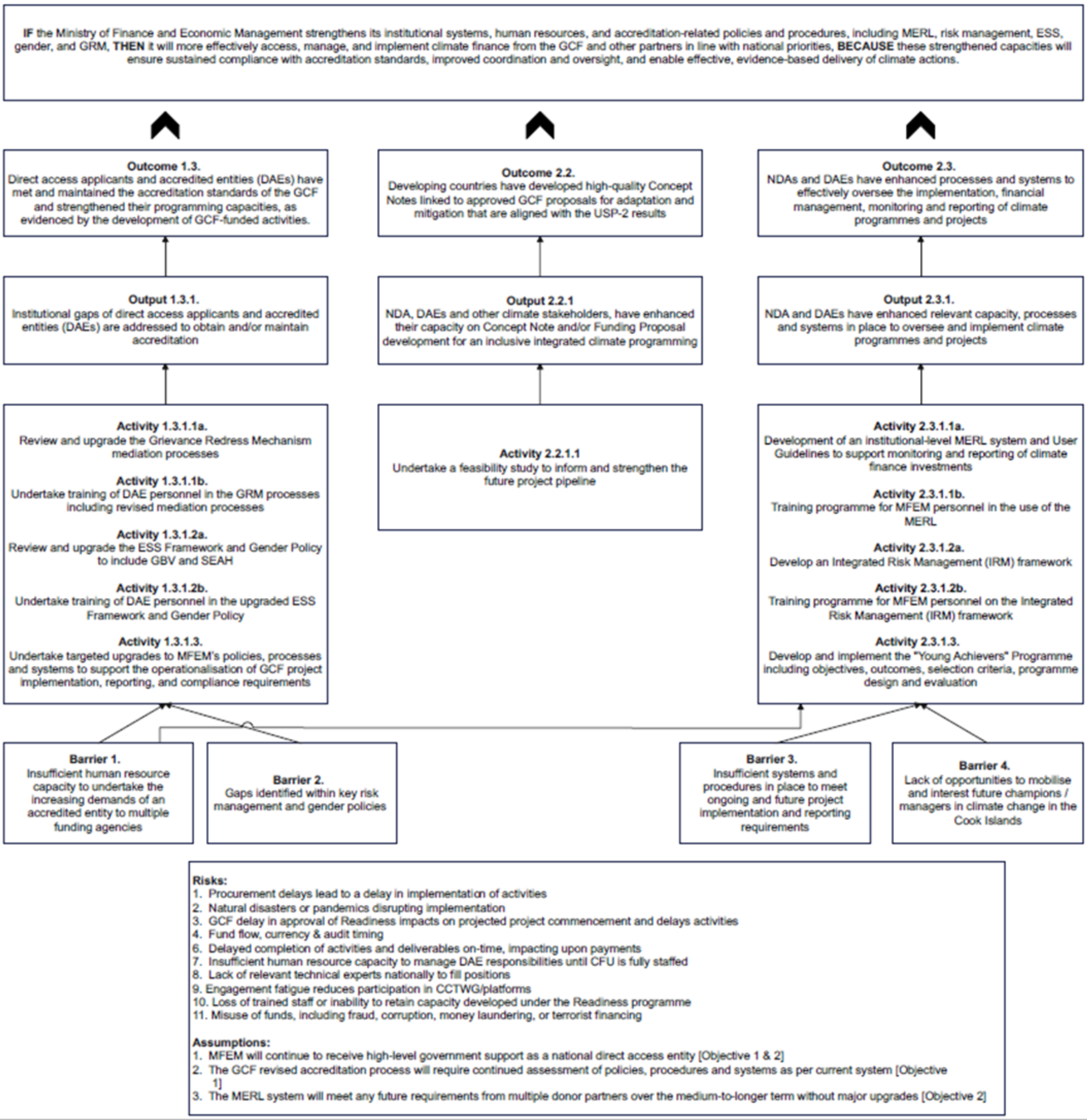
- With the growing responsibilities of accreditation and implementation of GCF projects, MFEM is seeking to strengthen its capability in project implementation as well as value-adding to the foundations it has established as an accredited entity and Government institute, to be able to continue to deliver high-quality climate finance and project management services to its stakeholders. In achieving this, the Readiness project aims to:Strengthen MFEM's GRM, environmental and social safeguards and Gender policies, processes and systems to continue to meet international and accreditation standards.
- Strengthen MFEM's monitoring, evaluation, reporting and learning (MERL) capacity to improve implementation and reporting against climate investments.
- Develop procedures and systems to better inform and manage risks, improving the DAE's climate finance functionality and capacity.
- Develop future capacity in climate change and financing through the establishment of a cohort of future climate leaders in the Cook Islands.
- Commence planning and preparation for the forthcoming country pipeline and priority projects through pipeline prioritisation and technical support to undertake pre-feasibility adn technical studies.

This will be achieved through the following interventions and activities as highlighted against the GCF outcomes and outputs int he section below. In undertaking this Readiness project, the following risks and assumptions have been identified:
Risks:
1. Procurement delays lead to a delay in implementation of activities.
2. Natural disasters or pandemics disrupting implementation.
3. GCF delay in approval of Readiness impacts on projected project commencement and delays activities.
4. Fund flow, currency & audit timing.
6. Delayed completion of activities and deliverables on-time, impacting upon payments.
7. Insufficient human resource capacity to manage DAE responsibilities until CFU is fully staffed .
8. Lack of relevant technical experts nationally to fill positions.
9. Engagement fatigue reduces participation in CCTWG/platforms.

10. Loss of trained staff or inability to retain capacity developed under the Readiness programme.
11. Misuse of funds, including fraud, corruption, money laundering, or terrorist financing.

