

# CLIMATE CHANGE FUND

## Final Operation Manual

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# PREFACE

Malawi, like all the other Parties to the United Nations Framework Convention on Climate Change (UNFCCC) ratified the Paris Agreement in June 2017 and communicated to the world its plan to transition towards low-emission and climate resilient development through submission of its Nationally Determined Contributions (NDC) in July, 2021. and.

In 2016, the Government of Malawi (GoM) developed its National Climate Change Management Policy (NCCMP), which provides a guidance framework for coordination, implementation, and financing of climate change activities in the country. The NCCMP prioritizes enhanced financing for implementation and coordination of climate change management activities through increased national budgetary allocation, establishment of a Climate Change Fund, improved access to domestic and international climate financing (both multilateral and bilateral) and private sector investments. The Fund will offer support in providing predictable and reliable financing for climate change management. The GoM gazetted the Environment Management (Climate Change Fund) Regulations in 2018, establishing the Climate Change Fund.

The overall objective of the Fund is to harmonize and rationalize climate change funding, both from domestic and external sources, for implementation of priorities outlined in the National Climate Change Investment Plan, the NCCMP and related adaptation and mitigation priorities such as the Nationally Appropriate Mitigation Actions (NAMA), National Adaptation Programs of Action (NAPA), National Adaptation Plans and National Determined Contributions (NDC).

This document is an Operational Manual outlining the framework, guidance, and standard operating procedures of the Fund. The purpose of this document is to provide guidance, rules and procedures of the operations of the fund. Outlined in this document are the purpose and objectives, governance, management, and legal aspects of the Fund. The document further elaborates the processes and provides templates for proponents to access the fund, the investment criteria, decision-making, monitoring and evaluation as well safeguard measures.

This Operational Manual will remain a living document and may be updated as necessary to reflect changes in national policies and regulations.

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## LIST OF ACRONYMS

<b>AMTT</b>	Adaptation and Mitigation Technology Transfer
<b>CCATD</b>	Climate Change Adaptation Technology Development
<b>CCMTD</b>	Climate Change Mitigation Technology Development
<b>COI</b>	Conflict of Interest
<b>DP</b>	Development Partner
<b>EMA</b>	Environmental Management Act
<b>EOI</b>	Expression of Interest
<b>ESMF</b>	Environmental and Social Management Framework
<b>FGRM</b>	Feedback and Grievance Redress Mechanisms
<b>GCF</b>	Green Climate Fund
<b>GHG</b>	Greenhouse Gas
<b>GoM</b>	Government of Malawi
<b>M&amp;E</b>	Monitoring and Evaluation
<b>CCF</b>	Climate Change Fund
<b>NSCCC</b>	National Steering Committee on Climate Change
<b>NDC</b>	National Determined Contribution
<b>NDE</b>	National Designated Entity
<b>NGO</b>	Non-Governmental Organization
<b>NTCCC&amp;DRM</b>	National Technical Committee on Climate Change and Disaster Risk Management
<b>RBM</b>	Reserve Bank of Malawi
<b>REDD+</b>	Reduction of Emissions from Deforestation and Forest Degradation
<b>SESP</b>	Social and Environmental Screening Procedure
<b>UNDP</b>	United Nations Development Program
<b>UNFCCC</b>	United Nations Framework Convention on Climate Change

## GLOSSARY OF TERMS

1. *Applicant* refers to an organization that is in the process of applying for funding from the Climate Change Fund, but has not yet been awarded funding in the relevant funding round.
2. *Capital Assets* means those assets used in the production of goods or the rendering of services by the Recipient that are acquired, enhanced, or brought to working order by the Recipient using an amount of the Grant.
3. *Capital Costs* means costs incurred by the Recipient in acquiring an asset, enhancing an asset, or in bringing an asset to working order or to a state in which it can produce the goods or render the services as required for the Project.
4. *Climate Finance* is domestic (private or public), , bilateral or multilateral financing, whether public or privately sourced, that aims to support mitigation and adaptation actions addressing the effects of climate change.
5. *Fund* means the Climate Change Fund as administered by the Government of Malawi.
6. *Grant* means the sum of funding provided by the Fund.
7. *Grievance* means a concern or complaint raised by a project stakeholder, individual or group within communities affected by project operations.
8. *Paris Agreement* refers to the legally binding international treaty on climate change adopted by 196 countries in Paris in 2015 and that entered into force in November 2016.
9. *Parties* means the Government of Malawi and the Recipient.
10. *Project* means the Project to be completed by the Recipient in accordance with the Project Plan.
11. *Project Costs* means those costs that are reasonable and are either:
  - a) directly attributable to the Deliverables; or
  - b) if they cannot be directly attributed to the Deliverables, can be allocated to the Project in accordance with a standard cost allocation system and cost drivers, measured in standard accrual accounting terms and excluding:
    - i. any mark up or profit margin by the Recipient (or a Sub-Recipient); and
    - ii. any costs based on theoretical or perceived market rates.
12. *Project Plan* refers to the plan agreed between the Parties as part of the funding process and appended to the Deed and incorporates any and all Project Milestone tables and Project budgets appended to the Deed.
13. *Recipient* or *Grant Recipient* refers to an organization that has successfully applied for and received funding from the Climate Change Fund.

14. *Sub-Recipient* means any person or body which the Recipient funds in whole or in part from the Grant whether as a supplier, contractor, or otherwise and whether by payment or grant.

## DOCUMENT OUTLINE

<b>PART 1</b>	Part 1 provides an outline of the CCF purpose, objectives, capitalization and explains links to wider Government climate change and economic development policies. The objectives of the CCF are drawn from the Environmental Management (Climate Change Fund) Regulations of 2018.
<b>PART 2</b>	Part 2 provides detailed roles and responsibilities of the Fund Management Team (including terms of reference), audit functions, and two high level multi-sectoral Committees: the National Climate Change Committee and the National Technical Committee on Climate Change and Disaster Risk Management. This section further presents the composition of a Climate Change Independent Panel of Experts (the Panel) set up to provide specific short-term advice and support to the Fund Manager during funding windows.
<b>PART 3</b>	Part 3 describes the Fund capitalization options for both domestic and international sources. Fund capitalization is a key part of the operationalization of the fund and several options are indicated, including the Green Climate Fund and other domestic fiscal instruments.
<b>PART 4</b>	Part 4 outlines the legal aspect of the CCF and aspects related to how approved projects are to be implemented.
<b>PART 5</b>	Part 5 outlines the application process to be followed by project proponents, including the overall process, description of funding windows, call for proposal and application processes.
<b>PART 6</b>	Part 6 explains the processes to be followed in assessing project proposals. This section includes the eligibility criteria, technical assessment, strategic assessment and final decision making.
<b>PART 7</b>	Part 7 provides details of how contracts between the Fund and Grant Recipients will be structured and how funds will be paid out to Recipients. The procedures for modifying or terminating projects prior to the planned completion of the project are outlined, as is the procedure for closure of projects upon completion. In addition, this part also outlines the procedure for planning and carrying out project site visits by CCF staff, as well as the disputes resolution process for disputes arising from cost allowances and disallowances, termination orders, and final settlements arising from project terminations.
<b>PART 8</b>	Part 8 describes the framework for monitoring and evaluating projects, in order to accurately track milestones and deliverables and identify where projects are or are not progressing according to the project plan.
<b>PART 9</b>	Part 9 outlines the procedures and criteria for ensuring that projects are evaluated and proceed equitably. It includes information on how both internal and external grievances should be investigated and managed and provides protections and guidance for individuals and groups who feel that they, or the environment, are being affected negatively by project activities.
<b>PART 10</b>	This part of the document comprises key Annexes, including application forms, project plan templates, and reporting templates.

# PART 1: THE FUND

## PREAMBLE

15. The Climate Change Fund is an instrument that will support Malawi to manage climate finance by facilitating the collection, blending, coordination of, and disbursing and accounting for climate finance in line with national climate change responses and economic development priorities and international obligations.
16. The purpose and objectives of the Fund draw on both national regulations such as the Environment Management (Climate Change Fund) Regulations, 2018, national strategic documents including the National Climate Change Management Policy, National Climate Change Investment Plan, Nationally Determined Contributions under the Paris Agreement and other broader agreements to which Malawi is a signatory.

## 1 THE FUND PURPOSE AND OBJECTIVES

### 1.1 FUND PURPOSE

17. The Climate Change Fund (hereinafter referred to as the CCF or the Fund) is an instrument that will support Malawi to manage climate finance by facilitating the collection, blending, coordination of, and disbursing and accounting for climate finance in line with the Enhanced Transparency Framework under the Paris Agreement.

### 1.2 OBJECTIVES OF THE FUND

18. As per Environment Management (Climate Change Fund) Regulations, 2018, the objectives of the Fund shall be to:
  - a. Provide financial and other resources for undertaking climate change interventions in Malawi.
  - b. Promote, with respect to climate change, the attainment of:
    - (i) *climate change adaptation.*
    - (ii) *climate change mitigation.*
    - (iii) *capacity building, education, training, and awareness activities.*
    - (iv) *research, technology development and transfer and systematic observation.*
  - c. Stimulate co-operation and participation in the pursuit of the above objectives in climate change interventions.

### 1.3 FUND REVENUE

19. The Fund will mobilize finance from domestic and international sources, including public and private sources.
20. Domestic sources will include:
  - a. Monies appropriated by the National Assembly for the purposes of the Fund.
  - b. Advances made by the Minister responsible for finance in order to meet a deficiency in the Fund.
  - c. Any moneys or assets received for the purposes of or vested in or accrued to the Fund under the Act or otherwise.
  - d. Levies, fees or penalties relating to climate change under any written law.
  - e. Contributions from the private sector and private individuals.
  - f. Any interest on investments.

21. International sources will include multilateral, bilateral, and private sector sources of funding.

#### 1.4 LINKS TO WIDER GOVERNMENT POLICIES

22. The Fund links to wider government policies in relation to the environment and climate change [including the Environmental Management Act (Cap 60:02). ]<sup>1</sup>; the National Environmental Policy (2004)<sup>2</sup>; National Adaptation Programs of Action (2015)<sup>3</sup>; and, Nationally Appropriate Mitigation Actions (2015)<sup>4</sup>], by providing a financial mechanism for Malawi to develop its climate resilience, adaptation and mitigation mechanisms.
23. The development of the Fund has specifically taken into account Malawi's earlier Climate Change Investment Plan 2013 – 2018<sup>5</sup>, and the four priority areas that were specified in this plan promote climate change management in Malawi: adaptation; mitigation; climate change research, technology development and transfer; and capacity building.

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<sup>1</sup> Government of Malawi, Environmental Affairs Department, Environment Management Act No. 23 (CAP 60:02)

<sup>2</sup> Government of Malawi, Environmental Affairs Department, , National Environmental Policy, 2004

<sup>3</sup> Government of Malawi, Environmental Affairs Department, National Adaptation Programs of Action (NAPA), 2015

<sup>4</sup> Government of Malawi, Environmental Affairs Department, , Nationally Appropriate Mitigation Actions for Malawi, 2015

<sup>5</sup> Government of Malawi, Environmental Affairs Department, National Climate Change Investment Plan, 2013 - 2018

# PART 2: GOVERNANCE AND MANAGEMENT

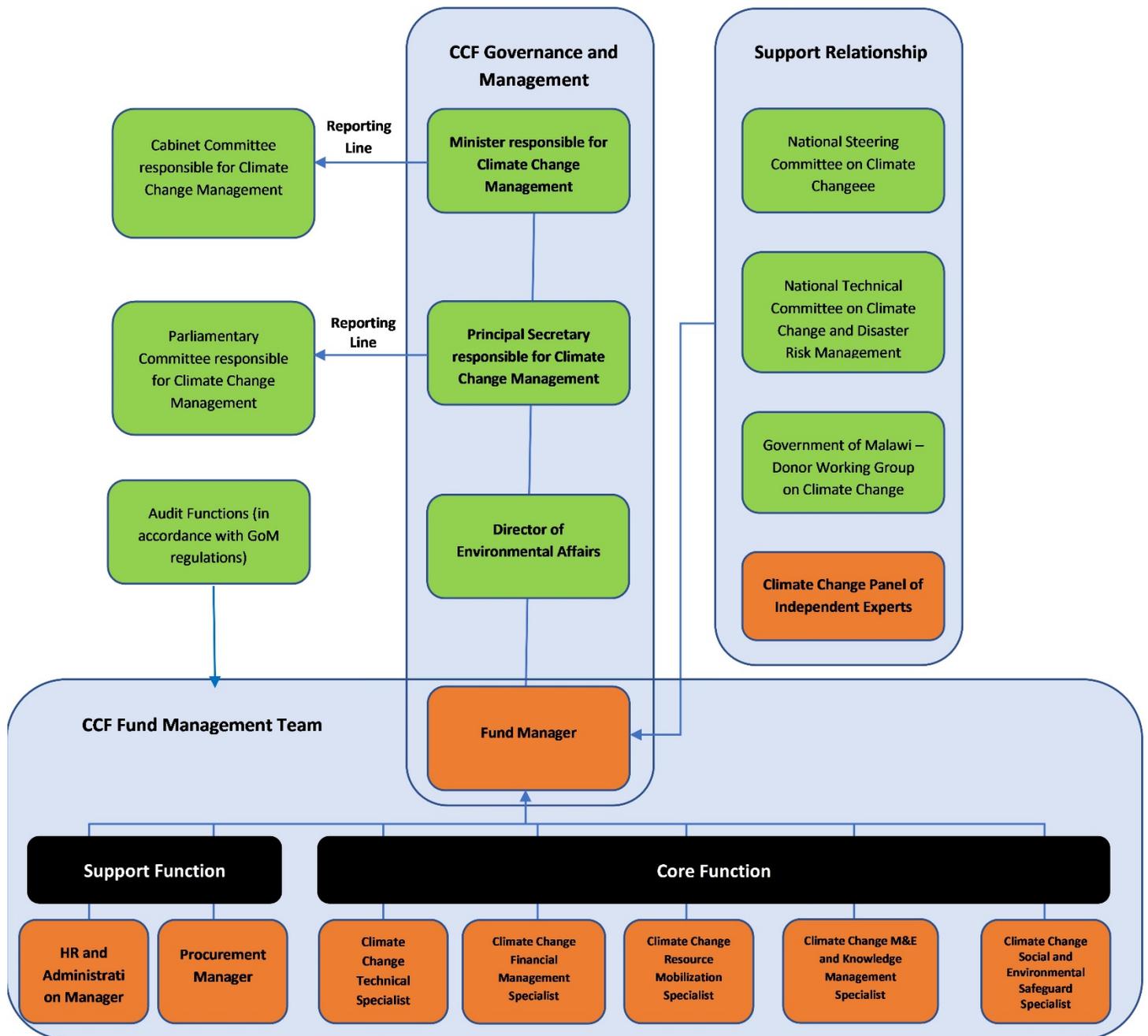
## PREAMBLE

24. This section outlines the governance and management structure of the Fund. The objective is to ensure the establishment of a decision-making or governing body, with clear mandates, responsible for determining and overseeing the Fund's operations and activities. The responsibility of the governing body includes approving programming pipeline priorities, operational criteria, and financing modalities; endorsing investment plans; approving allocation of funds for programs and projects; and, ensuring the strategic orientation of the Fund is guided by country priorities. The governance structure in Figure 2-1 is in line with the existing laws/legislations.

## 2 GOVERNANCE AND MANAGEMENT

### 2.1 INSTITUTIONAL FRAMEWORK

Figure 2-1 Governance Structure



## 2.2 OVERALL STRUCTURE AND KEY FUNCTIONS

25. The overall approach to governance and management considers the purpose and objectives of the Fund, Malawi's climate change objectives and national circumstances, the wider legislative framework, and established institutional arrangements and capacity.
26. The governance and management arrangements seek to ensure that the Fund has high fiduciary standards, transparency, and accountability, while also allowing for versatility in coping with the diversity of finance sources.
27. The Fund has multiple levels of governance and management, which allow for separate entities to conduct key functions around project assessment, decision making, and administration. The bodies that form part of the Fund governance are:
  - National Steering Committee on Climate Change (existing)
  - National Technical Committee on Climate Change and Disaster Risk Management (existing)
  - Donor Working Group on Climate Change (existing)
  - Climate Change Expert Working Groups (existing)
  - Climate Change Independent Panel of Experts (proposed)

## 2.3 NATIONAL STEERING COMMITTEE on CLIMATE CHANGE

### 2.3.1 PURPOSE

28. The National Steering Committee on Climate Change (NSCCC) is an existing Governing Committee composed of key stakeholders in the field of climate change. The purpose of the NSCCC in relation to the Fund is, inter alia, to:
  - a) Provide strategic guidance to the Program and periodically review the program of collaborative activities undertaken by the stakeholders including partners.
  - b) Provide a forum for effective policy dialogue on frameworks, priority setting, and ways and means of facilitating investment and transfer of technology on climate change initiatives in the country.
  - c) Enhance collaborative project development and implementation, with a view to optimizing the contribution to sustainable development of climate change mitigation and adaptation Programs, considering environmental, social, and economic factors.
  - d) To engage relevant institutions and the Office of the President and Cabinet on various policy matters relating to the Climate Change Fund".

### 2.3.2 FUNCTIONS

29. The NSCCC is a body through which Government and development partners can:
  - a) Create high level policy dialogue on climate change, supporting national, regional and international policy discussions, in line with sustainable development goals.

- b) Encourage collaborative project activities in the field of climate change mitigation and adaptation.
- c) Foster the exchange of information, knowledge, skills, and technologies by identifying and promoting potential areas of bilateral and multilateral collaboration on climate change research and development.
- d) Provide a forum to analyze and develop policy recommendations on technical guidance and standards on climate change matters and related programs.
- e) Serve as catalysts of climate change intervention programs cutting across many sectors including sustainable land management, food security, [and others] to avoid duplicating ongoing and future efforts and activities.
- f) Foster analysis of climate change impacts on and implications for the environment, agriculture, food security, biodiversity, land use, water, forestry, fisheries, and other sectors.
- g) Increase public awareness on climate change and its impacts on national development programs.
- h) Engage development partners as an integral part of cooperative activities on climate change within the framework of basket funding and sector-wide approach.

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### 2.3.3 MEETINGS

- 30. The NSCCC will meet at least four times a year, at times and places to be determined by the members.
- 31. A majority of the members of the NSCCC present at a meeting constitute a quorum for the transaction of business. Decisions of the NSCCC will be made by consensus.
- 32. The principal coordinator of the NSCCC meetings and partners' communications and activities in relation to the CCF will be the Fund Manager in collaboration with the Director of Environment.

## 2.4 NATIONAL TECHNICAL COMMITTEE ON CLIMATE CHANGE AND DISASTER RISK MANAGEMENT

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### 2.4.1 PURPOSE

- 33. The purpose of the National Technical Committee on Climate Change and Disaster Risk Management (NTCCC & DRM) is to:
  - a) To provide a forum for technical guidance on climate change and disaster preparedness in the country.
  - b) To provide a platform for knowledge sharing, planning, technical analysis of studies, Programs, workplans and monitoring.

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### 2.4.2 FUNCTIONS

- 34. In order to improve efficiency and effectiveness of climate change and disaster preparedness sectors, the NTCCC & DRM is mandated to:
  - a) Provide technical guidance and direction on the design, implementation, monitoring, evaluation, and accountability of climate change and Disaster Risk Management interventions in Malawi. This will

include guidance on geographical and sectoral targeting of interventions based on national priorities and needs.

- b) Provide a platform for exhibition of technologies and sharing of knowledge, skills and information on research, studies, best practices as well as outcomes and decisions from global, regional and national platforms.
- c) Act as a clearing house for studies, concept notes, research findings, annual workplans etc.
- d) Ensure or encourage interlinkages of efforts on climate change and Disaster Risk management players in the country.
- e) Act on recommendations made by the NSCCC.
- f) Ensure linkages between district and national level committees.
- g) The Committee shall provide a summary of recommendations, decisions and areas that need policy direction to the NSCCC for approval and or endorsement.

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#### 2.4.3 MEETING

- 35. Members will be required to attend at least three quarters of scheduled and ad-hoc meetings per year. In its first meeting every year the committee will review its membership and can decide to add or remove members. The committee can co-opt members on a need basis. The co-opted members will not have voting rights.

### 2.5 INDEPENDENT PANEL OF EXPERTS

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#### 2.5.1 PURPOSE

- 36. The Climate Change Independent Panel of Experts (the Panel) (consisting of between 5 and 7 members) will be set up to provide specific short-term advice and support to the Fund Manager during funding windows. This support and advice will be focused on technical aspects including reviewing proposals put forward for funding under the CCF.

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#### 2.5.2 FUNCTIONS

- 37. The Panel's role is primarily an advisory role focused on providing expert recommendations to the Fund Manager regarding which funding proposals/applications merit funding by the CCF, subject to due diligence reviews and initial assessment conducted by the CCF.
- 38. This is not a decision-making body and the Fund Manager is not legally bound by the Panel's recommendations.
- 39. The responsibilities of the Panel will be determined by the Director of the Environmental Affairs, but will include
  - a) Reviewing funding proposals in line with Fund guidelines. This process will be coordinated by the Secretariat.

