GREEN CLIMATE FUND

Readiness and Preparatory Support

Direct Access Proposal Template

DAE Support Window

Proposal title

Enhancing Eldik Bank’s Climate Action and Financing Capabilities through Institutional Strengthening, Kyrgyzstan (41930)

Direct Access Entity

Eldik Bank Open Joint-Stock Company

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?

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[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

Enhancing Eldik Bank's Climate Action and Financing Capabilities through Institutional Strengthening, Kyrgyzstan

Total Approved Amount (in USD)

$1,000,000

Implementation Period (in months)

18 months

Country Information

☐ Single DAE

☐ Multi-DAE

Lead DAE

Eldik Bank Open Joint-Stock Company

Contact person

Aidzhan Karieva

Position

Member of the Management Board

Email

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Additional email addresses that need to be copied in correspondences

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Type of Access

● Direct Access by DAE

Participating DAE Information

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

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

1. Summary of the proposal

The proposed readiness project aims to strengthen the institutional and technical capacity of the Open Joint Stock Company (OJSC) Eldik Bank (hereinafter referred to as "Eldik Bank") to effectively engage with international climate finance mechanisms, particularly the Green Climate Fund (GCF), by enhancing its ability to design and implement climate investments. The requested Readiness support programme will focus on improving internal systems, processes, and staff competencies for the development of investment-grade Concept Notes and Funding Proposals, and the implementation, monitoring, and reporting of climate finance projects aligned with the Kyrgyz Republic's national climate priorities, including its Nationally Determined Contributions (NDCs) and climate change adaptation plans. Through targeted capacity building, hands-on technical support, and structured knowledge transfer, the Readiness support programme will position the Bank to systematically integrate climate considerations into its operations, develop and implement a pipeline of bankable climate projects, and **mobilize and scale climate finance in support of national climate priorities**.

The proposed readiness support will therefore contribute to reinforcing the Bank's existing institutional capacities while establishing a specialized project management and technical support function equipped with the expertise required to develop and manage climate-related projects in alignment with the policies and standards of the GCF and other international financial institutions.

Specifically, the project aims to achieve the following objectives:

- Goal 1: Enhance Eldik Bank's institutional frameworks to integrate climate considerations into corporate governance, strategic planning, and financing activities, while aligning internal processes and systems with international climate finance standards.
- Goal 2: Enhance Eldik Bank's technical expertise in climate finance programming and climate project development, including the preparation of bankable Concept Notes and Funding Proposals aligned with standards and requirements of international sources of climate finance, including the GCF.
- Goal 3: Strengthen Eldik Bank's capacity for the implementation and management of climate investments and partnerships, through appropriate operational systems and coordination mechanisms, including due diligence, project management, monitoring, and reporting functions.

2. DAE Context

Guidance

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

2.1 Institutional Context and Accreditation Track

Project/programme size

- Small

Environmental & social risk category

- Category B

Financing modalities

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

Eldik Bank is a national financial institution seeking to strengthen its role as a Direct Access Entity (DAE) to the GCF. The Bank's intended accreditation scope is aligned with its core banking operations and focuses on financing and implementing climate-related investments in the form of loans and other financial instruments primarily targeting private sector clients, including small and medium-sized enterprises (SMEs). In line with this mandate, Eldik Bank is positioned to operate within a small to medium project size category with the potential to gradually scale up its engagement as institutional capacity strengthens. The Bank's existing experience in lending, financial intermediation, and cooperation with international financial institutions provides a solid foundation for managing climate finance operations within this scope.

Building on this foundation, Eldik Bank intends to support climate investments aligned with the GCF's mitigation and adaptation result areas. Its priority areas of intervention include renewable energy and energy efficiency investments, climate-resilient infrastructure and adaptation measures, and the development of green and sustainable finance products for private sector clients, while maintaining flexibility to engage in other relevant areas such as sustainable urban systems and ecosystem-based approaches. This approach will enable the Bank to pursue a focused yet adaptable pipeline of climate investments aligned with national priorities and evolving climate finance opportunities of the Kyrgyz Republic.

To support this strategic direction, the proposed readiness support will further strengthen Eldik Bank's institutional, technical, and operational capacities to meet and sustain the GCF accreditation standards, including fiduciary requirements, environmental and social safeguards (ESS), gender responsiveness, and monitoring and reporting obligations. Strengthening these systems and capacities will enable the Bank to progressively expand the scale and complexity of climate finance operations over time and impactfully contribute to the national climate priorities of the country.

Accreditation stage

- Under negotiation

Eldik Bank was accredited by the GCF as a DAE on 26th of March, 2026. Following the accreditation decision by the GCF Board, the conditions required prior to the execution of the Accreditation Master Agreement (AMA) were finalized in coordination with the GCF Secretariat.

Eldik Bank has completed all outstanding accreditation conditions and submitted the required documentation to the GCF. The submitted materials are currently under review by the GCF Secretariat, following which the Bank expects to proceed with the execution of the Accreditation Master Agreement (AMA).

At present, no additional accreditation-related issues or conditions have been identified beyond the agreed pre-AMA implementation actions. Eldik Bank is currently coordinating with the GCF Secretariat to finalize the remaining procedural steps required for AMA execution and operationalization of the accreditation status.

2.2 Entity Climate Priorities and Programming Capacity

As the country's DAE to the GCF, Eldik Bank aligns its climate priorities with the Kyrgyz Republic's climate mitigation and adaptation needs, specifically the commitments stipulated in the updated NDC 3.0 and the upcoming adaptation plans (yet to be approved and submitted to the United Nations Framework Convention on Climate Change (UNFCCC)). The NDC identifies key priority areas including reducing greenhouse gas emissions in the energy and transport sectors, improving energy efficiency, and strengthening climate resilience across water resources, agriculture, infrastructure, ecosystems, and vulnerable communities.

As a leading national financial institution with an extensive network across the country and strong client base, the Bank is well positioned to play a catalytic role in mobilizing and channeling climate finance in support of these national priorities. In this context, its climate programming is oriented toward supporting investments that contribute to both mitigation and adaptation objectives, while facilitating access to international climate finance.

In terms of programming capacity, Eldik Bank has established an initial institutional foundation for engaging in climate finance. However, its capacity to develop and manage a structured pipeline of climate projects and to engage programmatically with international climate finance mechanisms requires strengthening. Readiness support is therefore essential to enable the Bank to effectively originate, develop, and implement climate finance initiatives aligned with international climate financing standards and requirements and national priorities of the Kyrgyz Republic.

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

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

GCF Readiness and PPF Activities

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

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

Title	Start and End Dates	Status	Funding Agency	Main objectives	Complementarity with the readiness proposal

2.4 Past and Ongoing Funded Activity Implementation and Project Pipeline

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

GCF Funded Activities

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

2.5 Challenges, Gaps, and Barriers

Eldik Bank has undertaken internal consultations and an institutional assessment to identify key constraints affecting its ability to effectively access, manage, and scale climate finance. While the Bank has established an initial foundation for engaging in climate-related activities, several institutional and operational gaps remain. These include limited capacity to systematically integrate climate considerations into strategic planning and investment processes, insufficient experience in climate finance project development and management, gaps in monitoring and reporting systems, and the need to further align internal policies and procedures with international climate finance standards, including fiduciary, procurement, and ESS requirements.