Assumptions

1. MFEM will continue to receive high-level government support as a national direct access entity [Objective 1 & 2].
2. The GCF revised accreditation process will require continued assessment of policies, procedures and systems as per current system [Objective 1].
3. The MERL system will meet any future requirements from multiple donor partners over the medium-to-longer term without major upgrades [Objective 2].



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. Activity 1.3.1.1a. Review and upgrade the Grievance Redress Mechanism mediation processes Activities outlined under Output 1.3.1 are designed to support the DAE in strengthening its accreditation policies, processes and systems, enabling improved capacity to effectively develop and implement projects and support the Cook Islands in meeting its climate priorities and targets. In doing so, they directly address Barrier 2. Gaps identified within key risk management and gender policies and are closely integrated with Output 2.3.1. This Readiness project will focus on strengthening the Grievance Redress Mechanism (GRM) and updating the Environmental and Social Safeguards framework and Gender Policy to ensure continued alignment with GCF requirements under the Revised Accreditation Framework (RAF) and international standards. These activities will also support the operationalisation of MFEM's systems for effective project implementation, reporting, and compliance. At the institutional-level GRM, updating of processes is critical to ensuring MFEM continues to manage any project-related complaints. In particular, the Readiness project will (a) undertake a review and upgrading of the mediation processes to ensure improved handling of cases, and (b) a review and upgrading of the governance process, in particular, to incorporate a plan of action if the complaint involves MFEM. The training of personnel in the upgraded GRM process will ensure trained staff who are able to understand and better manage the complaints process at the project-level and corporate level. This activity will strengthen MFEM's grievance handling processes and enhance its capacity to manage complaints in line with GCF requirements, supporting effective project implementation and compliance. Deliverables / Milestone: • Upgraded GRM system including DAE personnel trained in the GRM and complaints process.
1-3-1.b. Activity 1.3.1.1b. Undertake training of DAE personnel in the GRM processes including revised mediation processes Training of MFEM personnel will be undertaken to ensure all personnel are well informed and aware of the new GRM policies and procedures including the GRM process, their role in the process and how to implement the GRM when triggered. As part of the training, mediation training for appropriate personnel will also need to be undertaken. The trainings are estimated to occur over a period of 4 x 1-day workshops and involve 10 participants (of which 50% are to be female) at each training. The training will incorporate the GRM process, the ESS framework and Gender Policy (refer Activity 1.3.1.2a). This activity supports the operationalisation of the updated GRM by ensuring staff capacity to effectively implement grievance processes in accordance with GCF standards.

1-3-1.c. Activity 1.3.1.2a. Review and upgrade the ESS Framework and Gender Policy to include GBV and SEAH In addition to strengthening the Grievance Redress Mechanism, Barrier 2: gaps identified within key risk management and gender policies - will be addressed through the review and upgrade of the Environmental and Social Safeguards (ESS) Framework and the Gender Policy to ensure continued alignment with revised GCF requirements and international standards. In particular, the review will strengthen policy provisions relating to Gender-Based Violence (GBV) and Sexual Exploitation, Abuse and Harassment (SEAH), ensuring clear guidance, roles, and procedures consistent with evolving GCF expectations and requirements for evidence of application. Existing partnerships with local organisations providing GBV and SEAH related services will be reviewed to formalise roles, referral pathways, and coordination arrangements in support of MFEM's ESS and Gender policy implementation. This activity will support the review and upgrading of ESS and gender policies, strengthening MFEM's alignment with GCF requirements and international standards. Deliverables / Milestone: • Upgraded ESS Framework and Gender Policy including DAE personnel trained in the new ESS system and Gender Policy.
1-3-1.d. Activity 1.3.1.2b. Undertake training of DAE personnel in the upgraded ESS Framework and Gender Policy Training in the revised ESS framework and Gender Policy and implementation process will be undertaken with DAE personnel. As outlined in Activity 1.3.1.1b, four (4) workshops will be conducted covering the GRM, ESS framework, MERL system use and Gender Policy – for 10 participants of which 50% will be female. This activity ensures effective implementation of updated ESS and gender systems by building staff capacity to apply these frameworks in project development and implementation.
1-3-1.e. Activity 1.3.1.3 Undertake targeted upgrades to MFEM's policies, processes and systems to support the operationalisation of GCF project implementation, reporting, and compliance requirements under the Revised Accreditation Framework (RAF) Lastly, support under this readiness will provide targeted accreditation expertise to review MFEM's policies, procedures, systems, and evidence of application in preparation for upcoming re-accreditation. The review will assess compliance and alignment with the GCF's revised accreditation strategy, updated policy requirements, and international best practice, reflecting changes since MFEM's initial accreditation. Based on the review findings, time-bound upgrades to relevant policies, procedures, and systems will be undertaken to strengthen their application and alignment with GCF requirements. This will include the preparation of supporting documentation and evidence of application, and focused training of DAE personnel to ensure effective implementation of updated requirements. This activity will strengthen MFEM's institutional systems to support effective implementation, reporting, and compliance with GCF requirements under the Revised Accreditation Framework (RAF). Deliverables / Milestone: • Assessment report including recommended actions, on the DAE's policies, processes and systems aligned to GCF accreditation and international standards.

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 2.2. 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.

☒ Output 2.2.1. NDA, DAEs and other climate stakeholders, have enhanced their capacity on Concept Note and/or Funding Proposal development for an inclusive integrated climate programming.