- b) Providing sectoral expertise on technical issues as necessary.
  - c) Sharing relevant regional and international level best practices.
40. Each member of the Panel will:
- a) Complete a non-disclosure agreement and conflict of interest declaration for each assigned task.
  - b) Come to their own independent preliminary view on whether or not they agree with the assessment in advance of each funding request.
  - c) Attend a Panel meeting at which the Panel needs to come to consensus on whether or not the Panel agrees with the assessment of each funding request.
  - d) In cases where a consensus is not reached for any assessment, provide written reasons for the disagreement.
  - e) Provide any additional requirements they think should be placed on projects in order to be granted funded.
41. The following principles will apply throughout the funding request assessment process:
- a) **Parity:** All funding requests are treated fairly and equally throughout the assessment process. Decision making is not carried out in a way that mistreats an applicant or provides an unfair advantage to any party.
  - b) **Integrity:** Panel members are to be always honest and professional and keep the purposes of the CCF in mind.
  - c) **Transparency:** The assessment and decision-making process of the Panel is open and clear to all.
  - d) **Confidentiality:** All funding application documents, clarification questions, and evaluation notes are treated as confidential and not shared or discussed with anyone not directly involved in the evaluation.
  - e) **Professionalism:** Panel members are to be professional at all times, respecting other colleagues' views and challenging on clear grounds.
  - f) **Conflicts of Interest:** Any conflicts of interest must be declared by each Panel member prior to each funding assessment. In the event of any conflict of interest the Panel member will not assess the relevant application and will be excused from all discussion pertaining to the application.

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### 2.5.3 MEETING

42. The Panel will be assembled prior to each contestable funding round, up until final decisions are made by the Fund Manager.
43. There are no limitations on the number of meetings, but there is likely to be an initial meeting where Panel members are briefed on the priorities of the day and lead assessors are assigned to each application. Following individual assessments, a Panel meeting will be required where the applications are collectively assessed and final recommendations agreed upon.

## 2.6 CLIMATE CHANGE INTERNAL AUDIT AND RISK EXPERT

44. The Climate Change Internal Audit and Risk role reports to the Fund Manager. The purpose of this role is to provide independent, objective assurance, and advisory service to the Fund Manager and the Director on the effectiveness of the CCF's policies, procedures, internal controls and governance processes to ensure the achievement of the CCF's mandate.
45. The role will give assurance that high levels of fiduciary standards, rules, procedures and regulations are maintained to align with the objectives of the CCF objectives as set out in this Fund Operational Manual. This role will provide independent, systematic and objective audit reviews and programmatic evaluations of operating business processes and procedures.

## 2.7 FUND MANAGEMENT TEAM

46. The Fund Management Team is led by the Fund Manager and has responsibility for the oversight and carrying out of the day-to-day business of the Fund in accordance with the business strategy and annual workplans and to act as the Secretariat for the CCF. The core of the Secretariat comprises six (6) local staff: the Fund Manager, Technical Specialist, Financial Management Specialist, Resource Mobilization Specialist, Monitoring & Evaluation and Knowledge Management Specialist, and Social & Environmental Safeguard Specialist.
47. The team's duties in general involve executing the fund mobilization and investment strategy including:
  - a) Developing fund mobilization, replenishment, establishing partnerships, financing instruments, and funds disbursement in accordance with the guidelines established in this manual and/or the direction and objectives as set by the Fund Manager.
  - b) As a Secretariat, holding responsibility for organizing meetings, communication and coordination with the Independent Panel of Experts with regards to proposal assessments.
  - c) Maintaining procedures and responsibilities for key functions.
  - d) Facilitate synergies with other relevant international initiatives and processes in the field of climate change.
  - e) Arranging capacity building activities and special orientation activities including workshops, seminars and expert meetings as necessary.
  - f) Act as a clearinghouse of information on policy developments and technological information on climate change.
  - g) Acting as designated points of contact between grant recipients and the Fund in the role of Fund Relationship Manager.
  - h) Perform other tasks and duties as directed by relevant authorities.

## 2.8 FUND MANAGER

48. The Fund Manager will lead the Fund Management Team. Recruitment will be through an open and transparent process by the Secretary responsible for climate change and shall be appointed by the Minister for that purpose.

49. The Fund Manager shall report to the Director of Environmental Affairs.
50. Duties and responsibilities of the Fund Manager will include:
- a) Working to achieve the objective of the CCF by establishing and maintaining effective relationships with the Fund's stakeholders in order to mobilize resources, including partner governments, its contributors, recipients, and other components of the Fund, as well as relevant bodies under the United Nations Framework Convention on Climate Change (UNFCCC), observer organizations, multilateral, bilateral and development agencies and other stakeholders.
  - b) Continuing to recruit and retain a cadre of international and local professional staff for the Secretariat, ensuring that selection is open, transparent and based on merit, taking into account gender balance, in accordance with the organizational structure and approved administrative budget approved by the Director of Environmental Affairs with input from the Principal Secretary for Climate Change.
  - c) Effectively managing and developing staff that report to them in order to maximize performance and promote an inclusive and healthy working environment.
  - d) Providing regular and structured performance feedback to staff report to them.
  - e) Leading the Fund Management Team in the implementation of:
    - i. The Fund's operational and access modalities and funding structures;
    - ii. Specific operational policies and guidelines, including for programming, project cycle, administration and financial management, as necessary;
    - iii. Funding criteria, modalities, policies and programs;
    - iv. Environmental and social safeguards and fiduciary principles and standards that are internationally accepted as best practice;
    - v. Portfolio management and oversight;
    - vi. Criteria and application processes for the accreditation of implementing entities of the Fund;
    - vii. The arrangements for replenishment processes; and,
    - viii. A framework for the monitoring and evaluation of performance and the financial accountability of activities supported by the Fund and any necessary external audits.
  - f) Leading the Fund Management Team and the Fund as a whole in their responsibilities for the day-to-day operations of the Fund, to:
    - i. Organize and execute all administrative duties, including the preparation for meetings of the NSCCC and its subsidiary bodies;
    - ii. Report information on the Fund's activities;
    - iii. Liaise with members, implementing entities, and cooperating bilateral and multilateral institutions and agencies;

- iv. Prepare performance reports on the implementation of activities under the Fund;
  - v. Develop the work Program and annual administrative budget of the Fund for approval by the Director of Environmental Affairs;
  - vi. Operationalizing the Fund's project and Program cycle processes;
  - vii. Prepare financial agreements related to the specific financing instrument to be concluded with an implementing entity;
  - viii. Monitor the financial risks of the outstanding portfolio;
  - ix. Work with, and support, the Fund's advisory committee's, including the National Steering Committee on Climate Change, the National Technical Committee on Climate Change and Disaster Risk Management, Malawi Government – Donor Group on Climate Change, Climate Change Expert Working Groups, and the Climate Change Panel of Independent Experts them to carry out their responsibilities;
  - x. Establish and run effective knowledge management practices; and,
  - xi. Perform any other functions assigned by the Director of Environmental Affairs.
51. The Fund Manager will report to the Director of Environmental Affairs.

## 2.9 HUMAN RESOURCES AND ADMINISTRATION MANAGER

52. The Human Resources and Administration Manager, reporting to the Fund Manager, will lead, direct and manage the day-to-day Human Resources (HR) and Administrative activities for the Fund. In addition, they will provide oversight and guidance of the development and monitoring of processes related to recruitment, selection, and retention of staff; compliance, staff welfare, performance management, employee relations, compensation, benefits, training and development; and will oversee administrative functions. The Manager will provide strategic guidance on HR and administrative matters to the management team.
53. Duties and responsibilities of the Human Resources and Administration Manager will include:
- a) Establishing the parameters of and providing strategic direction to the work programs and strategies of the HR and Administration department to achieve results, with oversight of the HR and Administration department and the following technical areas:
    - Strategy
    - Workforce planning
    - Change management
    - Integrated Talent Management
    - Organizational Development
    - Staff Engagement
    - Performance
    - Diversity

- Well-being of Staff
  - Strategic Sourcing/Succession
  - Learning/Career Development
- b) Overseeing and directing the planning, resources provision, management, operations, activities and change priorities of the specialized HR staff, including recruitment manager, talent manager, well-being manager, deputy and support staff, for consistently high levels of performance, efficiency and engagement.
  - c) Guiding and shaping the development and implementation of updated HR systems, processes and tools. Redesigning systems to improve the experience of managers and staff in using HR tools and increase productivity and efficiency for all HR activities.
  - d) Providing a visible role model of excellence in management, ethics and leadership practice.

## 2.10 PROCUREMENT MANAGER

54. The Procurement Manager, reporting to the Fund Manager, will have responsibilities primarily relating to corporate procurements as well as provision of external support and advice on procurement standards to potential Implementing Entities accessing the Fund's resources to finance climate change projects and programs. A provision is made for additional support for the procurement manager as and when necessary.
55. Duties and responsibilities of the Procurement Manager will include:
  - a) Developing strategies for meeting annual cost savings targets; developing the annual procurement plan in collaboration with other Department Heads to facilitate planning and delivery of procurement requirements; and getting the agreement of Senior Management Team to the annual procurement plan.
  - b) Establishing and maintaining processes based on approved guidelines to ensure the most competitive, transparent, and sustainable procurement of goods and services. They will also prepare well-defined legally binding contracts and manage contracts in collaboration with relevant Departments to ensure that goods and services are delivered to the level stated in the contract.
  - c) Providing procurement advisory services to both internal and external parties and actively participate in Second Level Due Diligence to ensure procurement standards are well observed in the Funding proposals submitted for review.
  - d) Taking an active role in enforcing Sustainable Procurement at the Fund based on international best practice, as well as reporting its impact on the Fund's procurement process.
  - e) Identifying, assessing, and managing potential risks associated with different sourcing strategies, and providing insight through the analysis of procurement metrics.
  - f) Defining and managing key supplier relationships to deliver breakthrough performance in cost, service, and quality, including providing technical input to negotiations on strategically significant contracts.
  - g) Reviewing work processes, producing regular reports on performance, and providing comprehensive management information and in-depth analysis, including spend analysis and secured and potential savings for forecasts and budgets.

- h) Utilizing lessons learnt to develop continuous process improvement strategies and sensitizing Departments, actively supporting work improvement and/or organizational change.

#### 2.11 CLIMATE CHANGE TECHNICAL SPECIALIST

- 56. The Climate Change Technical Specialist, reporting to the Fund Manager, will work to contribute to the effective and high-quality delivery of the climate change portfolio; manage and expand current climate change project pipeline; and work with the Fund Manager to strengthen key partnerships that advance the CCF's objectives.
- 57. Duties and responsibilities of the Climate Change Technical Specialist will include:
  - a) Providing technical advice to the CCF on nationally led climate-related initiatives and processes, and also emerging trends and international developments on climate change.
  - b) Provide technical support to the formulation of project proposals on climate change.
  - c) Lead in sourcing public and private climate finance opportunities and strategic engagement of the private sector and the donor partners.
  - d) Manage projects assigned to them, including assurance that project implementation follows agreed upon prevailing regulations with transparency.
  - e) Provide oversight of nationally implemented projects in close collaboration with the relevant implementing partner/responsible party, ensuring timely quality delivery.
  - f) Undertake monitoring and commission evaluations of the projects, identification of operational and financial challenges and development of solutions.
  - g) Ensure top quality planning (annual, and quarterly work-plans), reporting, monitoring and evaluation of assigned portfolio.
  - h) Effectively apply Result Based Management (RBM) tools, establishing management targets and monitoring achievement of results.
  - i) Undertake relevant analytics and research, as required and prepare knowledge materials to support the CCF's climate related initiatives and more broadly those implemented by the Environmental Affairs Department.
  - j) Support the CCF's efforts on advocacy and policy dialogue, including participation and contribution to policy driven research and reviews.
  - k) Contribute to global learning and knowledge exchange by documenting and disseminating lessons learned from activities of climate change portfolio and disseminate widely through on-line platforms.
  - l) Strengthen partnerships with key stakeholders in the area of climate change.
  - m) Produce aggregate reports on activities, outputs and outcomes, including reports for donors as needed.

#### 2.12 CLIMATE CHANGE FINANCIAL MANAGEMENT SPECIALIST

58. The Climate Change Financial Management Specialist, reporting to the Fund Manager, will be responsible for the financial management of the CCF. Summary of key functions:
- Effective and accurate financial resources management and oversight;
  - Implementation of operational strategies and procedures;
  - CCF's budgets management;
  - Ensure proper control of project/Program accounts; and,
  - Ensure close monitoring of the sub-recipients/funding recipients and other implementing partners.
59. Duties and responsibilities of the Climate Change Financial Management Specialist will include:
- a) Ensure effective and accurate financial resources management and oversight, focusing on achievement of the following results:
- i. Financial analysis and oversight for all resources managed by the CCF and provision of high-quality professional advice to the Fund Manager.
  - ii. Proper planning, expenditure tracking of financial resources in accordance with CCF rules and regulations in addition to government ones.
  - iii. Maintain internal controls over all financial processes.
  - iv. Ensure an efficient financial flow process.
  - v. Ensure an effective reporting and information flow between finance and non-finance actors in the CCF.
  - vi. Facilitate annual audits of the CCF as required by the project and ensure external auditors have all relevant information.
  - vii. Follow-up on audit reports to ensure that gaps in audit reports are closed.
  - viii. Monitor the financial performance of supply management systems/procurement.
  - ix. Undertake cost estimates for different activities according to the needs of program management.
  - x. Develop, track and report to senior Fund management financial key performance indicators.
- b) Ensure implementation of operational strategies and procedures, focusing on achievement of the following results:
- i. Establish or fine-tune financial procedures: e.g., receipts, payments, disbursements, and bookkeeping/filing procedures for the CCF.
  - ii. Ensure that financial procedures in place comply with the financial/accounting and procurement requirements of the CCF and the Government of Malawi.
  - iii. Continuous analysis and monitoring of the financial situation, presentation of forecasts for the CCF.
  - iv. Oversight for the transparency of the financial processes and use of funds and compliance with CCF financial guidelines in addition to government ones.
  - v. Provision of guidance and capacity building of Ministry of Natural Resources and the Environment and funding recipients on issues of finance, including but not limited to contracting and banking issues, budgeting, accounting, and reporting.

- vi. Ensuring the preparation of the CCF's Quarterly Reports and prepare monthly Cash Flow and annual Cash Flow Forecasts, and statement of sources and uses of funds in compliance with the NSCCC decisions.
  - vii. Ensuring preparation of other financial reports to be submitted to the donors and government counterparts. Focal point for finance information for the external sources.
  - viii. Elaboration and implementation of cost saving and reduction strategies.
  - ix. Routinely monitors financial exception reports for unusual activities, transactions, and investigates anomalies or unusual transactions. Informs supervisors of the results of the investigation.
- c) Manage the CCF budget and organize an optimal cost-recovery system, focusing on achievement of the following results:
- i. Management of all financial resources through planning, guiding, monitoring, and controlling of the resources in accordance with CCF rules and regulations.
  - ii. Preparation and monitoring of projects' budgets.
  - iii. Elaboration of proper mechanisms to eliminate deficiencies in budget management.
  - iv. Ensuring that contributions from the donors are properly transferred to CCF on a timely basis.
  - v. Submission of financial reports to donors on a timely and accurate basis.
- d) Ensure proper control of CCF accounts, focusing on achievement of the following results:
- i. Complying with the internal expenditures control system, which ensures that vouchers processed are matched and completed and transactions are correctly recorded and posted in the accounting system.
  - ii. Approve transactions in the accounting system, in line with the set authorization matrix.
  - iii. Ensure timely corrective actions on un-posted vouchers, including the vouchers with budget check errors, match exceptions, unapproved vouchers.
  - iv. Control of Accounts Receivables and follow up with partners on contributions.
- e) Ensure close monitoring of the funding Recipients and other implementing partners:
- i. Assess financial management capacities of funding Recipients and develop an action plan to ensure sufficient funds on hand for disbursements.
  - ii. Assess financial management capacities of funding Recipients and develop an action plan to close identified gaps.
  - iii. Harmonize reporting and accounting practices of funding Recipients including budgeting and financial key performance indicators.
  - iv. Monitor funding Recipients as to the accuracy of financial information and safeguards to eliminate fraud; ensure annual audits of sub-recipients.
  - v. Ensure continuous support for the financial managers of funding Recipient organizations.

## 2.13 CLIMATE CHANGE RESOURCE MOBILIZATION SPECIALIST

60. The Climate Change Resource Mobilization Specialist, reporting to the Fund Manager, will be responsible for the technical dialogue with the Fund contributors. Their role is strategically important in the Fund's positioning vis-à-vis its major contributions from government, other public and private

sector donors, and alternative sources, while ensuring the core resource base for the Fund's operations.

61. Duties and responsibilities of the Climate Change Resource Mobilization Specialist will include:
- 1) Identifying, engaging, and securing support from contributors and prospective contributors in governments, other public sector, Foundations, private sector, and alternative sources of finance.
  - 2) Building support for the resource mobilization of the Fund, including in the context of relevant international or multilateral initiatives and key political summits.
  - 3) Supporting the development, in close collaboration with other Departments of the Fund, of a sound plan designed to effectively achieve the Fund's resource mobilisation.
  - 4) For internal financial management purposes, providing realistic forecasts of expected contributions in both aggregate form and per contributor for current year and future years, as possible.
  - 5) Representing the Secretariat in a number of inter-governmental as well as inter-agency forums relevant to resource mobilization.
  - 6) Approaching possible private contributors and alternative sources and maintaining collaborative relationships.

#### 2.14 CLIMATE CHANGE MONITORING AND EVALUATION AND KNOWLEDGE MANAGEMENT SPECIALIST

62. The Climate Change Monitoring and Evaluation Specialist, reporting to the Fund Manager, will lead the Monitoring and Evaluation (M&E) of the projects with drafting, monitoring, and reporting on the Performance Monitoring and Evaluation Plan (PMEP) and progress against set activity; and ensuring that technical support project activity areas is effective and efficient.
63. Duties and responsibilities of the Climate Change M&E Specialist will include:
- a) Oversight and management of the monitoring and evaluation system, including development of a robust M&E framework, implementation of the PMEP, development of data collection methodology and tools, and leading complex statistical analyses and M&E reporting.
  - b) Oversee the development, management and quality assurance of the implementation of the monitoring and evaluation approach in the CCF's investments before and after approval through the review of Entity work programs, concept notes, Readiness Proposals, Grant Agreements, Funding Proposals, term sheets, to ensure quality at entry of public and private sector investments, as well as readiness support.
  - c) Lead the development of key M&E systems including M&E protocols, templates, procedures, and policies and provide appropriate guidance and support to promote compliance and uptake within the Secretariat.
  - d) Design data collection and reporting protocols linked to project outcome indicators.
  - e) Ensure timely preparation of M&E related progress reports on a weekly, monthly and quarterly basis.
  - f) Conduct mid-term and end-of-term project reviews.
  - g) Periodically prepares communications materials that promote the CCF's work on the ground and innovative best practices in the field of climate change.
  - h) Conducts analyses of the CCF's climate change portfolio to identify best practices and policy impacts, particularly with respect to poverty reduction.

- i) Supports the development of key performance indicators and results-based frameworks to report achievements of programs.
- j) Ensures editorial management and content of the CCF's online presence and webspace (internet, intranet, etc).
- k) Expands the CCF knowledge base by joining other climate change global or regional networks and researching information from other communities of practice. Shares relevant developments, innovations, best practices, lessons learnt, and content developed with the Secretariat when relevant.
- l) Disseminates and provides briefings on technical and strategic position papers, presentations, advisory and briefing notes.

## 2.15 CLIMATE CHANGE SOCIAL AND ENVIRONMENTAL SAFEGUARD SPECIALIST

- 64. The Climate Change Social and Environmental Safeguard Specialist, reporting to the Fund Manager, will be responsible for the development process of Environmental and Social Safeguard guidelines for the CCF, social screening, and staff capacity building in consultation with the Fund's Human Resource Management Function.
- 65. Duties and responsibilities of the Climate Change Social and Environmental Safeguard Specialist will include:
  - a) Assist in the development process of Environmental and Social Safeguard guidelines for the Fund.
  - b) Participate in social screening activities as well as review of grievance readdress mechanisms.
  - c) Undertake an environmental and social risk categorization of proposals submitted to the Fund and projects under implementation.
  - d) Closely follow-up the integration of safeguard assessment information and completion of safeguards self-screening Checklist during the project/program development process.
  - e) Provide technical support during proposal development, project design, appraisal process and resource mobilization plan.
  - f) Ensure that appropriate environmental and social mitigation measures are proposed and met.
  - g) Lead the development and delivery of a series of spot checks to ensure safeguards policies are properly implemented in all projects/programs in line with the guidelines.
  - h) Prepare reports (monthly, quarterly, field monitoring) on the safeguard risk with appropriate actions to be taken for all projects/programs and ensure that timely actions are taken.
  - i) Compile quarterly, biannual, and annual reports on safeguards related issues.

# PART 3: FUND CAPITALIZATION

## PREAMBLE

66. This section outlines the approach to operationalizing the fund along with expected operational costs. The options for initial capitalization and ongoing replenishment are outlined and these will likely determine the timing of calls for proposals and the overall investment strategy. It is important that the CCF has sustainable funding streams, hence, strategic bilateral and multilateral partnerships are an important part of the operations, as well as domestic public and private sources, and other innovative sources.
67. Climate capital can come from a variety of sources, including public and private, national and international. The mechanism to deliver these funds also may vary, including grants, loans, market-based mechanisms and innovative mechanisms such as payments for ecosystem services.
68. The design of the CCF is such that it is positioned to access available international finance mechanisms, including how they are accessed and what the requirements are from deferent development partners. A priority partnership would be with the Green Climate Fund (GCF) and it is expected that over time that the CCF will seek accreditation. Thus, the domestic aspects of the CCF administration are fully aligned to the requirements of key funding streams and multilateral funders, and all activities meet national and international fiduciary standards.