In parallel, the Bank has conducted consultations with external stakeholders including international climate finance partners and national counterparts engaged in the climate agenda in the Kyrgyz Republic to better understand priority needs, opportunities for collaboration, and the broader enabling environment for climate finance programming. These consultations also highlighted system-level considerations, including the importance of strengthening coordination among national institutions improving access to bankable project pipelines, and enhancing awareness of climate finance instruments among potential beneficiaries.

These challenges highlight the need to strengthen institutional frameworks, enhance operational systems, and build specialized technical expertise required for climate project development and implementation in accordance with international climate finance standards and good practice including, but not limited to, those of the GCF and other multilateral climate finance institutions.

Building on these findings, the key barriers identified are as follows:

Barrier 1: Lack of institutional policies, processes and systems to align with international climate finance standards, coupled with the limited institutional ability to integrate climate considerations into corporate strategy and investment prioritization processes.

Barrier 2: Limited technical expertise in climate project development and climate finance programming.

Barrier 3: Limited operational systems and coordination mechanisms for managing climate-related projects and partnerships.

2.6 Stakeholder Engagement

Stakeholder engagement for the preparation of this Proposal was conducted through a structured and inclusive process at national, sectoral, and institutional levels to ensure alignment with national priorities and climate finance needs in the Kyrgyz Republic.

At the national level, Eldik Bank engaged with key public sector stakeholders including the National Designated Authority (NDA) - the Ministry of Natural Resources, Ecology and Technical Supervision of the Kyrgyz Republic, the Climate Finance Center (CFC) under the Cabinet of Ministers, the Ministry of Finance, the Ministry of Economy and Commerce, the Ministry of Energy, as well as other relevant line ministries and state agencies involved in climate finance and climate-related investments.Across these engagements, discussions covered key climate finance priorities, including access to climate finance mechanisms, financial sector readiness, SME and private sector engagement in green and climate-resilient investments, as well as renewable energy and energy efficiency development, climate-resilient investments, and enabling conditions for the low-carbon transition.

In addition, the Bank engaged with a broader ecosystem of non-governmental, private sector, and civil society stakeholders, including the Air Quality Working Group (AQWG), the JIA Business Association, and the She Starts initiative supporting women-led enterprises, as well as locally led organizations such as the UNISON Group and the Center for Renewable Energy and Energy Efficiency Development (CREEED) which contribute to promoting energy efficiency, renewable energy awareness, community-level climate action, and many other local partners involved in climate-related initiatives. Moreover, consultations with the Bank’s own clients active in climate-related investments further complemented these discussions by providing practical insights into financing needs, implementation barriers, and market gaps, particularly in relation to climate-resilient business development. Collectively, these engagements highlighted the importance of strengthening local implementation capacity, climate-related research and expertise, and enhancing awareness of climate solutions at both enterprise and community levels.

Consultations were also conducted with international development partners supporting climate and sustainable development initiatives in the country, and engagement with these partners will continue in a coordinated manner to support alignment with international climate-related standards, address implementation challenges, and enhance coherence of national climate-related efforts.

Finally, internal consultations were conducted across Eldik Bank, involving the Management Board, the Sustainable Development (ESG) Department (hereinafter the “ESG Department”) and Committee, and relevant structural and operational units. These discussions were carried out as part of an internal self-assessment process to identify gaps and constraints within the Bank’s climate finance agenda, particularly in relation to institutional alignment with international climate finance standards, technical capacity for climate finance programming and project development, and operational systems and coordination arrangements for the effective management and implementation of climate-related investments and partnerships. The ESG Department will play a central role in taking forward and coordinating these efforts as part of the Bank’s climate finance agenda.
These stakeholder consultations informed the development of the present proposal, ensuring alignment with national priorities, validation of priority climate investment areas, and identification of key institutional capacity and coordination needs.

2.7 Specific Readiness Needs

Building on the institutional assessment and stakeholder consultations conducted during the preparation of this proposal, Eldik Bank has identified targeted readiness needs that directly address the barriers outlined in Section 2.5. These needs reflect the specific support required to build on the Bank’s established institutional foundation and advance its climate finance engagement toward structured, programmatic, and internationally compliant climate investment operations. The readiness support sought under this proposal is therefore focused on three interconnected and mutually reinforcing areas: enhancing institutional frameworks and systems for climate finance; deepening technical expertise in climate finance programming and project development; and strengthening operational capacity for the management and implementation of climate investments. Collectively, addressing these needs will not only position Eldik Bank to fully meet GCF standards and requirements, but will also strengthen its broader institutional readiness to engage effectively with other international climate finance institutions and multilateral development partners, enabling the Bank to access and deploy climate finance at scale in support of Kyrgyzstan’s national climate priorities.
Barrier 1: Lack of institutional policies, processes and systems to align with international climate finance standards, coupled with the limited institutional ability to integrate climate considerations into corporate strategy and investment prioritization processes.
Building on the institutional foundation established through the Bank’s accreditation process and its active ESG structures, Eldik Bank requires targeted capacity building support to further enhance its institutional frameworks, internal policies, and operational systems in full alignment with GCF and broader international climate finance standards. Specifically, the Bank’s staff and institutional units need to deepen their understanding and practical application of GCF fiduciary standards, procurement requirements, ESS, gender responsiveness, and monitoring and reporting obligations, ensuring these are consistently reflected in the Bank’s governance, strategic planning, investment appraisal, and risk management processes. This will involve strengthening the skills and competencies of relevant staff to independently apply and sustain these standards, embedding climate considerations into the Bank’s core decision-making and investment prioritization processes, and ensuring that the institutional systems and tools required for international climate finance compliance are fully internalized and operationalized within the Bank’s existing structures.
Barrier 2: Limited technical expertise in climate project development and climate finance programming.
Eldik Bank requires intensive, hands-on capacity building to strengthen its internal technical expertise in climate finance programming and investment project development. The Bank’s staff need to build practical skills in applying GCF climate impact methodologies, including greenhouse gas (GHG) accounting and climate resilience analysis; developing Theories of Change and results frameworks aligned with GCF investment criteria; undertaking financial and economic analysis of climate investments; and integrating ESS and gender considerations into project design and preparation. This enhanced technical capacity will directly enable the Bank’s own staff to independently originate, assess, structure, and prepare investment-grade Concept Notes and at least one full Funding Proposal in line with GCF investment criteria, the Updated Strategic Plan (USP-2), and the Integrated Results Management Framework (IRMF). Beyond GCF engagement, the technical competencies strengthened through this support will equip the Bank with transferable skills and methodologies applicable across a range of international climate finance

mechanisms and multilateral development institutions, broadening its ability to mobilize climate finance from multiple sources in support of national priorities.
Barrier 3: Limited operational systems and coordination mechanisms for managing climate-related projects and partnerships.
To effectively manage and deliver climate finance projects, Eldik Bank's staff and institutional units require capacity building support to strengthen internal operational systems, coordination mechanisms, and project management capabilities across the full climate project cycle. This includes building the practical skills and institutional knowledge required to establish and sustain clear workflows, roles, and responsibilities for project preparation, implementation, and oversight; strengthen interdepartmental coordination; and apply robust monitoring, evaluation, and reporting systems in line with the GCF IRMF, including the integration of ESS, gender, and climate impact indicators into performance tracking and reporting processes. In parallel, structured peer-to-peer learning and exchange with experienced GCF DAEs will further strengthen the Bank's practical institutional knowledge and regional cooperation, reinforcing its long-term capacity to manage and progressively scale climate finance operations. Taken together, the operational capacities strengthened under this readiness programme will establish a robust and self-sustaining institutional infrastructure that positions Eldik Bank as a credible and capable partner not only for the GCF, but for a wider range of international climate finance institutions and development partners engaged in Kyrgyzstan's climate agenda.

