



**GREEN
CLIMATE
FUND**

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Consideration of accreditation proposals and activities – Addendum III

Accreditation assessment of APL184

Summary

This document contains the accreditation assessment conducted by the Secretariat and the Accreditation Panel in accordance with decision B.31/06 and the transitional arrangements in respect of the revised accreditation framework adopted in decision B.42/13 paragraph (m) and set out in annex VI to that decision, and the recommendation by the Accreditation Panel for accreditation of applicant 184 (APL184), Organisation of Eastern Caribbean States (OECS), based in Saint Lucia.

I. Introduction

1. The Organisation of Eastern Caribbean States (OECS) is a regional direct access entity based in Saint Lucia. The applicant is an intergovernmental organization dedicated to economic harmonization and integration, protection of human and legal rights, and the encouragement of good governance among countries in the Eastern Caribbean.

2. The applicant submitted its application for accreditation to GCF via the online accreditation system on 5 April 2018. Accreditation fees were received from the applicant on 27 February 2019, thereby launching the Stage I institutional assessment. Stage I was completed on 31 October 2025, and the applicant progressed to the Stage II (Step 1) accreditation review, which has been concluded with the publication of this assessment. The applicant has applied to be accredited for the following parameters under the GCF fit-for-purpose approach:¹

- (a) **Access modality:** direct access, regional. The applicant received a national designated authority or focal point nomination for its accreditation application from Antigua and Barbuda;
- (b) **Track:** normal track;
- (c) **Maximum size of an individual project or programme:** small;²
- (d) **Fiduciary functions:**³
 - (i) Basic fiduciary standards;
 - (ii) Specialized fiduciary standard for project management; and
 - (iii) Specialized fiduciary standard for grant award and/or funding allocation mechanisms;
- (e) **Maximum environmental and social risk category:** medium risk (category B/intermediation 2 (I-2));⁴ and
- (f) Indicative result areas for intended projects/programmes with GCF:
 - (i) Energy generation and access;
 - (ii) Transport;
 - (iii) Buildings, cities, industries and appliances;
 - (iv) Forests and land use;
 - (v) Livelihoods of people and communities;
 - (vi) Health, food, and water security;
 - (vii) Infrastructure and built environment; and

¹ Refer to section 4.2 for the scope of accreditation recommended by the Accreditation Panel.

² As per annex III to decision B.31/06, “small” is defined as “maximum total projected costs at the time of application, irrespective of the portion that is funded by GCF, of above USD 10 million and up to and including USD 50 million for an individual project or programme”.

³ Decision B.07/02.

⁴ As per the Revised Environmental and Social Policy adopted in decision B.BM-2021/18, category B is defined as “Activities with potential limited adverse environmental and/or social risks and impacts that individually or cumulatively, are few, generally site-specific, largely reversible, and readily addressed through mitigation measures”, and intermediation 2 is defined as “When an intermediary’s existing or proposed portfolio includes, or is expected to include, substantial financial exposure to activities with potential limited adverse environmental or social risks and impacts that are few, generally site-specific, largely reversible, and readily addressed through mitigation measures; and includes no activities with potential significant adverse environmental and social risks and impacts that, individually or cumulatively, are diverse, irreversible, or unprecedented”.

(viii) Ecosystems and ecosystem services.

II. Stage I institutional assessment and completeness check

3. The applicant applied and was assessed by the Secretariat during Stage I under the normal track accreditation process in accordance with the following GCF policies and standards to the extent applicable to accreditation:

- (a) Updated Strategic Plan for the GCF 2020–2023 (decision B.27/06);
- (b) Updated Strategic Plan for the GCF 2024–2027 (decision B.36/13);
- (c) Updates to the accreditation framework (decision B.31/06);
- (d) Guidelines for the Operationalization of the Fit-for-purpose Accreditation Approach (decision B.08/02);
- (e) Policy on Prohibited Practices (decision B.22/19);
- (f) Anti-Money Laundering and Countering the Financing of Terrorism Policy (AML/CFT Policy) (decision B.18/10);
- (g) Policy on the Protection of Whistleblowers and Witnesses (decision B.BM-2018/21);
- (h) Comprehensive Information Disclosure Policy of the Fund (decision B.12/35) regarding the disclosure of environmental and social (E&S) information;
- (i) Updated Gender Policy and Gender Action Plan 2020–2023 (decision B.24/12);
- (j) Revised Environmental and Social Policy (decision B.BM-2021/18); and
- (k) Evaluation Policy for the GCF (decision B.BM 2021/07).

2.1 Legal status, registration, permits and licences

4. The applicant provided documents on its establishment and licenses to operate, where relevant, as part of the application. OECS is an intergovernmental organization, established on 18 June 1981 under the Treaty of Basseterre Establishing the Organisation of Eastern Caribbean States and continued under the Revised Treaty of Basseterre Establishing the Organisation of Eastern Caribbean States Economic Union.

5. The applicant has indicated and provided evidence that it has independent legal personality and legal capacity to enter into legal arrangements directly with GCF. In accordance with the transitional arrangements in respect of the revised accreditation framework adopted in decision B.42/13, paragraph (m), and set out in annex VI to that decision, if approved, the applicant's accreditation will be deemed to be complete on the date that GCF issues a confirmation/certificate evidencing the applicant's accreditation.

2.2 Institutional presence and relevant networks

6. OECS is headquartered at the OECS Commission, Morne Fortune, Castries, Saint Lucia, and is an international intergovernmental organization established in 1981 under the Treaty of Basseterre and continued under Article 2 of the Revised Treaty of Basseterre Establishing the Organisation of Eastern Caribbean States Economic Union. Its membership comprises 12 member States of which 6 are GCF-eligible developing countries. Through this subregional structure, the applicant supports climate action, environmental sustainability and economic integration across the Eastern Caribbean small island developing States.