### 3 FUND CAPITALIZATION

69. Climate finance capital can come from a variety of sources, including public and private, national and international. The mechanism to deliver these funds also may vary, including grants, loans, market-based mechanisms and innovative mechanisms such as payments for ecosystem services.

#### 3.1 DOMESTIC SOURCES

70. Sources of domestic finance to capitalize the CCF include leveraging the private sector, endowment funds, annual government fiscal allocation for expenditure on environment and climate change. Alternative revenue instruments for consideration include a carbon levy on extractives and a carbon levy on motor vehicles. The decisions on such options will require both Treasury and Cabinet approval, and the Fund Management Team will seek guidance regarding such matters.

#### 3.2 INTERNATIONAL SOURCES

71. Like all other countries, Malawi has access to a wide range of international climate funding and climate finance. In the first instance, considerations need to be made with regards to the role of the Fund in facilitating direct access to international funding. For instance, the Fund may need to be instituted as a National Accredited Entity or nominated for accreditation under multilateral funding institutions such as the Green Climate Fund (GCF). But this requires the fund to meet specific fiduciary requirements<sup>6</sup>. The GCF accreditation form can be found [here](#).<sup>7</sup> Approval from the GoM will be required prior to institution of the Fund as an accredited entity.

#### 3.3 FUND MANAGEMENT AND OPERATIONAL COSTS

##### 3.3.1 INTRODUCTION

72. This chapter provides an overview of how to manage the contribution receipts into the CCF Account to be opened and maintained at the Reserve Bank of Malawi (RBM). The CCF shall also open an account with a commercial bank for its day-to-day operating expenditure. This will in turn ensure that transfers out of the account to meet approved requirements and account balances are properly stated and recorded. It also provides brief details of the financial and accounting management of CCF. It is important to ensure that CCF financial reporting and integration with national financial systems give more accountability to the Government of Malawi (GoM) for resources, with the intention that this should lead to the development of better business practices.
73. The main financial and reporting roles and responsibilities of the CCF are:
- preparation of financial reports;
  - liaising with key stakeholders for budget planning and execution;
  - monthly financial reporting including bank reconciliation;
  - cash and credit transactions on a daily basis;
  - transmission of monthly financial reports on to Ministry of Finance;
  - maintaining up-to-date management accounts;

<sup>6</sup> GFC Accreditation process can be found here <https://www.greenclimate.fund/accreditation/process>

<sup>7</sup> <https://www.greenclimate.fund/sites/default/files/document/form-05-accreditation-application.pdf>

- recording financial transactions on a timely basis; and,
- maintaining special accounting procedures (e.g., Inventory Register).

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### 3.3.2 RECEIPT AND USE OF FUNDS

74. Before the end of each financial year the CCF must prepare its work plan and the related budgets for the following year, which must be approved by the Director of Environmental Affairs. The budget shall indicate the contributions from Development Partners (DPs) and the GoM and expected use of funds.

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#### 3.3.2.1 RECEIPT OF FUNDS

75. All contributions from DPs shall be channelled through the CCF Account maintained at the RBM for the sole use of the CCF, which shall take full accountability of and responsibility for the CCF Account. Upon receipt of funds the CCF shall immediately acknowledge in writing receipt of funds to the relevant DP in order to foster transparency.
76. The CCF must maintain a financial management system, which shall include records and accounts. The CCF shall prepare financial statements covering all funds utilized in accordance with the Generally Accepted Accounting Principles or as otherwise specified in this section. Financial statements must be detailed enough to reflect the operations, resources and expenditure of the CCF.
77. It is general practice that the DPs specify in their bilateral agreements their preferred disbursement schedules. The CCF shall maintain a Malawi Kwacha Account on the books of the RBM.
78. All disbursements from DPs to the CCF Account shall be made upon receipt and approval of requests in writing from the CCF. Each DP shall receive its own specific written transfer request prior to the transfer of funds, which shall be based on and in line with the approved work plan and budgets.
79. The DPs shall notify the CCF of all disbursements immediately after effecting the remittance. The CCF shall acknowledge receipt of the funds to the individual DPs in question, once they have received the Bank Statements confirming the disbursement and these must state the exchange rate applied.

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#### 3.3.2.2 USE OF FUNDS

80. Expenditure comprises funds disbursed to pay for allowable costs associated with project activities, including but not limited to consultant fees, goods, salaries and wages for related staff. These shall only be recognized in the books when payment is made. Memorandum accounts shall be maintained to monitor unpaid obligations to suppliers of goods and services. Accruals shall be made at the end of the GoM Fiscal Year for any bona fide unpaid amounts at that time. Expenditure shall also include the funds that the CCF will transfer to Grant Recipients after the screening process and approval of the projects. Further details on what constitutes allowable and non-allowable expenditure are provided in sections [3.3.2.10](#), [4.2.5](#) and [4.2.6](#).
81. Any expenditure which has been incurred, but not paid for, shall be treated as a commitment to pay, whilst other CCF-related commitments, for example purchase orders, shall be closely monitored. Therefore, all commitments shall be reported under appropriate categories for budgetary control purposes.

82. A cheque register shall be maintained where all signed cheques are recorded. The register shall record the name of the payee, the amount, the cheque number, and the name and signature of the person collecting the cheque and the date of collection.

**Table 3-1 CCF expenditure process and roles and responsibilities**

	<b>Expenditure Process</b>	<b>Responsibilities</b>
1	Preparing PV if invoice is correct in all respects	Accountant
2	Checking PV supporting documents	Accountant
3	Signing PV to authorise payment	Voucher Preparer, Financial Manager Specialist & Fund Manager
4	Preparing cheques for signing	Accountant
5	Initiating electronic funds transfer	Accountant
6	Signing cheques / authorising electronic funds transfers	CCF authorised signatories
7	Forwarding cheques for recording & dispatching	Accountant
8	Reconciliation of cash and bank statements	Accountant

83. With regard to assets, expenditure related to assets actually purchased shall be treated as outlined above. It is important that a fixed asset register of all capital items bought by the CCF shall be maintained as they shall remain the property of the CCF.

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### 3.3.2.3 KEY RECORDS TO BE MAINTAINED

84. The following key records are to be maintained and kept up to date at all times in order to reflect the true financial position of the CCF:
- a) **Cash Book** – this is in relation to the bank account of the CCF maintained at the commercial Bank. All receipts from the Funding Partners shall be recorded using journals and receipts, while all payments from the CCF bank account shall be recorded sequentially per cheque number.
  - b) **Petty Cash Book** – this is a record of all small cash payments made from the CCF bank account. Petty cash shall be maintained at a maximum amount of MWK100,000 (or such amount as is deemed adequate by the Secretariat) and shall be replenished from the CCF bank account. Petty cash payments shall not exceed MWK20,000 per single payment transaction. The CCF Accountant shall use sequentially numbered Petty Cash Payment Vouchers to record cash paid out from petty cash in the Petty Cash Book.
  - c) **Cashflow Forecast** – The CCF shall ensure that cash projections are prepared and reviewed either monthly or quarterly as requested by the Fund Manager in order to make informed cash management decisions. It is critical that the CCF ensures that the Fund is sufficiently funded in order to meet its obligations and disbursements to service providers without undue delays.

- d) **Fixed Asset Register** – A fixed asset register shall be maintained and updated on a regular basis.

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#### 3.3.2.4 BALANCE SHEET

85. **Transaction of Currencies** - The CCF accounting records shall be maintained in MWK, in line with GoM policies and held at the Reserve Bank of Malawi through which receipts from DPs shall be channelled.
86. With regard to operating expenses quoted in other currencies, these shall be recorded at the RBM's average foreign exchange rate prevailing at the date of the transaction.
87. **Reporting and Data Analysis Requirements** - The system shall be designed to ensure that it facilitates timely generation of regular financial management reports. In order to produce these reports in an efficient manner, the Fund should purchase an Accounting and management software so that transactions can be analysed properly and can be looked at in different ways:
- a) Expenditure categories and sub-categories as per CCF windows and key entry points;
  - b) Components and activities;
  - c) Sources of funds;
  - d) Institutions and units/cost centres;
  - e) List of beneficiaries
  - f) Locations; and,
  - g) Timeframe – dates and periods.

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#### 3.3.2.5 DETAILS OF ACCOUNTING ARRANGEMENTS

88. The CCF shall follow basic principles as detailed in the following sections.

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##### 3.3.2.5.1 ANNUAL ESTIMATES

89. The DPs generally finance personnel and operational costs through their annual grants. The annual estimates shall be prepared in accordance with Treasury Circulars and captured as:
- a) Recurrent Expenditure; and,
  - b) Development Expenditure.

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##### 3.3.2.5.2 RECURRENT EXPENDITURE FOR THE CCF

90. The Financial Management Specialist shall prepare the recurrent expenditure estimates of the CCF. It is important to carry out monitoring and evaluation of the annual budget in order to rationalize available resources to different activities. Instances of over-expenditure or under-expenditure can also be detected during the budget process and corrective measures taken.

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##### 3.3.2.5.3 CASH MANAGEMENT

91. The cash management system must fulfil the following requirements:
- a) Prompt and accurate accounting for and immediate banking of any funds received;

- b) Verification and approval of all payments before pay out;
- c) Proper application of the "PAID" stamp on all vouchers and supporting documentation once payment is done;
- d) Adequate segregation of responsibilities to minimize the chances of fraud;
- e) Proper capture of all cash transactions by the General Ledger System;
- f) Timely carrying out of all Bank and Cash reconciliations; and,
- g) Carrying out regular cash requirement forecasts.

#### 3.3.2.5.4 RECEIPT OF MONEY AND RECORDING OF FUNDS

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- 92. The DPs shall make their contributions directly by depositing their funds through the CCF Account maintained at the RBM.
- 93. The CCF may receive a deposit advice from the RBM.
- 94. In the absence of the deposit advice from the RBM, the CCF shall request a copy of the bank statement to check the receipt of funds.
- 95. The credit advice or bank statement shall be used to issue a receipt to the respective DP.

#### 3.3.2.5.5 PAYMENT PROCEDURES

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- 96. Payments will be made to the following:
  - a) Staff, as salaries and benefits;
  - b) Petty cash, for replenishment;
  - c) Suppliers of goods and services; and office operations,
  - d) Payments to approved Projects.
- 97. The CCF authorised signatories for all purchase/service and payment orders shall be the following:
  - a) Fund Manager
  - b) Financial Management Specialist
- 98. Upon approval of the purchase orders, invoices and supporting documents, the CCF Accountant shall then prepare the payments for signing.
- 99. All cheques shall be supported by a payment voucher and entered into a register before they are released. The register shall show the name of the payee, the amount, the cheque number and the date of collection (or dispatched by registered mail and/or courier). All cancelled cheques shall be stamped "VOID" and recorded in the cheque register with the word 'CANCELLED' in the payee space.

#### 3.3.2.5.6 AUTHORIZATION FOR GOODS AND SERVICES

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100. Some safeguards shall be put in place to ensure that there is separation of duties:
- a) The Accountant shall be responsible for preparing all payments either through cheques or bank transfers.
  - b) The Financial Management Specialist shall then review all payments prepared by the Accountant.
  - c) The payments shall be approved by the Fund Manager.
  - d) For payments less than MWK20,000, payment shall be made through the petty cash account which shall be maintained by a separate staff member under the responsibility of the Financial Management Specialist.
  - e) All payments larger than MWK20,000 shall be signed for by the authorized signatories as indicated above.

#### 3.3.2.5.7 BANK AND BANKING ARRANGEMENTS

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101. Within a period of 14 days after month end the CCF Accountant shall prepare the bank reconciliation after receiving the bank statements from the RBM. This document must be dated and signed.
102. The Financial Management Specialist shall review the reconciliation of all bank account balances to the cashbooks. The Financial Management Specialist must sign and date the reconciliation as evidence of review.

#### 3.3.2.5.8 FINANCIAL REPORTING

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103. The CCF shall prepare financial reports as per the regulatory framework.
- a) Monthly Reports:
    - a. Income & expenditure statement.
    - b. Budget execution report.
    - c. Bank reconciliation for all bank accounts.

The reports shall be submitted within 10 days from the end of the month.

- b) Quarterly Reports:
  - a. Income & expenditure statement.
  - b. Budget execution report.
  - c. Balance Sheet / Statement of Financial Position.

The reports shall be submitted within 30 days from the end of the quarter.

- c) Annual Reports:
- a. Income & expenditure statement.
  - b. Budget execution report.
  - c. Bank reconciliation for all bank accounts.
  - d. Balance Sheet/ Statement of Financial Position. The financial statements shall include the following:
    - Statement of cash receipts and payments;
    - Accounting policies and other notes relating to cash/bank balances, inter-entity transfers, grants details and accounts payable; and,
    - Accounting policies used in the preparation of the financial statements shall be fully disclosed.

After final approval by the NSCCC, the financial statements shall be submitted on time to the Minister of Finance within 30 days from the end of the fiscal year which is 31 March.

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### 3.3.3 AUDITING ARRANGEMENTS

104. There shall be both Internal and External auditing arrangements. The Fund shall also be subject to internal audit functions in accordance with existing Environmental Affairs Department and GoM regulations.

- a) **Internal Audit and Risk Expert.** The Internal Audit and Risk Expert will report directly to the CCF Fund Manager.

The main function is to ensure that rules, policies, procedures, and regulations are complied with in a manner consistent with the CCF Operating Manual. The Internal Audit and Risk Expert shall be responsible for providing independent and objective assurance and advisory services to the Fund on the effectiveness of the CCF's policies, procedures, internal controls and governance processes to ensure the achievement of the CCF's mandate. This will be done through independent, systematic and objective audit reviews and programmatic evaluations of operating business processes and procedures. Audits shall be carried out in accordance with internationally recognized standards.

Appropriate controls with full audit trails shall be put in place to ensure full accountability for the CCF. The Fund Manager shall ensure that books of accounts are maintained for the CCF and shall issue instructions pertaining to financial management and accounting procedures, and shall supervise, administer, and otherwise preserve the integrity of the accounting system of the CCF.

The Internal Audit and Risk Expert shall, inter alia, undertake the following tasks:

- a. Develop and implement an internal audit and risk management strategy, annual audit plans, and budgets aligned to the CCF’s strategic plan for approval by the Fund Manager;
  - b. Continuously evaluate areas of risks and controls within the CCF and assess them in order of priority and suggest mitigation measures;
  - c. Implement approved annual audit plans in liaison with other Department Heads; prepare and present quarterly audit and investigation reports to the Fund Manager;
  - d. Develop an annual risk-based program specific to resourcing protection controls, cash flow risk protection controls and asset risk protection controls; develop, continuously update, and maintain Risk Register;
  - e. Proactively develop a trusted advisor relationship with Fund management that enables internal auditing to effectively influence positive changes within the CCF;
  - f. Develop strategies for strengthening collaborative partnerships and networks with stakeholders, particularly relevant agencies to ensure statutory compliance; and,
  - g. Liaise with the Office of the Auditor General for Annual CCF audits.
- b) **External Audit Function** – Annual audits shall be carried out under the responsibility of the Office of the Auditor General, or other suitable auditor in accordance with GoM regulations, within the Annual Audit Report framework. Audits shall be carried out in accordance with internationally recognized standards.

The audit opinion shall certify, inter alia, the following:

- a. The principles adhered to during the audit;
- b. The total flow of funds, from receipt in the CCF Account at the RBM to final use on the various activities;
- c. The correctness and completeness of the figures in the accounts and that the accounts reflect the actual situation; and,
- d. Any essential findings from the audit.

Audit reports shall be presented to CCF within nine (9) months of the closure of the fiscal year.

The CCF Fund Manager has the right, if need be and agreed, to commission an audit to be conducted by an independent auditor with prior approval from the Office of the Auditor General.

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### 3.3.3.1 IMPLEMENTATION PLAN OF THE SYSTEM

105. The financial management and accounting system of the CCF shall be designed to minimize fiduciary risk by specifying the standard procedures and controls in budgeting, disbursement, and accounting

of funds. It is imperative that the reporting procedures are harmonized with and fully utilize existing GoM procedures.

106. The Financial Management Specialist has the responsibility to ensure that the standard policies, procedures, and controls stipulated in the manuals are complied with both at the CCF and Project levels.

107. In order to achieve that, the system has to be implemented in two ways:

- a) Building the capacities of the end users of the system.
  - a. Conducting financial management and procurement system assessment of fund beneficiaries.
  - b. Conducting training sessions.
  - c. Conducting on the job training.
  - d. Provide technical support and guideline on the system.
- b) Conduct financial controls and spot checks.
  - a. All organizations that receive funding from the CCF shall be visited. This will enable the CCF to ascertain whether or not they are complying with public financial and procurement laws, and also that the funds are being properly used for the intended purposes (value for money principles).
  - b. There shall be quarterly debriefing meetings with finance managers of the beneficiary organizations to ascertain challenges which might have been encountered during the implementation of the financial management and procurement systems as well as findings on the financial controls and to map out the way forward.
  - c. Ensure that the beneficiary organization submit financial reports on a regular basis as stipulated in the financing agreement.

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#### 3.3.3.2 FINANCIAL AND ACCOUNTING SYSTEM

108. The CCF shall have the responsibility of collecting financial information from the implementing partners, which helps to monitor the rate at the which the budget is being executed to ensure value for money.

109. The accounting framework is governed by the following laws and regulations:

- a) Treasury Instructions issued under Section 92 of the Public Finance Management Act 2003<sup>8</sup>;
- b) Ministerial orders issued from time to time; and,

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<sup>8</sup> Government of Malawi, Public Finance Management Act No. 7 of 2003.

- c) Laws determining the State finances for any given fiscal year (these change from year to year).

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### 3.3.3.3 COST-SHARING/IN-KIND CONTRIBUTIONS

- 110. Cost sharing, matching or in-kind contributions can be defined as the portion of a project cost that is not borne by the CCF or as a specific contribution to the project. It can take the form of either cash or in-kind contribution and shall have the effect of reducing/mitigating the overall cost of the project.
- 111. Cash contributions represent the grant recipient's cash outlay to the project including money donated by other third parties.
- 112. In-Kind Contributions represent the value of non-cash contributions, including services and property, provided by the grant recipient or other third parties.
- 113. Items that shall be considered under cost sharing/matching:
  - a) Salaries of staff who devote their time to the running of the project;
  - b) Space housing the project which might be donated; and,
  - c) Supplies, equipment, or travel costs that can be provided by a third party.
- 114. It is important that the cost sharing contributions shall be:
  - a) Verifiable from the grant recipients' records;
  - b) Not included as contributions for any other projects;
  - c) Provided for in the approved budget when required by the CCF; and,
  - d) Necessary and reasonable for proper and efficient completion of the project.

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### 3.3.3.4 CAPITAL AND OPERATION COSTS APPROACH

- 115. This section deals with the way the CCF will be set up and become fully operational. The CCF will need to raise funds to meet capital as well as operational requirements.

#### 3.3.3.4.1 CAPITAL

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- 116. With regard to capital (non-recurrent) expenses, this shall cover such items as vehicles, IT equipment (computers, printers, scanners and communication to include video conferencing) and furniture. Some of the costs can be reduced if the Government of Malawi decides to provide capital assets to the CCF by way of contribution (cost sharing). These shall be purchased or made available prior to Fund operations beginning to ensure that the CCF Secretariat is fully resourced to undertake its essential functions. These assets are expected to have a long useful life subject to normal wear and tear, and it is therefore imperative that the CCF Secretariat implements appropriate care and maintenance policies to ensure capital assets remain in good working order.

#### 3.3.3.4.2 OPERATIONAL COSTS

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117. The core staff of the CCF are clearly elaborated in the Governance section of this manual. The core governance team comprises six (6) local staff: Fund Manager, Technical Specialist, Financial Management Specialist, Resource Mobilization Specialist, Monitoring & Evaluation and Knowledge Management Specialist, and Social & Environmental Safeguard Specialist. They shall be supported by the Human Resources and Administration Manager and Procurement Manager as well as other staff where necessary.
118. During the operationalization of the CCF, it is recommended that a Special Advisor to the CCF is engaged in order to support the CCF. This role would be filled only as and when required on a fixed term temporary basis only and funded by DPs in order to enhance capacity and ensure that the CCF is able to successfully fulfil its responsibilities from the beginning of Fund operations. This will ensure a smooth beginning for CCF operations and provide more confidence to all stakeholders.
119. The recurrent costs to be incurred shall cover salaries and any other staff benefits that might be provided. There shall also be expenses relating to communication, office expenses, training and seminars, travel costs, fuel, and general repairs and maintenance.
120. Any agreed budget must be implemented strictly as approved, with no allowance for over-expenditure, and the CCF Secretariat must take ultimate responsibility for ensuring this. Any funds not utilized must be returned proportionately to the DPs contribution.
121. Overall costs can be low depending on how much support the CCF gets from the GoM by way of donations. It is understood that costs during the first year of CCF operation will be higher than expected in following years, due to the one-off expenses associated with the necessity for capacity building initiatives, staff training, and purchase or procurement of capital assets.

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#### 3.3.3.5 UNALLOWABLE COSTS

122. The following shall be considered unallowable costs:
  - a) Costs not approved as per the yearly budgets.
  - b) Donations of any kind to other beneficiaries.
  - c) Facilitation fees or underhand payments.
  - d) Cost sharing that cannot be documented.
  - e) Cost sharing that is not relevant to the project.