Activities

2-2-1.a. Activity 2.2.1.1 Undertake a pre-feasibility study to inform and strengthen the future project pipeline Whilst the National Designated Authority [NDA] is leading the development of a new country programme and project pipeline, further strengthening the quality, prioritisation, and readiness of pipeline projects is required to ensure alignment with GCF investment criteria and successful progression to concept note development. This activity is designed to support the advancement of priority projects emerging from this pipeline, following its finalisation and in coordination with the NDA. Support under this readiness will provide targeted technical expertise to undertake a feasibility study for priority adaptation and mitigation projects, informed by national priorities and country programmes. The pre-feasibility study will assess the technical, financial, environmental, and social viability of selected project concepts at a preliminary level, including indicative costs, risks, and implementation considerations. The process will include stakeholder engagement and consultations to strengthen understanding and capacity related to project development. A total of four (4) workshops will be conducted to inform MFEM personnel and relevant stakeholders and support validation of feasibility findings. Findings from the pre-feasibility study will provide an evidence base to inform and support future Concept Note development, ensuring alignment with GCF requirements. This activity will contribute to the development of a more robust and evidence-based project pipeline, aligned with national priorities and supporting longer-term climate investment planning. Deliverables / Milestones: • Pre-feasibility study completed to inform and strengthen future project pipeline.

☐ Output 2.2.2. Investment-grade Concept Notes and/or Funding Proposals that are fully aligned with the Country Programme and passed the GCF screening process.

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. Activity 2.3.1.1a. Development of an institutional-level MERL system and User Guidelines to support monitoring and reporting of climate finance investments As outlined under the gaps and barriers section, an institutional-level Monitoring, Evaluation, Reporting and Learning (MERL) system has not yet been established across MFEM's climate finance portfolio. Previous readiness support focused on project-level indicator development and staff training aligned with the GCF Integrated Results Management Framework (IRMF), including for the now-approved SAP project. While this work established a foundation for project reporting, it did not result in a standing, entity-wide MERL system aligned with national reporting frameworks such as the Cook Islands Economic Development Strategy. Building on these foundational, project-specific efforts, this readiness support focuses on institutionalising MERL within MFEM to enable consistent, portfolio-level monitoring, evaluation, reporting, and learning across multiple climate finance projects under implementation. The activity will establish systems, procedures, and user guidance that integrate IRMF requirements with national and international reporting obligations. This work will complement the broader climate change monitoring functions led by the NDA by strengthening linkages between systems, improving data quality, ensuring consistency in reporting, and supporting evidence-based decision-making for climate finance programming. It will enable MFEM to effectively oversee and report on adaptation and mitigation results across its expanding GCF portfolio. Deliverables / Milestones: • Institutional MERL framework and system developed and operationalised MERL implementation tools, templates and processes established. • MERL User Manual and Guidelines developed and applied • MERL system aligned with GCF IRM framework and national reporting requirements and ready for implementation
2-3-1.b. Activity 2.3.1.1b. Training programme for MFEM personnel in the use of the MERL Training of MFEM personnel will be undertaken to ensure all personnel are well informed, aware of and using the new MERL system. Trainings will be through a series of two (2) training events targeting ten (10) participants (50% female). The training will build a cohort of skilled and knowledgeable practitioners and ensure all projects and initiatives are recorded, monitored and reported on in a systematic and coordinated process. Deliverables / Milestones: - Training of 10 MFEM personnel in the MERL: training completion reports with course materials, attendance records (gender disaggregated), participant feedback and a post-training evaluation showing an increase in knowledge and application of the training information
2-3-1.c. Activity 2.3.1.2a. Develop an Integrated Risk Management (IRM) framework Complementing the MERL system, MFEM will develop an Integrated Risk Management (IRM) framework to further enhance its capacity as a DAE. The IRM will consider all potential threats and integrate risk management into all aspects of MFEM's business strategy. The aim is to enhance decision-making, ensure compliance, and foster a risk-aware culture by actively involving all teams and levels of MFEM. Deliverables / Milestones: - Integrated Risk Management (IRM) framework developed
2-3-1.d. Activity 2.3.1.2b. Training programme for MFEM personnel on the Integrated Risk Management (IRM) framework Training of MFEM personnel will be undertaken to ensure all personnel are well informed, aware of, and able to apply the Integrated Risk Management (IRM) framework. Trainings will be delivered through a series of two (2) training events targeting ten (10) participants (50% female). The training will build a cohort of skilled and knowledgeable practitioners and ensure that risk identification, assessment, mitigation, and monitoring are integrated into programme implementation and decision-making processes. Deliverables / Milestones: Training of 10 MFEM personnel on the IRM framework: training completion reports with course materials, attendance records (gender disaggregated), participant feedback, and a post-training evaluation demonstrating increased knowledge and application of the IRM framework

2-3-1.e. Activity 2.3.1.3. Develop and implement the "Young Achievers" Programme including objectives, outcomes, selection criteria, programme design and evaluation High staff turnover and outward migration have eroded gains from previous readiness investments. The Young Achievers Programme is a sustainability mechanism to retain institutional memory and protect the GCF's cumulative investment in capacity building. To address capacity constraints within MFEM, the DAE will implement a Young Achievers Programme to provide additional operational support to its climate finance functions, while building a pipeline of skilled personnel with experience in climate finance and accredited entity operations. This is to be provided through the development of opportunities for two school leavers to undertake a one year-long internship programme with the DAE. Participants will be embedded within MFEM and contribute to core DAE functions, including project implementation, reporting, coordination, and stakeholder engagement. Previous iterations of the "Young Achievers" programme - have been highly successful with cohort members now in management positions within the Cook Island government ministries. The "Young Achievers Programme" will be a year-long intern programme for each intake, focusing on the provision of on-the-job training and mentoring from senior personnel across the Ministry's divisions. It is expected the scheme will see the enrolment of 1 intern per year over the 2-year Readiness timeframe, undertaking quarterly rotations through the different Ministry divisions, to learn the various aspects of the work and how the DAE works with donor partners and across the broader climate change and climate finance contexts both at the national and international level. At the end of each intern's year, a performance review / appraisal will be undertaken, providing recommendations and if a suitable fit for the Ministry, the potential to be offered a role at the completion of the intern. A programme / operational guideline will be developed in the first instance outlining the overview, objectives and expected outcomes / skills learnings from the programme, as well as selection criteria for participants, scoring for selection, participation terms and conditions and evaluation criteria at the end of each intern round. An evaluation will be undertaken at the end of the programme to highlight successes, ascertain areas for improvement or additional aspects to be included for new programmes, and lessons to be incorporated into future programmes. Deliverables / Milestones: • "Young Achievers" Programme Manual and Guidelines • Annual Progress Reports including key insights gained from DAE perspective, participant evaluation, actionable strategies developed and a follow-up plan for implementing learned practices into future years