7. The applicant's mandate and strategic direction are articulated through its treaty framework and formal strategic planning instruments. Its climate mandate is derived from Article 24 of the Revised Treaty of Basseterre on environmental sustainability and Principle 8 of the St George's Declaration of Principles for Environmental Sustainability, which addresses the causes and impacts of climate change. This mandate is operationalized through the OECS strategic plan.
8. The applicant convenes standing ministerial and technical bodies that provide institutionalized access to national climate decision makers across its member States. The Council of Ministers: Environmental Sustainability (COM:ES) meets annually and provides high-level guidance on climate change, ocean governance and biodiversity, preceded by a technical segment at which national experts table country priorities. Through this architecture, the applicant developed and secured endorsement of the OECS climate change adaptation strategy and action plan (CCASAP) at COM:ES in 2021 – the first climate instrument of its type adopted by all OECS member States.
9. The applicant cooperates with regional and international agencies to strengthen their technical capacity and to support its member States in achieving their nationally determined contributions (NDCs). It co-launched the Caribbean NDC Finance Initiative in 2017 with the Government of Saint Lucia, with support from the United Nations Framework Convention on Climate Change secretariat and under the auspices of the NDC Partnership, and launched the Eastern Caribbean Solar Challenge under that initiative in 2021. OECS participates in the regional Caribbean Cooperative MRV Hub, and staff from its Environmental Sustainability Division have been trained by the United Nations Framework Convention on Climate Change secretariat in the development of greenhouse gas inventories. This places the applicant in a good position to support the implementation of member State commitments, including Saint Lucia's third NDC targets in energy and transport, Dominica's 2030 renewable energy and emissions reduction targets, and Grenada's NDC and national adaptation plan 2025–2030 priorities.
10. The applicant has a multi-decade record of implementing donor-financed projects and programmes across its member States, with executed financing and cooperation agreements with the World Bank/International Development Association, the Global Environment Facility, the United States Agency for International Development, the European Union (EU), the Caribbean Development Bank, the Global Partnership for Education, Agence française de développement (AFD) and Alinea International. Its climate-relevant portfolio includes the Caribbean Regional Oceanscape Project, Unleashing the Blue Economy of the Caribbean, the EU Global Climate Change Alliance programme and its integrated landscape management successor (Integrated Landscape Approaches and Investments in Sustainable Land Management in the OECS), the GEOBUILD green buildings programme, and the Africa, Caribbean and Pacific Group BioSpace programme. It also operates a pooled procurement services function, developed initially for pharmaceuticals and now being extended to climate-smart technologies.
11. The OECS project/programme ideas intended for GCF financing include:
 - (a) Reduced vulnerability of the private sector and critical utilities, including the establishment of a regional loss and damage framework to support post-disaster recovery and to engage utilities and private operators in climate risk management;
 - (b) Low-emission transport, including transport policy, vehicle standards, fiscal incentives, and the transition of a public transit market largely reliant on small privately operated minibuses;
 - (c) Climate resilience in the health sector, including strengthening the capacity of health professionals to respond to heat-related and vector-borne disease burdens;

- (d) Blue economy resilience, covering coastal livelihoods, blue carbon sequestration, ocean-based renewable energy and resilient coastal infrastructure, in a subregion with limited prior experience of ocean-based climate action;
- (e) Energy, supporting NDC implementation through electric vehicle and photovoltaic uptake and decentralized generation supported by smart-grid technology;
- (f) Pooled procurement of climate-smart technologies, extending the applicant's established pooled procurement model to reduce transaction costs and improve affordability for member States and private end users; and
- (g) Knowledge products, policy frameworks and capacity-building for climate action, including support to member States in developing a pipeline of bankable national and multi-country projects.

2.3 Track record

12. The applicant has experience in implementing projects/programmes across several GCF result areas, including energy generation and access; transport; buildings, cities, industries and appliances; forests and land use; ecosystems and ecosystem services; health, food, and water security; infrastructure and the built environment; and livelihoods of people and communities.

13. The applicant's track record in executing sustainable development and climate change-related projects to date includes the following:

- (a) USD 11.9 million (grants) for the Support Programme for Africa, Caribbean and Pacific Group Small Island Developing States and Coastal Countries (BioSpace), financed by the EU (2019–2026);
- (b) USD 10.5 million (grants) for the Global Climate Change Alliance (GCCA) programme, financed by the EU (2013–2018);
- (c) USD 9.0 million (grants) for Unleashing the Blue Economy of the Caribbean (UBEC), financed by the World Bank (2022–2027);
- (d) USD 6.3 million (grants) for the Caribbean Regional Oceanscape Project (CROP), financed by the World Bank (2017–2023);
- (e) USD 6.0 million (grants) for the Mangrove Restoration Project, financed by AFD (2024–2029);
- (f) USD 5.5 million (grants) for Integrated Landscape Approaches and Investments in Sustainable Land Management in the OECS, financed by the EU (2020–2025); and
- (g) USD 3.0 million (grants) for Building Resilience in the Eastern Caribbean through Reduction of Marine Litter and Pollution, financed by the Government of Norway (2019–2025);
- (h) USD 3.0 million (grants) for Regional Institutional Capacity Strengthening for Geothermal Energy Development GEOBUILD Programme in the OECS financed by the Caribbean Development Bank (2023 – 2027); and
- (i) USD 2.6 million (grants) for Caribbean Efficient and Green Energy Buildings Project financed by the World Bank (2025-2031).

III. Stage II accreditation review assessment

14. The applicant applied under the normal track accreditation process. Its application has been assessed by the Accreditation Panel (AP) during Stage II (Step 1) against requirements in accordance with the GCF policies and standards identified in paragraph 3 above.

15. As part of this assessment, the AP consulted the applicant's website and third-party websites to complement the information provided in the application.

3.1 Fiduciary standards

3.1.1 Basic fiduciary standards: key administrative and financial capacities

16. OECS is an international intergovernmental organization established to advance regional integration and sustainable development among its member States in the Eastern Caribbean. OECS comprises 12 member States, including both independent countries and non-independent territories, and operates under the Revised Treaty of Basseterre, which establishes the OECS Economic Union and its institutional framework. Governance of OECS is exercised through a multi-tiered structure. The OECS Authority comprising of heads of government/prime ministers serves as the organization's principal decision-making body, providing strategic direction and policy oversight. The OECS Commission, headed by a Director General, functions as the executive arm responsible for the implementation of decisions, coordination of programmes, and administrative management. OECS has established two committees to support its governance, these are the Budget Committee and the Audit Committee (AC) which is governed by terms of reference that stipulate the appointment, remuneration and termination of members. OECS maintains an organizational structure that clearly delineates roles and responsibilities across functions. This structure is accessible to staff through an internal human resource management platform on the applicant's intranet. The governance structure is, however, communicated publicly on its website.⁵

17. OECS is currently implementing its strategic plan 2021–2027, which is structured around five strategic priorities. The third priority, valuing the environment, focuses on strengthening decision-making and promoting the adoption of environmentally sound policies and practices. Each strategic priority is translated into defined results areas and key outputs, which are further operationalized through annual targets. The strategic objectives and reporting structures are clearly articulated, and the process for strategy development and approval has been recently documented. Progress against the strategy is reported annually to the OECS Authority through the Director General, with performance reports prepared at the unit level, consolidated at the divisional level, and subsequently aggregated organization-wide. Samples of these reports were provided to the AP for review.

18. Financial statements are prepared annually in accordance with International Financial Reporting Standards. However, financial statement audits have not been conducted consistently on an annual basis, with the most recent audit for the year 2023 completed in April 2026. The delay has been attributed to a change in external auditors and the implementation of a new accounting system. OECS is currently conducting its audits for the year 31 December 2024 and 2025 respectively, which have not been completed to date.