#### 3.4 TYPE OF FUNDS

123. The main funding mechanism of the CCF is a non-repayable grant, which is awarded on a contestable basis. The funding rounds are open to government institutions, NGOs, civil societies, and villages committees.
124. The CCF grant is also available to private businesses and organisations who are able to demonstrate that the project has a public benefit. The project may subsequently generate a revenue stream, but the project would not meet internal return on investment criteria, and therefore requires shared risk from the government.

125. The CCF will develop concessional instruments to promote private sector investment, including low-interest for eligible projects, working with financial institutions and equity investors, and risk mitigators, such as guarantees, first-loss protection, and grant-based capacity-building programs.

**Table 3-2 Funding windows and grant types**

Window	Grants	Loans, Equity, Guarantees, Concessional Loans (to be discussed with Ministry of Finance)
Adaptation	Specific range of eligible activities to be determined during funding cycles	Specific range of eligible activities to be determined during funding cycles
Mitigation.	Specific range of eligible activities to be determined during funding cycles	Specific range of eligible activities to be determined during funding cycles
Capacity building, education, training, and awareness	Specific range of eligible activities to be determined during funding cycles	Specific range of eligible activities to be determined during funding cycles

### 3.5 OPERATIONAL BUDGET

126. This proposed Operational Budget for the fund of CCF takes into account the costs relating to all staff working on the fund.CCF. The Operational cost of the fund shall not exceed 15% of the fund in a financial year. . It is assumed that the GoM shall provide office accommodation fully furnished. If the CCF was to lease its own offices and acquire furniture, the costs would go up. Provision has been made to purchase two vehicles to carry out project site visits, which will be undertaken throughout the country.

### 3.6 PROCUREMENT

127. All procurement undertaken by the Fund Management Team, including recruitment of permanent staff, hiring of contractors and subcontractors, and purchase of other services and goods is subject to the same rules and regulations (including the Public Procurement Act, 2003 and Public Procurement and Disposal of Assets Act, 2017) that all other GoM ministries and departments are bound by.

### 3.7 AUDIT OF CCF Funded Projects

#### 3.7.1 SCOPE OF AUDIT

128. The CCF funded projects shall be randomly audited in relation to any event or issues that the Fund deems to have implications for the delivery of the specific project. An audit may take the form of a full technical, financial, compliance, and/or health & safety audit, or a more informal assessment of the Recipient and/or Sub-Recipient(s).

129. The purpose of an audit is to check compliance with the terms and schedules of the Deed, the appropriate use of the Grant and/or reviewing the Recipient's ability to perform any obligations under or in connection with the Deed.
130. The audit will result in the production of an audit report which may be made available to the Recipient upon request.

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#### 3.7.2 AUDIT REQUIREMENTS

131. The Fund will inform the Recipient if an audit is to be carried out and will seek an appropriate date and time for both parties. Within three Working Days of receiving the Notification of Audit the Recipient must agree a date and time. The date of the audit must be within 10 Working Days of the Notification of Audit.
132. Audits will usually be carried out either by government staff or an independent qualified specialist. In all cases, the Fund's representative for the Project will accompany the auditor.
133. The Recipient must promptly provide or ensure the provision of adequate access, assistance and facilities for audit personnel as required by the Fund during the working hours as stipulated by the Malawi Public Service Regulations on Working Days.

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#### 3.7.3 COST OF AUDIT

134. Typically audit costs will be covered by the Fund's administrative costs.
135. In the event that the audit reveals any misappropriation of the Grant or material discrepancies (particularly those related to Deliverables) the Recipient will be liable for the costs of an audit, as well as the repayment of any misappropriated Grant monies.

# PART 4: GENERAL TERMS AND CONDITIONS

## PREAMBLE

136. In this section, general terms and conditions for investments are defined, including grants and various types of loans. Depending on the type of allocation, a legal document between the Fund and proponents will be prepared and executed. This document will outline the project's purpose, duration, requirements for delivery, payment schedule, special terms, general terms including definitions and interpretation; general terms and conditions; recipient's rights and obligations; Fund's rights and obligations; and schedules (including expense policy; printed publications; audit, capital assets; and multi-year projects). This section also outlines the process for amendments variations of deeds or agreements.

## 4 LEGAL ASPECTS OF FUNDING

### 4.1 CONTRIBUTIONS (INCLUDING IN-KIND) - CO-FUNDING

137. The CCF will favourably consider project proposal that incorporate public or private co-financing (in-cash or kind) and strategic partnerships to achieve the highest possible impact and ambition in accordance with the national climate change objectives.
138. Fund applicants will be encouraged to create strategic partnerships, specifically with the private sector for achieving greater impact in mitigation and adaptation projects, innovation, research, and knowledge transfer.

### 4.2 GENERAL TERMS AND CONDITIONS

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#### 4.2.1 OVERVIEW OF TERMS AND CONDITIONS

139. This section covers the key terms and conditions. The contracting party is the Government of Malawi, herein referred to as the Fund.

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#### 4.2.2 PROJECT DURATION, PURPOSE AND MODIFICATIONS

140. Projects must have a clearly and concisely defined purpose for which the Grant is provided.
141. Projects must be for a discrete duration from one year to a maximum of three years.
142. Funding is not available for ongoing and business-as-usual operations.
143. The Deed of Funding shall commence on the Commencement Date and shall, subject to either party's rights to termination under this Deed, continue in force until the Recipient has completed the Deliverables to the reasonable satisfaction of the Fund.
144. The Deed may only be varied by agreement in writing and signed and delivered as a deed by the duly authorised representatives of both Parties.
145. It is recognized that Project circumstances may change, requiring the need to modify certain elements of the Grant or other terms. In these circumstances the Grant Recipient is to notify the Fund and seek written approval.

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#### 4.2.3 MILESTONES AND DELIVERABLES

146. Projects must have clearly and concisely defined Milestones (incremental outputs of the project). Their definition is important because payments will be linked to these milestones.

147. The description of each milestone should include a succinct name (e.g., purchasing of machinery) and include a list of activities (Deliverables) that are required to achieve each milestone (e.g., developing specifications, seeking quotes).
148. Each milestone must have a specified due date, associated total costs, and costs required from the Fund.

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#### 4.2.4 ALLOWABLE EXPENSES

149. The following section highlights the allowable costs under the CCF. Any other expenses must be agreed with in writing by the Fund.
150. *Administration*: grants can be used to cover stationary costs, postage, courier charges, and phone-calls that are used specifically in relation to the project. Business-as-usual administration costs are not covered.
151. *Advertisements*: grants may be used for advertisements for the purpose of recruiting employees/consultants and acquiring other goods and services in relation to the project.
152. *Capital Assets and Costs*: grants may be used for capital assets and costs associated with the acquisition of capital assets, as detailed in the Capital Assets and Conditions.
153. *Communication Costs*: grants may be used for costs of publications and other communication materials, including the development of both paper-based, internet-based, and other media-based communications and materials. This also includes costs associated with the distribution of communications.
154. *Conferences and Meetings*: grants may be used for venue hire and catering for conferences, meetings and stakeholder engagement workshops. This includes any travel costs for participants, as detailed in the Travel Expense Policy.
155. *Consultant Services*: grants may be used to pay consultant fees, including travel costs as detailed in the Travel Expense Policy.
156. *Equipment Rental*: grants may be used for the rental of any necessary equipment.
157. *Financial Costs*: grants can be used for accountancy fees, which are purely in relation to the project.
158. *Health and Safety*: grants can be used for the development of health and safety plans, training, and for personal protective equipment, which is required for the project.
159. *Information Technology*: grants can be used for IT equipment that is required for the project.
160. *Insurance*: grants may be used for project related insurance costs during the project period, but not for business-as-usual insurance costs (i.e., grants cannot be used for insurance to cover the organization's office or vehicles).
161. *Legal Costs*: grants will cover legal costs if related to the delivery of the project.
162. *Recruitment*: grants may be used in relation to recruitment of project related staff and consultants.

163. *Staff Salaries:* grants may be used to cover the costs of staff salaries, but only in relation to the time spent specifically on the Project, as agreed during the Project Planning phase.
164. *Training:* grants will cover the costs of training, including facilitation, venue hire and any other goods required for the purposes of project related training activities.
165. *Travel Costs:* grants may be used for travel, accommodation, and meals as detailed in the Travel Expense Policy.

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#### 4.2.5 NON-ALLOWABLE EXPENSES

166. The following section highlights the non-allowable costs under the CCF.
167. *Alcohol:* the grant will not cover any alcohol costs.
168. *Commuting:* employee travel to and from work is not reimbursable. Exceptions due to unusual work requirements, deadlines, or the like may be approved in advance by the Fund.
169. *Credit Card Fees:* fees on personal credit cards are not reimbursable, even if the card is used for business purposes.
170. *Entertainment and Personal Expenses:* grants will not cover costs of amusement, diversion, social activities, ceremonials, and related incidental costs, such as bar charges, tips, personal telephone calls, and laundry charges. However, meals are allowable as detailed in the Travel Expense Policy.
171. *Gifts:* grants will not cover the costs of gifts presented to employees or non-employees.
172. *Goods and Services for Personal Use:* grants will not cover purchases of goods and services that are deemed to be for personal use.
173. *Honoraria:* grants will not cover honoraria or other payments given for the purpose of conferring distinction or to symbolize respect, esteem, or admiration.
174. *Insurance:* grants may only be used to cover insurance costs directly related to the project during the funding period. The Recipient must ensure that there is relevant insurance for their usual activities, travel, and any capital assets during the restriction period following cessation of funding.
175. *Memberships:* the grant will not cover membership costs for clubs and other associations.
176. *Parking Tickets and Traffic Violations:* the grant will not cover any tickets or fines incurred, including during travel related to the project.
177. *Payment Penalties or Interest Charges:* the grant will not cover any late charges or interest on credit cards or bank fees.
178. *Political Contributions:* the grant will not cover political contributions of any type, both in terms of cash and other forms of support.
179. *Stolen, Lost, or Damaged Personal Property:* these are not reimbursable even if the theft, loss, or damage occurred while on project related business or travel.

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#### 4.2.6 TRAVEL EXPENSE POLICY

180. The purpose of this expense policy is to provide the Recipient with specific guidance on what the Fund considers to be reasonable travel-related expenses for the project. No travel-related expenses are payable by the Fund unless explicitly provided for in this policy. Any exceptions must have prior agreement in writing from the Fund.
181. *Air Travel:* The Fund encourages non-flexible fares as often there is little or no difference between buying two non-flexible fares and paying for a fully flexible fare, hence making the risk of cancellation worthwhile. The Fund encourages the purchase of the cheapest economy class fares (unless there are valid reasons for not buying these). International air travel is not covered by the Grant unless the Deed expressly states otherwise. Where alternatives to travel are available, such as video conferencing or teleconferencing, Recipients are encouraged to use these methods for communications.
182. *Travel Expenses:* Actual and reasonable expenses (on receipt) for meals and other incidental expenses while on out-of-town business for the purpose of the project may be claimed. Alcohol expenses are a personal expense.
183. *Accommodation:* The Fund will contribute towards overnight accommodation in Malawi in accordance with existing GoM policy. Any mini-bar charges are a personal expense and will not be covered by the Fund.
184. *Rental Cars:* The Fund will cover costs for rental vehicles that are used for project related business.
185. *Taxis/Parking:* Taxi costs may be reimbursed if used as part of the project. The Recipient must provide receipts for taxi fares and/or parking costs. If supporting documentation cannot be provided, the charge will not be reimbursed.
186. *Passport and Visas:* The Fund will not cover costs in relation to acquiring new passports, but will cover costs in relation to visas where international travel is required and permitted.
187. *Phone Calls:* The Recipient should ensure the cheapest option is used for making calls. Personal calls are not covered by the Grant. Project related calls are reimbursed upon receipt of supporting documentation. Calls charged to hotel bills are often extremely expensive and should be avoided where possible.
188. *Use of Private Motor Vehicle:* The Recipient may use a private vehicle for business relating to the Project. Milage may be claimed according to existing GoM policy. Where travel is undertaken in a personal vehicle, the assumption is that the individual travelling is principally responsible for and has adequate insurance coverage. The Fund will not be liable for any costs incurred in the event of an accident.

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#### 4.2.7 CAPITAL ASSETS AND CONDITIONS

189. All Capital Costs and Assets are to be agreed upon in advance by the Fund and stipulated in the contract. The Recipient will maintain an up-to-date register of Capital Assets during the life of the Project, which will provide details on each Capital Asset, its value, and location.

190. All Capital Assets will be and remain the property of the Grant Recipient and will at all times be the sole responsibility of the Recipient. As such, the Recipient will bear the risk of any loss, theft, damage or destruction of any Capital Assets. If Capital Assets require repair or replacement the Recipient will bear the cost of the repair or replacement. There will be no additional funds provided to cover these costs.
191. A Restriction Period shall be enforced on all Capital Assets for a period of 60 months from the date of first payment of any portion of the Grant applied to relevant capital costs.
192. The Recipient agrees that, during the Restriction Period, the Recipient's ability to deal with Capital Assets shall be restricted. During the Restriction Period the Recipient shall not, without prior written consent of the Fund:
  - a) Sell, assign or pledge any Capital Asset.
  - b) Underlet, lend, or otherwise part with possession of any Capital Asset.
  - c) Create, agree to create, allow to come into existence, or permit to subsist any Security Interest, mortgage, charge (fixed or floating), encumbrance, hypothecation, lien, pledge, trust, finance lease, deferred purchase, sale and lease-back, sale and repurchase, flawed asset arrangement, title retention, or any other arrangement which has the practical effect of securing payment or performance of an obligation over or affecting all or any part of any Capital Asset.
193. During the Restriction Period, the Recipient shall:
  - a) Protect all Capital Assets against distress, execution, and seizure.
  - b) Maintain all Capital Assets in a good state of repair and in good working order and condition.
  - c) Maintain suitable insurance for all Capital Assets against risks, in accordance with best commercial practice or to levels specified by the Fund.
  - d) Upon request by the Fund, notify the present location of any Capital Asset.
194. If any of the following events occurs (whether or not within the control of any party) at any time prior to the expiry of the Restriction Period then the Recipient must notify the Fund, immediately on becoming aware of it, of the occurrence of such an event and at any time (and notwithstanding the previous waiver of any default) the Fund may by notice to the Recipient declare to seek clawback of monies paid:
  - a) The Recipient fails to perform or observe any obligation under the Deed regarded by the Fund as material, and, in the case of a failure which is capable of remedy, that failure is not remedied within 10 days after written notice thereof has been given to the Recipient by the Fund.
  - b) Any representations or warranty made under or in connection with the Deed by the Recipient is false or misleading in any respect regarded by the Fund as material.
  - c) The Recipient suffers an event of insolvency, including:
    - a. The Recipient is unable or is deemed to be unable to pay its debts when they fall due.

- b. A receiver, liquidator or other encumbrancer is appointed to the Recipient or to any part of its assets or undertakings.
- c. A compromise or arrangement is proposed or made between the Recipient and its creditors or any class of them.
- d. Any indebtedness of the Recipient is not paid when due or shall become due and payable or steps are taken to enforce any charge, mortgage or Security Interest for such indebtedness.
- e. Any present or future charge, mortgage or Security Interest over or in respect of any of the assets of the Recipient becomes enforceable or is enforced.

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#### 4.2.8 INTELLECTUAL PROPERTY RIGHTS

- 195. *Pre-existing Intellectual Property:* Intellectual Property owned by a Party or its licensors prior to the commencement of the Deed and Intellectual Property developed by a Party independently from the Deed, remains the property of that Party or its licensors as the case may be.
- 196. *New Intellectual Property:* Subject to Pre-existing Intellectual Property and the Recipient complying with the terms of this Deed, any Intellectual Property created or developed in the course of the Project shall become the property of the Recipient or its licensors.
- 197. *Recipient Intellectual Property:* The Recipient grants to the Fund a non-exclusive, sublicensable, royalty free, perpetual and irrevocable licence to use, modify, develop, sublicense and disseminate for any purpose all Intellectual Property owned by the Recipient or its licensors that forms part of the Deliverables. The Recipient warrants and represents that it is legally entitled to grant the licence.

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#### 4.2.9 SEVERABILITY

- 198. Each provision under the Deed must be interpreted in a way that is enforceable under applicable law. If any provision is held unenforceable or declared by any court to be invalid, this will in no way impair or affect the remainder of the Deed, which will remain in full force and effect.

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#### 4.2.10 OBLIGATIONS AFTER PROJECT CLOSURE

- 199. After funding ceases and the funded component of the project ceases, there may still be some ongoing obligations on the Grant Recipient. These may include both mandatory and agreed obligations.
- 200. Mandatory obligations on Grant Recipients will include:
  - a) Ensuring that all Project records and documentation are retained and stored for a period of five years from the end of the Project in case of future audits.
  - b) Notifying the Fund of any sale of Capital Assets that have been paid for entirely, or in part, by the Fund (subject to the conditions on Capital Assets).
- 201. Voluntary obligations may be developed during the pre-grant assessment phase, by mutual agreement. For example, it may be deemed valuable for the Project to continue to provide the Fund with ongoing data or information regarding ongoing activities.

## 4.3 RECIPIENT'S RIGHTS AND OBLIGATIONS

### 4.3.1 USE OF GRANT

202. The Recipient must only use Grant monies for proper purposes within the scope of the Project. The Fund may recover any Grant monies which are misappropriated or not spent in accordance with Deed of Funding. In particular, the Recipient shall:
- a) Ensure that the Grant is only used for costs that are Project Costs.
  - b) Ensure that expenses incurred in carrying out the Project are reasonable and in accordance with the Allowable Expenses, Non-Allowable Expenses, and the Travel Expense Policy.
  - c) Not use any part of the Grant for Capital Costs, without prior agreement from the Fund.
  - d) Account for the Grant received under this Deed in accordance with generally accepted accounting practices, with appropriate internal controls to ensure that the Grant is applied for the purposes of this Deed of Funding.
  - e) Establish, and maintain for the period of the Project, cost codes that relate specifically to all costs incurred for the purposes of this Project so that the Project Costs can be categorised and reported on.
  - f) Ensure that the Grant is used to fund the Project Costs of a Sub-Recipient or subcontractor specified in the Project Plan, when those costs are properly due and payable.
  - g) Follow appropriate procurement processes when buying goods or services for the Project so that only reasonable, open market costs are incurred on an arm's length basis avoiding any conflict of interest. If a conflict of interest is unavoidable the conflict must be declared to the Fund and managed appropriately by the Recipient.
  - h) Not claim for costs or expenses that have been, or will be, claimed from other sources, except as expressly provided for in this Deed of Funding.
  - i) Not claim or use any part of the Grant to support or assist activities which are political (e.g., supporting a political party or movement, running a political campaign, or lobbying against the Government).

### 4.3.2 PROJECT DELIVERY

203. The Recipient must carry out the Project and complete the Deliverables in accordance with the Project Plan and the terms and conditions of the Deed of Funding, as well as to the Fund's reasonable satisfaction. In particular the Recipient shall:
- a) Promptly and efficiently carry out the Project with due skill, care, and diligence.
  - b) Achieve timely completion of the Milestones and Deliverables on or before their due date.

- c) Give the Project appropriate priority over other activities and not divert resources away from the Project, which may cause delays in its completion.
- d) Efficiently and economically source and provide everything required for the Project.
- e) Comply with all Malawi jurisdiction's, laws, codes and standards and all applicable international conventions.
- f) Obtain every necessary authorisation to carry out the Project.
- g) Maintain an appropriate governance structure, including compliance with any relevant legislative requirements.

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#### 4.3.3 PROJECT PERSONNEL

204. The Recipient shall:

- a) Carry out the Project only using appropriately trained, qualified, and experienced personnel.
- b) Ensure that all of its employees and personnel (including Sub-Recipients and sub-contractors) are trained in all relevant health and safety requirements applicable to the Project.
- c) Ensure that all employees and personnel (including Sub-Recipients and sub-contractors), service providers, the public, and any visitors, undergo appropriate safety briefings and health and safety inductions.
- d) Ensure that all employees and personnel (including Sub-Recipients and sub-contractors) are aware of potential liabilities and obligations under Malawi's laws and regulations relevant to the Project.

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#### 4.3.4 COMMUNICATIONS AND INFORMATION

205. The Recipient shall keep the Fund informed in writing, concerning the following:

- a) Relevant reports, including Project reports and minutes from key meetings.
- b) Progress and important issues in relation to the Project. The Recipient must notify the Fund at the earliest opportunity after becoming aware of any issues that may affect delivery of the Project in accordance with the Project Plan or that may require any material changes to be made in relation to the Project, or that might give rise to liability or enforcement action under any laws and obligations.
- c) Any enforcement action commenced against the Recipient.
- d) Details in relation to any health and safety incidents in relation to the Project.

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#### 4.3.5 ENDORSEMENT

206. The Recipient must not take the Fund or the Government of Malawi’s endorsement as a matter of fact, and should not present the Project as being fully endorsed in this way unless they seek prior agreement from the Fund.
207. The Recipient will appropriately acknowledge the Fund in all publications and publicity about the Project. The form and content are to comply with any requirements that the Fund may specify.

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#### 4.3.6 PUBLICATIONS

208. The Recipient is to provide the Fund with a copy of any publications concerning the Project.
209. All Project related publications must acknowledge that financial support has been received from the Climate Change Fund.
210. All Project related publications must include the following disclaimer: *“The Government of Malawi does not necessarily endorse or support the content of this publication in any way.”*
211. Recipients should consider using recycled paper and environmentally produced inks when producing publications.

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#### 4.3.7 ACCESS

212. The Recipient agrees that upon the Fund’s request it shall provide, at all reasonable times and upon reasonable notice, access to their premises, personnel and records (physical files and electronic) for the purpose of audit and verification of work undertaken, use of the Grant and other reasonable purposes in connection with the Deed of Funding.

