FRLD
Fund for responding to Loss and Damage

FRLD/B.9/11

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Operational modalities for the country support system under the Barbados Implementation Modalities

Summary

This document contains the proposed operational modalities for the country support system (CSS) under the Barbados Implementation Modalities for Board consideration and approval. The operational modalities include the funding cycle, funding criteria, additional access modalities, oversight fees, monitoring, reporting, learning and evaluation requirements, and risk management framework for the CSS. In addition, the document presents the proposed budget for operationalizing the CSS, as well as an accountability framework for delegating authority to the Executive Director for approving CSS requests.

Expected actions of the Board

The Board will be invited to consider the draft decision contained in annex I to this document.

I. Background and context

1. Paragraph 47 of the Governing Instrument states that the Fund for responding to Loss and Damage may provide support for activities relevant to preparing and strengthening national processes and support systems. This may include support for developing proposed activities, projects and programmes, such as planning activities for addressing loss and damage; estimating financial requirements for implementing loss and damage activities; and establishing national loss and damage finance systems.

2. At its seventh meeting (B.7), the Board requested the Secretariat (decision B.7/D.8), to develop and present to the Board, for its consideration at B.8, a proposal on a country support system (CSS) under the Barbados Implementation Modalities (BIM) to operationalize paragraph 47 of the Governing Instrument.

3. At B.8, the Board decided to operationalize the CSS under the BIM, with an annual funding envelope of USD 7.5 million and a cap per country of USD 250,000, subject to an annual Board decision on available commitment authority (decision B.8/D.6).

4. The Board also decided that the scope of the CSS will include the following activities:

(a) Funding requests development for the FRLD;

(b) Setting up systems and capacities for enabling access;

(c) Institutional strengthening and capacity-building of national ministries (including national focal points) and national access entities for implementation.

5. In addition, the Board decided that authority for the approval of CSS funding requests (CFRs) will be delegated to the Executive Director of the FRLD, in accordance with paragraph 22(i) of the Governing Instrument and subject to the adoption by the Board of an accountability framework to be considered by the Board at B.9.

6. Further, the Board requested the Secretariat to develop the operational modalities for the CSS for the Board's consideration and adoption at B.9, including:

(a) Funding cycle, funding criteria, additional access modalities, oversight fees, and monitoring, reporting and evaluation requirements;

(b) Terms of reference for the call for CFRs and a CFR template;

(c) A proposed budget for operationalizing the CSS, in consultation with the Budget Committee, as appropriate.

7. This document contains the proposed operational modalities for the CSS. Accordingly, it presents a funding cycle, funding criteria, additional access modalities, oversight fees, and monitoring, reporting, learning and evaluation requirements for Board consideration and approval at B.9. In addition, it presents the budgetary considerations for operationalizing the CSS, as well as an accountability framework for delegating authority to the Executive Director to approve CFRs.

8. The draft terms of reference for the call for CFRs are contained in document FRLD/B.9/12 which includes the CFR template as an annex. This will be updated as necessary, prior to the launch of the call, to reflect the relevant decision(s) adopted by the Board at B.9.

II. Funding cycle

9. A 10-step cycle is proposed comprising origination, review, approval, implementation and closure. To ensure timely and accessible support under the CSS, the funding cycle is a streamlined and simplified approach to enable rapid review and approval of CFRs. Annex II to this document presents the detailed funding cycle for the CSS.

10. As per decision B.8/D.6, the CSS is expected to be launched at B.9, subject to the adoption of the operational modalities by the Board. The launch would entail the publication of the CSS terms of reference and template, as well as an announcement of the call for requests under the CSS. If launched at B.9, the opening date for submissions will be 15 September 2026. Submissions will be received on a rolling basis for up to one year, or until the annual funding envelope of the CSS has been exhausted. Following the first year, the Board may decide on a second annual allocation for the CSS, which could be part of transitioning the CSS as part of the long-term operations of the FRLD.

11. The operationalization of the CSS will follow a separate process from that of the BIM funding requests, with its own procedures, templates and timelines. Countries that have submitted funding requests under the BIM may also submit CFRs, regardless of the status of their BIM funding requests.

12. In line with a country-led and country-owned approach, the origination and submission of CFRs is to be led by countries, through their national focal points. In cases where a CFR is submitted through an entity, and the entity is asked by the national focal point to submit the CFR on the country's behalf, a letter of endorsement signed by the national focal point is required, and the letter should be submitted alongside the CFR. Only single-country CFRs will be accepted, given the size of funding and country cap.

13. Upon receipt of a CFR, the Secretariat will conduct a completeness check to ensure that the request is complete and aligned with the Board-adopted CSS modalities. CFRs that pass the completeness check will be reviewed for conformity against the specifications in the terms of reference, including the Board-adopted funding criteria (see annex III).

14. Based on the outcomes of the review, CFRs that meet all requirements will be marked as ready for approval. For those requests where further information or clarifications are required, the Secretariat will inform the country of the outcome of the review and share review comments. Countries may respond and resend a revised CFR within the time frame indicated by the Secretariat.