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

Outcome 1.3 focuses on strengthened Eldik Bank's institutional systems, governance frameworks, and technical capacities to meet and maintain the accreditation standards of the GCF while enhancing its ability to operationalize climate finance activities. Building on the initial institutional gap assessment, the proposed activities go beyond procedural alignment and aim to strengthen the Bank's institutional policies, procedures, operational systems and staff capacities required to maintain GCF accreditation standards while embedding climate considerations into relevant operational and investment decision-making processes.
Output 1.3.1: Strengthened knowledge and skills, processes, systems, tools, mechanisms, and resources of Eldik Bank, to bridge existing gaps and help the bank to maintain compliance with GCF accreditation requirements and operationalize institutional systems required for accredited climate finance activities
Outcome 2.2: targets strengthened capacity of the Eldik Bank in developing a robust, climate-aligned pipeline of investment projects and developing a robust climate investment pipeline and translating prioritized concepts into investment-grade Concept Notes and Funding Proposals in line with the GCF investment criteria, USP-2, and IRMF. The approach will treat funding proposal development not only as a technical exercise but as a core institutional capacity-building process, ensuring that Eldik Bank develops the internal capability to independently originate, assess, and structure climate finance projects.
Output 2.2.1: Strengthened institutional and technical capacity to identify, screen, prioritize and develop investment-ready climate projects for Concept Note and Funding Proposal development.
This includes strengthened capacities across key technical areas required for funding proposal development in line with international standards and requirements of climate funds and multilateral agencies, including GCF, specifically:

- application of ESS requirements;
- use of climate impact methodologies for adaptation and mitigation;
- development of climate rationale, project screening frameworks;
- stakeholder engagement and market sounding;
- climate investment pipeline development;

- Project Information Note preparation

Output 2.2.2: Investment-grade Concept Notes and one full Funding Proposal developed and submitted to the GCF. This output will support the development and submission through a pilot learning-by-doing approach of investment-grade Funding Proposal to the GCF, including all required technical annexes, climate rationale, financial and economic analyses, ESS and gender documentation, and implementation arrangements. The process will be implemented through a co-creation approach to ensure practical knowledge transfer and long-term institutional capacity within Eldik Bank to independently develop future climate finance proposals

Outcome 2.3: Enhanced institutional capacity of Eldik Bank to effectively oversee, implement, monitor, and report on climate finance programmes and projects in line with international standards, including strengthened capabilities in project management, financial management, monitoring and evaluation (M&E), ESS compliance, and climate finance tracking across the full project cycle.

These enhanced capacities are sustainable and transferable, positioning Eldik Bank to effectively manage and report on climate investments not only under GCF programmes, but also those financed by other multilateral climate funds, international financial institutions, and bilateral development partners - broadening the Bank's institutional readiness to mobilize and deliver climate finance from multiple sources in support of Kyrgyzstan's national climate priorities.

Output 2.3.1: Strengthened capacity, operational systems and internal coordination mechanisms for managing climate-related projects across relevant departments and monitoring, evaluation, and reporting of climate finance projects in accordance with internationally recognized results management frameworks and applicable requirements of international climate finance providers.

This includes:

- establishment of clear internal workflows, roles, and responsibilities for project preparation, implementation, and oversight
- improved coordination between departments involved throughout the climate project cycle
- development and application of results-based monitoring frameworks;
- establishment of data collection and performance tracking systems;
- preparation of technical, financial, fiduciary, ESS, gender and performance reports in accordance with applicable donor requirements and international climate finance standards
- integration of ESS, gender, and climate impact indicators into monitoring and reporting processes.

Outcome 3.2 Eldik Bank has strengthened its practical institutional capacity in climate finance programming and implementation through structured peer-to-peer learning exchanges with experienced GCF Direct Access Entities, with lessons documented, internalized, and applied to the Bank's own systems and processes.

Output 3.2.1**.** A structured study visit and exchange programme conducted with two GCF DAEs - KCB Bank Kenya, a national direct access private sector DAE with an established GCF portfolio and experience integrating climate considerations into its core business and lending operations, and Small Industries Development Bank of India (SIDBI), an accredited GCF entity with extensive experience in the development and implementation of GCF Funding Proposals, green and sustainable finance programmes, MSME climate finance, energy efficiency financing, and renewable energy investments including distributed solar PV systems. SIDBI has significant experience supporting green transformation initiatives, sustainable industrial development, and climate-focused financial mechanisms targeting MSMEs and financial intermediaries in emerging market contexts.

The exchange with KCB Bank will focus on institutional systems, ESS and gender compliance, and GCF project cycle management (Barriers 1 and 3 / Goals 1 and 3). The exchange with SIDBI will focus on private sector climate finance programming, concessional financing facility design for climate investments, MSME green finance approaches, renewable energy and energy efficiency financing structures, financial intermediary mechanisms, and Concept Note and Funding Proposal development (Barrier 2 / Goal 2), drawing on SIDBI's extensive practical experience implementing climate finance programmes and sustainable finance initiatives in emerging market contexts.

Lessons and tools captured through both exchanges will be formally documented and applied to Eldik Bank's institutional systems, climate investment pipeline development and internal procedures, with key findings shared with Kyrgyzstan's NDA

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 proposed readiness support will result in a significant enhancement of Eldik Bank's capacity to translate national climate priorities into a pipeline of bankable and investable climate projects, mobilize financing for these investments, and effectively implement, monitor, and report on climate finance activities in line with international climate finance standards.

- At the programming level, Eldik Bank will have strengthened its ability to systematically identify, assess, and structure climate investment opportunities aligned with national priorities, resulting in a credible pipeline of climate projects and the preparation of investment-grade Concept Notes and Funding Proposals. These enhanced programming capacities will position the Bank to access not only GCF resources but a broader range of international climate finance instruments and multilateral development partnerships.
- At the institutional level, Eldik Bank will establish a dedicated Project Management and Technical Support Unit (PMTSU) to strengthen its capacity to coordinate, prepare, and implement climate finance activities. The PMTSU will comprise key technical functions, including project management, M&E, ESS and gender integration, financial management and procurement, climate finance expertise, and project coordination and reporting. The PMTSU will be established as part of the Bank's organizational structure and supported through internal budget allocations.