19. OECS prepares mid-year financial performance reports and annual management financial statements, which are presented to the Director of the Commission and the OECS Authority as required by the applicant's financial and accounting policy manual. Samples of these reports were reviewed by the AP. The applicant uses the software Unit4 as its enterprise

⁵ See <https://oecs.int/en/who-we-are/our-structure>

resource planning system, for core financial management functions, including general ledger, trial balance, disbursements and bank reconciliations. The system supports key control functions such as segregation of tasks and authorization. However, the system is not yet fully utilized for customized project-level financial reporting. System-generated reports were reviewed by the AP. The finance function comprises 17 staff and is led by a qualified Chief Financial Officer. Payment and disbursement processes are governed by the financial and accounting policy manual, which establishes segregation of duties across business units, finance and management, ensuring appropriate oversight and control. Budgets are prepared and monitored on a monthly basis, with annual variance reports reviewed by the AP.

20. The AC comprises between three and five members, all of whom are required to be independent and not members of the commission, with at least one member possessing relevant financial expertise. Membership includes Directors of Audit from member and associate member States, as well as a representative of the private sector (i.e. the Head of the Chamber of Commerce or designate). The Chair is drawn from the country holding the Chairmanship of the OECS Authority. The AC mandate encompasses oversight of financial reporting, internal controls, risk management, compliance, whistle-blowing, fraud and corruption as well as internal and external audit and procurement processes. The AC reports directly to the OECS Authority. Minutes of committee meetings were reviewed by the AP.

21. The internal audit function is governed by an internal audit manual, which incorporates the principles of the Institute of Internal Auditors, including objectivity, confidentiality, and professional competence, and aligns with the International Professional Practices Framework. The manual provides for the establishment of a quality assurance and improvement programme to be undertaken after every five years; these reviews have not yet been conducted. The Head of Internal Audit reports administratively to the Director General and functionally to the Internal Audit Committee, supporting independence of the function. Annual audit planning is undertaken, and the 2025–2026 audit plan, together with evidence of committee approval, were reviewed by the AP. At the time of this review, no internal audit reports or evidence of follow-up on audit recommendations were available, noting that the Internal Auditor has been in post for approximately two years.

22. The applicant has appointed an external audit firm that conducts audits in accordance with International Standards on Auditing. However, audits have not been performed on an annual basis, with the most recent audit completed and published⁶ being that for the 2023 financial year. Management letters are issued by the external auditors; a sample of which was reviewed by the AP. Follow up of management letter action points has however, not been consistently done.

23. OECS does not maintain a stand-alone internal control framework; instead, it relies on a range of policies and procedures governing key business processes. Annual operational plans, supported by defined key performance indicators, are used to monitor organizational effectiveness and efficiency, with additional assurance provided through internal audit activities. Financial controls are set out in the financial and accounting manual, which establishes requirements for financial reporting, planning, monitoring, and segregation of duties within payment and disbursement processes. The applicant has recently implemented a comprehensive operational risk management process and begun undertaking risk assessments which were verified by the AP. Risk assessments are also conducted at the project level in accordance with project management guidelines and are subject to ongoing monitoring and reporting. While components of the Committee of Sponsoring Organizations of the Treadway Commission framework are present, the internal control environment remains fragmented. Information is cascaded through various reporting lines and demonstrable in the applicant's organization structure. OECS does not utilize fiscal agents or fiduciary trustees.

⁶ See <https://oeqs.int/en/our-work/knowledge/library/accounts>

24. The applicant has a procurement manual that defines applicable procurement methodologies based on financial thresholds, procurement categories and the nature of goods and services. The framework incorporates key principles of economy, efficiency, value for money and equal treatment of bidders, and includes provisions for dispute resolution and mandatory adherence to prescribed procedures. Procurement tenders and contract awards⁷ as well as the procurement manual⁸ are publicly disclosed on the organization's website. In addition, procurement guidelines for grantees are incorporated into the OECS procurement manual for implementing grants and accordingly made public. Procurement plans are prepared and embedded in project management plans. Procurement-related risks are identified within project-level risk registers. Oversight of procurement performance is also integrated within the project management and escalation framework. No significant procurement issues requiring escalation or reporting have been identified in the past five years. Evidence of procurement oversight reporting, procurement plans and project-level risk monitoring was reviewed by the AP.

25. The AP finds that the applicant's policies, procedures and capacity, supported by its track record partially meet the basic fiduciary standards on key administrative and financial capacities. However, the AP also finds the evidence of the applicant's track record to be insufficient. The relevant gaps are identified in paragraphs 18 and 21 above and reflected in the corresponding conditions of accreditation in section 4.2.

3.1.2 Basic fiduciary standards: transparency and accountability

26. The OECS ethical framework is articulated in its staff rules handbook, which applies to all personnel, including temporary staff, consultants and experts engaged by the organization. Compliance with these rules is embedded within employment contracts and formally acknowledged upon engagement as stipulated on staff contract samples reviewed by the AP. Third parties and suppliers are subject to ethical requirements through procurement contracts, which include general provisions on fraud and corruption which were also submitted for review. OECS has an Executive Ethics Committee (2020), comprising five members and governed by approved terms of reference. The committee operates with defined independence and is mandated to receive and review complaints related to ethical breaches, as well as to provide oversight of ethics and integrity matters across the organization. OECS has, however, not provided evidence of a track record of the functioning of the committee, the applicability of its ethical code to governing officials and the contractual binding obligations for consultants.

27. The applicant does not maintain a formal conflict of interest policy or similar provisions for governance officials. While employment contracts include clauses restricting conflicts arising from external employment, there are no documented procedures outlining how conflicts of interest are identified, disclosed, assessed and managed more broadly. The current provisions are also limited in scope and do not address other forms of conflict of interest, nor do they cover potential, or perceived conflicts of interest. Additionally, the applicant's track record for disclosure was not provided.

28. The applicant has an anti-fraud policy (2019), which is publicly disclosed⁹ and articulates a zero-tolerance approach to fraud and corruption. The policy is broadly aligned with prohibited practices as defined in the GCF Prohibited Practices Policy and includes embedded guidelines outlining procedures for handling reported wrongdoing.

29. The anti-fraud policy is complemented by the protection against retaliation for reporting wrongdoing or cooperating with an authorized fact-finding activity whistle-blower

⁷ See <https://oecs.int/en/work-with-us/procurements/current-tenders>

⁸ See <https://oecs.int/en/work-with-us/procurements/procurement-procedures>

⁹ See <https://oecs.int/en/our-work/knowledge/library/policies/anti-fraud-policy>

policy¹⁰ (2019), a misuse of funds policy, both of which are publicly available.¹¹ The whistleblower policy sets out procedures for safeguarding whistle-blowers against retaliation and provides for anonymous reporting. The applicant has provided an email address and phone number on its website for reporting ethical complaints¹² but not established a system for reporting wrongdoing anonymously.