15. Once a month, all CFRs that are marked as ready for approval will be presented to the Executive Director. The Executive Director will approve the CFRs, in accordance with the accountability framework as adopted by the Board (see annex VIII).

16. Upon approval, a CSS funding agreement[1] will be signed, following the same arrangements for signing that apply to BIM funding requests.

III. Funding criteria

17. Taking into account the scope and scale of support provided under the CSS, two funding criteria are proposed: (1) expected results and activities; and (2) bottom-up, country-led and country-owned responses to priority gaps.

18. The aim of the first criterion is to ensure that the expected activities indicated in the CFR are contributing to results that align with the scope of the CSS, which was approved by the Board in decision B.8/D.6 and comprises: (1) funding requests development for the FRLD; (2) setting up systems and capacities for enabling access; and (3) institutional strengthening and capacity-building of national ministries (including national focal points) and national access entities for implementation. An indicative list of activities under each category is provided in annex III, noting that countries may propose additional activities and outcomes that may fall under any one of the three categories according to their unique needs and circumstances.

19. The aim of the second criterion is to ensure that the activities proposed have been identified and designed in a bottom-up, country-led and country-owned manner and that they address a priority gap as identified by the country in the context of technical and institutional

[1] A dedicated CSS funding agreement template will be developed for CSS requests.

capacities for responding to loss and damage. Given that the mandate of the CSS is grounded in paragraph 47 of the Governing Instrument and includes an explicit focus on strengthening national processes and support systems, the assessment against this criterion entails ensuring that activities are focused on key gaps and needs within national and/or subnational institutions and systems.

20. The review of CFRs will focus on checking for alignment with the two funding criteria. A review outcome of “yes”, “partial” or “no” will be assigned for each funding criteria. For CFRs that have “partial” or “no” outcomes for either of the funding criteria, the Secretariat will send the outcomes of the review to the country, and the country will have the opportunity to respond to the review and resend an updated CSS request accordingly. Upon the adoption of the funding criteria and CFR template, guidelines for preparing CFRs will be prepared by the Secretariat and published to the website.

21. CFRs that are reviewed as complete, conform with the terms of reference and marked as “yes” for both funding criteria will be assessed as ready for approval.

IV. Additional access modalities

22. As per decision B.8/D.6, countries may use the same access modalities adopted for the BIM funding requests to also access the CSS. As such, the same access entities that are eligible to access the FRLD under the BIM funding requests are also eligible to access the CSS. National ministries approved by the Board to access FRLD resources under direct access via direct budget support (DBS) through national governments are also eligible to access the CSS.

23. However, noting that the modalities for operationalizing direct access via DBS through national governments may not be fit-for-purpose given the scope of CSS funding, additional access modalities are proposed below in order to expand access for the CSS, to include other national, regional and international entities not otherwise covered by the existing access modalities.

24. The following three access modalities, two of which are already operational for BIM funding requests. are proposed for the CSS. All entities eligible to access the CSS are referred to as “CSS entities”.

(a) Modality A: Access in partnership with entities accredited to the Adaptation Fund (AF), the Green Climate Fund (GCF) and the Global Environment Facility (GEF);

(b) Modality B: Access through national ministries that have been approved for direct access via DBS through national governments;

(c) Modality C: Access through additional national, regional or international entities.

25. These access modalities are explained in more detail in annex IV.

26. Under modality A, countries may access the CSS by selecting one of the access entities on the list of entities accredited to the AF, GCF and GEF adopted by the Board (annex VII to decision B.7/D.6). Note that, as required for BIM funding requests, access entities are also required to meet the conditions set by the Board in annex VI of the same decision. If the Board adopts an updated list of access entities for the BIM, any additional access entities would also be eligible to access the CSS under modality A.

27. Under modality B, national ministries that have at least one BIM funding request approved under the direct access via DBS through national governments modality are eligible to access the CSS.

28. Under modality C, national, regional and international entities that have been assessed under the financial management capacity assessment (FMCA) (for GCF readiness funding) or the United Nations Harmonized Approach to Cash Transfers (HACT) and have subsequently received disbursements in the last five years are eligible to access the CSS.

29. Modality C is proposed as the third modality under the CSS based on the principles of simplified and streamlined access and avoiding additional burdens on countries. This modality builds on the approach taken in the access modalities for BIM funding requests, which recognizes and relies on the existing accreditation systems and assessments of other organizations for approving access to FRLD resources. Recognizing the FMCA and HACT in this way increases the number of national, regional and international entities that are eligible to access the CSS.

30. A review of the standards assessed under the HACT and the FMCA (summarized in annex V to this document) concluded that both appear reasonable and appropriate for the scope of activities and size of grants supported through the CSS. It is noted that both FMCA and HACT assessments cover only fiduciary elements. The review deemed these assessments to be appropriate for CSS requests because, given the scope of CSS activities, environmental and social risks would be inherently low as the requests will not involve hard interventions or on-the-ground implementation of activities that would be associated with moderate or high environmental and social risks.