During the readiness implementation period, specialized consultants financed through the GCF readiness grant will be engaged to support these functions, working closely with both the PMTSU and the ESG Department to provide hands-on technical support while actively transferring knowledge and building institutional capacity across both structures. This approach will ensure that capacities are grown and embedded within the Bank rather than remaining externally dependent. The ESG Department will continue to serve as the institutional anchor for climate finance, while the PMTSU will function as a dedicated operational unit supporting project delivery and coordination across departments.

- At the implementation level, Eldik Bank will have strengthened its ability to manage the full project cycle of climate finance operations, including project preparation, execution, monitoring, and reporting. Internal coordination mechanisms and workflows will be clarified and operationalized, enabling effective collaboration across departments. The Bank's monitoring, evaluation, and reporting capacity will be enhanced in line with internationally recognized results management frameworks, including the ability to track results using performance indicators and integrate ESS and gender considerations into reporting processes.

Complementing these efforts, structured peer-to-peer learning exchanges with KCB Bank Kenya and SIDBI will provide Eldik Bank with practical institutional knowledge drawn from comparable DAE contexts, directly informing the development of the Bank's own systems, processes, and climate finance pipeline.

Overall, the anticipated impact of the readiness support is that Eldik Bank will be able to independently originate, structure, finance, implement, and report on climate investment projects in a structured and programmatic manner - positioning the Bank as a credible and capable climate finance institution able to mobilize and deploy climate finance from multiple international sources in sustained support of Kyrgyzstan's national climate priorities.

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**.

Eldik Bank has made meaningful initial progress in integrating ESG principles into its operations and has established the institutional foundation required for GCF accreditation. However, its ability to effectively engage in climate finance programming and investment delivery remains constrained by three systemic challenges: (i) limited integration of climate considerations into corporate governance, strategic planning, and investment decision-making processes; (ii) gaps in internal technical expertise in climate finance programming, project development, and investment preparation; and (iii) insufficient operational systems and coordination mechanisms for managing climate projects and partnerships across the full project cycle.

IF Eldik Bank's institutional and technical capacities are strengthened through targeted capacity building to embed climate considerations into its governance, strategic planning, and investment processes; developing internal technical expertise in climate finance programming and investment project preparation; establishing a dedicated climate project management and coordination function; and facilitating structured peer-to-peer learning exchanges with experienced GCF Direct Access Entities,
THEN the Bank will operate as a fully capable Direct Access Entity with strengthened institutional capacity to integrate climate considerations into its operations and investment decision-making in line with international standards; will be positioned to develop and deliver a robust pipeline of climate investment projects, enabling it to secure climate finance at scale in support of Kyrgyzstan's national priorities; and will effectively implement, monitor, and report on climate finance activities in accordance with international requirements, contributing to transparent and results-based climate finance delivery -
BECAUSE these interventions will directly address the three identified systemic barriers, strengthen the Bank's climate governance and operational frameworks, and equip Eldik Bank with the expertise, systems, and structures required to deliver and manage climate investments in a manner that achieves meaningful, measurable, and sustainable impact - not only under GCF programming but across a broader range of international climate finance instruments and multilateral development partnerships.

Potential risks, such as staff turnover or limited technical familiarity with climate finance programming, will be mitigated through targeted capacity-building activities, hands-on technical support, and knowledge transfer mechanisms designed to ensure institutional learning and long-term sustainability of results. The pathway to achieving these results is structured across the following sequential and mutually reinforcing steps:

Step 1: Strengthening Climate Governance and Strategic Alignment
Building on the Bank's established accreditation foundation, the project will strengthen climate governance frameworks, internal systems, and operational procedures to address identified gaps. This includes embedding climate considerations into corporate strategy, investment planning, and risk management processes, and aligning key institutional frameworks with international climate finance standards - directly addressing Barrier 1.

Step 2: Establishment of Dedicated Climate Project Management Capacity
A PMTSU will be established within the Bank's organizational structure to coordinate climate project development and implementation. This unit will introduce structured processes, improve interdepartmental coordination, and provide hands-on technical support, enabling the Bank to manage the full lifecycle of climate finance projects in a

sustainable and institutionalized manner - contributing to addressing Barriers 1 and 3.

Step 3: Climate Finance Capacity Building, Knowledge Transfer and Peer Learning
Targeted training, mentoring, and hands-on technical support will strengthen staff expertise in climate finance programming, including climate rationale development, Theory of Change formulation, Concept Note and Funding Proposal preparation, financial structuring, and climate impact assessment - directly addressing Barrier 2. Complementing internal capacity building, structured peer-to-peer learning exchanges with KCB Bank Kenya and SIDBI will provide Eldik Bank with practical institutional knowledge drawn directly from comparable DAE contexts, accelerating the internalization of international climate finance standards and best practices across the Bank's systems and processes.

Step 4: Development of Climate Project Pipeline and Investment Proposals
Using strengthened systems and enhanced capacity, the Bank will identify priority climate investments and develop a pipeline of projects aligned with Kyrgyzstan's NDCs and GCF Country Programme. This will result in the preparation of investment-grade Concept Notes and one full Funding Proposal, demonstrating strong country ownership, a clear paradigm-shift approach, and robust financial structuring with measurable climate impact - directly delivering on Barrier 2 and Goal 2.

Step 5: Strengthening Implementation, Monitoring, and Reporting Capacity
The Bank will enhance its systems for climate project implementation, monitoring, evaluation, risk management, and reporting in line with internationally recognized results management frameworks, including the GCF IRMF. This includes strengthening results tracking, integrating environmental, social, and gender considerations into reporting processes, and ensuring transparency and accountability in climate finance operations - directly addressing Barrier 3.

Step 6: Institutionalization and Long-term Sustainability
The systems, tools, and capacities developed will be embedded within the Bank's organizational structure through the institutionalization of the PMTSU and strengthened climate finance functions, supported through internal resources and governance mechanisms. Continuous knowledge transfer and learning processes will ensure the long-term sustainability and scalability of Eldik Bank's climate finance operations beyond the readiness period.

Expected Outcomes and Impact
As a result of the above pathway, the following outcomes and longer-term impacts are expected:

- Eldik Bank operates as a fully capable Direct Access Entity for the country, with strengthened institutional capacity to integrate climate considerations into its operations and investment decision-making in line with international standards;
- Eldik Bank is in the position to develop and deliver a robust pipeline of climate investment projects , further enabling the Bank to secure climate finance at scale, to support national priorities of the Kyrgyz Republic;
- The Bank effectively implements, monitors, and reports on climate finance activities in accordance with international requirements, contributing to transparent and results-based climate finance delivery

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. Build staff knowledge and practical skills to review, update, and operationalize internal policies, procedures, and tools in alignment with international climate finance standards - including fiduciary standards, ESS, gender, M&E, procurement, and risk management - through structured training workshops, policy review sessions, and hands-on technical support across relevant departments.
1-3-1.b. Integrate climate considerations into credit/investment decision workflows. These activities include a necessary hands-on technical training for risk management and opportunity assessment methodologies, through targeted training and technical coaching.
1-3-1.c. Establish, operate, and maintain climate finance data management systems - including portfolio tagging and reporting tools - through hands-on technical training, enabling independent climate finance data management and reporting
1-3-1.d. Design and deliver a structured institutional capacity building programme for the newly established PMTSU and ESG Department staff to strengthen programming and implementation capacities and support the maintenance of GCF accreditation standards. The programme will cover project management, compliance and fiduciary oversight, environmental and social governance, results monitoring and reporting, stakeholder engagement, and institutional coordination. Activities will include tailored training, mentoring, peer-learning exchanges, practical on-the-job support, and development of knowledge products, tools, and procedures to embed institutional knowledge and ensure sustainable capacity beyond the readiness implementation period.