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#### 4.3.8 CONFIDENTIALITY

213. The Recipient must keep confidential and secure all information disclosed by the Fund in connection with the negotiation or performance of the Deed, including the terms of the Deed. The Recipient must not disclose any Confidential Information except:
- a) with the Fund’s prior written consent;
  - b) as necessary to fulfil the Recipient’s obligations in the Deed;
  - c) to the extent the confidential information is in the public domain; or,
  - d) as otherwise required by law.

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#### 4.3.9 RECORD KEEPING

214. The Recipient shall keep accounts (to Generally Accepted Accounting Principles standards) and other records, and have a system acceptable to the Fund, which enables prompt and accurate verification of any matter in relation to the Project, particularly about how the Grant has been or will be used, and what expenditure by item has been incurred. Records must be retained and available for review, audit, copying and use by the Fund's representatives at any time during, and for at least five years after the end of the Project.

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#### 4.3.10 CAPITAL ASSETS

215. A restriction period shall be enforced on all Capital Assets for a period of 60 months from the date of first payment of any portion of the grant applied to relevant capital costs. During this period the Recipient shall not, without the prior written consent of the Fund, sell, lease, or use as security for any other finance acquisitions, any Capital Assets.
216. During the restriction period the Recipient is responsible for any maintenance required to keep the Capital Assets in good working order.
217. During the Restriction Period the Recipient shall maintain the necessary insurance for all Capital Assets (at their own cost beyond the expiry of the CCF funded project).

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#### 4.3.11 THIRD PARTY INTELLECTUAL PROPERTY RIGHTS

218. The Recipient:
- a) Warrants that it has a legal entitlement to use the Intellectual Property provided as part of the Deliverables and that providing the Deliverables does not infringe the Intellectual Property of any third party.
  - b) Indemnifies the Fund from any claim arising from the Recipient's infringement or alleged infringement of any third party's Intellectual Property or the Fund's claim of Intellectual Property developed under or in connection with the Deed.

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#### 4.3.12 INTELLECTUAL PROPERTY

219. Under the terms and conditions of the Deed of Funding, the Recipient owns all new Intellectual Property related to the Project, on the condition that they permit the Fund to use, and make available, any material created through the Project.

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#### 4.3.13 REPRESENTATIONS AND WARRANTIES

220. The Recipient must represent and warrant to the Fund that:
- a) It has full power and authority to enter into and perform a Deed of Funding and that the Deed has been executed by a duly authorised representative of the Recipient.
  - b) All information, documents and accounts of the Recipient submitted to the Fund for its appraisal of the Project for the purposes of the Deed are true and accurate, and no change has occurred since the date on which such information was supplied which renders the same untrue or misleading in any respect and that there has been no material adverse change in the business, assets, operations or prospects of the Recipient since such information was provided.

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#### 4.3.14 ASSIGNMENT

221. The Recipient's rights to the Grant pursuant to the Deed are exclusive to the Recipient and the Recipient must not assign or otherwise transfer any benefit or burden of this Deed. Any transfer of shares, or any other arrangement affecting the Recipient which results in a change in the effective control of the Recipient, through whatever means, will be deemed to be an assignment of the Deed, requiring the

prior approval in writing of the Fund. No assignment releases or discharges the assignor from any obligation under the Deed.

222. The assignment by the Recipient of any of its rights or obligations under the Deed in whole or in part will not relieve the Recipient in any form whatsoever from its responsibility for due performance of the Deed in accordance with its terms.

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#### 4.3.15 SUBCONTRACTING

223. The Recipient is able to sub-contract, however, shall not sub-contract any of its obligations under the Deed, or make any sub-grant under the Deed, without the prior written consent of the Fund (such consent to be given or withheld at the absolute discretion of the Fund), and such consent (if given) may be made subject to any conditions which the Fund considers necessary.
224. In seeking consent to sub-contract any part of the Project or make any sub-grant, the Recipient shall disclose in writing to the Fund all material interests, including all direct or indirect financial interests, in the proposed Sub-Recipient. The Fund may withdraw its consent to any Sub-Recipient where it has reasonable grounds to no longer approve of the Sub-Recipient or the sub-contracting or sub-grant arrangement and such grounds will be notified in writing to the Recipient.
225. The Recipient will remain wholly responsible for the acts and omissions of any and all Sub-Recipients and/or the work and acts of any and all Sub-Recipients.

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#### 4.3.16 INSURANCE

226. The Grant Recipient must have and maintain appropriate and relevant insurance cover to cover its liabilities over the funded Project term, and for a period following cessation of funding. The length of this post-completion period will be dependent on the nature of the Project but would typically involve a period of 24 months.
227. Insurance should be provided by a reputable insurance company. Project related insurance costs can be covered in funded Project costs, however, the Fund will not cover ongoing business-as-usual insurance costs or costs of capital assets during the restriction period beyond the expiry of the CCF funded project.
228. The Grant Recipient must provide the Fund with evidence of insurance in the pre-grant assessment stage.

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#### 4.3.17 ANTI-CORRUPTION AND ANTI-BRIBERY

229. Recipients will not offer or provide money, gifts, or any other things of value directly or indirectly to anyone in order to improperly influence any aspects relating to the Project, including by assisting any party to secure an improper advantage. The guidelines and regulations of the Corrupt Practices Act No. 17 of 2004 shall be applied.

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#### 4.3.18 HEALTH AND SAFETY

230. At all times the Recipient must have in place, implement, and operate safety management systems which comply with applicable regulations, codes of practice and industry best practice guidelines.

231. The Recipient is required to ensure that all safe work procedures and practices developed for the Project meet all statutory and regulatory requirements.

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#### 4.3.19 RECOVERY OF GRANT

232. In the event of a Termination, the Recipient agrees that on receipt of notice requiring repayment of Grant monies, it shall make such repayment within 20 Working Days of the date of the notice, unless a longer time period is agreed to in writing from the Fund.

### 4.4 CLIMATE CHANGE FUND'S RIGHTS AND OBLIGATIONS

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#### 4.4.1 PAYMENT

233. The Fund shall pay the relevant portion of the Grant to the Recipient based on Milestones and all relevant Deliverables, as set out in the Project Plan, subject to:

- a) The Recipient's compliance with the terms of the Deed.
- b) The availability of funds.

#### 4.4.2 INVOICE

234. Payment of any Grant monies is not due until the Fund has received a detailed invoice from the Recipient. This is to include all required supporting documentation for the Milestone and relevant Deliverables.

235. Sufficient evidence of the costs incurred by the Recipient in undertaking the Project, requested by the Fund from time to time, shall be provided in a timely fashion following the Fund's request.

#### 4.4.3 PROJECT REVIEW

236. The Fund may, in accordance with the Recipient's Access Obligations, observe and inspect anything at any time in relation to the Project and for the purposes of audit in accordance.

#### 4.4.4 PUBLICITY

237. The Fund may disclose any information in relation to the Project to anyone at any time in accordance with the Access to Information Act (2016). However, the Fund shall not publicly disclose information that is deemed by the Ministry to be commercially sensitive except:

- a) With the Recipient's prior written consent.
- b) As necessary to fulfil the Fund's obligations in the Deed.
- c) To the extent the information is in the public domain.

#### 4.4.5 RECOVERY OF THE GRANT

238. The Fund may reduce, suspend, or withhold the Grant or require all or part of the Grant to be repaid, if:

- a) The Fund judges the performance of the Project to be unsatisfactory.
- b) The Recipient breaches the terms governing the use of the Grant or fails to comply with any other term or condition of the Deed that the Fund considers to be material.
- c) Enforcement action is commenced against the Recipient under laws, regulations, codes, standards, or any applicable conventions in relation to the Project or potentially in any other capacity.
- d) The Deed is terminated in accordance with the Termination clause.
- e) There is a substantial change to the Project, which the Fund does not approve of.
- f) Any information provided in the application for funding, in a claim for payment, or in subsequent or supporting correspondence is found to be incorrect or incomplete to an extent that the Fund considers to be material.
- g) If the Fund judges the performance of the Recipient regarding health and safety in relation to the Project to be unsatisfactory.
- h) The Fund has consented to a change in the Project, which in its opinion reduces the amount of Grant required.
- i) An Insolvency Event occurs in relation to the Recipient.
- j) Any other circumstances or events that in the reasonable opinion of the Fund are likely to adversely affect the Recipient's ability to deliver the Project in accordance with the requirements for the delivery of the Project or result in a risk that the Project as approved will not be completed.

239. The Recipient agrees that on receipt of notice requiring repayment of Grant, it shall make such repayment within 20 Working Days of the date of the notice, unless a longer time period is agreed to in writing from the Fund.

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#### 4.4.6 TERMINATION

240. Without prejudice to any other rights to which the Fund may be entitled, if:

- a) The Recipient breaches, or fails to properly or promptly perform, any of the Recipient's obligations in a way that the Fund considers to be material.
- b) The Recipient fails to achieve a Milestone in a way that the Fund considers to be significantly material and cannot be rectified.
- c) Any direct or indirect change of ownership or control of the Recipient occurs which is contrary to the Assignment and Sub-Contracting clause and in the reasonable opinion of the Fund reduces the Recipient's ability to perform its obligations under the Deed.
- d) An Insolvency Event occurs in relation to the Recipient.

- e) The Fund believes that the Recipient is generally in financial difficulty which, in the reasonable opinion of the Fund, reduces the Recipient's ability to perform its obligations under the Deed.
- f) The Fund reasonably considers that the Recipient is likely to bring the Government of Malawi into disrepute.
- g) Any enforcement action against the Recipient is successful under laws, regulations, codes, standards, or any applicable conventions in relation to the Project.
- h) If the Fund judges the performance of the Recipient regarding health and safety in relation to the Project to be unsatisfactory, then the Fund may:
  - a. withhold any payment otherwise due to the Recipient until the matter is resolved to the Fund's reasonable satisfaction; and/or
  - b. suspend or terminate (in whole or in part) the Deed by written notice to the Recipient with immediate effect.

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#### 4.4.7 TERMINATION BY NOTICE

- 241. The Fund may terminate the Deed at any time by giving the Recipient at least one month's written notice.

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#### 4.4.8 LIABILITY

- 242. The GoM will not be liable (in contract or tort, including negligence) to the Recipient for any direct or indirect damage, loss or cost whatsoever in relation to the Deed and the Recipient carrying out the Project.

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#### 4.4.9 RETROSPECTIVE COSTS

- 243. The GoM will not be liable for any costs or liabilities incurred by the Recipient prior to the Commencement Date of the Project, unless by written agreement.

### 4.5 AMENDMENT AND VARYING OF GENERAL TERMS AND CONDITIONS

- 244. The Fund Manager may amend or vary the General Terms and Conditions contained in Part 4 of this manual in consultation with the Director of Environmental Affairs and the Solicitor General.
- 245. The Fund Manager may inform any potential recipient of the funds of any amendments or variations made to the general terms and conditions before entering into a deed of funding.
- 246. Any amendments to the General Terms and Conditions made after entering into a deed of funding between the GoM and the Recipient shall be made after mutual agreement.

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# PART 5: FUNDING APPLICATION PROCESS

## PREAMBLE

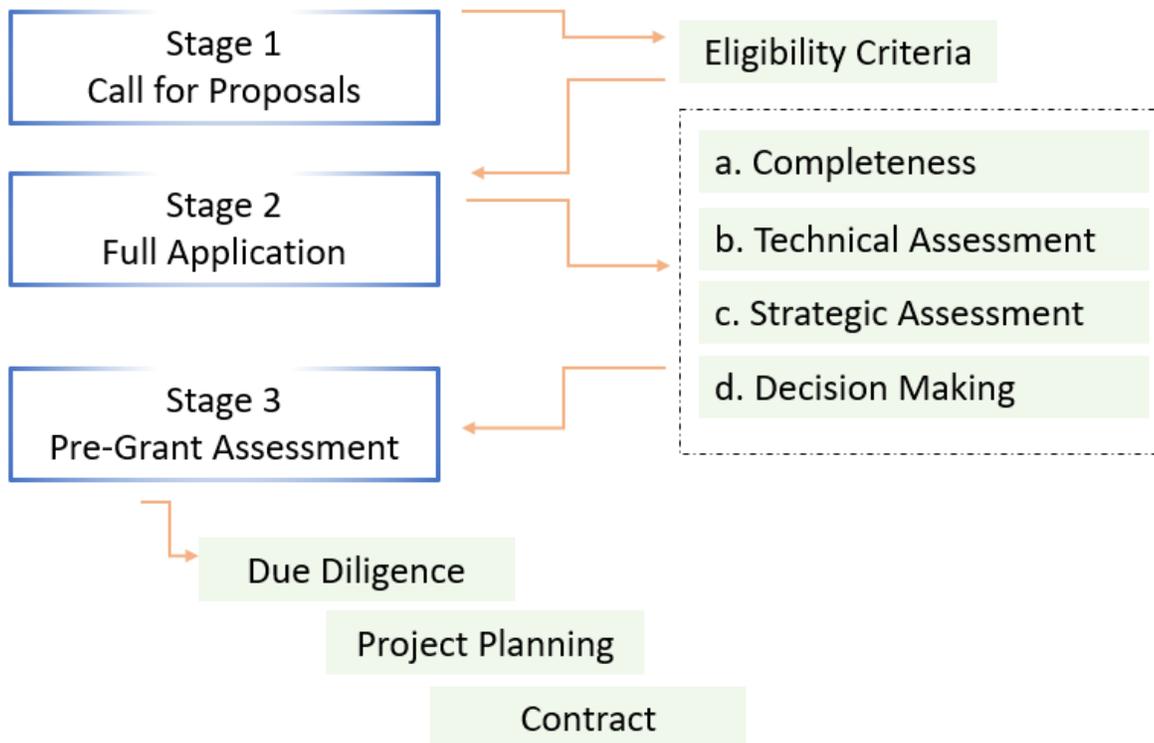
247. The application process is a critical part of this document as it is an important part of knowledge base that project proponents will need to understand. The Fund Management Team will need to prepare specific additional communication material relating to the application process, funding windows and call for proposal. The CCF will establish a capacity building program to assist potential applicants understanding of the Fund criteria and how to develop credible proposals. This section consists of templates in the Annexes and prospective applicants should be helped to become familiar with all the relevant forms and templates.

## 5 APPLICATION PROCESS

### 5.1 OVERALL PROCESS

248. The assessment process will consist of two initial application stages, followed by a third stage involving pre-grant assessment. It is important to note that projects will only receive funding upon satisfactory completion of the third stage and that the decision to award funding can still be terminated during this phase.
249. The two-stage application process involves a call for proposals phase, followed by a full application phase. This approach has many advantages for both applicants and the administration of the Fund. Applicants can receive feedback on their basic idea without the need to write a full proposal, while the Fund Management Team can easily identify applicants that do not meet the eligibility criteria of the Fund and can subsequently reduce the number of full applications to the Fund.
250. Note that the completion of a project proposal and full application are to be undertaken at the applicant's expense. There are no recompense mechanisms based on success or failure of applications.

Figure 5-1 Application Process



## 5.2 FUNDING WINDOWS

251. The Fund will operate through open contestable funding windows, which will be open for a discrete period of time for applicants to the fund. Applications will only be received during these funding windows and not on an ad-hoc basis. This allows for a contestable process, whereby each application is assessed in terms of relative merit. These funding windows will be run on an annual basis and will be well publicised in advance, so that applicants can adequately prepare.

## 5.3 MARKETING AND ORIENTATION

### 5.3.1 MARKETING THE FUND TO DONORS

252. Attracting donors will require the CCF to differentiate itself from the many other international funds that are active within the fields of climate change, environment, and development. This requires the Fund to develop its own brand, which in turn will attract resources. The brand should demonstrate to potential donors the core values of the Fund, showing the Fund to be a transparent, accountable, and trusted institution which delivers finance to projects that make a real difference to people and the environment.
253. A well-designed website is critical to showcase and tell the story of the CCF, including its purpose, and to provide an outline of the projects that have been funded to date. The website should have great content as well as visuals that show projects being implemented.
254. The Fund will benefit from being promoted across government, including by Ministers and the President, as well as local politicians in areas where projects are situated.
255. It is important to invite a wide range of stakeholders to events when projects are launched or celebrating successes, as this will help show that the project and the Fund has wide support.

### 5.3.2 MARKETING THE FUND TO GRANT APPLICANTS AND ORIENTATION

256. It is critical that the CCF is accessible to a wide range of applicants across all parts of society. This may include people at village levels, who may not have access to some mainstream communications channels. Consequently, it is important that a variety of digital and non-digital communications channels are utilised (e.g., newspapers, radio, television, social media, website), subject to available budgets, to ensure that people are aware of the Fund. It is also important that the Fund is promoted via elected and non-elected government officials.
257. Prior to each funding window and call for proposals it is important that potential applicants are helped with their understanding of the CCF and the requirements for applying. This should involve a series of workshops, which can be conducted virtually or in person, to help orientate applicants with regards to expectations. This will involve ensuring applicants are aware of the Fund's purpose and eligibility criteria as well as how to fill out call for proposals forms. This approach will help eliminate any applications that do not align with the purpose of the Fund, as well as raising the standard of applications, which will help with the assessment process.

## 5.4 STAGE 1: CALL FOR PROPOSALS

258. The Call for Proposals is the first stage in the application process. The object of this stage is to allow applicants to express their interest in having their project funded by the CCF and to present a broad summary of their project idea, while allowing the Fund Management Team to establish whether the project meets the Fund's eligibility criteria.
259. The expression of interest is a short concept proposal, which must be submitted prior to the deadline for this stage. This proposal is only assessed against the eligibility criteria; there is no technical assessment of the proposal at this stage.
260. The expression of interest form asks applicants to complete a range of summary information including: an overview of the project; the issues that the project seeks to address, and; some basic information about the applicant. The expression of interest form will be made available via the website as a downloadable Microsoft Word template (.docx), and will be supplied by mail on request. This latter arrangement will ensure that people in remote parts of the country or those that do not have access to a computer are not obstructed in making an application.
261. The EOI form is in Annex 3. Expressions of interest must conform to this template, including complying with word limits and format structure.
262. Applicants are encouraged to include supporting letters from other stakeholders or project partners and beneficiaries, which should be included in PDF format and combined as one document.
263. Applicants can seek guidance from the Fund Management Team on individual applications prior to the deadline for submissions.
264. Expressions of interest are to be submitted via email as a soft copy, or as a hard copy. Email versions must be sent before the deadline and hard copies must be physically received by the Fund Management Team before the deadline expires (note that late hardcopies may be received at the Fund Management Team's discretion, if it is clear there have been significant delays in the postal service).
265. Expressions of interest will not be accepted following the closure of the call for proposals, and any proposals after this deadline will be automatically rejected. In the interest of equity and fairness this policy will apply to all applicants.

## 5.5 STAGE 2: FULL APPLICATION

266. Expressions of interest that satisfy the eligibility criteria (as detailed in Section 6.1) will be invited to submit a full application to the second stage of the application process. This stage involves the completion of a more detailed application, as detailed in Section 5.5, which will be provided to applicants that have successfully completed stage one of the application process.
267. Successful applicants to the second phase will be emailed a copy of the full application form. Applicants who sent an expression of interest via hardcopy will be contacted to discuss arrangements for the full application phase. Ideally, this application form is to be completed digitally, but it is understood that it will not be possible for all applicants to have access to a computer. Consequently, it will be possible for the Fund Management Team to help applicants in completing this phase, either by inviting them to submit a hardcopy of the application form or by providing support via other means to help applicants complete a digital copy of the form.

268. The details in this application form will provide the assessors with a comprehensive understanding of the Project regarding its aims, objectives, milestones, performance indicators, budget requirements and project management.
269. There will be a period of approximately two months from applicants receiving notification that their expression of interest was judged eligible to proceed to the closure of the second stage of the application process, during which the applicant must complete and submit their full application.
270. Applications received after closure of the second stage will not be accepted; however, the Fund Management Team will initially assess applications for completeness and applications that are missing certain information may be invited to subsequently update the application within a discrete period of time (approximately two weeks).

# PART 6: APPLICATION ASSESSMENT AND DECISION-MAKING

## PREAMBLE

271. The assessment of applications and decisions on what projects will be funded is fundamental to the success of the Fund and meeting its objectives. This section provides details on how individual applications to the CCF are assessed, as well as how final funding decisions are made in terms of which applicants are successfully awarded funding.
272. The assessment process is designed to ensure alignment with existing legal governance arrangements, as provisioned under the Environment Management Regulations, 2018. However, it is important to note that assessment and decision-making process may change over time and will be clearly outlined during each funding cycle. The assessment and decision-making process is designed to ensure fair and transparent selection of high impact projects.
273. Submitted proposals will be assessed by highly qualified team of experts drawn from relevant sectors.

## 6 ASSESSMENT AND DECISION-MAKING PROCEDURES

### 6.1 ELIGIBILITY CRITERIA

#### 6.1.1 INTRODUCTION TO ASSESSMENT PROCEDURES

274. The following sections provide details on how individual applications to the CCF are assessed, as well as how final funding decisions are made in terms of which applicants are successfully awarded funding.
275. The approach outlined is bound by and follows the existing legal governance arrangements, as provisioned under the Environment Management Regulations, 2018. However, it is important to note that there are limitations under these existing arrangements. As such, details are provided in Annex 1 as to how the assessment and decision-making procedures can be developed in the future, in order to improve the autonomy and independence of the Fund's operations.