31. The HACT "micro assessment", carried out at the organization level, is generally valid for up to five years, unless significant changes occur in the entity's financial management systems, organizational structure, internal controls or procurement processes, risk environment, significant audit findings or fiduciary concerns (as per the HACT risk-based management principles). The outcomes of the HACT micro assessment are used to assign a risk rating to the entity, which is used as a basis for determining the cash transfer modality used – whether direct cash transfers, direct payments to suppliers or reimbursements – as well as any measures undertaken during implementation (e.g. audits, and spot checks).

32. Similarly, in the case of the FMCA, a risk rating is assigned for each pillar assessed alongside corresponding recommendations to be addressed during implementation, and this information is transmitted to the GCF to inform its review and approval of the readiness proposal. In this case also, equivalent limitations and conditions for which the ministry was approved to access the GCF readiness programme would also apply for their access to the CSS.

V. Risk management framework

33. The risk management framework[2] adopted by the Board in decision B.8/D.3 will also apply to the CSS, with simplifications applied to reflect the nature and scope of CFRs. By nature, CSS activities entail lower project/programme fiduciary and environmental and social risks because the scope of CSS entails only readiness and technical assistance type activities.

34. In the CFRs, CSS entities will propose relevant risk mitigation measures proportionate to the nature and scope of activities proposed. The Secretariat will consider the assessments conducted by other financial organizations (via HACT for instance) when reviewing the risk mitigation measures proposed. The risk mitigation measures need to provide a level of safeguards equivalent to those provided to other financial institutions that had directly transferred funds to the entity.

35. Using a simplified risk management framework will ensure that FRLD resources are safeguarded at a level that is equivalent to that of the other international organizations that have assessed the CSS entity for similar types of activities and funding amounts. The proposed risk management framework for the CSS is contained in annex VI to this document.

VI. Oversight fees

36. At B.8, the Board approved the Policy on Oversight Fees for the BIM, which included a fee cap of 8 per cent for national ministries and other national or subnational access entities

[2] As contained in annex II to document FRLD/B.9/19.

and 7 per cent for international and regional access entities. It is proposed that the same policy requirements are applied for the CSS, except with an increased oversight fee cap.

37. Although the oversight requirements for the implementation of CFRs may be less in scale than what is required for BIM funding requests, owing to the nature and scale of the CSS, the fee caps of 8 per cent and 7 per cent, when calculated against the CSS funding cap of USD 250,000, may be insufficient to cover the standard oversight functions that apply no matter the size of the funding. In particular, this may be the case where national ministries and national entities have limited capacities.

38. Benchmarking of similarly sized programmes in other multilateral climate funds indicates that a fee cap of 8.5–9 per cent is applied for smaller-sized grants. For example, the GEF small grants programme, which provides grants of up to USD 75,000, allows an implementing agency fee of 9 per cent.[3] Similarly, the AF Small Innovation Grants, which provides grants of up to USD 250,000, allows an implementing entity fee of up to 8.5 per cent.[4]

39. On this basis, the Board may consider increasing the oversight fee cap for CFRs to up to 9 per cent to ensure that national entities, in particular, have the necessary resources to fulfil all relevant oversight functions. When calculated against the annual allocation for the CSS, this would entail an additional USD 675,000 to be allocated to the CSS to cover oversight fees.

40. All other requirements for fee calculation, disbursement of fees, post-project record keeping, reporting and validation, and oversight functions as stipulated in the Policy on Oversight Fees will apply in the same way for the CSS.

VII. Monitoring, evaluation and learning

41. The monitoring, evaluation and learning (MEL) approach for the CSS is designed to track progress against objectives and expected results, while generating timely evidence to inform adaptive management. It is intended to demonstrate the effectiveness and value of CSS support, capture lessons learned to improve future delivery, and support accountability to stakeholders and partners. Results tracking will also contribute to tracking upstream capacity and readiness activities and strengthening the overall results architecture of the FRLD.

42. The CSS MEL approach is fully aligned with, and embedded within, the broader results measurement framework (RMF) for the BIM. In particular, results from CFRs will be mapped to the RMF results chain and indicator framework, ensuring that outputs and activities from CSS interventions systematically contribute to higher-level results. This integration ensures that the performance of the CSS is tracked and the coherence, comparability and aggregation of results across the broader FRLD portfolio is strengthened. All MEL activities under the CSS will therefore directly contribute to, and reinforce, the overall approach for the BIM.

43. The CSS MEL approach is a streamlined and flexible results architecture supported by a limited set of core indicators. These indicators will assess the extent to which activities align with the CSS scope and contribute to strengthening national systems, institutional capacities and coordination mechanisms. Indicators will be standardized to the extent possible and integrated into the relevant section of the CSS request and may also add other project/programme-specific indicators to reflect specific country contexts. The proposed CSS indicators will be applied, if/when applicable, and are presented in annex VII.