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. Strengthen staff capacity to develop and apply a climate rationale and project screening framework, including tools for assessing climate impact, GCF alignment, ESS and gender pre-screening, across potential climate investment opportunities.
2-2-1.b. Undertake targeted training on GCF climate impact methodologies, including application of mitigation (GHG accounting) and adaptation (resilience) approaches in line with GCF guidance (including Annex 22)
2-2-1.c. Facilitate guided stakeholder engagement and market sounding exercises to support identification and structuring of climate investment opportunities aligned with national priorities.

2-2-1.d. Undertake hands-on development of a pipeline of climate investment conceptsas a capacity-building exercise in close collaboration with potential project proponents, private sector partners, and relevant national stakeholders, including preparation of Project Information Notes (PINs) - ensuring Eldik Bank staff lead the identification, screening, and structuring process and build practical project development skills throughout.

☒ 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.

Activities

2-2-2.a. Using the pilot concept note / funding proposal as a learning-by-doing exercise, conduct detailed feasibility studies, including technical, market, and financial analysis, building staff capacity to independently lead this process for future projects.
2-2-2.b. Using the pilot concept note / funding proposal as a learning-by-doing exercise, develop and/or improve capacity to undertake or commission climate impact assessments including GHG accounting (mitigation) and resilience analysis (adaptation), aligned with GCF methodologies.
2-2-2.c. Using the pilot concept note / funding proposal as a learning-by-doing exercise, build internal capacity to undertake or commission economic and financial analysis, including full economic modelling including cost-benefit analysis connected specifically to climate impact and financial modelling including assessment of project viability as well as GCF additionality
2-2-2.d. Using the pilot concept note / funding proposal as a learning-by-doing exercise, strengthen Eldik Bank's capacity to undertake investment risk and financing gap assessments and develop appropriate financial structuring, co-financing and de-risking strategies, including selection of suitable GCF financial instruments, concessional financing approaches and mobilisation of public and private finance.
2-2-2.e. Using the pilot concept note / funding proposal as a learning-by-doing exercise, prepare ESS documentation and Gender Action Plan in line with GCF and/or international climate finance requirements - with hands-on technical support - building staff capacity to independently integrate ESS and gender considerations into future project proposals.

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. Design and apply a Climate Finance Framework aligned with national climate priorities and international climate finance requirements and strengthen capacity, operational systems and internal coordination mechanisms through targeted technical training, internal working sessions, and expert-facilitated workshops - enabling the Bank to institutionalize climate investment criteria across decision-making and implementation.
2-3-1.b. Hold internal working sessions and technical workshops with relevant staff to develop and operationalize a Climate Strategy aligned with Kyrgyzstan’s NDCs, through a participatory capacity building process engaging senior management and key departments, embedding climate considerations into corporate governance, planning and operations.
2-3-1.c. Develop and operationalize internal procedures, workflows, and guidance for climate project implementation, including clear roles, responsibilities, and interdepartmental coordination mechanisms across the project cycle and building staff capacity to apply these consistently.

2-3-1.d. Strengthen institutional capacity for project management and delivery in line with international climate finance standards - including procurement, financial management, disbursement, contract management, and compliance - building internal staff capacity to independently manage these functions across future climate finance projects.
2-3-1.e. Strengthen institutional capacity to establish and apply monitoring, evaluation and reporting systems for climate finance projects financed by international climate funds and development partners, aligned with internationally recognized results management frameworks and integrating climate, environmental and social, gender, fiduciary and financial performance indicators.
2-3-1.f. Strengthen institutional capacity to prepare technical, fiduciary, environmental and social, gender, financial and performance reports required throughout the implementation cycle of climate finance projects financed by international climate funds and development finance institutions, in accordance with applicable donor requirements and international good practice

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

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

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

Activities

3-2-1.a. Conduct a structured study visit to KCB Bank Kenya, with participation of PMTSU and ESG Department staff, focused on KCB's institutional systems for GCF fiduciary standards, ESS and gender compliance, and project cycle management.
3-2-1.b. Conduct a structured study visit to SIDBI with participation of Eldik Bank's climate finance and project development staff, focused on SIDBI's experience in private sector climate finance programming, loan facility design, and Concept Note and Funding Proposal development.
3-2-1.c. Document, systematize, and apply lessons, tools, and institutional practices captured through both exchange visits - through internal knowledge sharing sessions - and prepare a structured lessons learned report to be shared with Kyrgyzstan's NDA.

4.3 Stakeholder Engagement Strategy

The identification of gaps, challenges, and barriers addressed in this readiness proposal was informed through a structured consultation process involving both internal and external stakeholders.

Externally, Eldik Bank engaged with the NDA to ensure alignment with national climate priorities, including the NDC, and to position the proposed activities within the broader national climate finance landscape. Initial exchanges with development partners also informed alignment with GCF standards and expectations.
Internally, consultations with senior management, the ESG Department, and relevant operational units helped assess existing capacities, systems, and coordination mechanisms related to climate finance.
During implementation, stakeholder engagement will be strengthened as a core institutional function in line with GCF ESS requirements. Particular attention will be given to meeting the standards applicable to Category A and B projects, including stakeholder mapping, structured consultations, and proper documentation of engagement processes, including with vulnerable groups and, where relevant, Indigenous Peoples.
The readiness support will build practical capacity to plan, conduct, and document stakeholder engagement through hands-on application during project preparation, ensuring compliance with GCF requirements. Stakeholder engagement will be maintained throughout implementation through regular coordination with government institutions, the NDA, development partners, and private sector stakeholders. To ensure transparency and accountability, existing grievance and feedback mechanisms will be applied, and stakeholder inputs will be systematically reflected in project design and implementation processes.
Through this approach, the readiness programme will not only support effective stakeholder engagement during its implementation but will also strengthen Eldik Bank’s long-term capacity to meet international requirements for stakeholder consultation and engagement in climate finance projects.