4.3 Stakeholder Engagement Strategy

The development of this readiness proposal was informed by a series of targeted consultations with key stakeholders, including the Cook Islands NDA relevant MFEM divisions, and the BCI. These consultations focused on identifying institutional gaps, challenges, and barriers in maintaining accreditation standards, strengthening monitoring and reporting systems, and building future capacity for climate finance. Stakeholders highlighted critical needs such as dedicated human resources for the accredited entity function, enhanced risk management and gender policies, and improved systems for monitoring, evaluation, and reporting. These insights shaped the proposed solutions, including the establishment of a Climate Finance Unit, upgrading of policies, and development of a MERL framework.

Building on these initial consultations, stakeholder engagement will remain an integral part of implementation. MFEM will maintain structured engagement through the quarterly Climate Change Technical Working Group (CCTWG) meetings, ensuring alignment with national priorities and the Country Programme. For specific activities such as policy upgrades, MERL system development, and training programmes and project pipeline development and validation, stakeholders will be involved through participatory workshops, review sessions, and feedback loops. This approach ensures that technical inputs from the NDA, sectoral ministries, and executing entities are incorporated into design and operationalisation.

To address feedback and concerns throughout implementation, MFEM will apply a two-tier mechanism: (i) formal channels through progress meetings, reporting templates, and surveys, and (ii) informal channels such as user feedback sessions during system rollouts and training evaluations. In addition, evaluations will be undertaken through the trainings and user feedback will be obtained once systems are in place and operational (e.g. MERL, GRM). In particular, the ‘Young Achievers Programme’ will establish feedback mechanisms as part of the guidelines.

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	Procurement delays	Medium	Medium	Early procurement planning in Quarter 1, use of standardised TORs and documentation, and strengthened coordination with internal procurement processes.	Cook Islands Ministry of Finance & Economic Management (MFEM)
Environmental	Natural disasters or pandemics disrupting implementation	Low	High	Implement a contingency plan with flexible timelines and remote work options to maintain progress during disruptions.	Cook Islands Ministry of Finance & Economic Management (MFEM)
Operational	GCF delay in approval of Readiness impacts on projected project commencement and delays activities	High	High	Ensure the Readiness proposal is high-quality; maintain regular contact with the Asia-Pacific SIDS Desk to monitor progress and early reviewer comments; and respond to reviewer comments in a timely and effective manner providing necessary details to support the proposal.	Cook Islands Ministry of Finance & Economic Management (MFEM)
Financial	Fund flow, currency & audit timing	Medium	Medium	Direct funds to the GCF USD account (for receiving funds and its linked local currency account for disbursements. Audit – schedule audits to align with GCF reporting requirements. Ensure budget sheet is set up to take into account the reporting and auditing requirements to make preparation of the financial statements easier and auditing more streamlined.	Cook Islands Ministry of Finance & Economic Management (MFEM)

Operational	Reduced M&E funding in FP281 (dependency risk)	High	High	Readiness proposal is incorporating gaps in the M&E into MERL activity	Cook Islands Ministry of Finance & Economic Management (MFEM)
Operational	Delayed completion of activities and deliverables on-time, impacting upon payments	Low	Medium	Detailed workplans and implementation plans in place Regular progress meetings to highlight emerging challenges or issues Experienced personnel in place managing and implementing activities	Cook Islands Ministry of Finance & Economic Management (MFEM)
Operational	Insufficient human resource capacity to manage DAE responsibilities until CFU is fully staffed	Medium	Medium	Fast-track recruitment for CFU positions; use interim consultants; prioritise onboarding before major activities	Cook Islands Ministry of Finance & Economic Management (MFEM)
Financial	Lack of relevant technical experts nationally to fill positions	Medium	High	Advertise locally and overseas through all forms of media platforms to ensure a wider reach. Utilise AE networks in region	Cook Islands Ministry of Finance & Economic Management (MFEM)
Operational	Engagement fatigue reduces participation in CCTWG/platforms	Medium	Medium	Medium consolidate meetings; ensure feedback loops	Cook Islands Ministry of Finance & Economic Management (MFEM)
Operational	Loss of trained staff or inability to retain capacity developed under the Readiness programme	Medium	Medium	Embed capacity within MFEM systems; ensure knowledge transfer through training and support continuity through integration within the Climate Finance Unit, subject to available resources.	MFEM
Financial	Misuse of funds, including fraud, corruption, money laundering or terrorist financing	Low	High	MFEM applies established financial management, procurement, and internal control systems, including due diligence, approval processes, and audit arrangements, in line with national regulations and banking requirements, which incorporate AML/CFT controls.	MFEM

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	1	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: 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.

Output: NDA, DAEs and other climate stakeholders, have enhanced their capacity on Concept Note and/or Funding Proposal development for an inclusive integrated climate programming.

Indicator: Number of studies, assessments, and other actions undertaken to support the development of investment-grade Concept Notes and/or Funding Proposals.

Please provide the number of studies, assessments, and other actions to develop CN/FP

Unit: No. of Studies/assessments

Conducted to	Baseline	Target
Conducted for Others	0	1

Expected Deliverables

☒ Concept Note and studies, assessment, reports, etc. to support the development of investment-grade Concept Notes.

☐ Funding Proposal and studies, assessment, reports, etc. to support the development of investment-grade Funding Proposals.