#### 6.1.2 OVERVIEW OF ELIGIBILITY CRITERIA

276. Projects will initially be assessed against the Fund's key Eligibility Criteria based on the needs or priorities of the country.
277. *Purpose:* The Purpose of the CCF is to support Malawi to manage climate finance by facilitating the collection, blending, coordination of, and disbursing and accounting for climate finance in line with the Enhanced Transparency Framework under the Paris Agreement. Projects supported by the Fund should provide benefits to Malawi and its people based on the needs or priorities of the country.
278. *Scope:* The scope of the CCF includes but is not limited to the four key priority areas for investment:
- a) Adaptation:
    - a. Integrated Watershed Management Program.
    - b. Improving Climate Change Community Resilience through climate-smart agriculture production systems.
    - c. Climate Proofing of Infrastructure Development.
    - d. Enhancing Disaster Risk Management.
  - b) Mitigation:
    - a. Enhance Reduction of Emissions from Deforestation and Forest Degradation (REDD+).
    - b. Waste Management and Pollution Control Program.
    - c. Enhancing Energy-Saving Technology Program.
  - c) Research, Technology Development and Transfer:

- a. Climate Change Adaptation Technology Development (CCATD).
  - b. Climate Change Mitigation Technology Development (CCMTD).
  - c. Adaptation and Mitigation Technology Transfer (AMTT).
  - d) Capacity Development and Knowledge Transfer:
    - a. Capacity Development in Climate Change.
279. *Strategic Contribution:* Projects that link to wider regional and national strategies related to climate change and environmental management will be given preference.
280. *Beyond business as usual:* Funding is not for the ongoing financial support of existing activities, nor is it for the general running costs of the existing activities of organisations, individuals, councils, or firms.
281. Projects must promote or achieve innovation in response to climate change impacts, either by implementing new initiatives or a significant expansion in the scope or coverage of existing activities.
282. *Timeframe:* Project funding should be for a discrete period, with a timeframe of up to three years. During this period the initial project objectives should have been achieved and, where appropriate, the initiative will become self-funding or will result in ongoing benefits.
283. *Efficiency and Effectiveness:* The project must demonstrate value for money and well thought out objectives.
284. *Stakeholders:* The project must demonstrate that consultation has been undertaken with relevant stakeholders, and that there is a plan to continue to engage with stakeholders during the course of the project.
285. *Legislation and Regulations:* The project must comply with existing legislation and regulations.

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### 6.1.3 ELIGIBILITY CRITERIA ASSESSMENT PROCESS

286. All submitted projects, via their expressions of interest forms, are to be initially assessed in relation to the Eligibility Criteria, by the Fund Management Team. The Fund Management Team are to utilise a “traffic light” approach, assigning each submitted expression of interest to either a green, amber, or red category.
287. **Green category:** Applications in this category satisfy all of the above eligibility criteria. These applicants will be invited to submit a full application in the second stage of the application process.
288. **Amber category:** Applications in this category broadly conform to the majority of the eligibility criteria, but may be missing some key information in a particular area (e.g., details on stakeholder consultations). The Fund Management Team will provide comments on what information is lacking and applicants will be invited to provide additional information to fully meet the eligibility criteria. Applicants are to resubmit the expression of interest within a defined time period for each window and funding round. Only one resubmission will to be allowed per funding window.

289. **Red category:** Applications in this category do not conform to the eligibility criteria, either because they do not meet the scope of the Fund or have failed to adequately provide the majority of information. Applicants whose applications are assigned to this category will not be invited to either resubmit the expression of interest or proceed to the application phase. Comments will be provided by the Fund Management Team accordingly. Projects that do not meet the Fund’s scope will be informed that their initiative does not fit within the purpose of the Fund. Projects that meet the overall scope but have failed at this stage to adequately satisfy the majority of other eligibility criteria will not be precluded from submitting an expression of interest to subsequent rounds.
290. It is estimated that the process of initial screening of expressions of interest against the eligibility criteria will take approximately one month for the Fund Management Team to complete from the closure of the Call for Proposals, subject to the overall number of applications received.

## 6.2 TECHNICAL ASSESSMENT CRITERIA

### 6.2.1 OVERVIEW OF TECHNICAL ASSESSMENT CRITERIA

291. The technical assessment evaluates how projects address the following five key criteria:
- a) Strategic Alignment
  - b) Benefits
  - c) Value
  - d) Partnerships and Collaboration
  - e) Capacity and Project Delivery
292. **Strategic Alignment:** This criterion encompasses how the project will:
- a) Support wider government policies and priorities in responding to climate change, including the Malawi Growth and Development Strategy and Malawi Vision 2063.
  - b) Acts as a catalyst for change to enhance and extend the response to climate change.
293. **Benefits:** This criterion encompasses the benefits of the project, with projects that collectively give the largest net benefit over time scoring more highly. The assessment of the effectiveness of the projects will include the extent to which application demonstrates that the project will:
- a) **General Benefits:**
    - a. Have a high likelihood of success.
    - b. Develop general capacity and capability in Malawi (e.g., knowledge and institutional).
  - b) **Environmental Benefits:**

- a. Improve the resilience of the environment and society to the impacts from climate change.
  - c) *Economic Benefits:*
    - a. Contribute to the long-term economic wellbeing of Malawi (e.g., lead to an increase in productivity).
  - d) *Social Benefits:*
    - a. Contribute to the long-term social and cultural wellbeing of Malawi, including by additional job creation and livelihood opportunities, increasing skills and capacity, poverty reduction, and supporting disadvantaged communities, young people, and women.
294. **Value:** This criterion looks at what co-funding has been secured from other sources, noting that a co-funding model is preferred because it exhibits partnership support and subsequent involvement in the project. As such, the assessment will examine:
- a) Value for money.
  - b) Has already identified and established co-funding to support the project's ongoing costs. Co-funding is not a necessity; however, the presence of co-funding demonstrates wider partnership support and cross-sector value.
295. **Partnerships and Collaboration:** This criterion looks at the degree of partnership and cross-sectoral collaboration demonstrated in the application, noting that projects with high levels of support are more likely to succeed and be sustainable over the long term. This assessment will examine the degree to which the project will:
- a) Utilize partnerships to ensure the project is successful.
  - b) Promote and utilize cross-sectoral collaboration.
296. **Capacity and Project Delivery:** This criterion will assess the capacity of the applicant to project manage and deliver a successful project in terms of process, governance, budget, and risk management. The assessment of this criterion will consider:
- a) *Process:* The applicant has identified a clear process to determine what the project requires to be successful, including a clear sequencing of tasks. The applicant must provide evidence that they have obtained key delivery components of the project, such as permits/consents. Details must be provided as to how the project will achieve its goals.
  - b) *Governance:* The level of governance required for the project must be appropriate to the overall budget of the project, the complexity and duration of the project, and its goals. Consideration will be given to the overall framework for governance, membership, and the overall decision-making ability of the project team.

- c) *Project Management*: The project team, including the project manager, has the appropriate and relevant skills and experience to deliver the project successfully.
- d) *Budget*: The application demonstrates that there are the necessary comprehensive funds in place to cover the entire costs of the project. This includes details of any finance from other sources beyond the Fund. Budgets must be accurate, and details should also be provided on how the project will become self-sustaining at the end (if relevant).
- e) *Risk Management*: The applicant must demonstrate that relevant risks have been identified, including the risk of not achieving expected benefits. This includes identifying any significant dependencies and issues that are outside the control of the applicant. Suitable mitigations or contingencies to manage these risks should be highlighted.
- f) *Monitoring*: The applicant must show that there are well thought out processes in place for determining how the project will be monitored, evaluated, and reported on. This is to include monitoring of project risks.

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#### 6.2.2 TECHNICAL ASSESSMENT PROCESS

- 297. The overall process involves an initial check for completeness by the Fund Management Team, a technical assessment conducted by the Independent Panel of Experts, and final decision making undertaken by the Fund Manager, followed by endorsement by the Director of Environmental Affairs.
- 298. **Application Completeness**: Full applications will initially be assessed by the Fund Management Team for completeness. Any applications that have failed to complete key sections will be invited to provide the missing information and will be allowed a short window of time in which to provide a completed application (subject to time availability in each funding round). Any applications that fail to meet the deadline shall be removed from the process.
- 299. **Individual Technical Assessment**: Complete applications will be assessed by the Climate Change Independent Panel of Experts. This assessment will initially be undertaken by individually assigned panel members, followed by a group panel meeting to achieve consensus and final recommendations. This approach will allow each panel member to bring their individual perspective on the project, based on their own skills and experiences, before a more rounded strategic assessment is undertaken by the entire panel.
- 300. Each application will be assigned by the Fund Management Team a lead assessor from the Independent Panel of Experts, based on the specific technical area of the project and capability of the assessor. As most projects will encompass a number of technical areas, projects may be assigned further assessors from the panel.
- 301. In order to aid assessments, the Fund Management Team will provide the Independent Panel with relevant information on current wider government policies, relevant current areas of focus and priorities. This will help with the assessors understand the strategic alignment of individual projects. However, in order to maintain a transparent and equitable process this information should be provided in general terms, as opposed to making direct appraisals of individual applications.
- 302. The Panel will also be provided with details on the available budget for each funding round, in order to be able to help undertake initial prioritisation of recommended projects.

303. The initial assessment by individual panel members will be conducted using a scoring process across the five technical criteria, completing an assessment template as provided in Annex 7. Individual scores are to be provided to the Fund Management Team in advance of the Panel Assessment meeting.
304. **Panel Technical Assessment:** Following individual assessments, a panel meeting will be convened, to be attended by all panel members. The object of this meeting is to undertake moderation on all scores, assess the merit of individual applications against each other, and reach a consensus on final scores, recommendations and comments. Projects that achieve a minimum final weighted score of 60/100 will be considered for funding.
305. The Fund Management Team is to provide a secretariat role for these meetings. This will involve providing panel members with up-to-date information on government policies and priorities, organising meetings, ensuring that all panel members have relevant documentation, collecting and compiling individual assessment scores, taking minutes during panel assessment meetings, and compiling final scores and recommendations for submission to the Fund Manager.
306. It is critical to note that under the current governance arrangements, these are merely recommendations by the Independent Panel. The Fund Manager is not bound by these recommendations.
307. Final recommendations are to be presented to the Fund Manager, who has responsibility for making the final decision:
308. *Recommended:* Projects in this category are recommended for funding, as they meet the technical requirements and are the highest scored projects within the available budget.
309. *Highly commended:* Projects that meet the technical criteria but are not within the available budget.
310. *Projects of interest:* Projects that have technical merit but have failed to provide enough evidence in the application. These projects will be provided with feedback and encouraged to apply again to subsequent rounds.
311. *Unsuccessful:* Projects that have little technical merit.
312. The Panel is able to make further observations and recommendations to the Fund Manager, in order to help with final decision making, on areas such as perceived level of risk of funding the project, capacity issues, project delivery improvements, and concerns about the level of funding (in relation to the need to provide higher or lower funds).
313. *Conflicts of Interest:* It is possible that some members of the Panel have been or plan to be involved in some of the projects. In order to ensure that there is no perceived or actual bias or conflict of interest in the assessment process the following policy must be adhered to.
314. Each panel member is to declare any potential conflicts that they may have at the commencement of each funding round, and this is to be recorded by the Fund Management Team. The Fund Management Team will subsequently determine the appropriate course of action depending on the potential level of conflict. These are to be discussed with the Chair of the Independent Panel (in the event of the Chair having a conflict of interest, the Deputy Chair).

315. Where there are real conflicts of interest the conflicted panel member will not take part in the assessment of the relevant application. They will be asked to leave the meeting when this particular application is discussed.

### 6.3 STRATEGIC ASSESSMENT AND FINAL DECISIONS

316. The Fund Manager is responsible for final decisions on the projects that will be funded, based on recommendations put forward by the Independent Panel of Experts.
317. The Fund Management Team is to provide the Fund Manager with the Panel meeting minutes and a summary of the recommendations put forward by the Independent Panel of Experts. This is to include summary information on all projects (overall concept and budget), separated into the four recommendation categories: Recommended; Highly Commended; Projects of Interest; Unsuccessful.
318. The Fund Manager will undertake a strategic assessment, which will assign a final ranking of projects based on government priorities. It is important to note that strategic assessment must take into account the Independent Panel's final technical scores of individual projects, but the final strategic ranking may not necessarily fully align with these scores. To ensure transparency this final ranking must be fully documented, ensuring that all decisions are validated.
319. The Fund Manager is able to make alterations to the terms and conditions of agreement with the projects, taking into account any recommendations put forward in this regard by the Independent Panel, as well as any further justifications deemed essential by the Fund Manager. This may include stipulating additional deliverables, identifying areas where further capacity is required, and detailing more stringent monitoring and reporting requirements.
320. The Fund Manager may also decide to change the value of funding from that requested by the applicant. This may include deciding to grant less funding than requested. It may also mean providing additional funding, if the Fund Manager is of the opinion that, while the project has substantial merits, the applicant's proposed budget is not realistic. Any changes will need to be discussed and worked through with the applicant (via the Fund Management Team) during the project planning phase detailed below.
321. As a contestable process, only the top projects that are within the available budget within each funding round will be invited to proceed to stage 3. Other projects that meet the technical requirements and have been deemed to have merit will be invited to apply again in subsequent rounds (these projects will have to go through all stages of application in subsequent rounds).
322. The Director of Environmental Affairs is to endorse the final decisions of the Fund Management Team/ Fund Manager, ensuring that accountability is shared. The final decisions are then to be made publicly available via the website.

### 6.4 STAGE 3: PRE-GRANT ASSESSMENT

#### 6.4.1 OVERVIEW OF PRE-GRANT ASSESSMENT PROCESS

323. Developing an environment of accountability and transparency from the start is an essential part of responsible grant making. This pre-grant assessment stage will ensure the long-term value for money from grant expenditure by identifying potential weaknesses and risks, while also considering

opportunities to enhance capacity before projects commence, when changes become much more difficult.

324. The pre-grant assessment process involves due diligence, reference checks, detailed project planning and the development of contractual arrangements. These steps confirm that the applicant is able to undertake the project, full project management is in place, and that all contractual and legal arrangements are complete.
325. Following completion of the second stage of assessment, successful applicants will be contacted to inform them that their grant has been approved in principle, and that they should prepare for the pre-grant assessment. Applicants will be made fully aware that only upon successful completion of this phase is funding secured.
326. At the beginning of this stage, each project will be assigned a single point of contact within the Fund Management Team who will act as the focal point (Fund Relationship Manager) for that project. The responsibility for assigning projects to team members belongs to the Fund Manager, and should take into account individual team members' skills and experience, the geographic spread of projects (in the interests of travel it may make sense to assign individual staff members to projects within one area), and must be performed in a way that is equitable and transparent.
327. Assigning a single point of contact is essential to ensure that there is a robust ongoing relationship between the Fund and the grant recipient. While staff turnover is unavoidable, changes to key contacts should be kept to a minimum, and where changes do occur, whether temporary (e.g., annual/parental leave, illness) or permanent (e.g., a permanent change of staffing) a comprehensive handover process to an alternative point of contact should occur to ensure a minimum of disruption for both the Fund and the grant recipient.
328. As part of the pre-grant assessment, it may be prudent to conduct a site visit for certain projects, particularly projects that have a high value or a high risk. This will provide an opportunity to develop a higher level of understanding of the project prior to initiation. Details on how to conduct a site visit are provided in Section 7.4.3.

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#### 6.4.2 DUE DILIGENCE

329. Due diligence is the process of ensuring that the Fund has a true and accurate assessment of what is involved in funding a project through the applicant organisation. By undertaking a due diligence assessment, the Fund will be in the position of having reasonable satisfaction that the funding will be correctly applied to achieve the objectives of the project before full engagement and the development of contractual terms. The process will also be valuable for the applicants themselves, providing an assessment of the organisation and project management, which will help identify areas where capacity can be improved.
330. The level of due diligence will depend on the level of risk that is associated with funding the project. The Fund Management Team is responsible for determining the initial potential level of fiduciary risk, of which cost will be a key factor, but not the only factor in determining the level of due diligence that will be required.
331. Low level due diligence can be conducted by the Fund Management Team and will involve activities such as reference checking and examination of bank accounts. Higher level due diligence may need

to be contracted out to a third-party specialist organisation. The depth of due diligence and the level of skill required to undertake this activity is to be determined by the Fund Management Team. The areas of examination detailed below cover a thorough examination; projects initially deemed to be of low risk may not need to have all of these areas examined.

332. Due diligence should cover areas of the applicant’s governance and internal controls, ability to deliver, and financial stability. This is not an exhaustive list and there may be other areas in specific applications that require additional examination.

**Table 6-1 Pre-grant assessment**

Governance	Ability to Deliver	Financial Stability	Social and Environmental Safeguards
<ul style="list-style-type: none"> <li>▪ <b>Fraud, bribery, corruption, and money laundering</b></li> <li>▪ <b>Internal control</b></li> <li>▪ <b>Risk management</b></li> <li>▪ <b>Transparency</b></li> <li>▪ <b>Safeguards</b></li> <li>▪ <b>Ethics</b></li> </ul>	<ul style="list-style-type: none"> <li>▪ Past performance</li> <li>▪ Staff capacity</li> <li>▪ Staff capability</li> <li>▪ Project management</li> <li>▪ Monitoring Reporting</li> </ul>	<ul style="list-style-type: none"> <li>▪ Financial viability</li> <li>▪ Financial management</li> <li>▪ Policies, procedures, and systems</li> </ul>	<ul style="list-style-type: none"> <li>▪ Social Safeguards Framework</li> <li>▪ Environmental Safeguards</li> <li>▪ Feedback and Grievance redress mechanism</li> <li>▪ Information Systems</li> </ul>

333. *Governance*: This will include an assessment of the applicant’s operational status, structure, purpose, and objectives. This area of due diligence may involve discussions with the applicant’s Board, Chief Executive Officer, or Financial Officer. The types of documentation that may be required include, but are not limited to:

- Articles of Incorporation or other organisational documents
- Governance policies and terms of reference, including code of conduct/ethics, conflict of interest, and anti-bribery
- Recent annual reports
- Board Meeting minutes
- Organisational structures
- Curriculum vitae for Board members and key employees
- Land registry
- Details of any legal action, pending or unresolved
- Organisational risk policy
- Environmental policy
- Equal opportunities policy

334. *Ability to Deliver:* This will include a review of the applicant’s capacity, technical skills, and relevant experience necessary to manage activities funded by the grant. The types of documentation that may be required include but are not limited to:

- Curriculum vitae for individuals charged with delivery of the project
- HR policies
- Summary of past audit reports/reviews
- Details on the delivery of previous projects
- Sub-granting, contracting or other tendering policies, including evaluation methodology
- Travel and expenses policy
- Procurement policy
- Monitoring capability and approach

335. *Financial Stability:* This will include an assessment of the applicant’s financial status, viability, and capacity to manage the grant. It will include discussions with the Financial Officer and require an examination of documentation and systems that may include but are not limited to:

- Recent annual reports, financial statements, and regulatory reports (audited, if available)
- List of bank accounts
- Bank statements
- Accounting manual and list of authorisation levels
- Budget management policies and procedures
- Investment management policies and procedures
- List of operating and finance contracts (e.g., rent, insurance)
- Fund accounting systems
- Budgets
- State of other funds, including evidence of committed funds and forecasts

336. Where weaknesses and development needs are identified they will be assigned an actual risk level and an action identified to mitigate against the risk. The risk levels will be used to determine whether an application can proceed to contracting. In some cases, the level of risk may be too great to proceed.

Priority	Definition
<b>Critical</b>	Weaknesses that pose unacceptable negative fiduciary and/or reputational risk to the Fund, with necessary mitigating actions being either not possible or highly challenging to implement. <i>This risk level will result in termination of the offer to fund.</i>
<b>High</b>	Weaknesses that pose unacceptable negative fiduciary and/or reputational risk to the fund, but risks can be adequately reduced

	to acceptable levels through implementable actions. <i>Project to be funded, with conditions.</i>
<b>Medium</b>	There are no significant risks that would result in negative fiduciary and/or reputational risk to the Fund; however, there are some areas where the applicant's systems, processes or procedures could be improved. <i>Project to be funded, with advice given on areas to improve.</i>
<b>Low</b>	There are no issues and no areas that require improvement. <i>Project to be funded.</i>

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### 6.4.3 PROJECT PLANNING

337. This phase involves further development of the project planning that is already present in the full proposal and is necessary to ensure that the project can get off to the best possible start. This phase will require the Fund Management Team to work closely with the applicant, providing guidance on Fund requirements and project planning. A template for project planning is provided in Annex 5.
338. Any changes stipulated by the Fund Manager in respect to additional conditions or alterations to the value funded will need to be worked through with the applicant during this phase, ensuring that initial project planning is amended accordingly.
339. Some projects will achieve a clear and immediate outcome within the funded life of the project and then cease to operate; however, in many cases it is highly likely that the project will continue post funding or will pave the way for other projects. Consequently, it is essential to ensure through the project planning that the funded project activities will have a lasting impact on the grant recipient and other stakeholders.
340. Project planning must include the following key sections and information:
- *Project Details:* Project name, description, location, and duration.
  - *Organisation Details:* Organisation name, description of the organisation, legal entity status, and contact details.
  - *Problem and Solution:* Details of the problem that the project is seeking to address and the solution that the project will bring.
  - *Objectives:* Each project should have between two and six objectives which clearly describe the tangible end results that the project will achieve during the timeframe of the funded project, as well as any beyond this period. All project objectives must be SMART:
    - *Specific:* The objectives should be clear and specific regarding: what is to be accomplished; why achieving the objective is important; who is involved in achieving the objective; where is the objective located physically, and; which resources are required.
    - *Measurable:* The objectives must be measurable in a quantifiable way, so that progress can be tracked and deadlines can be met.