[3] See https://www.thegef.org/sites/default/files/documents/2022-11/EN_GEF.C.63.06.Rev_.01_GEF%20Small%20Grants%20Programme%202.0%20Implementation%20Arrangements.pdf.
[4] See https://www.adaptation-fund.org/generic/costs-and-fees/.

44. In addition, the country and any CSS entity involved in the request will be subject to simplified results reporting once a year.

45. The CSS will institutionalize learning and adaptive management through a structured and continuous approach whereby countries can embed lesson learning, documentation, feedback and knowledge-sharing within the implementation of CSS activities. This may involve regular lesson-sharing and learning sessions following technical assistance, so that the Secretariat can assess effectiveness and identify areas for improvement, alongside the systematic documentation of good practices and lessons learned. These insights will feed into established feedback loops to refine targeting, approaches and delivery modalities over time, ensuring responsiveness to country needs and evolving contexts. Emerging insights will also be shared with partners and stakeholders to support collective learning and strengthen broader implementation efforts.

46. A final evaluation will take place at the end of the implementation of the CSS activities to assess the overall performance and achievement of activities and results. It will also document lessons learned with the aim of feeding into the future CFRs. The cost of final evaluations will be covered under the oversight fees in line with the Policy on Oversight Fees for the BIM.

VIII. Budget and capacity requirements

47. As per decision B.8/D.6, an annual funding envelope of USD 7.5 million has been allocated for the CSS, with a cap per country of up to USD 250,000, subject to an annual Board decision on available commitment authority.

48. The Secretariat's human resources requirements for 2026 were planned on the basis of the key priorities identified by the Board in its workplan prior to B.7. The establishment of the CSS was approved by the Board after that, at B.8, and operationalizing the CSS will require additional budget for human resources and outreach and engagement activities.

49. In proposing the CSS budget, considerations were taken in ensuring a balance between the Secretariat's responsibilities in operationalizing the CSS funding cycle (pre and post approval), which can be transaction heavy, and the associated overhead costs. Specifically, calculations of human resources are based on the assumption that the Secretariat will monitor CSS projects at the portfolio level focusing on the achievement of activities, rather than a cost- and expenditure-based control process. In alignment with the Policy on Oversight Fees, each CSS entity will be responsible for overseeing the implementation of activities and ensuring that resources are used for their intended purposes as per the approved CR.

50. It will not be possible to extend the current human resources for managing the BIM funding request reviews, approval and post-approval monitoring at the portfolio level to support the operationalization of the CSS, because of the increasingly high workload relating to the BIM funding requests, which has already exceeded carrying capacity. Noting the need to ensure speed and efficiency across both the BIM funding requests and the CFRs, it is proposed that dedicated capacities for operationalizing the CSS be secured.

51. The following capacity requirements for operationalizing the CSS are expected on an annual basis:

(a) Additional human resources of up to 7 full-time equivalent staff that will be recruited in a phased approach based on the pipeline and portfolio growth. This includes: a senior specialist overseeing CSS operations; 4 CSS specialists[5] to conduct completeness checks and reviews of CFRs, manage disbursements, adaptive management and closure of CSS projects; 1 monitoring, results and learning specialist; and a CSS analyst for pipeline and portfolio tracking and analysis. The budget also includes costs associated with new staff onboarding and training;

[5] Except for the senior specialist, all CSS specialists and analyst will be contracted for up to one year, with possibility of extension subject to the next phase of CSS operations.

(b) Virtual and in-person outreach and engagement with countries and entities to provide information and guidance on the adopted CSS modalities, including both the pre-approval (submission, review, approval) and post-approval (disbursements, adaptive management, monitoring, evaluation and learning, and closure). This covers interpretation services (for virtual webinars) and travel costs for in-person workshops.

52. In order to launch and operationalize the CSS in 2026 (July–Dec 2026), the respective budget was discussed with the Budget Committee, as requested by the Board in decision B.8/D.6, as a part of the broader additional budget request that will be considered by the Board at B.9 under agenda item 8(f). The budget requirements from 2027 onwards will be incorporated into the broader annual administrative budget request.

IX. Accountability framework for delegated authority to the Executive Director

53. According to paragraph 22(i) of the Governing Instrument, the Board will "develop an accountability framework for funding approvals, which may be delegated by the Board to the Executive Director of the Fund, subject to the relevant policies of the host institution".

54. Decision B.8/D.6, paragraph (f), states that "authority will be delegated to the Executive Director of the Fund for the approval of CSS requests, in accordance with paragraph 22(i) of the Governing Instrument and subject to the adoption by the Board of an accountability framework for delegating authority to the Executive Director to approve country support system projects, to be considered by the Board at its ninth meeting."

55. Annex VIII presents the proposed accountability framework for Board consideration and approval.

56. Although other multilateral climate funds do not have dedicated accountability frameworks for delegating authority of funding approvals to their respective secretariats, the proposed accountability framework for the CSS has been informed by their relevant procedures and practices for delegating funding approval authority.