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.

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

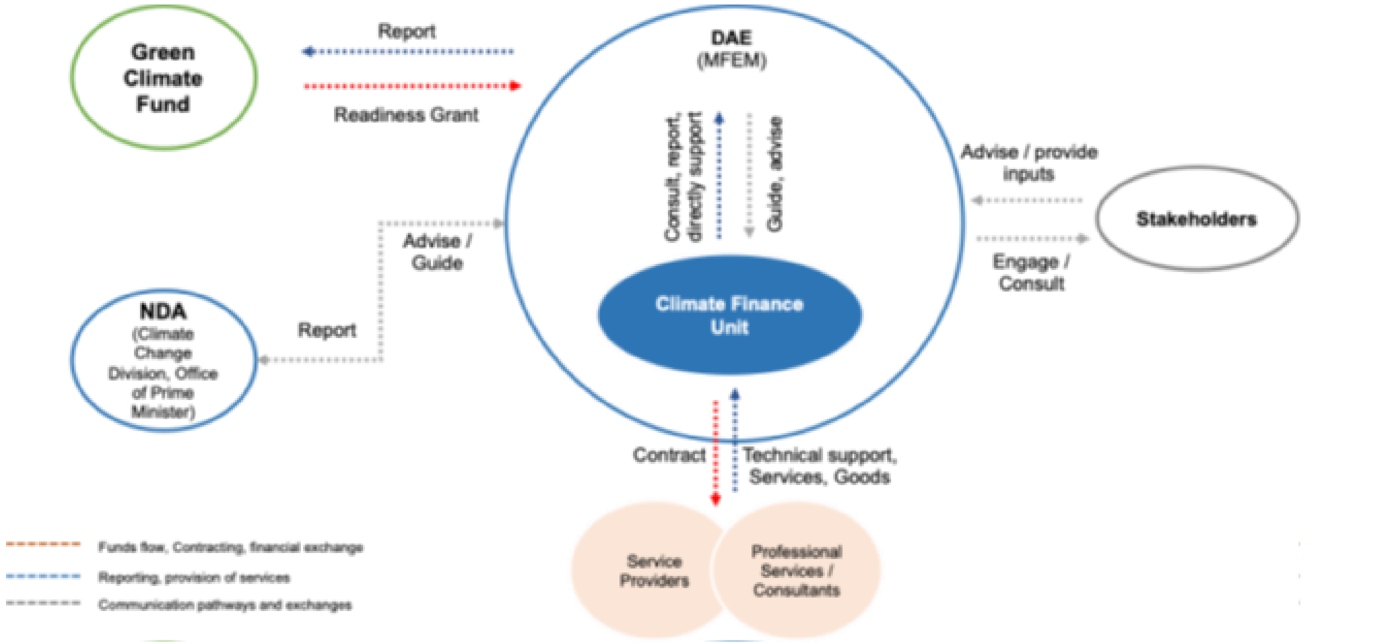


Figure 1. MFEM Readiness implementation arrangements and funds flow

Direct Access Entity

As the Direct Access Entity, the Ministry of Finance and Economic Management (MFEM) will be directly responsible for the implementation of this Direct Access Readiness project. This will include undertaking responsibility for managing the Bilateral Grant Agreement to be signed with GCF or its fiduciary agent and be responsible for implementation of the readiness support, and will carry out all fiduciary and financial management, procurement of goods and services, monitoring and reporting activities under this proposal in compliance with the Delivery Partner's policies and procedures and with the Bilateral Grant Agreement to be signed with GCF or its fiduciary agent. MFEM retains ultimate management responsibility and accountability for all grant implementation matters, including the execution of the activities and budget resources.

The MFEM will establish a Climate Finance Unit (CFU) whose responsibility it is to manage the accredited entity functions, including the day-to-day operations of this Readiness proposal.

Climate Finance Unit

To address the gap in staffing capacity to support the DAE's accreditation function *[Barrier 1. Insufficient human resource capacity to undertake the increasing demands of an accredited entity to multiple funding agencies]*, this Readiness will support the establishment of a dedicated Climate Finance Unit (CFU). The Unit will be staffed with three full-time positions designed to provide high quality management services across MFEM's climate finance work streams. This will include ensuring MFEM maintains and strengthens its accreditation credentials with the Green Climate Fund, and the provision of high-quality project management services oversighting the development and implementation of MFEM's climate finance pipeline and portfolio.

The CFU positions are designed to support time-bound institutional strengthening and systems establishment during the readiness period, with a focus on embedding functions into MFEM's core operations and transferring skills to permanent staff. Recruitment of these positions will follow the Government of Cook Islands' recruitment policies and procedures and seek experienced, skilled personnel to fill the positions as outlined in the Position Descriptions. The CFU will consist of the following core personnel:

- Accredited Entity Manager: The Manager will be responsible for oversighting and managing MFEM's accredited entity functions including relationship building / liaison with the GCF; leading on stakeholder engagement with the private sector; ensuring compliance with MFEM and GCF policies and procedures; undertaking reporting to the GCF etc.
- Accredited Entity Policy and Legal Advisor: The Policy and Legal Advisor will be responsible for ensuring that MFEM's suite of policies and procedures remain up to date and fully compliant with GCF Board-approved policies and requirements. This includes maintaining the effectiveness of the AE AMA and ensuring that MFEM's policies related to accreditation, project implementation, fiduciary standards, and

risk management are aligned with and continue to meet GCF standards. The Advisor will lead the strengthening and revision of the Gender Policy and support the strengthening and revision of the Environmental and Social Safeguards (ESS), as well as undertake a comprehensive review of MFEM's policies, procedures, and systems to support reaccreditation.