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)
Other	Limited institutional uptake and sustainability of systems and capacities developed during the readiness programme, particularly after external technical support is completed	Medium	High	Ensure early institutionalization of functions within the Bank's structure (including PMTSU); assign dedicated internal staff and budget from the outset; embed tools, procedures, and responsibilities within existing departments; apply a learning-by-doing approach with strong knowledge transfer; include internal performance accountability for climate finance functions	Eldik Bank
Operational	Potential delays in project implementation due to coordination challenges between the ESG Department and the PMTSU.	Low	High	Clear roles and responsibilities will be defined in project governance arrangements. Regular coordination meetings and progress reviews will be conducted between the implementation team and project oversight bodies to ensure effective communication and timely delivery of activities.	Eldik Bank
Financial	Risk of financial mismanagement, ineligible expenditures, fraud, corruption, or non-compliance with GCF fiduciary standards	Low	High	The project will apply Eldik Bank's financial management, procurement, internal control, AML/CFT and anti-fraud procedures. Financial oversight, segregation of duties, internal approvals, procurement reviews and external audit will be applied throughout implementation	Eldik Bank

Other	Limited internal experience in preparing climate finance proposals and implementing projects aligned with international climate finance standards.	Medium	High	The project will include targeted capacity development, mentoring, and technical assistance to the PMTSU to strengthen the Bank’s institutional capacity in climate finance programming and project development.	Eldik Bank
Operational	Insufficient coordination or engagement with key national stakeholders involved in climate finance and project development processes.	Low	Medium	Stakeholder consultations will be conducted throughout the project to ensure alignment with national priorities and effective collaboration with relevant government institutions and partners.	Eldik Bank
Operational	Increased workload, limited availability, or potential turnover of internal staff involved in the implementation of project activities.	Medium	Medium	The project will strengthen implementation capacity through the establishment PMTSU and through targeted training and knowledge transfer to support the ESG Department, ensuring institutional knowledge retention and continuity of project implementation.	Eldik Bank
Regulatory	Potential engagement of individuals, suppliers or service providers subject to United Nations Security Council (UNSC) sanctions or other applicable restrictions during implementation of the readiness grant.	Low	High	Eldik Bank will screen all consultants, suppliers, contractors and counterparties against applicable United Nations Security Council sanctions lists and internal compliance procedures prior to contracting and throughout project implementation. Procurement and financial transactions will be subject to the Bank's AML/CFT and sanctions compliance controls.	Eldik Bank
Operational	Potential conflicts of interest during selection, procurement, supervision or evaluation of consultants and service providers engaged under the readiness programme	Low	High	Procurement will be conducted in accordance with Eldik Bank's procurement procedures and GCF requirements. All staff participating in procurement or evaluation processes will be required to declare any actual, potential or perceived conflicts of interest. Independent evaluation procedures, segregation of duties and internal oversight mechanisms will be applied throughout consultant selection and contract management.	Eldik Bank
Financial	Delays or procurement challenges in recruiting qualified international and national consultants and specialized firms required for implementation of readiness activities.	Medium	Medium	Procurement planning will be initiated early, with clear Terms of Reference, competitive selection procedures, realistic procurement timelines and regular monitoring of procurement progress. Where appropriate, framework arrangements and market sounding will be undertaken to ensure availability of qualified experts.	Eldik Bank

5. Logical Framework (output)

Guidance

Please complete the logical framework in the separate document.

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

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

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

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

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

Unit: No. of Entities

Accreditation Support	Baseline	Target
Post-Accreditation Support	0	1

Expected Deliverables

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

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

Outcome: 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	10

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

Indicator: Number of Concept Notes and/or Funding Proposals developed that are fully aligned with the Country Programme.

Please provide the CN/FP developed
Unit: No. of Projects

Project Submission Type	Baseline	Target
Concept Note	0	1
Funding Proposal	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.

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

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

Please provide the number of regional, multi-regional, South-South partnerships established or strengthened
Unit: No. of Regional Partnerships

Effectiveness Status	Baseline	Target
Establish	0	2

Expected Deliverables

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

6. Implementation Arrangements

6.1.1 Partnering under Direct Access

The Readiness support will be implemented directly by Eldik Bank in its capacity as a DAE. No external Delivery Partner will be engaged. Instead, Eldik Bank will competitively procure and contract qualified individual consultants and/or consulting firms to provide targeted technical assistance.
Consultants will support key activities including the assessment of existing systems, policies, and procedures related to climate finance programming, project preparation, M&E, ESS, and gender equality. They will also develop tools and frameworks aligned with GCF requirements and deliver structured capacity building.
A central element of the implementation approach is the establishment of PMTSU within Eldik Bank, consisting of six full-time staff. The PMTSU will coordinate all Readiness activities, serve as the main counterpart to consultants, and lead the preparation of Concept Notes and a Funding Proposal. Consultants will work closely with the PMTSU to ensure effective knowledge transfer and progressive internalisation of expertise.
Eldik Bank will retain full responsibility for project implementation, including procurement, financial management, decision-making, coordination, and reporting to the GCF. Consultants will provide technical support but will not substitute core functions of the Bank.
Consultants will be selected through a competitive process in line with Eldik Bank’s internal procedures. Their technical and financial capacity, as well as relevant experience, will be assessed during procurement. As service providers rather than sub-recipients, risks will be managed through contractual arrangements and oversight.
The PMTSU will coordinate day-to-day implementation and ensure collaboration across Bank departments. Consultants will report to the PMTSU, which will consolidate progress and report internally. Eldik Bank will be responsible for all reporting to the GCF, including progress and financial reports, in accordance with GCF requirements.
All activities will be implemented in Kyrgyzstan. Eldik Bank’s in-country presence and institutional structure will ensure effective oversight, coordination with stakeholders, and alignment with national priorities.
This approach ensures strong country ownership and long-term sustainability by embedding climate finance capacity within Eldik Bank.

6.1.2 Framework Agreements

Under the Direct Access modality Eldik Bank, as a DAE, will implement the proposed Readiness support directly and will not engage an external entity holding a Framework Readiness and Preparatory Support Grant Agreement (FWA) with the GCF Secretariat.
Accordingly, Eldik Bank will assume full responsibility for all aspects of implementation, including fiduciary management, financial management, procurement, monitoring, and reporting, in full compliance with GCF requirements.
Instead of engaging an FWA holder, Eldik Bank will competitively procure and contract qualified individual consultants and consulting firms to provide targeted technical assistance. These consultants will support activities such as assessments of existing systems (including climate finance programming, M&E, ESS, and gender), development of tools and frameworks, and structured capacity building.
A dedicated PMTSU team will be established within the Bank to coordinate implementation, manage consultants, and ensure effective knowledge transfer. Consultants will report to the PMTSU and will work in close collaboration with Bank staff to ensure ownership and sustainability of results.
As consultants will act as service providers rather than sub-recipients, formal sub-recipient financial capacity assessments are not applicable. However, Eldik Bank will assess technical and financial capacity during the procurement process and manage risks through contractual arrangements and oversight.
Eldik Bank will be solely responsible for reporting to the GCF Secretariat, including progress and financial reports, in line with GCF Readiness requirements.
All activities will be implemented in Kyrgyzstan. Eldik Bank's in-country presence and institutional structure will ensure effective oversight, coordination, and alignment with national priorities.