57. For example, the GEF Council approves a work programme of concepts[6] for full-size projects (above USD 5 million) and programmatic approaches; however, the Council delegates approval authority to the GEF Chief Executive Officer (CEO) to approve full proposals for medium-size projects (under USD 5 million) and to endorse full proposals for full-size projects and child projects under programmatic approaches. The GEF project and programme cycle[7] details the relevant procedures for delegated authority, including:

(a) Approvals by the CEO on a rolling basis in between meetings of the GEF Council;

(b) Approvals by the CEO following confirmation by the GEF secretariat that the project proposal meets the conditions for approval;

(c) Publication of project documents on the GEF website following approval.

58. Similarly, the GCF Executive Director has delegated authority for approving Readiness and Preparatory Support proposals. This includes the following procedures:

(a) Proposals that have reached sufficient quality are appraised and prepared for endorsement by an interdivisional technical committee within the GCF secretariat;

(b) Upon consideration by the interdivisional technical committee, a proposal may be:

[6] In the GEF, concept proposals are called "project identification forms" for stand-alone full-size projects and "program framework documents" for programmatic approaches that also contain child projects.

[7] See https://www.thegef.org/sites/default/files/documents/2025-11/GEF_OP_PL_01_Project_Program_Cycle_Policy.pdf.

(i) Endorsed for approval with no conditions;

(ii) Endorsed for approval with conditions for approval or first disbursement;

(iii) Not endorsed and returned to the national designated authority to the GCF with comments from the interdivisional technical committee for action and resubmission;

(c) Endorsed proposals move to the approving authority within the GCF secretariat for signature. The proposal is considered approved and budget is committed upon the signature of the Executive Director or their designee on the approval memo for the proposal in question.

59. Based on this benchmarking exercise, the proposed accountability framework for the FRLD sets out a clear purpose and parameters for the exercise of this delegated authority by the Executive Director. The scope of this authority includes approving CFRs. The proposed framework is underpinned by the need to ensure transparency, oversight and full accountability of the Executive Director to the Board, in exercising of this authority. In this context, the proposed parameters for the Executive Director's decision-making will be focused on ensuring that the CFRs are complete, comply with the Board-approved operational modalities and are within the financial thresholds set by the Board.

60. Other accountability measures included in the proposed framework include clear requirements on reporting back to the Board on decisions made relating to the CSS as well as an articulation of the Board's residual discretion to reconsider decisions made by the Executive Director under this framework. In addition, the Secretariat has a requirement to publish the approved CFRs' documentation in line with applicable information disclosure policies to ensure transparency and accountability. A provision on conflict of interest is also included, which required the Executive Director to follow applicable conflict of interest policies. The framework will be reviewed as a part of the overall review of the BIM, given the CSS is currently under the BIM.

X. Expected decision points

61. Annex I to this document presents the draft decision text for the CSS. On the basis of the considerations presented in this document, the Board is invited to consider and adopt the proposed funding cycle, funding criteria, additional access modalities, simplified risk management framework approach, and accountability framework for the CSS, and take relevant decisions on the oversight fee and the monitoring, reporting, evaluation and learning requirements.

62. The decisions taken by the Board at B.9 will be incorporated into the terms of reference for the call for CFRs, which will be finalized and published on the FRLD website upon the launch of the CSS.

Annex I

DRAFT DECISION B.9/DD.x: Country support system

The Board:

Recalling decision B.8/D.6 on operationalizing the country support system under the Barbados Implementation Modalities,

(a) *Adopts* the funding cycle for the country support system, as contained in annex [II] to document FRLD/B.9/11;

(b) *Also adopts* the funding criteria for the country support system, as contained in annex [III] to document FRLD/B.9/11;

(c) *Further adopts* the access modalities for the country support system, as contained in annex [IV] to document FRLD/B.9/11;

(d) *Decides* that the risk management framework adopted by decision B.8/D.3 shall also apply to the country support system, in accordance with the specifications contained in annex [VI] to this document;

(e) *Adopts* the accountability framework for delegating authority to the Executive Director to approve country support system funding requests, as contained in annex [VIII] to this document;

(f) *Decides* that the Policy on Oversight Fees for the Barbados Implementation Modalities approved by decision B.8/D.5 shall also apply to the country support system, with an adjusted fee cap of 9 per cent;

(g) *Also decides* to set aside an additional annual allocation of USD 675,000 to cover the oversight fees for country support system funding requests;

(h) *Adopts* the results indicators for the country support system under the Barbados Implementation Modalities, as contained in annex [VII] to this document.

(i) *Decides* that annual reports, including on results, shall be submitted until project completion, and that a final evaluation shall be submitted upon project completion;

(j) *Requests* the Secretariat to undertake outreach and engagement, with a view to supporting developing countries in preparing their country support system funding requests;

(k) *Also requests* the Secretariat to present, at each Board meeting, a status report providing an overview of the pipeline and portfolio of country support system funding requests, including their status across its funding cycle, as well as related results and learning.