- Monitoring, Evaluation, Reporting and Learning (MERL) Officer: The MERL Officer will be responsible for ensuring that a robust MERL framework is established and operationalised. This will include supporting the international consultant in the development of the MERL framework while simultaneously building internal MFEM capacity throughout the process. The MERL Officer will ensure that monitoring and evaluation systems are embedded across programmes and that training modules are developed, maintained, and delivered so that MFEM, as an Accredited Entity, can continue to strengthen the M&E capacity of its Executing Entities (EEs) and relevant stakeholders over time. The CFU will be responsible for the delivery of activities including contractual reporting, financial management and the selection, supervision and contracting of work to be undertaken under this Readiness proposal. In particular, this will include:
- Develop all terms of reference for activities under the Readiness.
- Recruitment and procurement of personnel and expertise to undertake activities managed by the CFU including (a) review technical applications and financial tenders; (b) conduct interviews and evaluation; (c) determine and approve of selected candidates and consultancies.
- Supervise and manage contractors and suppliers for the Readiness.
- Financial management and reporting, including (a) budgeting and reporting; (b) arrangement of audits on funds disbursed; and (c) budget implementation, review and approval.
- Progress reporting to the GCF.
- Milestone payment requests to the GCF.
- Tracking and monitoring of activities against the implementation plan.
- Supporting workshops and travel for beneficiaries.
- Production of deliverables.
- Stakeholder consultations.
- Support in-country missions to provide in-person support.
- Preparation of project closing documents including reporting and deliverables.
- Coordination and progress reporting to stakeholders. MFEM recognises the importance of reducing reliance on external support and strengthening sustainable, in-house capacity for its accredited entity functions. This proposal is designed to build and institutionalise capacity within MFEM, with consultants working alongside staff to support knowledge transfer, system development, and strengthening of policies and procedures. This includes targeted training and workshops delivered throughout implementation, particularly as part of policy, ESS, and gender reviews, to ensure staff are equipped to take on these functions. Beyond the life of the project, MFEM intends to progressively transition key functions into government-funded roles, subject to resource availability and internal prioritisation. The establishment of the Climate Finance Unit (CFU) provides the institutional foundation to retain and sustain these functions within MFEM's organisational structure. This approach ensures that capacities developed under the Readiness programme are embedded within national systems and structures, supporting long-term sustainability. National Designated AuthorityThe Cook Islands National Designated Authority (NDA) will be directly engaged throughout the Readiness timeframe to ensure continued alignment with the country priorities and climate goals, and in particular to align with and provide support to the country project pipeline. This engagement will include targeted coordination, participation in strategic dialogues, and contribution to progress reporting and assessments of NDA functionality and national coordination mechanisms, as provided for under the Readiness outputs.

MFEM will ensure the NDA is kept regularly updated on progress relating to the DAE Readiness project. The DAE shall communicate and coordinate with the NDA and the GCF Secretariat regularly on the progress and status of the Readiness programme implementation. Climate Change Technical Working GroupA Climate Change Technical Working Group (CCTWG) established under previous Readiness Programme Grants will serve as the DAE readiness proposal advisory group. The CCTWG currently comprises representatives from the DCD of MFEM, Climate Change Cook Islands (CCCI), Bank of the Cook Islands, and the Chamber of Commerce, all of whom will have an interest in the Readiness support programme.Professional Services / ConsultantsProfessional Services (i.e. firms and/or consortiums of consultants) and individual consultants (international and national) will be recipients of funds to plan and implement specific activities as outlined in this proposal and supporting budget (refer to Section 6.2 and Budget Plan). The services required will be dependent upon the activity and subsequent tenders for services will be constructed to meet the specific needs. Service Providers
Provision of goods and services outside of professional services / consultants, will be procured through the Direct Access Entity's procurement policy.

6.1.2 Framework Agreements

Not applicable for this Readiness

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
Consultant [National]	MFEM	A Bachelor's degree in a relevant field or equivalent professional experience, with extensive experience in climate finance, project management, or institutional development.	Accredited Entity Manager	Responsible for oversighting and managing MFEM's accredited entity functions including relationship building / liaison with the GCF; leading on stakeholder engagement with the private sector; ensuring compliance with MFEM and GCF policies and procedures; undertaking reporting to	Cook Islands

				the GCF etc [Outcome 1.3, 2.2, 2.3 + DAE oversight]	
Consultant [National]	MFEM	A Bachelor's degree in law, public policy, governance, international development, climate finance, or a related field, or equivalent professional experience.	Accredited Entity Policy & Legal Advisor	. Responsible for ensuring MFEM's policies and procedures remain compliant with GCF requirements, including maintaining the AE AMA and alignment across accreditation, project implementation, fiduciary standards, and risk management. The Advisor will lead the strengthening of the Gender Policy and support ESS, and undertake a review of MFEM's systems in line with the Revised Accreditation Framework (RAF). The Advisor will also deliver gender-related training and capacity building. [Outcome 1.3, 2.2 + DAE oversight]	Cook Islands
Consultant [National]	MFEM	A Bachelor's degree in monitoring and evaluation, management, climate science, environmental studies, or a related field, or equivalent professional experience.	Monitoring & Evaluation Officer	Responsible for ensuring that a robust MERL framework is established and operationalised. This will include supporting the international consultant in the development of the MERL framework while simultaneously building internal MFEM capacity throughout the process. The MERL Officer will ensure that monitoring and evaluation systems are embedded across programmes and that training modules are developed, maintained, and delivered so that MFEM, as an Accredited Entity, can continue to strengthen the M&E capacity of its Executing Entities (EEs) and relevant stakeholders over time. [Outcome 2.3]	Cook Islands