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
Venera Abdraimova	Eldik Bank	Chairperson, Sustainable Development Committee (Board of Directors)	Steering Committee Chair	Providing strategic oversight of the project within the Bank's ESG governance framework and ensuring alignment with the Bank's sustainability strategy and international climate finance standards.	Kyrgyzstan
Aidzhan Karieva	Eldik Bank	Member of the Management Board responsible for Sustainable Development and ESG	Steering Committee Member	Overseeing and supervising project implementation at the management level, ensuring alignment with the Bank's institutional priorities and the	Kyrgyzstan

				requirements of the Green Climate Fund.	
Asel Usenbaeva	Eldik Bank	Head, ESG Department	Implementation Coordination Lead	Coordinating project implementation, supporting monitoring and reporting, and ensuring effective execution of project activities in collaboration with PMTSU.	Kyrgyzstan

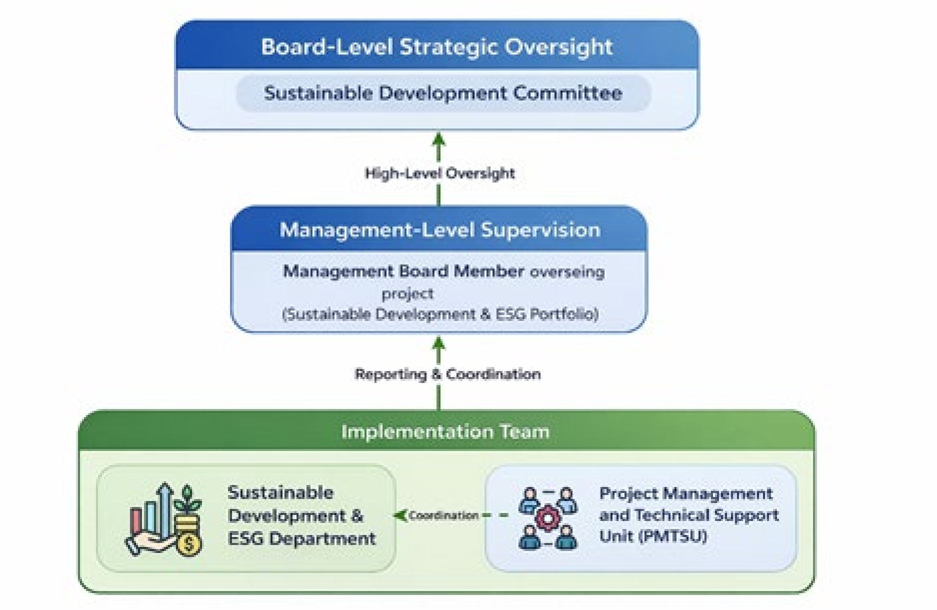
The project will be implemented through a three-tier governance and management structure comprising strategic oversight at the level of the Board of Directors, supervisory coordination by the Management Board, and operational implementation led by the ESG Department. At the strategic level, overall oversight of the Bank's sustainability agenda, including climate finance initiatives, will be provided by the Sustainable Development Committee established under the Board of Directors of Eldik Bank. The Committee is responsible for overseeing the Bank's ESG strategy and ensuring its alignment with international sustainability standards and the Bank's broader development and sustainability objectives.

At the executive level, the Management Board of the Bank will ensure supervision and oversight of the readiness project. A designated member of the Management Board responsible for the sustainability and ESG portfolio will oversee the project's supervision at the management level and ensure that project implementation remains aligned both with the Bank's institutional priorities and governance structures and with the requirements and standards of the GCF.

The sustainability of the institutional capacities developed under the readiness programme will be ensured through the continued role of the ESG Department of Eldik Bank which will remain responsible for coordinating the Bank's sustainability agenda and climate-related initiatives. During the implementation period staff of the ESG Department and the Project Management and Technical Support Team will strengthen their technical expertise through participation in project preparation, monitoring, and implementation activities supported under the readiness programme. Following the completion of the readiness project, the functions related to climate project development, monitoring, and reporting will remain integrated within the Bank's existing institutional structure. The staff involved in these activities will continue to perform these functions as part of their operational responsibilities within the Bank. As employees of Eldik Bank, their positions will continue to be supported through the Bank's internal budgetary allocations, ensuring the continuity of climate-related activities beyond the project implementation period. The operational implementation of the project will be carried out by the ESG Department in close coordination with the PMTSU. These structures will jointly form the implementation team responsible for the day-to-day management of project activities, coordination with consultants and stakeholders, monitoring of progress, and preparation of implementation reports.

The ESG department currently comprises seven staff members responsible for advancing the Bank's sustainability agenda, ESG integration, and engagement with international development partners. Working in close coordination with the PMTSU and relevant departments across the Bank, the ESG Department will support the effective coordination, monitoring, and delivery of project activities throughout the project cycle. As the staffing of the PMTSU will be finalized during the project inception phase, the names of individual team members are not specified at this stage. The PMTSU will consist of technical experts specialized in areas such as project management, M&E, ESS, gender integration, financial management, procurement, and climate finance programming.
The PMTSU is expected to include the following roles:
a. **Project Manager** - responsible for overseeing project implementation, managing timelines, coordinating activities, and ensuring timely delivery of project outputs.
b. M&E **Officer** - responsible for tracking project performance, monitoring progress against key indicators, and ensuring alignment with the GCF Readiness Results Management Framework (RRMF).
c. **Gender and ESS Officer** - responsible for ensuring that gender considerations and ESS requirements are integrated across all project activities.
d. **Finance and Procurement Officer** - responsible for managing project financial reporting, budget monitoring, and procurement processes in accordance with both the Bank's internal procedures and GCF requirements.
e. **Climate Finance Specialist / Thematic Expert** - responsible for providing technical expertise on climate finance programming and supporting the preparation of Concept Notes, Funding Proposals, and other climate investment initiatives.

f. **Project Coordination and Reporting Officer** - responsible for supporting overall project coordination, documentation of project activities, preparation of progress reports, and coordination with internal departments, the National Designated Authority (NDA), and the GCF Secretariat



6.3 Fund flow arrangements

To ensure transparent and efficient financial management of the readiness grant, Eldik Bank will establish two dedicated bank accounts for the project. The primary account will be USD-denominated and used to receive and manage disbursements from the GCF. A secondary account denominated in Kyrgyz Som (KGS) will be used for local currency payments related to project activities. Transfers between the accounts will be conducted on a needs basis using the Bank's prevailing exchange rate at the time of conversion in order to minimize foreign exchange risks. Payments for goods and services invoiced in USD will be made directly from the USD account. Regular bank reconciliations will be conducted for both accounts to ensure proper financial oversight and compliance with GCF financial management requirements.

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

Eldik Bank hereby confirms that the Kyrgyz Republic is not subject to any United Nations Security Council (UNSC) country-level restrictive measures that would affect the implementation of the proposed readiness activities.
Eldik Bank further confirms that it will ensure full compliance with all applicable UNSC sanctions regimes throughout the implementation of the readiness programme. In particular, Eldik Bank commits that: no funds provided under the GCF Readiness and Preparatory Support Programme will be made available, directly or indirectly, to any individual, group, or entity designated on the UNSC sanctions lists; all counterparties, contractors, consultants, and beneficiaries involved in the project will be screened against applicable sanctions lists; the Bank will apply its internal compliance frameworks, including anti-money laundering and counter-terrorism financing (AML/CFT) procedures, to ensure adherence to international standards; appropriate monitoring and control mechanisms will be maintained throughout the implementation period to ensure ongoing compliance.