Annex II

Funding cycle for the country support system

No.	*Stage*	*Indicative description*	*Timeline*	*Key actors*
1	Origination	CSS request development led by the country		Countries
2	Call for CSS funding requests	Launch of the call for CSS requests	B.9 (8–10 July 2026), subject to adoption of operational modalities by the Board	FRLD Secretariat
3	Submission of CSS funding requests	Submission of CSS requests by the national focal point to the FRLD Secretariat. In cases where national focal points engage CSS entities in the submission of the CSS request, a letter of endorsement signed by the national focal point must be submitted alongside the CSS request.	Opening of the submission window: 15 August 2026 Submissions will be received on a rolling basis for up to one year from the date of opening of the submission window, or until the CSS funding envelope is exhausted	Countries, through national focal points, (or CSS entities, where relevant)
4	Completeness check	A completeness check is conducted by the Secretariat to confirm that all sections of the CSS request are completed correctly and is compliant with the Board adopted CSS operational modalities. CSS requests submitted by CSS entities without letter of endorsements signed by national focal points are marked as non-compliant and are not included as part of the CSS pipeline. The submitter of the request is informed accordingly. For CSS requests that are marked as incomplete, the Secretariat informs the countries regarding the missing information and requests them to complete and resend the updated CSS request to the Secretariat.	5 working days	FRLD Secretariat
5	Review	A review of the CSS request is conducted by the Secretariat to: (1) Check conformity against the specifications of the terms of reference (2) Review against the funding criteria. In cases where requirements are not fully met, the Secretariat shares review comments with the countries.	10 working days	FRLD Secretariat

No.	*Stage*	*Indicative description*	*Timeline*	*Key actors*
		In cases where all requirements are met, the Secretariat shares a confirmation that the CSS request is ready for approval.		
6	Country response to the review	Countries may provide responses to the review and may amend and resend CSS requests that have addressed the comments from the review, as appropriate.	Up to 15 working days for country response, with flexibility as needed, or as notified by the country	Countries (and CSS entities where relevant)
7	Approval	CSS requests that are confirmed as ready for approval will be presented, on a monthly basis, to the Executive Director for approval.	Once a month	Executive Director
8	Signing funding agreements	The interim Trustee signs standardized CSS funding agreements with countries and/or CSS entities, on behalf of the Board as per the Trustee Agreement.	Upon the approval of the CSS request	CSS entities and interim Trustee
9	Implementation	Disbursement: After signing the CSS funding agreement, a single disbursement of the full amount requested in the approved CSS request will be made to the country and/or CSS entity.	Upon signing of the CSS funding agreement	Interim Trustee
		Monitoring, reporting, evaluation and learning, including simplified annual reporting and final evaluation	As per the implementation timeline indicated in CSS request	Countries and CSS entities
10	Closure	Operational and financial closure	Completion date as indicated in CSS request	FRLD Secretariat, countries (and CSS entities where relevant), interim Trustee

Abbreviation: CSS = country support system.

Annex III

Funding criteria for the country support system

Criteria	*Objective of assessment*	*Indicative description*
1. Expected results and activities	To ensure that the request includes activities and leads to results that are aligned with the scope of the CSS.	**A. Funding requests development for FRLD:** • Developing or enhancing funding requests for submission to FRLD, including conducting stakeholder and community consultations. • Identifying and estimating economic and non-economic loss and damage relevant to a funding request, • Conducting assessments (technical, fiduciary, ESS, etc.) to fill relevant data gaps. **B. Setting up systems and capacities for enabling access to the FRLD:** • Enabling national ministries and other subnational and local entities to undertake relevant institutional strengthening measures and develop the necessary standards and policies required for accessing the FRLD. • Building the capacities of national ministries that are planning to submit or have submitted DBS requests under the BIM to enable them to meet the necessarily requirements for accessing the FRLD. **C. Institutional strengthening and capacity-building of national ministries (including national focal points) and national access entities for implementation.** • Institutional strengthening and capacity building support to better equip national ministries and subnational and local entities for the implementation of funding requests, including conducting relevant assessments or fulfilling monitoring, reporting and evaluation requirements. • Strengthening capacities of national focal points to conduct their roles in overall management of projects and programmes supported by FRLD.
2. Bottom-up, country-led and country-owned responses to priority gaps	To ensure that the request is addressing a demonstrated need and priority gaps in responding to loss and damage, as identified through bottom-up, country-led and owned approaches	• Identifying needs and priority gaps through bottom-up, country-led and owned approaches • Addressing needs and priority gaps related to national subnational and local systems, processes, policies, and capacities required for responding to loss and damage

Abbreviation: CSS = country support system.