Consultant [National]	MFEM	A Bachelor's degree in communications, journalism, marketing, or a related field, or equivalent professional experience.	Communications Officer	Responsible for development and implementation of the Communications, stakeholder engagement, and information dissemination of the DAE and Readiness project [Outcomes 1.3, 2.2, 2.3 + DAE oversight]	Cook Islands
Consultant [National]	MFEM	School leavers or recent secondary school graduates, with an interest in climate change, environmental studies, economics, finance, or related areas. Interest in climate change issues in the Cook Islands. Good written and verbal communication skills. Competent use of computers, including MS Office (Word, PowerPoint, Excel).	Internship	Provision of programme support and coordination. The interns will focus on learning about climate change matters, and learning administration / operational skills. [Outcome 2.3]	Cook Islands
Consultant [International]	MFEM	A Bachelor's degree in environmental management, public policy, governance, international development, climate finance, or a related field, or equivalent professional experience.	Environmental and Social Safeguards Specialist	Review, update and validate Environmental and Social Safeguards (ESS) policies, procedures and frameworks, including preparation of evidence of application, to support effective implementation and compliance with GCF requirements under the Revised Accreditation Framework (RAF). This will include targeted training to strengthen MFEM's application of ESS systems. [Outcome 1.3]	Cook Islands
Consultant [National]	MFEM	A Bachelor's degree in management, finance, economics, climate change, environmental studies, project management, or a related field, or equivalent professional experience.	Project Officer	Oversee programme implementation, support evaluation, and coordinate activities across the DAE and Readiness project [Outcome 2.3]	Cook Islands
Professional Services Firm	MFEM	A Bachelor's degree in monitoring and	Monitoring, Evaluation,	Establish institutional MERL systems and	Cook Islands

	evaluation, climate science, environmental studies, economics, administration, international development, or a related field, or equivalent professional experience. The professional services team must also include relevant qualifications and experience in climate finance pre-feasibility assessments and project pipeline development for Green Climate Fund projects. Professional qualifications: At least 10 years practical experience in evaluating organisations or projects and/or monitoring and evaluation, and in organisational risk management strategies and systems; experience in developing methodologies for climate metric monitoring and evaluation, including baseline data; strong facilitation and communication skills; experience in training staff to undertake M&E would be an advantage. The professional services team must include expertise in undertaking pre-feasibility assessments and supporting the development of climate finance project pipelines, including concept development for Green Climate Fund projects.	Reporting and Learning (MERL) & Climate Finance Specialist	develop integrated risk management framework and undertake a pre-feasibility study to support the development and progression of the DAE project pipeline, including undertaking the training to ensure effective application by DAE personnel and undertake the independent final evaluation of the Readiness Programme in accordance with the GCF revised readiness results management framework (revised RRMF) [Outcome 2.2, 2.3 and Independent Final Evaluation]	

The Readiness Project will be implemented by MFEM staff, supported by dedicated project personnel and specialised consultants to deliver targeted capacity-building outcomes.

6.3 Fund flow arrangements

All funds for this Readiness programme will be received directly from the GCF into MFEM's **dedicated USD GCF account**. This account is specifically established for GCF transactions to ensure segregation of funds and compliance with fiduciary standards. Upon receipt of funds, MFEM will apply the **spot exchange rate** on the day of transfer to manage currency risk effectively. This approach ensures that any conversion from USD to NZD reflects the prevailing market rate, minimising exposure to exchange fluctuations. For financial reporting purposes, transactions will be recorded based on the exchange rate applied at the time of conversion, in line with MFEM's financial management policies.

Following conversion, funds will be transferred into MFEM's **local currency account (NZD)**, which is integrated within the Ministry's financial information system. All disbursements for project activities will be made from this NZD account. The financial information system provides full traceability of transactions, including approvals, supporting documentation, and audit trails, ensuring transparency and accountability.

To further strengthen financial integrity:

- Separate accounts and records will be maintained for all readiness-related transactions.
- Financial statements will be prepared in accordance with consistently applied accounting standards and audited by an external auditor.
- Audit reports and financial statements will be furnished to the GCF Secretariat in line with the reporting requirements outlined in the Grant Agreement.

GCF → MFEM USD GCF Account → MFEM NZD Account → Project Disbursements

Each step is documented and monitored through MFEM's financial management system, ensuring compliance with GCF fiduciary requirements and national standards.

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

There are no entities or individuals who are subject to or affected by United Nations Security Council sanctions regimes that will be involved in such projects/activities, either as counterparties or as beneficiaries.
In addition, as part of MFEM’s policies on Anti-Fraud, Anti-Corruption, Anti-Money Laundering, Counter-Terrorism Financing, and Know Your Customer (KYC) procedures, MFEM will continue to screen all entities and individuals against the UN sanctions lists and regimes throughout the implementation of this Readiness project. This ensures compliance with international standards and reinforces MFEM’s commitment to integrity and transparency.

7.6 Grievance Redress Mechanisms
MFEM maintains a GRM that provides accessible channels for third parties, including anonymous complainants, to raise concerns related to project activities. This readiness proposal seeks to strengthen the GRM by upgrading mediation processes, governance arrangements, and staff training to ensure timely and fair resolution of complaints. The GRM covers project-level grievances and institutional concerns, aligning with GCF standards and international best practices. To address sensitive issues such as Gender-Based Violence (GBV) and Sexual Exploitation, Abuse, and Harassment (SEAH), MFEM partners with a dedicated GRM support organisation. This partner specialises in handling GBV/SEAH cases confidentially and coordinates closely with MFEM as the Accredited Entity to ensure grievances are addressed promptly and appropriately. In addition to the GRM, MFEM enforces a robust Whistleblower Policy under its Anti-Fraud and Anti-Corruption Policy, recognising fraud and corruption as detrimental to the Ministry's vision and objectives. MFEM's whistleblowing procedure directly involves the Cook Islands Audit Office (CIAO) and the Public Expenditure Review Committee (PERC). Any individual who becomes aware of reprehensible practices such as fraud, corruption, collusion, or any act listed under MFEM's Anti-Fraud, Anti-Corruption, Anti-Money Laundering, and Counter-Terrorism Financing policies may report these confidentially to the CIAO. This ensures independent oversight and reinforces MFEM's commitment to integrity and transparency