30. Investigation tasks are shared across various functions. The applicant has designated its Internal Audit Unit to conduct investigations into fraud and irregularities with oversight from the AC whereas the Director of Corporate Services has been designated to conduct investigations into retaliation concerns.

31. The applicant recognizes money-laundering as a prohibited practice within its anti-fraud policy. However, it does not maintain an AML/CFT policy, or documented procedures to identify, assess, and mitigate such risks. The applicant does not impose sanctions or conduct counterparty screening, and no structured controls have been put in place to manage AML/CFT exposures.

32. The AP finds that the applicant's policies, procedures and capacity partially meet the basic fiduciary standards on transparency and accountability, and to the extent applicable to accreditation, the GCF Policy on Prohibited Practices, the GCF Policy on the Protection of Whistleblowers and Witnesses, and the GCF AML/CFT Policy. The AP found the evidence of the applicant's track record to be insufficient. The relevant gaps are identified in paragraphs 26, 27, 29 and 31 and are reflected by the corresponding conditions of accreditation in section 4.2.

3.1.3 Specialized fiduciary standard for project management

33. OECS undertakes project appraisal through its Portfolio Management Office, which is mandated to strengthen project governance, enhance implementation capacity and provide strategic oversight of the organization's project portfolio. The Portfolio Management Office works in conjunction with the Project Review and Oversight Forum (PROF), a senior-level decision-making body responsible for ensuring alignment of projects with organizational strategy, optimizing resource allocation, managing portfolio risks, and supporting informed decision-making.

34. Project appraisal is guided by the Hanlon Method,¹³ operationalized through documented process maps. For new project proposals, the originating unit prepares a project intake submission, including a completed Hanlon Matrix, which forms the basis of the appraisal. The matrix applies a structured scoring system assessing criteria such as strategic alignment, cross-cutting priorities (including gender, youth empowerment and innovation), transformational impact (e.g. policy development and systemic change), sustainability, effectiveness and institutional positioning and is submitted to the PROF for review. Upon PROF endorsement, proposals are escalated to the Executive Director for final approval. For donor-funded projects, the approval process includes additional review by the Development Cooperation and Resource Mobilization function, as well as final approval by the respective donor agency.

35. Evidence of application of the appraisal process provided, included appraisal documentation for the Regional Coordination and Sargassum Integrated Management Project funded by AFD (USD 1.3 million) (2024–2020) as well as a Caribbean Biodiversity Fund project supporting a circular economy approach in OECS. Additional examples demonstrated the track

¹⁰ See <https://oecs.int/en/our-work/knowledge/library/policies/oecsc-whistle-blower-policy>

¹¹ See <https://oecs.int/en/our-work/knowledge/library/policies/misuse-of-funds-policy>

¹² See <https://oecs.int/en/contact-us>

¹³ The Hanlon method is a systematic approach for prioritizing issues, organizational planning, and project management. It allows decision makers to objectively compare multiple problems or interventions and determine which should receive the most attention or resources.

record of OECS in managing donor-funded projects in the region included those financed by the World Bank – USD 8 million for Caribbean Digital Transformation Project (2021–2026), and OECS Programme for Educational Advancement and Relevant Learning (PEARL) (2021–2025) funded by the Global Partnership for Education for USD 10.7 million.

36. OECS prepares project implementation plans in accordance with donor requirements and its project management guidelines. These plans are developed during the project-planning phase and translated into annual workplans by project management teams. Workplans are submitted to donors for approval and form the basis for the preparation of overall and annual project budgets, which follow internal and donor approval processes. Project monitoring is conducted at intervals ranging from biweekly to quarterly, depending on project complexity and donor stipulations. The project management guidelines require at least quarterly monitoring meetings, with more frequent oversight applied where necessary. Evidence of implementation and monitoring was provided through project work plans and reports for initiatives such as the OECS PEARL (2021–2025) and UBEC Matching Grant projects (2022 to 2028).

37. The project closure process, as defined in the project management manual, involves coordinated actions across the project management, finance and knowledge management functions. Closure activities include administrative procedures such as asset disposal and records management, and programmatic actions such as phase-out, sustainability planning and transfer of ownership as well as preparation of final evaluation and closure reports. Sample project-closure reports were provided for review.

38. OECS has a monitoring and evaluation policy manual (2018), which defines its approach to performance monitoring and evaluation. The framework includes three types of evaluations – formative, summative and ex post – and outlines methodologies for planning, assessing impact and capturing results. The organization also incorporates a knowledge management approach aimed at strengthening governance and promoting continuous learning and best practices. The Programme Management Unit is responsible for both monitoring and evaluation functions. Sample evaluation reports were provided to the AP.

39. OECS has defined project-level risk management processes within its project management manual. A risk register is maintained for each project, supported by a structured risk assessment framework comprising defined risk criteria and corresponding mitigation measures. Risks are monitored through regular reporting, and escalation pathways are established, progressing from the Project Manager to the Project Director, Project Steering Committee and Project Champion, as appropriate. Samples of risk registers and issue logs were reviewed by the AP demonstrating the operationalization of risk management processes at the project level.

40. The AP finds that the applicant's policies, procedures, and capacity, supported by evidence of its track record, meet the specialized fiduciary standard for project management.

3.1.4 Specialized fiduciary standard for grant award and/or funding allocation mechanisms

41. OECS has a procurement manual for implementing grants (2019), which sets out procedures for the proposals, evaluation and award of grants. Calls for grant proposals in line with donor requirements are publicly advertised on the OECS website¹⁴ for a minimum of two weeks and include key information such as objectives, scope, eligibility criteria and submission deadlines. Grant applications are evaluated by the Grant Application Evaluation Committee (GAEC), which is a management committee that operates under approved terms of reference. The GAEC comprises representatives of the project, finance procurement and environmental

¹⁴ See <https://oeqs.int/en/our-work/projects>

safeguards, it assesses proposals against defined criteria and programme objectives and prepares a written evaluation report with recommendations for submission to the Bid Committee for final decision-making. OECS publishes quarterly grant award notices on the OECS website¹⁵. Evidence of implementation was provided through documentation relating to the UBEC matching grant, including publicly disclosed calls for proposals and GAEC evaluation minutes for grants awarded in Saint Lucia and Saint Vincent and the Grenadines.