Eldik Bank acknowledges its responsibility to ensure that all project activities are implemented in full compliance with applicable international sanctions regimes and relevant national legislation.

7.6 Grievance Redress Mechanisms

The project will apply the grievance redress and whistleblowing mechanisms already established by Eldik Bank. The Bank maintains internal procedures that allow employees, clients, and external stakeholders to report concerns, complaints, or allegations of misconduct in relation to its operations. These mechanisms enable stakeholders to raise concerns related to the Bank's activities through designated communication channels, including email or other official communication platforms.

The corporate website of Eldik Bank also provides access to the Bank's whistleblowing reporting mechanism, which is indicated as a dedicated category within the Bank's established reporting and communication channels. This mechanism enables employees, stakeholders, and third parties to confidentially report concerns related to misconduct, violations of internal policies, or any other wrongdoing. In addition, during the project inception meeting and throughout the implementation of the readiness project, all relevant stakeholders- including Bank employees, consultants, contractors, and suppliers- will be informed about the availability of the GCF Independent Redress Mechanism as an alternative channel through which grievances related to the project may be escalated directly to the GCF.

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
The readiness programme has been designed to ensure that the institutional capacities, operational systems, and climate finance mechanisms developed during implementation remain sustainable and operational beyond the completion of the project. The programme focuses on embedding climate-related governance, risk management, project preparation, monitoring, and sustainable finance practices into Eldik Bank's institutional structures and day-to-day operations. Through a combination of hands-on technical assistance, co-creation approaches, operational system strengthening, and peer-to-peer institutional learning, the readiness support will contribute to the long-term integration of climate finance within the Bank's governance framework, investment operations, and strategic planning processes. The sustainability of the programme outcomes will be supported through the following measures: **Institutional Capacity Building and Operationalization of Climate Finance Systems:** The programme will strengthen the institutional and technical capacity of the Sustainable Development (ESG) Department, the Project Management and Technical Support Unit (PMTSU), and other relevant operational departments of Eldik Bank through targeted trainings, technical workshops, and hands-on support. Capacity-building activities will focus on climate finance programming, GCF policies and procedures, climate investment planning, climate risk integration, ESG governance, sustainable finance frameworks, and the preparation of Concept Notes and Funding Proposals aligned with GCF standards. The programme will also support the development and operationalization of a Climate Finance Framework, Climate Strategy and Decarbonisation Roadmap, ESG data management systems, climate risk assessment methodologies, and portfolio tagging mechanisms. These institutional systems, operational tools, and technical capacities will remain embedded within the Bank beyond the implementation period and will support the Bank's long-term ability to independently originate, structure, implement, and monitor climate finance initiatives. **Development of Climate Investment Pipeline and Project Preparation Capacity:** The readiness programme will support Eldik Bank in establishing internal systems and methodologies for identifying, assessing, prioritizing, and developing climate investment opportunities aligned with Kyrgyzstan's national climate priorities, the GCF Country Programme, and the GCF investment criteria. Through market assessments, climate rationale development, stakeholder engagement, feasibility screening, and pipeline prioritization exercises, the Bank will develop a pipeline of climate investment concepts and Project Information Notes (PINs). These activities will strengthen the Bank's long-term institutional capacity to identify and structure bankable climate projects and establish internal procedures for pipeline development and climate investment screening that will continue to be applied after the completion of the readiness programme. **Development of Investment-Grade Concept Notes and Funding Proposal Preparation Capacity:** The programme will strengthen Eldik Bank's practical capacity to prepare investment-grade Concept Notes and full Funding Proposals in line with GCF templates, investment criteria, and operational requirements. Through a co-creation and learning-by-doing approach, the programme will support the preparation of feasibility studies, climate impact assessments, GHG accounting, financial and economic analyses, investment risk assessments, financial structuring, ESS and gender documentation, monitoring and evaluation frameworks, and implementation arrangements required for climate finance proposals. The preparation of Concept Notes and a full Funding Proposal will provide practical institutional experience that will remain within the Bank and strengthen its long-term ability to independently develop future climate finance projects and access international climate finance mechanisms. **Strengthening Project Implementation, Monitoring, and Oversight Capacities:** The programme will support the development of institutional manuals, operational procedures, monitoring systems, and reporting mechanisms necessary for the implementation and oversight of climate finance projects. Specialized technical support and training will strengthen the Bank's internal capacities related to project implementation, procurement, financial management, risk management, monitoring and evaluation, and reporting under the GCF Integrated Results Management Framework (IRMF). These operational systems and institutional capacities will remain integrated within the Bank's operational departments and governance structures beyond the programme implementation period and will support the long-term management of climate-related investments. **Peer-to-Peer Institutional Learning and South-South Cooperation:** The programme will facilitate institutional learning and peer-to-peer knowledge exchange with experienced climate finance institutions and GCF-accredited entities, including KCB Bank Kenya and Small Industries Development Bank of India (SIDBI). These exchanges will provide Eldik Bank with practical insights into climate finance programming, institutional governance arrangements, GCF project preparation, implementation oversight,

concessional financing structures, renewable energy financing, and sustainable transport investments. Lessons learned, operational practices, and technical knowledge obtained through these exchanges will be documented and integrated into the Bank's internal systems, guidance materials, and operational procedures, thereby strengthening long-term institutional learning and climate finance capacity.

To further ensure sustainability and institutional continuity, responsibilities related to climate finance programming, project preparation, implementation oversight, ESG integration, and climate risk management will be embedded across relevant operational and management units of Eldik Bank, including the ESG Department, PMTSU, Risk Management Department, and other operational divisions involved in climate finance activities. Operational manuals, technical guidance, training materials, methodologies, and knowledge products developed under the readiness programme will be integrated into the Bank's internal knowledge management systems and retained for future institutional use, onboarding, and continuous staff development.

Additionally, the programme will support the integration of climate-related performance indicators into the Bank's broader ESG and sustainability objectives. These indicators will support the long-term monitoring of institutional progress in climate project development, climate risk integration, sustainable finance portfolio development, implementation oversight, monitoring and reporting, and climate-related investment activities. Through these measures, Eldik Bank will ensure that the institutional capacities, governance arrangements, operational systems, and climate finance practices developed under the readiness programme remain embedded within the Bank's long-term institutional framework and continue to support its role in advancing sustainable finance and climate-related investments in the Kyrgyz Republic.

9.2 Readiness Programme Closure

The intangible outputs developed under the readiness programme including digital systems, institutional policies, operational manuals, knowledge products, and capacity-building materials will be fully institutionalized within the internal systems and operational processes of Eldik Bank. These resources, such as training manuals, templates, methodological toolkits, and operational guidance documents, will be incorporated into the Bank's internal knowledge management Academy and documentation systems to ensure continuous accessibility and use by staff. The ESG Department, together with the Project Management and Technical Support Team and other relevant operational departments, will ensure that these materials are embedded into the Bank's routine practices and internal procedures. This will support ongoing institutional learning, strengthen staff capacity, and provide a foundation for the continued development and implementation of climate-related initiatives within the Bank