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
As the MFEM is undertaking the delivery partner function, the sustainability of project activities will be embedded directly into the on-going operations of the Ministry and across Government. In particular, the sustainability of the project activities can be viewed through a commitment to: **Capacity Building and Institutionalization** • The training programmes outlined under Objective 1 and 2 – relating to the GRM, ESS Framework, Gender Policy, MERL and IRM framework training - will build on current capability and lead to knowledgeable and skilled DAE personnel supporting the broader organisational and accreditation function of the DAE. The training will also include a train-the-trainer components which will ensure an embedding of knowledge and skills through peer learning over the longer-term. The trainings will be targeting 10 personnel of which 50% will be women. • There will be a number of tools and instruments developed under this Readiness which will be embedded into the MFEM operations the GRM, ESS Framework, Gender Policy, MERL system aligned to the GCF's IRMF, and IRM amongst others which may arise during the duration of this project. These guidelines and procedures will guide MFEM at the organisational and project level, thus strengthening current procedures and embedding high quality, international standards into their operations. • The peer learning exchanges under Objective 3 through the Young Achievers Programme will be designed to ensure learnings and knowledge are imparted to the intern cohorts, with clear outcomes to be reported against showcasing evidence of learnings incorporated into back into the Programme for subsequent years. **Integration into National Systems:** • Integration into national systems will be achieved through the development of a comprehensive Monitoring, Evaluation, Reporting and Learning (MERL) framework, which will be embedded within MFEM's institutional processes and linked to existing national platforms such as the ArcGIS GeoPortal. This integration will enable climate finance results, indicators, and project data to be systematically captured, analysed, and reported alongside other national datasets, supporting evidence-based decision-making and enhancing transparency across the Cook Islands' climate finance portfolio. **Sustainability Mechanisms:** • Trainings will include a train-the-trainer components which will ensure an embedding of knowledge and skills through peer learning over the longer-term. • The peer learning exchanges under Objective 3 through the Young Achievers Programme will be designed to ensure learnings and knowledge are imparted to the intern cohorts, with clear outcomes to be reported against showcasing evidence of learnings incorporated into back into the Programme for subsequent years. • Sustainability will be reinforced through the development of an institutional MERL framework, which will be integrated into MFEM's systems and linked to national platforms such as the ArcGIS GeoPortal. he Government of the Cook Islands will maintain and update these integrated systems beyond the Readiness period **Adaptive Management** MFEM will undertake an adaptive management approach to the implementation of this Readiness project through incorporation of lessons learned from previous projects including: • Ensuring flexibility in the approach of each output is embedded in the implementation plan. This includes building in realistic timeframes for procurement of high-quality expertise, development of internal expertise to support activities and building upon existing activities or partnerships.

- Ensuring contingency is built into the budget components for each output to avoid multiple change requests to budgets and workplans. Whilst the budget and workplan has been developed on best practice ideals and has utilised current costings for the implementation of activities, a conservative approach to the budgeting has also been undertaken to account for any variances in prices (particularly given the four-year timeframe of the project) and any unexpected occurrences arising.
- Undertaking a continual monitoring process through the Project's M&E Plan to ensure activities are tracking as per the implementation plan, are well supported to achieve results and to highlight any challenges or potential challenges which could arise, which may impact upon the delivery of the outputs and activities.
- Risk management plans will be reviewed regularly (i.e. bi-annually) to ensure all risks are being monitored and mitigation measures are effectively in place, as well as highlight any emerging risks and capturing these into the risk management plan.

Reporting and Quality Assurance

MFEM acknowledges that delays in reporting were experienced under previous Readiness grants where MFEM acted as the Delivery Partner. These delays were primarily linked to a combination of capacity, systems, and process-related challenges, which this proposal explicitly seeks to address.

Key challenges identified from previous Readiness implementation included:

- Inconsistency in the timely submission of deliverables by staff and consultants;
- Inadequate document management practices, including the storage of deliverables on individual desktops rather than shared work drives; and
- Gaps in staff familiarity with GCF reporting templates and requirements, despite prior participation in GCF reporting trainings.

In addition, delays in audit completion were experienced due to MFEM's reliance on the Cook Islands Audit Office. While this approach supports national systems and provides cost efficiencies, the Audit Office carries responsibility for auditing the full Government of the Cook Islands portfolio, which contributed to audit backlogs. These challenges were compounded by the introduction of a new UNOPS audit reporting template, which required adjustments by the financial consultants preparing the financial statements. Significant corrective measures have since been implemented to address these issues and strengthen reporting timeliness and quality under this Readiness programme, including:

- Improved document management: enforcement of mandatory use of centralised sharepoint site for all project documentation and deliverables to ensure institutional access, version control, and continuity.
- Standardised audit processes: development of an internal Financial Statement Audit template that aligns both with UNOPS requirements and Cook Islands Government systems, which has already improved audit preparation and reduced delays.
- Mandatory staff training and verification: all staff involved in project implementation and reporting are required to complete GCF reporting trainings and relevant i-Learn modules. Completion is monitored and evidenced as part of DAE internal requirements.
- Targeted reporting capacity building: MFEM will conduct dedicated internal reporting sessions to ensure that all staff responsible for implementation clearly demonstrate the capacity to report using GCF systems, including PPMS and the GPP.

9.2 Readiness Programme Closure

Given the Direct Access Entity (i.e. MFEM) is implementing this DAE Window Readiness project, there will be a process of continual transferring and archiving of all documentation that will result from the outcomes of this project to use for future reference by the Ministry. Any asset procurement under this Readiness, will be treated as per the Government of Cook Islands' asset management procedures.