42. OECS applies structured financial controls to grant management. These include the preparation and monitoring of grant budgets, requirements for grantees to maintain dedicated bank accounts, and submission of disbursement requests supported by cash-flow forecasts and detailed activity plans. Disbursement requests are subject to review by the Grant Manager prior to approval. Grantees' internal control systems are assessed to ensure the presence of key controls, including bank reconciliations, cash-flow management, and supporting documentation for expenditures. Grantees are required to submit periodic financial reports, and OECS conducts financial monitoring visits and spot checks. The track record reviewed by the AP comprised site visit reports demonstrating oversight of grantee internal controls and financial management practices. In addition, the grant management policy and associated contractual arrangements reviewed by the AP provide for recovery of funds in cases of misuse or non-compliance.

43. OECS has demonstrated experience in managing donor-funded programmes, with projects supported by multilateral partners, including the World Bank, International Development Association, AFD, Caribbean Development Bank, Caribbean Biodiversity Fund, EU, and United Nations entities. The applicant's relevant track record was provided in paragraph 13 above.

44. The AP finds that the applicant's policies, procedures and capacity, supported by evidence of its track record, meet the specialized fiduciary standard for grant award and/or funding allocation mechanisms.

3.1.5 Specialized fiduciary standard for on-lending and/or blending (for loans, equity and guarantees)

45. The applicant did not apply for accreditation for this standard at this time.

3.2 Environmental and social safeguards

3.2.1 Environmental and social policy, management and monitoring

46. In response to the COM:ES instruction, OECS instituted its environmental and social policy (ESP) and environmental and social management system (ESMS), which were drafted in 2020 and amended in 2024 to reflect the updated St George's Declaration.¹⁶ The ESP, along with the associated ESMS, was endorsed by the OECS Authority¹⁷ in 2026, though the Commission adopted the ESP and other supporting policies in the period 2018 to 2021. The ESP affirms the commitment of OECS to align with national environmental and social regulations, the Environmental and Social Performance Standards aligned closely to the World Bank Environmental and Social Framework as well as the international conventions that OECS member States have ratified. To demonstrate this commitment, all national laws and

¹⁵ See <https://www.oecs.int/en/unleashing-the-blue-economy/entrepreneurs>

¹⁶ The St George's Declaration (SGD) is a regional instrument that provides a framework for environmental management reflecting the priorities of the small island States. The SGD aims to minimize environmental vulnerability, improve environmental management, and protect the region's natural (including historical and cultural) resource base by implementing an environmental management and sustainability framework across the OECS member States.

¹⁷ Signed by representatives of 10 of the 12 member States.

international conventions relevant to the Performance Standards 2–10 have been mapped and appended to the ESMS manual.

47. To operationalize the ESP, the OECS Commission adopted its ESMS in 2019, and later amended it in 2024 to include the recommendations from the independent evaluation of the ESMS effectiveness conducted in 2023. The institutional ESMS has been applied retrospectively since 2019, prioritizing new and ongoing projects at the time of ESMS adoption. Projects in advanced stages of implementation at the time of ESMS adoption have largely been implemented in line with donor E&S frameworks. The ESMS has integrated lessons learned from years of collaboration with the World Bank and reflects good practices on E&S risk management. The ESMS provides systematic guidance to OECS teams for E&S risk management in programming, including procedures, systems, tools and checklists to be utilized for risk screening, identification, management and monitoring. The ESMS manual has been disseminated to all staff in a series of roll-out workshops since 2022, and continues to date, with priority to the Project Management Office. The ESP and the ESMS are published on the corporate website. The ESMS requirements have been incorporated into the institutional project management manual to ensure systematic application and oversight by project managers across the project cycle.

48. The OECS approach to climate risk mitigation and adaptation is guided by the updated St George's Declaration and the CCASAP 2021–2026, stipulating a clear pathway for adaptation through a set of six principles.¹⁸ OECS strategic priorities and ambitions focus on the sustainable management of key ecosystems, including ocean and fisheries, biodiversity and economic systems, land and water resources, through the promotion of sustainable energy, energy efficiency and waste management interventions. The targets set forth in the CCASAP focus on policy development, securing resources for climate action and programming, institutional preparedness, and consolidating monitoring and reporting mechanisms. Through partnerships, the applicant reports 12 climate-related projects in its active portfolio, with a total investment value of about USD 57 million, representing 67 per cent of the portfolio supporting both mitigation and adaptation efforts. The non-climate-related investments (33 per cent of the total portfolio) are in the education, health, social services and economic development sectors. Adaptation projects focus on transport/mobility, marine/blue economy, waste management and health sectors, while mitigation projects focus on clean-energy and energy-efficiency interventions. The applicant uses the tracking adaptation and measuring development approach to monitor climate change adaptation and resilience, with emphasis on societal and economic impacts, business continuity and inclusion, aligned with the relevant Sustainable Development Goals.¹⁹ The applicant has focused on minimizing the climate footprint in OECS operations by installing a 100 MW solar photovoltaic at its Castries headquarters, diversifying its fleet with electric vehicles, and upgrading the water and sewerage system for improved energy efficiency. Additionally, water storage facilities have been installed to enhance resilience to shortages. However, a system to track greenhouse gas emissions across all scopes has not yet been established.

49. The applicant operates in contexts with confirmed Indigenous Peoples presence and is familiar with the application of the requirements of Performance Standard 7 (PS 7) in programming as evidenced by its multi-country project supporting the development of marine and coastal spatial plans in five countries (Dominica, Grenada, Saint Kitts and Nevis, Saint Lucia,

¹⁸ Principle 8: Address the causes and impacts of climate change; Principle 9: Prevent and manage the causes and impacts of disaster; Principle 11: Ensure the sustainable use of natural resources; Principle 18: Coordinate assistance from international donors; Principle 19: Implementation monitoring; and Principle 7: Foster education, training and awareness.

¹⁹ SDG 14: Life below water, SDG 3: Good health and well-being, SDG 9: Industry, innovation and infrastructure; SDG 13: Climate action; SDG 15: Life on land; SDG 6: Clean water and sanitation; SDG 12: Responsible consumption and production; and SDG 7: Affordable and clean energy.

Saint Vincent and the Grenadines). OECS adopts Performance Standard PS 7 on Indigenous Peoples as an integral part of its E&S policy, and procedures for screening, mitigation and monitoring risks to Indigenous Peoples are specified in the ESMS. In 2018, as part of the strategic environmental and social assessment for the CROP financed by the World Bank, the applicant applied the requirements of the World Bank ESS 7 and prepared an Indigenous Peoples planning framework, demonstrating expertise to conduct processes required for free, prior, and informed consent, meaningful consultations and the establishment of grievance mechanisms and access to external and internal expertise to support social assessments and guide the management of risks to Indigenous Peoples, in alignment with the requirements of PS 7. The applicant has been made aware of the GCF Indigenous Peoples Policy and has formally committed to apply the policy requirements in its programming with GCF.