- *Achievable*: The objectives must be achievable and attainable utilizing the available capacities and resources, and within the known constraints.
- *Relevant*: The objectives must be clearly linked to the overall goal of the project.
- *Timely*: The objectives should have specific delivery dates.

For each objective, details must be provided describing how progress towards achievement will be measured, and how it will be known when the objective has been fully achieved. This will require baseline information on the current situation to be measurable at any given time during the project.

341. *Outcomes*: The outcomes and benefits that the project intends to achieve should be identified and articulated. It is possible that some of these outcomes extend beyond the timeframe of the funded part of the project.
342. Details should be provided of how the project's outcomes and benefits will be measured, including both a description of what will be measured to assess the outcomes and benefits as well as how this information will be collected. Any quantitative baseline data should be provided.
343. *Governance and Management*: Details on how the project will be governed, including how the applicant's governance group will monitor and make decisions on the project. Information is required on how project funds will be managed, including the process for procuring goods and services and monitoring and addressing expenditure.
344. *Statutory Permissions*: An outline of all statutory permissions required to deliver and complete the project (e.g., resource consents, planning applications) and their status at the time of assessment.
345. *Health and Safety*: A description of health and safety policies and plans the applicant has in place for the project and the processes that exist to keep these relevant and updated. Details should be provided describing how these policies are communicated to employees, contractors, and volunteers and how compliance is monitored and enforced. The applicant should demonstrate that all such personnel involved in the project will comply with these policies and plans and procedures and/or that sub-contractors have in place their own appropriate safety policies, management plans and procedures.
346. Where available the applicant should supply a copy of their organisation's health and safety management plan for the project. This is purely for the Fund Management Team to be able to confirm the existence of the plan, as opposed to assessing the plan's effectiveness. If the applicant does not have a health and safety management plan and the Fund Management Team deems that one is necessary, then the development of a plan will be stipulated as an early requirement in the project's first milestone.
347. *Risk Management Plan*: The risk management plan must identify and describe all risks that may affect the delivery and completion of the project, the likelihood of the risk occurring, and the potential impact of the risk on the project.
348. This section must include any risks that have been identified and resolved prior to the initiation of the project, as well as mitigation measures that will be put in place during the project to reduce/eliminate ongoing risks. It is important that the risk management plan is reviewed regularly

throughout the duration of the project, and any new risks and mitigation strategies added as they are identified or as risks change.

349. *Milestones*: These are incremental outputs of the project. Their definition is important because payments will be linked to these milestones. The description of each milestone should include a succinct name (e.g., purchasing of machinery) and include a list of activities and deliverables that are required to achieve each milestone (e.g., developing specifications, seeking quotes). Each milestone must have a specified due date, associated total costs, and costs required from the Fund.
350. *Project Budget*: All of the estimated project-related costs must be provided for each milestone across the entire duration of the project. The budget should include a breakdown of expenditure on capital assets, staff, consultants and contractors, travel and accommodation, communications, financial costs, legal costs, information technology costs, health and safety, and any other projected expenditure.
351. *Funding*: Details of all funding sources including contributions to the project from the Applicant themselves, CCF contribution resulting from the grant, and any other external contributions and their status.
352. It is envisaged that this project planning phase will take approximately one month and will result in a final detailed project plan that is agreed upon by both the Applicant and the Fund.

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#### 6.4.4 SIGNING THE CONTRACT

353. Contingent on satisfactory completion of due diligence and project planning, Applicants will be able to enter into a funding deed with the Fund, which details all funding obligations and rights of the contracting parties including:
  - Contracting parties and rights
  - Project duration (up to a maximum of three years)
  - Project description
  - Approved value of the grant and payment schedule
  - Funding conditions
  - Milestones, tasks and deliverables, and performance measures
  - Intellectual property
  - Liability
  - Funding obligations and payment conditions
  - Health and safety management
  - Environmental and social safeguards

# **PART 7: FUNDING DISBURSEMENT MODALITIES**

## **PREAMBLE**

Contractual and funds disbursement modalities for approved projects are outlined in this section. Project proponents will be supported to understand the contractual arrangements, as well as ensuring that all obligations and contractual conditions are met before the project can be deemed effective. The CCF Management Team will work closely with the project teams to ensure contractual arrangements are met, financial payments are made on time and projects are implemented in accordance with the agreement. Where projects amendments or variations are necessary, or where disputes arise, proper procedures are to be followed.

## 7 FUNDING DISBURSEMENT MODALITIES

### 7.1 CONTRACTUAL ARRANGEMENTS

354. Grants will be administered via a Deed of Funding between the Government of Malawi (via the Fund Management Team) and the main applicant.
355. There will only be one Deed of Funding. Any sub-recipients or sub-contractual arrangements (as agreed by the Fund Management Team) will be the responsibility of the main applicant. Any sub-contractual arrangements must be declared by the applicant to the Fund during the application stages, and may be subject to due diligence processes.
356. Unless agreed by the CCF, consultant fees should be a maximum of 15 percent of the project's total budget (including any other sources of funding beyond the CCF).

### 7.2 FINANCIAL PAYMENTS AND MILESTONE ASSESSMENT

357. Payments will be progress based and tied to project milestones, which are incremental outputs. Milestones will be developed during the project planning phase and will be stipulated in the Deed of Funding.
358. Payments for each milestone will be disbursed in advance to the recipient, in line with agreed deliverables that are stated in the project plan. The advance payments will also be dependent on the adequate delivery of previous milestones. Unless modifications are made, as detailed in Section 7.5, it is a requirement for recipients to complete each milestone in the order agreed in the project plan.
359. Recipients will be obliged to complete a milestone assessment report, as detailed in Annex 6. These are to be completed at the end of each milestone period, providing details on adequate completion of deliverables and proof of purchases, which will include receipts and invoices for all components.
360. The Fund Management Team will assess each milestone to ensure that monies have been appropriated as agreed in the project plan and the Deed of Funding. If there are any monies that are unspent or any budget items that have come in under value and are no longer required, these will be deducted from the subsequent milestone fund allocation. At the end of the project there will be a final reconciliation.

### 7.3 POINT OF CONTACT

361. Each project will be assigned a member of the Fund Management Team as their designated point of contact (the Fund Relationship Manager). Wherever possible, this point of contact will remain the same for the duration of the project. A project's Fund Relationship Manager will serve as the primary interface between the Fund and the grant recipient, and will provide project-specific assistance to the M&E and Knowledge Specialist.

362. The Fund Relationship Manager will be responsible for supporting the applicant during the projecting planning and project implementation phases. They will be responsible for processing milestone payments and assessments, and general support.
363. When a Fund Relationship Manager takes holidays or is otherwise unavailable, an alternative staff member must be assigned to the role as a temporary Fund Relationship Manager and this must be communicated to the grant recipient in a clear and timely manner, including the details of any variations in how the temporary Fund Relationship Manager is to be contacted.

## 7.4 SITE VISITS

### 7.4.1 OVERVIEW OF SITE VISITS

364. Site visits are an important component of establishing and maintaining ongoing, transparent communication between the Fund and grant recipients, mutually helping parties to develop a deeper understanding of both the project and the fund processes. Site visits may be conducted as part of the stage 3 pre-grant assessment to assist with conducting due diligence, project planning, and developing the contract, as well as periodically throughout duration of the funding contract to evaluate progress and to help ensure the success of the project.
365. Site visits will be conducted by the Fund Management Team. This team is responsible for determining the schedule for site visits for each project. Site visits require careful preparation by the Fund Management Team.
366. It is important that Fund Relationship Managers are aware that a site visit is usually a very important event for the grant recipients, and they will likely put a lot of energy into planning the visit and welcoming the Fund Relationship Manager to their site. A site visit is also likely to include some social activities, such as lunch or dinner. These are also important elements in establishing relationships and should be embraced wherever time permits.
367. The Fund Management Team must be mindful that initial visits may present challenges for both themselves and grant recipients, as relationships are not fully developed and mutual understanding is limited. Careful planning and effective communication with the grant recipient are essential to minimize potential issues, and over time trust and understanding will develop between parties and more meaningful relationships will be achieved.

### 7.4.2 PREPARATION FOR SITE VISITS

368. Preparation is essential to ensure that the site visit is both minimally disruptive and that both the Fund and the grant recipient get the maximum benefit from it. Where large travel distances are involved, it may be advantageous to combine multiple site visits to different projects into the same travel schedule, so the planning stage of a site visit should involve discussions within the Fund Management Team to facilitate coordination between Fund Relationship Managers responsible for different projects.

369. Planning for the visit must involve coordination between the Fund and the grant recipient from the early stages in order to clarify the time that the grant recipient has available and who will be participating, and to make the grant recipient aware of the time the Fund representative will have available for the visit. Site visits will include meeting with key project management staff, and depending on the specifics of the project it may be beneficial to meet also with other staff involved in the project at different levels. If there are any specific operational activities that need to be viewed these shall be agreed on by both parties ahead of the visit and preparations for the site visit will proceed with these requirements in mind.
370. The Fund Relationship Manager must ensure that they are fully up to date with the state of the project and the grant recipient prior to undertaking the site visit. This is important even if the contract is not a new one as the Fund Relationship Manager may require time to refamiliarize themselves with the details of the project and to ensure that they are aware of any developments since the previous site visit or scheduled update. This will help to ensure the time spent on site is efficient, and will enable the Fund Relationship Manager to develop pertinent and informed questions for the grant project staff and ensure they can get the most value from the visit.
371. Central to all preparation for any site visit must be an awareness of the overall objective of the visit, and the planning shall be done to ensure that this objective is met. This may include sharing any key areas of interest or discussion with the grant recipient in advance to allow them to prepare. The final agenda for the site visit shall also be confirmed with the grant recipient and distributed to all relevant people prior to the visit occurring.

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#### 7.4.3 CONDUCTING THE SITE VISIT

372. At the commencement of the site visit the Fund Relationship Manager will ensure that all attendees are aware of the purpose of the visit and the role site visits play in the grant process. This is particularly important for non-key project staff from the grant recipient or applicant organization who are present who may not have been involved in the grant application.
373. Site visits are an opportunity for the Fund Relationship Manager accompanied by the M&E Specialist to get to know the project and applicant organization in a more personal way. Site visits will therefore form part of the M&E while focusing on getting to understand key aspects of the project and developing relationships with the organization that can be best achieved in person, rather than details that can be discussed remotely. It is also important that time is allowed for informal conversations as well as scheduled meetings and activities.
374. Site visits shall be conducted as open-ended interviews where possible, allowing the Fund Relationship Manager the opportunity to ask the grant recipient questions about project progress, successes, challenges, and needs.
375. A site visit is also a good capacity-building opportunity for the Funds Relationship Manager to expand knowledge of the broader community and environment. For example, it may be an opportunity to develop an understanding of wider issues in relation to climate change, or to meet other groups in the area that are working on responses. These encounters could prove valuable at a later date in respect to other funded projects.

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#### 7.4.4 SITE VISIT REPORTING

376. Following the site visit a brief report should be produced that details the outcome of the visit, including any findings specifically related to progress or any issues identified as part of M&E. Any issues that have been raised must be followed up on by the Fund Relationship Manager along with any other relevant Fund staff. Ensuring that this follow-up is undertaken promptly will show that the grant recipient has been listened to, which will greatly help to develop the relationship.

## 7.5 PROJECT MODIFICATIONS

### 7.5.1 OVERVIEW OF PROJECT MODIFICATIONS

377. It is recognized that project circumstances may change, requiring the need to modify certain elements of the grant or other terms. In these circumstances the grant recipient is to notify the Fund and seek written approval.
378. Grant recipients can make a request to make change the project at any time during the funding period. Minor changes, such as minor extensions to time periods for specific milestones and slight modifications to project deliverables, can be approved by the Fund Management Team.
379. In cases where there is a request to changes to the project that would significantly alter the timeframe of the project as a whole, milestones, or budget, the Fund Management Team must consult with the Fund Manager before approving such a request.
380. The Fund reserves the right to suspend the use of funds if organisational or grant changes are considered material to the success of the grant.
381. The following table provides guidance on the type of modification that is likely to be needed for most standard modifications and the suggested approval level:

**Table 7-1**      **Guidance on project modification**

Project Implementation Change	Modification Needed	Approval
<b>Timeframe for Deliverables:</b> Minor delays (e.g., deliverables that will need to be pushed into the following milestone, but will not require an extension to the overall timeframe of the project) in implementation may result in the need for more time to achieve certain project outputs and milestone.	No-cost extension to specific milestones. Addendum to project plan and contract.	Fund Management Team
<b>Project Completion:</b> Major delays (e.g., delays that will mean that the project cannot be completed within the identified overall timeframe) across multiple outputs may result in the need to extend the end date of the overall project.	Extension to end date. Addendum to project plan and contract.	Fund Manager
<b>Resources for Deliverables:</b> Resources needed to carry out specific activities may be different from what was initially anticipated and budgeted during the application and pre-grant assessment stage.	Budget modification (no overall increase in budget, but a relocation across different deliverables/ milestones).	Fund Management Team

<b>Project Resources:</b> Overall resources for the project are substantially different to what was initially anticipated and budgeted during the application and pre-grant assessment stage.	Budget increase (change to the overall project budget).	Fund Manager
<b>Project Objectives:</b> Initial objectives were deemed unachievable or no longer relevant due to unforeseen changes.	Change to objectives that can be realistically achieved in light of the new situation. Possible budget change (overall budget).	Fund Manager
<b>Deliverables (Outputs):</b> In some cases, the outputs and activities may no longer be relevant, and may need modification or complete changes in order to deliver the project objectives.	Addendum to project plan. Possible change to budget across milestones (no overall budget change).	Fund Management Team
<b>Transfer of Project:</b> The grant recipient may no longer be in a position to undertake the project and may seek the transfer to another organisation, without any changes to the project objectives, deliverables and budget.	Due diligence to be conducted on the new organisation; and, the development of a new contract. Any capital assets etc will need to be transferred to the new organisation.	Fund Manager

#### 7.5.2 UNDERTAKING PROJECT MODIFICATIONS

382. Following a request for modification by the grant recipient, the Fund Management Team shall review the initial proposal and consider whether formal modifications are indeed required. The assessment must consider:

- Is the change valid due to unforeseen circumstances; why were these particular circumstances not identified in the risk assessment in the pre-grant assessment; is the change request reasonable.
- Can the change can be met via a minor modification of the project deliverables through an addendum to the project plan/ contract.
- If the change is substantial, does it still fit within the purpose and scope of the Fund; if the change is beyond the scope of the Fund, and the issue cannot be resolved in any other way, then this may require a termination of the project.
- Does the change require a substantial increase to the budget; does the additional cost still meet value for money; are there funds available to cover the increase in budget.
- If there is a request to transfer the project to a new organisation, the Fund Management Team should undertake some initial due diligence on the new organisation. Subject to the Fund Manager’s approval in principle of the change, more extensive due diligence is required prior to final approval.

383. Following the initial assessment, the Fund Relationship Manager shall provide the Fund Manager with a briefing note outlining the request, summary of the initial assessment, and recommendations over the next steps.

384. The Fund Relationship Manager must subsequently decide if the change should be pursued and what level of approval is required. Minor changes can be undertaken by the Fund Management Team, typically via an addendum to the project plan or the contract. Major changes will require Fund Manager approval and the development of a further briefing note.

## 7.6 PROJECT CLOSURE

### 7.6.1 OVERVIEW OF PROJECT CLOSURE

385. All projects must undergo a formal closure process in order to evaluate the success of the project, by demonstrating that the aims and objectives have been achieved. This phase is also key in financial terms, since this will be linked to final payments of the grant. This is perhaps the most critical payment. Payments in early parts of project implementation can be somewhat flexible in terms of financial control findings, since deductions can be made in later payments if there are any issues. As a final payment, the closure phase must ensure that any problems are resolved and that all payments are fully verified and finalised. However, if financial management has been undertaken rigorously throughout the project, this final payment should be a formality.
386. In some cases, it is not possible for a project to achieve all of the objectives and targets set at the pre-grant assessment phase. There may be valid reasons for not achieving the intended results, such as impacts that were out of the grant recipient's control, or the targets may simply have been unrealistic. These problems should be dealt with as soon as they have been detected, with the project targets modified during the milestone assessments. As such, these should not have to be dealt with at the end of the project. Similarly, the final date for closing the project will have been set during the development of the contract. There may be good reasons for extending the timeframe, but in the absence of significant extenuating circumstances as judged by the Fund Manager these changes must be dealt with in advance of the initially agreed completion date.

### 7.6.2 PREPARATION FOR PROJECT CLOSURE

387. This final phase can take some time and will require some planning and coordination from both the Fund Relationship Manager and the grant recipient. The requirements for project closure will have been communicated to the grant recipient during the pre-grant assessment phase. However, for multi-year projects it is understandable that this information is likely to have been forgotten. As such, Fund Relationship Manager must ensure that the grant recipient has access to all relevant forms and instructions in the period leading up to project closure, with checks being made following the second to last payment and any missing documents provided and with ample time for questions about the project closure process to be resolved.
388. It must be acknowledged that there can be challenges with the grant recipient's and partner organisation's motivation levels during this phase, since all the project activities have been completed. However, if the project has been managed and delivered smoothly throughout the course of the project, this phase should not be daunting, and the grant recipient will have the right information to complete requirements.

### 7.6.3 UNDERTAKING PROJECT CLOSURE

389. In order to receive the final payment, grant recipients must submit a final report. This report provides an opportunity to analyse and evaluate achievements, providing lessons learnt for other projects. The report shall include the following key information:

- *Achievements*: Information on the project's achievements in relation to aims, objectives, and performance indicators.
- *Challenges*: Details of challenges and risks that had to be managed during the course of the project.
- *Communication & Dissemination*: How the results and outputs will be communicated and disseminated and mainstreamed following project closure, providing lessons learnt to other projects and the ability for these to be mainstreamed into other organisations. This involves determining what outputs should be made available, which target groups should be informed, what is the best way of reaching these groups, and how are these groups expected to make use of these outputs.
- *Continuation of Project Activities*: Details of how the project will endure following the end of funding (if relevant).
- *Partnership Evaluation*: This provides an opportunity for partners and any relevant key stakeholders to provide an evaluation of the success of the project.
- *Feedback to the Fund*: This is a valuable opportunity for the grant recipient to provide feedback to the Climate Change Fund, which will help the Fund to make improvements in service delivery.

390. The project closure will also involve final checks on all payments made, not just as part of the final payment, but also double checking of all payments during the life of the project. Any irregularities found will be offset by the final payment.

391. Although this phase represents closure of the funded project activities, in many cases it is likely that the project will continue (e.g. may have become self-funding). As a result, despite funding having ceased there may still continue to be an ongoing relationship between the Fund and the grant recipient. This may include certain obligations on the grant recipient, which were stipulated in the contract (e.g. an agreement to continue to provide data to the Fund; the need to keep reports and documentation in the event of subsequent audits). Any such requirements must be clearly communicated to the grant recipient during this phase.

## 7.7 PROJECT TERMINATION

### 7.7.1 OVERVIEW OF PROJECT TERMINATION

392. In certain circumstances a project may be terminated before completion and prior to the original completion date. There are two key triggers as to why a project may be terminated:

- a) The Fund determines that the project is no longer viable: this may be due to substantial errors, irregularities, fraud, serious breach of obligations, improper implementation, the project or grant recipient bringing the Fund into disrepute, enforcement action being conducted against the recipient, the recipient being in financial difficulty, or based on any other reasonable cause as judged by the Fund Management Team.

- b) The grant recipient requests termination: this may be due to overwhelming and exceptional circumstances that make continuing implementation excessively difficult, uneconomic, or no longer technically viable. There may be a loss of scientific, technological, or practical relevance. An insolvency event may incur in relation to the recipient organisation. In these cases, a termination will be achieved by mutual agreement between the Fund and grant recipient.
393. The termination may result in part of the grant being terminated (i.e., future deliverables), or the complete termination of the grant. In the latter case this may require recompense for any funds already paid. Again, this may be in part or in full.

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#### 7.7.2 FUND INITIATED PROJECT TERMINATION

394. When it is believed that a grant recipient has failed to comply with one or more of the terms and conditions of a grant, the Fund Relationship Manager will advise the recipient in writing as to the nature of the problem. The grant recipient will be informed that failure to correct the deficiency may result in suspension or termination of the grant.
395. The fund recipient will have 30 calendar days to respond in writing, following the date of the initial notification letter, to detail the action take or the plan developed to correct the deficiency. If the grant recipient fails to respond by the end of this time period, or if the response is deemed unsatisfactory, then the Fund Manager may determine that a suspension is necessary (as detailed below).
396. In cases of a serious nature, such as those where fraud may be involved, the Fund Manager may decide to immediately suspend or terminate a grant. This approach should be taken when it is believed that such action is reasonable to protect the interests of the Fund.
397. In the majority of cases, prior to full termination, it is likely that funding will initially be suspended pending a full investigation into the issues that have been raised in relation to the potential need to terminate. A suspension period may last approximately 60 days, however, this will depend on the time required to complete the investigation.
398. During this suspension period no further payments will be made by the Fund. No costs during the suspension period or after the effective date of any termination will be allowable, unless the Fund considers that the recipient could not reasonably avoid or eliminate costs allowable under the terms of the grant. As such, the grant recipient will be notified in writing of the suspension and informed that no costs will be covered during this period and any ongoing activities are not advised, or if conducted may be at the expense of the recipient. If the project decides to continue implementing and the investigation subsequently clears the project and the suspensions is lifted, then valid project costs can be claimed for at a later date. However, if the project is indeed terminated, then these costs will be borne by the grant recipient with no grounds for making any claims against the Fund.
399. The investigation may be conducted by the Fund Management Team or by a third party. In cases of a serious nature, such as fraud, the investigation should be conducted by an expert in the relevant field. The investigation is to result in a report, outlining the issues and evidence, as well as making recommendations as to termination or remedial actions required.