Annex IV

Access modalities for the country support system

Modality A **Access in partnership with entities accredited to the GEF, GCF, and AF**	**Modality B** **Access through national ministries that have been approved for direct access via direct budget support through national governments**	**Modality C** **Access through additional national, regional or international entities**
Entities on the list of FRLD access entities as adopted by the Board in decision FRLD/B.7/D.4 may access the CSS.	National ministries that have at least one FR approved under the direct access via direct budget support through national governments modality under the BIM may access the CSS.	National, regional and international entities that have been assessed under i) the financial management capacity assessment (FMCA) for GCF readiness funding and have received disbursements in the last five years or ii) the UN harmonized approach to cash transfers (HACT) micro assessment and have received disbursements from an UN agency in the last five years may access the CSS.

Annex V

Information on the financial management capacity assessment and the United Nations Harmonized Approach to Cash Transfers

FMCA for GCF readiness[a]	*UN HACT framework*[b]
1. Legal framework: outlines details on the organization's legal framework and status, and should be substantiated by the organization's founding legal document, such as a constitution, charter, memorandum of incorporation, etc. **2. Structure and culture**: Covers the organization's institutional/corporate structure and provides an outline of its composition, as well as the measures to ensure sound management of human and financial resources. **3. Financial management**: Contains information regarding accounting and internal control systems. It requests important details and documentation that are necessary to assess the organization's ability to safeguard financial resources and ensure its systems and policies are designed to prevent, or minimize, the risk of corruption and fraud. **4. Procurement**: Gives an assessment of how procurement is handled by the organization and the overall approach employed in the selection of consultants and the acquisition of goods and services. This is important to ensure procurement is conducted in a manner that optimizes value for money and protects the interests of both the organization and the supplier. **5. Project management**: Details how the organization manages its projects and project-related operations. It covers the overall management process including monitoring and evaluating performance. **6. Anti-money-laundering (AML) and countering the financing of terrorism (CFT)**: evaluation of capacity to mitigate AML/CFT risks. Outcome of FMCA used to assign risk rating for each pillar (high, medium, low) and provide recommendations to be addressed during implementation.	**Macro assessment**: at country level. A desk review of assessments of the public financial management system is conducted. Includes financial environment, national procurement capacity, exchange rate volatility, presence of informal/black markets, etc. **Micro assessment**: at organization level. Assesses the organization's financial management capacity (i.e. accounting, procurement, reporting, internal controls, etc.) to determine the overall risk rating and assurance activities. Components covered include: • Implementing partner • Funds flow • Organizational structure and staffing • Accounting policies and procedures • Internal audit • Financial audit • Reporting and monitoring • Information systems • Procurement Outcome of HACT assessment used to assign risk rating to national ministry (high, medium, low) which is used as the basis for determining which cash transfer modality is used. Depending on risk level, audits, spot checks, etc. conducted during implementation.

Abbreviations: FMCA = financial management capacity assessment, HACT = Harmonized approach to cash transfers

[a] https://www.greenclimate.fund/document/financial-management-capacity-assessment-template

[b] https://unsdg.un.org/sites/default/files/HACT-2014-UNDG-Framework-EN.pdf.

Annex VI

Risk management framework for the country support system

1. The risk management framework for the Barbados Implementation Modalities, which was adopted by decision B.8/D.3 and is contained in annex II to document FRLD/B.8/19, applies to the country support system (CSS), subject to the following adjustments to reflect the nature and scope of the CSS:

(a) Section 1 of the risk management framework ("Risk identification") applies to the CSS. The CSS entity is responsible for identifying project/programme related risks, as well as the associated risk mitigation measures, in alignment with the mandate and scope of the FRLD and the CSS;

(b) Section 2 ("Risk classification") applies with the following adjustment: given the nature and scope of CSS activities, project/programme-level risks will be classified as low by default. On a case-by-case basis, during the review process, the Secretariat may revise this classification, where necessary;

(c) Section 2A on zero tolerance for prohibited practices applies to the CSS;

(d) Section 2B on risk mitigation measures applies with the following adjustments: the Secretariat, not external experts, will conduct a screening of the proposed risk mitigation measures and, only where necessary, may recommend additional risk mitigation measures for consideration by the country;

(e) Section 3 ("Monitoring and reporting") applies to the CSS.

Annex VII

Results indicators for the country support system under the Barbados Implementation Modalities

Core indicators[a] for the country support system under the Barbados Implementation Modalities

A. Funding request development for FRLD
1. Number of assessments (technical, fiduciary, M&E, ESS, risk, etc.) conducted to support FRLD funding request development (by type) 2. Number of national, subnational and local institutions supported to identify and assess economic and non-economic loss and damage (by level, by type) 3. Number of stakeholder and community consultations conducted for funding request development (by gender, vulnerable groups, etc.)
B. Setting up systems and capacities for enabling access to the FRLD
1. Number of national, subnational and local institutions strengthened, including access related systems / institutional arrangements and capacity building (by level, by type) 2. Number of national, subnational and local plans, policies, standards, or procedures developed or enhanced for FRLD access (e.g., monitoring, baselines, fiduciary, safeguards, direct budget support readiness (by level, by type) 3. Number of national ministries supported to enable direct access via direct budget support through national governments (by type)
C. Institutional strengthening and capacity-building of national ministries (including national focal points) and national access entities for implementation
1. Number of national, subnational and local entities receiving institutional strengthening and/or capacity-building to support implementation (by level, by type) 2. Number of national, subnational and local plans, policies, standards or procedures developed / enhanced to support implementation (by level, by type) 3. Number of national/subnational and local systems or processes improved (financial management, procurement, data systems, ESS, monitoring, reporting) (by level, by type)

[a] All indicators will be applied on a relevance and applicability basis only.