50. With the recognition that aspects related to sexual exploitation, abuse and harassment (SEAH) are often not well integrated into the national legislation of member States, OECS adopted its policy on sexual exploitation, abuse, and harassment in 2019, which was amended in 2022 to ensure consistency with other internal policies and procedures such as the whistleblowing policy, the gender policy, the procurement policy, the code of conduct, and the employee grievance redress mechanism (GRM). The policy on SEAH was approved by the OECS Authority in February 2020 as part of the accreditation process for the Global Partnership for Education. The policy on SEAH advocates for zero tolerance for inaction on SEAH reports. In addition, the applicant applies PS 9 on gender equality and women's empowerment, which integrates the management of SEAH risks and impacts. To support SEAH initiatives across member States, the applicant has mapped the status of national regulations on SEAH aspects as part of its mission to contribute to the strengthened management of SEAH aspects in macro policy. The policy on SEAH applies to OECS staff, partners and third parties across all member States. As part of the induction process, and through regular refresher courses, OECS staff are oriented on the policy requirements. The policy is published on the corporate website for third-party access, and all OECS contractors and partners are contractually obliged to report and investigate all SEAH incidents. The Human Resources Unit, supported by the Ethics Committee, has oversight over the SEAH policy implementation. Mechanisms for managing SEAH cases have been integrated into whistle-blowing procedures and the GRM for OECS employees. All cases are handled confidentially, and the survivor's needs and rights are prioritized. The applicant reports zero SEAH cases registered since the adoption of the policy on SEAH in 2019. Within programming, the applicant has demonstrated the screening, assessment, management and monitoring of SEAH risks on ongoing projects, such as the UBEC project.

51. Regarding E&S risk identification and management, the applicant's ESMS streamlines the internal procedures and systems for screening, project categorization, E&S assessment and management, adopting a risk-based approach. Projects are screened against national regulations and the Performance standards. OECS has developed specific tools and checklists to guide E&S risk screening and management. The risk classification criteria are aligned with the GCF E&S risk categories, informed by the type of activity, sector, magnitude and severity of impact. The applicant initiates the project risk screening process at the concept level and continues throughout proposal development and the inception phase of projects. Consequently, the OECS investment portfolio comprises 47 per cent category B/I-2 projects and 53 per cent category C/I-3 projects. The applicant's exposure to E&S risk screening and project categorization stems from collaborations with the World Bank. Its approach to monitoring changes in E&S risk levels, however, might benefit from further strengthening.

52. In terms of E&S risk mitigation and management, projects classified as category A/I-1 and category B/I-2 are mandated to undertake further assessments in accordance with national laws and international best practice. Due to the programmatic nature of the OECS interventions, the applicant has demonstrated adherence to the ESMS requirements for the management of E&S risks through several high-level instruments including Strategic Environmental and Social

Assessments, Indigenous Peoples Planning Framework, Environmental and Social Management Framework, Resettlement Policy Framework, Labour Management Plan, Stakeholder Engagement Plan developed for multi-country programmes, such as the UBEC and CROP projects funded by the World Bank. The applicant's track record for project-specific E&S instruments (environmental and social impact assessments and resettlement action plans) is limited, partly due to the role of OECS in project implementation and the dominance of low-risk projects in the OECS portfolio, which do not require extensive E&S risk management tools beyond stakeholder engagement and monitoring.

53. Procedures for project-specific E&S risk monitoring are elaborated in the ESMS and the project management guidelines enforced at the institutional and project levels. As per the ESMS, project-specific E&S monitoring is informed by the environmental and social management plans (ESMP) and the environmental and social commitment plans (ESCP). Monitoring is undertaken on a quarterly, biannual and annual basis depending on project-specific agreements. Site visits, stakeholder consultations and document reviews are the key tools used for monitoring. The applicant maintains monitoring and evaluation experts within the Portfolio Management Office, supported by Project Managers and the E&S Focal Points appointed to the project teams. The applicant provided the ESCPs, monitoring plans, and monitoring reports for CROP and the UBEC projects funded by the World Bank for 2024 and 2025. The applicant has demonstrated adherence to E&S monitoring procedures and a track record of undertaking E&S monitoring in alignment with donor requirements and project-specific agreements.

54. In terms of evaluation, the applicant has adopted a monitoring, evaluation, accountability and learning framework anchored in its monitoring and evaluation policy (2018) and is an integral part of the OECS project management guidelines. The monitoring, evaluation, accountability and learning framework informs organizational practices, ensures accountability and provides a results-based approach to project performance and policy compliance. The framework requires midterm and end-of-project evaluations to be conducted by the project units, with support from the M&E Unit for annual evaluations of projects and policies. Independent third-party evaluations are also conducted after project closure and the end of the five-year term for institutional policies. As evidence of the policy operationalization, the applicant has provided two mid-term project evaluation reports for the UBEC and PEARL projects. In 2023, the applicant conducted an independent review of the effectiveness of its ESMS in accordance with the ESP policy requirements on review and appraisals of internal processes.

55. The primary responsibility for oversight over the enforcement of the ESP and ESMS rests with the Head of the Environmental Sustainability Division (appointed July 2026), who reports directly to the Director General, and is one of the six members of the OECS leadership team. The Environment and Sustainability Division comprises 23 filled positions (a combination of in-house and project staff). The available staff members possess relevant qualifications in climate mitigation and adaptation, environmental management and project management as well as technical specialists in biodiversity, aquatic and marine ecosystems, among others. At the project level, OECS appoints E&S Focal Points on a full-time basis for the duration of the project. In terms of capacity-building, staff in the Environmental Sustainability Division, Portfolio Management Office, and the climate divisions across member States have been trained in the application of the ESP, ESMS, and the World Bank environmental and social framework. In 2024, the environmental and social risk management training was undertaken for OECS staff across all member States through the World Bank's hands-on extended implementation support to introduce the 2018 World Bank environmental and social framework.

56. The AP finds that the applicant's environmental and social policy, ESMS procedures, and evaluation policy, supported by evidence of its track record, meet the GCF revised Environmental and Social Policy to the extent applicable to accreditation and GCF interim

Environmental and Social Standards for maximum E&S risk category B/1-2 projects/programmes with respect to PS 1–8.

3.2.2 External communications, consultations, information disclosure and grievance redress mechanism at the institutional level

57. To guide its approach to external communications and stakeholder engagement, OECS adopted the corporate communication policy and procedures manual in 2023. The communication policy affirms OECS commitment to open and transparent information-sharing with its stakeholders. To operationalize the policy, standard procedures have been developed and disseminated to staff to guide external communications across all forums. The applicant has set up guidance and systems for information dissemination, disclosure for project-specific information, including web pages (corporate and project websites), email addresses and phone numbers for contact and feedback. Oversight over external communications and feedback to stakeholders is the responsibility of the Communications Unit, with supervisory oversight by the OECS Director General. Day-to-day oversight over external communications is provided by the Communications Unit, supported by project managers and appointed focal persons for project-specific communication, and by a crisis communication team in the event of an incident.

58. In 2022, OECS adopted its stakeholder engagement strategy, which aims to support a targeted and strategic approach to engagement of civil society and the private sector in environmental governance and management, and to support equitable, effective and meaningful participation in decision-making at all levels. The strategy encourages stakeholder engagement that is inclusive, equitable, gender-sensitive, empowering, accountable, transparent, rights-based, process-oriented, consensus-driven and fosters ownership. OECS has demonstrated the adoption and application of the stakeholder engagement strategy at the project level through the development and implementation of communication and stakeholder engagement plans, with evidence in the form of meeting minutes, project-specific communication materials, stakeholder engagement plans and monitoring reports for several projects, including the UBEC project (2024–2027), the Resilient Ecosystems through Mangrove Restoration (REMAR) project (2026–2029), and the GEOBUILD project (2022). The applicant adopts traditional and innovative methods²⁰ towards stakeholder engagement to ensure effective mobilization, communication and documentation.

59. Regarding information disclosure, OECS information-disclosure practices align with its communication policy and the national regulations of the member States. Policies, project summaries and reports are published on the OECS website.²¹ All disclosed information is available in English and French. The OECS track record of E&S document disclosure includes disclosures for World Bank-funded projects, confirming the applicant's commitment to comply with partner requirements for information disclosure. The GCF information disclosure requirements (language and duration of disclosure) for category B projects have been shared with the applicant, and OECS has expressed its commitment to align with the requirements of the GCF Information Disclosure Policy for GCF-funded projects.

60. As part of the accreditation process, the applicant has revamped its GRM at the Institutional level by updating its GRM policy and establishing standard operating procedures, tools (grievance register and tracking system), templates and checklists. The applicant has set up a GRM function within its organization and relevant staff have been prioritized for training. Oversight of the GRM daily operations is the responsibility of the GRM Officer appointed by the Director General, while appeals are handled by the GRM Committee appointed on a case-by-

²⁰ Participatory photo journaling, participatory videoing, participatory mapping, participatory three-dimensional modelling, participatory vulnerability and capacity assessments, participatory livelihood vulnerability and value chain analysis.

²¹ See <https://oecs.int/en/our-work/knowledge/library/policies> and <https://www.oecs.int/en/our-work/projects>

case basis. The GRM upholds the principles of transparency, accessibility, predictability, confidentiality, cultural appropriateness, inclusive fairness and impartiality. The GRM has been established to support the management of stakeholder matters related to environmental and social concerns and incidents, SEAH, labour and project management feedback from third parties, including individuals, groups and communities. An online submission form²² in English and French has been created, which also contains contact email and phone numbers. The applicant has developed a tracking system, with tools and checklists to support the process. While the applicant's track record at institutional level is limited, a solid track record was demonstrated at project level.

61. The AP finds that the applicant's system of external communications, consultations, information disclosure and GRM, supported by evidence of its track record, meet the GCF revised Environmental and Social Policy to the extent applicable to accreditation, GCF interim ESS standards and GCF Information Disclosure Policy regarding E&S information disclosure requirements for maximum E&S risk category B/I-2 projects/programmes with respect to PS 1–8.

3.3 Gender

62. The OECS approach to gender mainstreaming and responsive approaches is guided by its gender policy and gender manual (2020). The policy ensures the consistent application of gender-responsive approaches and the gender-equality lens in programme design, implementation and within OECS operations. The gender policy promotes 10 core principles, of which 6 (non-discrimination, participation, partnerships, capacity-building, accountability and resource allocation) are in alignment with the GCF updated Gender Policy. The policy identifies priority thematic areas of intervention, including climate-change adaptation and mitigation, disaster risk reduction and resilient recovery, and sexual and gender-based violence, all of which are central to the GCF mandate. To implement the policy requirements, the applicant has adopted several tools, including the Gender Marker and the Hanlon Model for rating projects' commitment to gender equality, and youth empowerment. All OECS programmes and climate-related projects are assessed for gender-equality measures, risks and impacts on marginalized groups, as well as strategies to strengthen the exploitation of project benefits across genders. A case in point is the focus on boys under the education programmes due to the recognition of the skewed performance in schools in favour of girls. The policy advocates annual reporting on gender performance indicators across operations and projects, integration of gender requirements into procurement processes, integration of gender into human resource processes, integration of gender into the GRM, and the adoption of gender-segregated data for monitoring and reporting.

63. To operationalize the policy, OECS developed its institutional gender action plan (2020–2021) with key priorities defined and incrementally implemented with a focus on rolling out the gender policy, policy dissemination, staffing and capacity-building. Despite the disruptions caused by coronavirus disease, the implementation of the gender action plan progressed well from 2021, resulting in the achievement of most of the gender action plan ambitions. The applicant has made significant strides towards gender parity at OECS; 69 per cent of employees are female, with two female members on the leadership team. Females occupy 53 per cent of the management positions, with 50 per cent representation among senior managers. To date, the OECS Authority is male-dominated with only one female government representative. The institution's gender action plan is currently under review, to prioritize action areas for the period 2026–2027.

²² See <https://www.oecs.int/en/grievance-redress>

64. Ultimate responsibility for the implementation of the gender policy lies with the Director General and the Gender Team comprising 13 members from the senior management team. The Gender Team monitors performance on behalf of the OECS Commission. Technical oversight of the day-to-day implementation of the gender policy and the institutional gender action plan is assigned to the Gender Specialist supported by Gender Focal Points across the divisions. The Gender Specialist (appointed in June 2026) possesses the competency, experience and qualifications required for the assigned role. The gender function is hosted within the Social Inclusion and Protection Department, under the supervision of the department's director. At the project level, gender specialists are contracted for specific tasks over defined time frames. The applicant shared terms of reference for the Gender Team and signed contracts for the Gender Specialist and gender experts on project teams, confirming access to competent gender specialists.

65. The applicant has demonstrated sound practices on gender integration in project execution throughout the project cycle. Project ideas are evaluated for their contributions to gender equality, equitable participation, benefits and impact across gender. At the concept-note level, the applicant undertakes social assessments and gender analysis to inform project design, and gender-sensitive solutions are prioritized, providing input to project-specific gender action plans. Gender is fully integrated in the applicant's project management tools and gender aspects are discussed in all meetings of the Project Implementation Units. This is evidenced by the ongoing Eastern Caribbean Sustainable Terrestrial and Marine Ecosystems project (2026), where OECS leads the gender workstream and has already given attention to gender considerations at project inception, with specific interventions identified for implementation across the project cycle. The project has a dedicated Gender and Community Liaison Specialist on the team. Similar approaches have been reported for projects in the education and social inclusion sectors. The applicant has demonstrated a satisfactory track record in complying with the OECS gender manual by providing substantial evidence, including project-specific social assessments, monitoring reports, and gender action plans.