Annex VIII

Accountability framework for delegating authority to the Executive Director for approving country support system funding requests under the Barbados Implementation Modalities

I. Mandate

1. The Governing Instrument, in paragraph 22(i), states that "[t]he Board will: … [d]evelop an accountability framework for funding approvals, which may be delegated by the Board to the Executive Director of the Fund, subject to the relevant policies of the host institution."

2. Pursuant to this provision, the Board may delegate authority to the Executive Director to approve country support system (CSS) funding requests (CFRs) under defined conditions, within a framework that ensures continued accountability to the Board.

3. The development of this accountability framework for delegating authority to the Executive Director for approving CFRs under the Barbados Implementation Modalities (BIM) is mandated by decision B.8/D.6, paragraph (f).

II. Purpose

4. The purpose of this framework is to outline the conditions and process in which the Executive Director may exercise delegated authority to approve CFRs, while ensuring transparency, oversight, and full accountability of the Executive Director to the Board.

III. Scope

5. This framework applies to decisions related to the approval of CFRs under the BIM that meet the funding criteria and requirements established by the Board.

IV. Delegation of authority

5. The Board delegates to the Executive Director the authority to approve CFRs, in accordance with decision B.8/D.6, the operational modalities adopted by the Board, and applicable FRLD policies and within the scope defined in this accountability framework adopted by the Board.

6. The exercise of delegated authority under this framework will not diminish the Board's ultimate responsibility for funding decisions.

V. Parameters for exercising delegated authority

7. The Executive Director shall exercise delegated authority within the following parameters, designed to ensure consistency, clarity and alignment with Board-approved frameworks:

(a) The authority applies to CFRs that are complete and have met the funding criteria, specifications of the terms of reference for the call for CFRs and relevant Board decisions;

(b) The authority is intended for CFRs that are fully aligned with operational modalities adopted by the Board;

(c) The authority shall be exercised within any financial threshold established by the Board, as applicable.

VI. Secretariat review

9. The Secretariat will review each CFR in accordance with the CSS operational modalities adopted by the Board and prepare a written assessment.

10. The Secretariat will present the assessment to the Executive Director for consideration and approval. The assessment will confirm whether the CFR is complete and has met the funding criteria and requirements, specifications of the terms of reference for the call for CFRs and relevant Board decisions.

VII. Executive Director's decision-making

11. The Executive Director will determine, based on the Secretariat's assessment, whether to approve a CFR.

12. In exercising the delegated authority, the Executive Director shall ensure that decisions are:

(a) Consistent with the applicable policies of the FRLD, the CSS operational modalities and relevant Board decisions;

(b) Informed by objective and documented criteria;

(c) Supported by clear and well-documented justifications.

13. A CFR that is not approved under this framework may be revised and resubmitted in accordance with the CSS operational modalities.

VIII. Notification of decision

14. The Secretariat shall notify the relevant FRLD national focal point and the CSS entity[1] in writing of the Executive Director's decision and the corresponding reason(s) for the decision.

IX. Funding agreement

15. Upon approval of a CFR, the Executive Director will provide written instruction to the interim Trustee, acting under the delegated authority from the Board, to enter into a funding agreement with the relevant CSS entity, as applicable.

X. Information disclosure

16. The Secretariat will publish documentation relating to approved CFRs on the FRLD website in accordance with the applicable policy on information disclosure.

XI. Reporting

17. The Secretariat will report to the Board at each Board meeting on actions taken in accordance with this framework.

[1] For the purposes of the framework, "CSS entity" refers to all entities that are eligible to access the CSS as per the CSS access modalities adopted by the Board.

18. Such reporting will include:

(a) A list of CFRs received and approved;

(b) The funding amounts approved;

(c) An overview of the basis for decisions, including the outcome of the Secretariat's assessment;

(d) Any material issues or implementation considerations arising from the application of this framework;

(e) Additional information that the Board may request regarding decisions taken under this framework.

XII. Conflict of interest

19. The Executive Director shall perform functions under this framework in accordance with applicable conflict of interest policies.

XIII. Reconsideration of decisions

20. The Board may, as part of its oversight function, consider any matter related to decisions taken under this framework, without prejudice to the delegated authority to the Executive Director.

XIV. Effective date

21. This framework is effective from the date of the Board decision adopting the framework.

XV. Review

22. The implementation of this framework will be reviewed as a part of the overall review of the BIM, including the CSS.

23. The review will seek to capture lessons learned from the implementation of the CSS under the BIM to inform any revisions to the framework and the development of CSS for the long-term.