66. The AP finds that the applicant's gender policy, procedures, capacities and competencies meet the GCF updated Gender Policy to the extent applicable to accreditation.

IV. Conclusions and recommendation

4.1 Conclusions

67. Following the assessment of the applicant, the applicant is found to have the potential to support GCF in implementing the updated Strategic Plan for the GCF for 2024–2027 with respect to:

- (a) Bringing complementarity and added value to existing GCF direct access entities by addressing regional and multi-country climate challenges that are difficult to address in the Caribbean subregion through individual country-based institutions alone;
- (b) The indicative projects/programmes that the applicant intends to submit to GCF within the scope of accreditation recommended by the AP in paragraph 69 below;
- (c) Alignment of the indicative pipeline with country programming priorities and regional development strategies of OECS member States;
- (d) Potential contribution to the adaptation and mitigation balance of the GCF portfolio through a pipeline focused primarily on adaptation and cross-cutting interventions, while supporting a diverse range of GCF results areas relevant to small island developing States;

- (e) Enhancing private-sector engagement and partnerships through initiatives that promote climate resilience, sustainable infrastructure, and innovative financing;
- (f) Increasing the GCF portfolio's innovation potential by proposing an indicative pipeline with projects incorporating new technologies, including ocean-based renewable energy and ecosystem-based blue carbon sequestration;
- (g) Addressing interests of particularly vulnerable groups; and
- (h) Leveraging the applicant's unique mandate as a subregional institution to facilitate coordinated, multi-country climate action, regional knowledge-sharing, and economies of scale across OECS member States.

68. Following its assessment, the AP concludes the following in relation to the application with respect to the applicant's ability to meet the GCF accreditation standards identified in paragraph 3 above:

- (a) The applicant partially meets the requirements of the GCF basic fiduciary standards, and to the extent applicable to accreditation, the GCF Policy on the Protection of Whistle-blowers and Witnesses, the GCF Policy on Prohibited Practices, the GCF AML/CFT Policy and the specialized fiduciary standard for project management and specialized fiduciary standards for grant awards. The gaps are related to conducting internal and external audit quality assessments; conducting internal audits; following up on audit recommendations; establishing a contractually binding obligation for an ethical code for third parties (such as governing officials, consultants and contractors); and providing a track record of the ethics committee, conflict of interest risk management guidelines and policy, avenue for reporting wrongdoing anonymously, and a policy and track record for managing AML/CFT risk. The applicant also lacked a track record for project closures. The gaps are addressed by the corresponding conditions of accreditation in section 4.2 below;
- (b) The applicant meets the GCF revised Environmental and Social Policy to the extent applicable to accreditation, GCF interim ESS standards and the GCF Information Disclosure Policy on disclosure of E&S information in relation to the medium E&S risk category B/I-2;
- (c) The applicant has demonstrated that it has a policy and procedures to implement its gender policy, which is found to be consistent with the GCF updated Gender Policy to the extent applicable to accreditation; and
- (d) The applicant has demonstrated that it has institutional-level systems, capacities and competencies regarding evaluation as required by the aforementioned GCF basic and specialized fiduciary standards and interim ESS standards that would enable it to implement the GCF Evaluation Policy for its GCF-funded activities.

4.2 Recommendation on accreditation

69. The AP recommends, for consideration by the Board, APL184 for accreditation as follows:

- (a) **Accreditation type:**
 - (i) **Maximum size of an individual project or programme:** small;
 - (ii) **Fiduciary functions:**
 - (1) Basic fiduciary standards;
 - (2) Specialized fiduciary standard for project management; and

- (3) Specialized fiduciary standard for grant award and/or funding allocation mechanisms; and
 - (iii) **Maximum E&S risk category:** medium risk (category B/I-2); and
 - (b) **Conditions:** the applicant will be required to submit to the AP, through the Secretariat, information on how it has complied with the conditions. The AP will thereafter assess whether the conditions have been met. This assessment will be communicated by the Secretariat, on behalf of the AP, to the Board for information purposes:
 - (i) Conditions to be met by the applicant prior to the issuance by GCF of a certificate/confirmation of accreditation under the transitional arrangements adopted in decision B.42/13, paragraph (m) (in connection with the revised accreditation framework adopted in decision B.42/13, paragraph (a)):
 - (1) Delivery to GCF by the applicant of evidence, in a form and substance satisfactory to the AP, of:
 - a. The adoption and implementation of a requirement for a contractually binding obligation for third parties such as consultants, contractors and governing officials to refrain from conduct prohibited by the GCF Policy on Prohibited Practices, and (ii) the operation of the applicant's Executive Ethics Committee;
 - b. The adoption of an AML/CFT policy and/or procedures, that are consistent with the GCF AML/CFT Policy and Standards for the implementation of the AML/CFT Policy, and evidence of the operationalization of the policy in line with a risk-based approach;
 - c. The implementation of a publicly available system for staff and third parties to report wrongdoing anonymously;
 - d. The effective operationalization of the internal audit arrangements in line with the GCF initial fiduciary principles and standards and the applicant's audit manual, which shall include evidence of conducting internal audits according to adopted plans, and monitoring the implementation of recommendations from completed internal audits; and
 - e. The adoption and implementation of a conflict-of-interest risk management policy and guidelines covering actual, perceived or apparent conflicts of interest and which require periodic, standardised, comprehensive conflict of interest disclosures and evidence of disclosures thereunder and how they were managed; and
 - f. Preparation and disclosure of audited financial statements for year 2024 and 2025.
 - (ii) Conditions to be met by the applicant prior to the submission of the first funding proposal to the Board:
 - (1) Delivery to GCF by the applicant of, in a form and substance satisfactory to the AP, an independent external quality assessment report of the overall effectiveness of the applicant's internal audit function.
70. The applicant has been informed of the recommendation for accreditation, including the accreditation type and conditions, as identified in paragraph 69 above, and agrees to the recommendation.

4.3 Remarks

71. The applicant is encouraged to adopt gender-segregated reporting within all institutional processes as prescribed in the OECS Gender Policy.
72. The applicant is advised to strengthen its approach to monitoring changes in E&S risk levels for projects under implementation.
73. The applicant is advised to consider additional enhancements to the GRM platform, including additional information for user support, such as links to the GRM platforms across OECS member States, publication of project-specific GRMs, and providing contact details of the GRM officer and additional methods for submitting grievances.
74. The applicant is encouraged to enhance its external audit function and include a process of following up on management recommendations.
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