400. The Fund Manager is responsible for the initial response to the investigation report. If the Fund Manager deems that a termination is the best course of action, the Director of the Environmental Affairs Department must be briefed and asked to sanction the termination. This will include determining the need to seek recompense on fund payments made to date.

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### 7.7.3 PROJECT TERMINATION BY MUTUAL AGREEMENT

401. Circumstances may arise in which the grant recipient may wish to terminate the project due to organisational issues or challenges with the project. In these cases the grant recipient must notify the Fund in writing specifying the reasons for the termination request.

402. The Fund must provide a written response within 30 days of receiving such a request. During this period the Fund Relationship Manager shall engage in active dialogue with the grant recipient, in order to determine if there is the possibility of reviving the project and avoiding termination. This may require a project modification, as detailed in Section 7.5.

403. If both parties agree that continuation of the project would not produce results commensurate with the further expenditure of funds, or if there arises any other reason, the grant may be terminated by mutual agreement. This will require a final decision by the Fund Manager. The Director of the Environmental Affairs Department is to be informed of the decision to terminate by mutual agreement.

## 7.8 DISPUTES RESOLUTION

404. Disputes in this section cover processes associated with:

- Cost allowances and disallowances;
- Termination orders;
- Final settlement under a termination.;
- Grant administration during the course of the project.

405. Disputes that may arise during the course of the project may be resolved based on the following principles:

- a) Rights and interests of all parties are protected.
- b) Concerns of grant recipients are adequately addressed and in a prompt and timely manner.
- c) Grant recipients are aware of their rights to have access to a dispute resolution free of charge.

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### 7.8.1 DISPUTE RESOLUTION PROCEDURE

406. The grant recipient can submit in writing to the Fund Manager the details of the disagreement or dispute. Upon receipt of a formal dispute request, the Fund Manager must first respond immediately to the grant recipient acknowledging receipt of the dispute request and notifying the grant recipient that the Fund has commenced formal dispute proceedings. This response must also provide the grant recipient with the details of the dispute resolution process and the timeframes involved.

407. The Fund Manager may request further information from the grant recipient at any time during the formal process.
408. Whenever a dispute arises between the grant recipient and the Fund Relationship Manager the two parties should aim to find an amicable solution that is acceptable to both parties. The CCF should pursue the informal resolution of disputes expeditiously within an agreed time frame. Regardless of whether a resolution is reached within the agreed time frame, the parties shall not be prevented from engaging in further efforts to resolve the dispute informally whether through negotiation or mediation.
409. If no resolution has been reached within the agreed time frame or after the extended time frame then the two parties may agree to submit the matter to the Climate Change Internal Audit and Risk Expert assigned by the Fund Manager to undertake an investigation. A written report detailing the results of this investigation must be provided to the Fund Manager, who shall then communicate in writing to the grant recipient the Fund's view on the dispute and the proposed resolution.
410. The grant recipient must then respond within 7 days indicating their agreement or disagreement with the proposed resolution. If the grant recipient is not satisfied with the proposed resolution, the two parties may agree on an amicable solution or refer the issue to an independent auditor agreed upon by the two parties to undertake an investigation, including an assessment of all supporting documentation. Any independent investigation must be completed within 14 days of initiation, and shall result in a formal report, with recommendations. The recommendations made by the independent auditor shall be final determination of the matter. The grant recipient and the CCF may use the dispute resolution procedure outlined above unless they agree to another procedure outlined in the deed of funding.

# PART 8: MONITORING AND EVALUATION

## PREAMBLE

411. Monitoring and Evaluation (M&E) framework will apply to the overall CCF in order to measure the long-term impact of the fund. Alongside the CCF performance measurements, all funded projects will be required to prepare M&E plans in accordance with the requirements of the funding window. The CCF will provide support and guidance for the development of M&E plans as part of the fund capacity building. This document does not prescribe what tools must be used for preparing project proposals but it is expected that common tools such as problem tree analysis, barrier analysis, theory of change, logical framework are used to develop project proposals. The CCF will provide capacity building across all priority thematic areas based on a capacity needs assessment.

## 8.1 MONITORING AND EVALUATION FRAMEWORK

## 8.1.1 DEFINITION

412. **Monitoring** can be defined as: "A continuing function that uses systematic collection of data on specified indicators to provide management and the main stakeholders of an ongoing development intervention with indications of the extent of progress and achievement of objectives and progress in the use of allocated funds"<sup>9</sup>. The terms used in this manual are drawn from the Organization for Economic Co-operation and Development (OECD), Glossary of Key Terms in Evaluation and Results Based Management. Monitoring thus incorporates the regular tracking of inputs, activities, outputs, outcomes and impacts of development activities at the project, program, sector and national levels.
413. **Evaluation** is the process of determining the worth or significance of a development activity, policy or program to determine the relevance of objectives, the efficacy of design and implementation, the efficiency or resource use, and the sustainability of results. An evaluation should (enable) the incorporation of lessons learned into the decision-making process of both partner and donor.
414. Monitoring and evaluation (M&E) can be conducted using a wide array of tools, methods and approaches. These include, for example: performance monitoring indicators; the logical framework; theory-based evaluation; formal surveys; rapid appraisal methods such as key informant interviews, focus group discussions and facilitated brainstorming by staff and officials; participatory methods such as participatory M&E; expenditure tracking surveys; rigorous impact evaluation; and cost-benefit and cost-effectiveness analysis.
415. A clear framework is essential to guide monitoring and evaluation. The CCF framework explains how the fund works by laying out the components of the initiative and the order or the steps needed to achieve the desired results. The framework aims to increase understanding of the Fund's goals and objectives, the relationships between factors key to implementation, and articulates the internal and external elements that could affect the Fund's success.
416. M&E is critical for ensuring achievement of results-based financing at the project level, as well as the overall CCF Fund. The following guidance materials take a Logical Framework approach to CCF M&E and are based on key CCF objectives.
417. M&E is a central part of the CCF program management and implementation entailing fiduciary management of mobilized funds, disbursement, and procurement for effective operation.

Table 8-1 M&amp;E Overview Guidance

No.	Guidance
1	Assist in understanding and analyzing a project or program

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<sup>9</sup> World Bank Group

2	Help to develop sound monitoring and evaluation plans and implementation of monitoring and evaluation activities
3	Articulate program goals and measurable short-, medium-, and long-term objectives
4	Define relationships among inputs, activities, outputs, outcomes, and impacts
5	Clarify the relationship between program activities and external factors
6	Demonstrate how activities will lead to desired outcomes and impacts, especially when resources are not available to conduct rigorous impact evaluations. They often display relationships graphically

418. The target audience for the M&E guidance are the Government of Malawi, fund partners including fund-providers in the areas of environment and climate change, , bilateral and multilateral organizations, private sector organizations, public sector bodies, and civil society. M&E guidance serves as a road map to use in designing CCF funded projects and tracking project implementation. This manual does not attempt to cover all aspects of M&E that are well covered elsewhere. Thus, the manual focuses more on tracking inputs, activities, outputs, outcomes and impacts using a **logical framework approach**. Table 8-2 summarises the M&E framework to apply to the Fund. However, the M&E framework will be determined and influenced by the resource mobilization and in some cases fund partner requirements

**Table 8-2 M&E Framework**

Monitoring and Evaluation Framework	
<b>Log Frame</b>	The Logical Framework approach as a basis for overall Fund M&E
<b>Action Plans</b>	M&E for projects/programs will be based on yearly Action Plans (which compliment project specific log frames) to ensure that individual projects are meeting their performance targets, including results delivery and budget execution.
<b>Annual Reviews</b>	Projects and Programs will be reviewed annually and summarized as part of the overall CCF performance against the Fund’s overarching objectives.
<b>Fund Performance Assessment</b>	A Fund Performance Assessment will be carried every 3 years to assess progress towards achievement of target outcomes and impact. It is recommended that the assessment follows OECD Development Assistance Criteria (DAC), including analysis of success factors, obstacles, lessons learnt and actions required to improve performance.

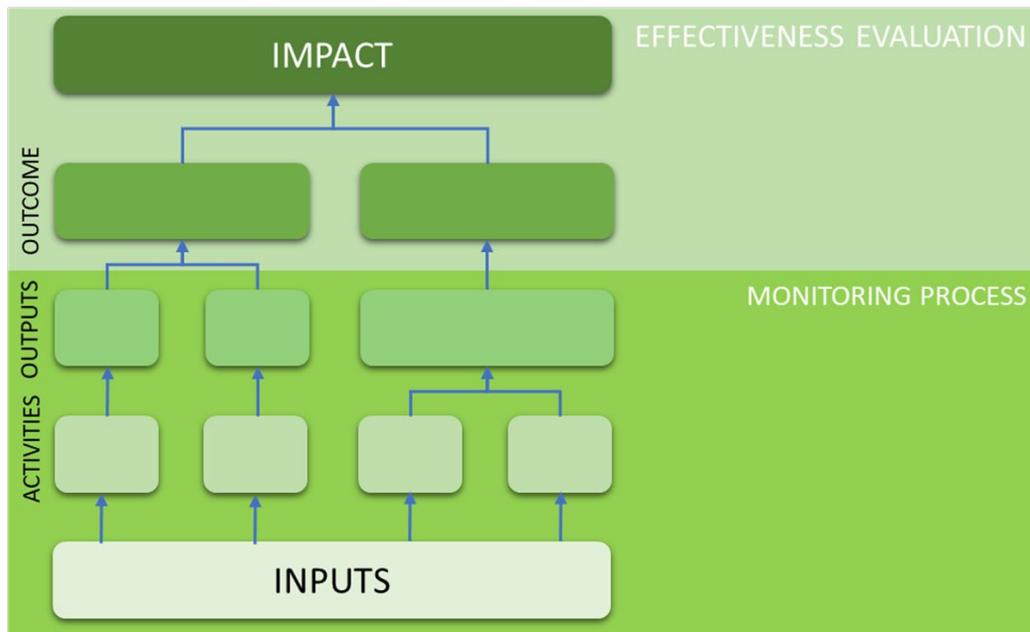
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### 8.1.2 LOGICAL FRAMEWORK APPROACH

419. The Logical Framework Approach is a planning, management and monitoring and evaluation tool - a table that lists program or project activities, short term outputs, medium term outcomes, and

long-term goals or impact. It should show the logic of how the activities will lead to the outputs, which in turn lead to the outcomes, and ultimately the intended impact. The results pathway or cycle, shown in the figure below, may be likened to a pyramid. There must be logical linkage between inputs, activities, outputs, outcomes and intended impact, as illustrated below.

**Figure 8-1** Illustrated M&E Framework



420. The impact and outcome areas are drawn from the Malawi National Climate Change Management Policy 2016 and the Environment Management (Climate Change Fund) Regulations of 2018 which sets the objectives of the Fund.
421. **INTENDED IMPACT:** Support the Government of Malawi to achieve its long-term goal for climate change management, which is to reduce the socioeconomic impacts of adverse effects of climatic change. Contribution to this impact will be through sustained mobilization of climate finance, partnerships, and effective programs and projects implementation.
422. **INTENDED OUTCOMES:** Support the Government of Malawi to achieve the medium-term outcome of improved community resilience to climate change through the development of sustainable livelihoods and reduced emissions of GHGs. These outcomes are to be achieved through a combination of strategically selected actions or interventions aligned to:
- *Climate change adaptation (Result Area 1).*
  - *Climate change mitigation (Result Area 2).*
  - *Capacity building, education, training, and awareness activities (Result Area 3).*
  - *Research, technology development and transfer and systematic observation (Result Area 4).*

8.2 CCF CAPACITY BUILDING FRAMEWORK

423. Capacity building is an inherent part of the CCF. Across all thematic investment areas, the CCF will develop a capacity building program targeting government institutions and prospective fund applicants to enable sustainable institutional functional and operation capacity for program and project implementation. Some thematic components have specific action plans. The following five functional capacities are those that are generic to most projects and programs and will need to be strengthened:

- *Capacity to assess a situation and define a vision and mandate.*
- *Capacity to formulate strategic interventions.*
- *Capacity to budget, manage and implement.*
- *Capacity to evaluate.*
- *Capacity to engage stakeholders.*

424. Specific areas where capacity support will be provided by the CCF will include:

- *Financial and administrative capacities.*
- *Transparency and accountability capacities.*
- *Fund operations and disbursement capacities.*
- *Project management capacities including reporting.*
- *Implementation of social and environmental safeguards and grievance and redress mechanisms.*
- *Monitoring and evaluation and social and environmental safeguards.*
- *Gender capacities.*

# PART 9: SAFEGUARDS

## PREAMBLE

425. CCF investments must result in positive impact. As such, this section outlines the safeguards framework applied to all projects funded under the CCF without exception.
426. At the fund level, measures to eliminated conflict of interest are outlined and are inherent in the governance and management procedures while measures for whistleblowing, grievance redress mechanism are also addressed herein.
427. At the project level, social and environmental safeguards are to be treated as a fundamental requirements for all projects including preparation of gender action plans. Adherence to these requirements is to be assessed through a systematic risk assessment process.

## 9 SAFEGUARDS

### 9.1 CONFLICTS OF INTEREST

428. Employees, staff, or officers of the CCF or institutions benefitting from funding from the CCF shall not participate in the selection, award or administration of a contract if a real or apparent conflict of interest would be evident.
429. No contractor involved in developing or drafting terms of reference or requests for proposal shall be considered for such procurement.
430. Employees, staff, or officers or persons involved in developing or drafting terms of reference, requests for proposal, or assessing or evaluating proposals will be required to declare potential or real conflicts of interest.

### 9.2 WHISTLEBLOWING PROCEDURES

431. Formal whistleblowing procedures clarify the rights and responsibilities of Fund staff to report suspected misconduct that may threaten the operations, governance, or reputation of the Fund.
432. In addition to these procedures, it is important that the Fund establishes a culture that enables Fund personnel to express dissenting opinions internally and which views whistleblowing in a positive light and as something beneficial for the Fund.

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#### 9.2.1 REPORTING CHANNELS

433. Fund personnel who suspect misconduct should report the details of the suspected misconduct to a manager, and any manager who receives a report of misconduct has an obligation to report this to the Fund Manager who will then take responsibility for investigating the allegations and setting in process any necessary actions in response to their findings.
434. If a staff member has grounds to believe that reporting allegations to a manager may result in retaliation or create a likelihood that evidence of wrongdoing will be concealed or destroyed, they may report their allegations directly to Human Resources.

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#### 9.2.2 CONFIDENTIALITY AND ANONYMOUS ALLEGATIONS

435. The identity of a staff member who reports suspected misconduct is to be kept confidential. If desired, the whistle-blower may make their report anonymously, with the proviso that they must provide sufficient information and evidence in a timely manner to enable an investigation to proceed.
436. No final finding of misconduct may be made based solely on anonymous allegations without independent corroboration as a result of further investigation.

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#### 9.2.3 SUPPORTING INFORMATION

437. The report should be accompanied by any information or evidence in the staff member's possession that would support their allegation and assist in the investigation.

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#### 9.2.4 REVIEW OF ALLEGATIONS

438. Any reports of suspected misconduct will be the subject of a prompt, fair and thorough review of the relevant facts and circumstances surrounding the allegations, to be conducted by Climate Change Internal Audit and Risk Expert, or an appropriate external individual if deemed necessary. Reports of suspected misconduct involving the Climate Change Internal Audit and Risk Expert will be conducted by an independent body appointed by the Fund Manager or in conjunction with Director of Environmental Affairs.

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#### 9.2.5 PROHIBITION AGAINST RETALIATION

439. Managers and other Fund personnel are expressly prohibited from engaging in any form of retaliation against a person who reports suspected misconduct or who cooperates with an investigation into suspected misconduct. This protection also extends to retaliation against any person because that person was believed to be about to report or have already reported suspected misconduct. Retaliation refers to any direct or indirect action recommended, threatened, or taken against an individual protected by this policy.
440. A person who believes they have been retaliated against in violation of this policy may seek relief by contacting the Climate Change Internal Audit and Risk Expert who shall investigate the allegation and act accordingly to provide protections where necessary, by following the procedure indicated in section 9.2.6 for interim protections and/or by taking appropriate disciplinary action against individuals considered to have engaged in retaliation against a whistle-blower.

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#### 9.2.6 INTERIM PROTECTIONS

441. Any person who reports suspected misconduct, as well as persons who cooperate with or provide information to any review or investigation into suspected misconduct shall be provided with interim protections during the course of the review or investigation to protect the interests of such persons. With the consent of the persons this may include temporary reassignment to a different role or, in exigent circumstances, placement on administrative leave.

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#### 9.2.7 PERIODIC UPDATES/NOTICE OF OUTCOME

442. Staff members who report suspected misconduct shall be provided with periodic updates on the status of the review or investigation, as well as notice of the final outcome, including whether the misconduct has been substantiated and whether disciplinary measures, sanctions, or other remedial measures have been taken.

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#### 9.2.8 RIGHT TO REFUSE/PARTICIPATION IN MISCONDUCT

443. Staff members have the right and obligation to refuse to participate in misconduct. Reporting misconduct under this policy does not exempt any member of staff who has engaged in misconduct from disciplinary procedures that may be decided on as the result of a subsequent review or investigation. A staff member's reporting and cooperation with any review or investigation may, depending on the circumstances, be taken into consideration when determining the appropriate disciplinary measures.

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#### 9.2.9 KNOWINGLY FALSE OR RECKLESS ALLEGATIONS

444. The protections afforded by this policy do not require that any review or investigation reaches a conclusion that misconduct has occurred, nor is a staff member required to determine whether the suspected misconduct meets a specific degree of seriousness before reporting it. However, this policy does not protect the transmission of allegations that are knowingly false or made with reckless abandon as to whether they are true or false. Any such allegations will themselves be considered misconduct and the staff member shall be subject to disciplinary proceedings.

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#### 9.2.10 ADVICE

445. Staff members who suspect misconduct and are unsure on how to proceed in accordance with this policy may seek confidential advice and guidance from the Climate Change Internal Audit and Risk Expert.

### 9.3 FEEDBACK & GRIEVANCE REDRESS MECHANISMS

446. Feedback and Grievance Redress Mechanisms (FGRM) are organizational systems and resources that will be established by project proponents to receive and address concerns about the impact of programs and project operations on stakeholders. FGRMs act as recourse for situations in which, despite proactive stakeholder engagement, some stakeholders are concerned about a project or program's potential impacts on them. FGRMs are intended to complement, not replace, formal judiciary or other forms of legal recourse for managing grievances. It should also be recognized that not all complaints can be handled through FGRM. For instance, grievances that allege corruption, and/or major and systematic violation of human rights are normally referred to administrative or judicial bodies for formal investigation, rather than to FGRMs for collaborative problem solving.

447. The Fund will have FGRM to receive and respond to the concerns, complaints and grievances that stakeholders and other parties may have. The FGRM should be:

- **Legitimate** – have clear, transparent, and sufficiently independent governance structures to ensure that no party to a particular grievance process can interfere with the fair conduct of that process.
- **Accessible** – must be publicized or disclosed to those who may wish to access it and provide adequate assistance for aggrieved parties who may face barriers of access, including language, literacy, awareness, finance, distance, or fear of reprisal. It should be accessible to the diverse members of the community, including more vulnerable groups such as the elderly, women, youth, and the disabled.
- **Predictable** – must provide a clear and known procedure, with time frames for each stage; clarity on the types of process and outcome it can, or cannot, offer; and means of monitoring the implementation of the outcome.
- **Equitable** – must ensure that aggrieved parties have reasonable access to sources of information, advice, and expertise necessary to engage in a grievance redress process on fair and equitable terms.
- **Rights-compatible** – must ensure that its outcomes and remedies accord with internationally recognized human rights standards.
- **Transparent** – must provide sufficient transparency of process and outcome to meet concerns of public interest at stake wherever possible.

### 9.4 ENVIRONMENTAL AND SOCIAL SAFEGUARDS

448. All projects funded by the CCF will be subject to a comprehensive due diligence process to evaluate and monitor the environmental and social impact of each project and provide assurance that people and the environment are protected from potential adverse impacts.
449. The precise evaluation and monitoring process utilized will follow national and relevant international procedures. In the case of multi-donor funds, International Finance Corporation (World Bank) Environmental and Social Performance Standards may be applied during due diligence before financial closure and monitoring during implementation.

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#### 9.4.1 SYSTEMATIC RISK ANALYSIS

450. All projects funded under the CCF will be subject to systematic risk analysis with regards to political and governance, relevance to sector strategies and policies, robustness of and technical design of project or program which may include assessment of project design tools such as the Theory of Change, Problem Analysis, Barrier analysis, Stakeholder analysis, logical framework (refer to Section 8.1.2). Also refer to Section 6.4 with regards to Pre-Grant Assessment. Part of this analysis will focus on institutional capacity for implementation and sustainability

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#### 9.4.2 GENDER ACTION PLANS

451. All projects shall be required to prepare comprehensive Gender Action Plans. A gender analysis should be conducted and a Gender Action Plan prepared to ensure gender aspects are mainstreamed to enhance equal access and opportunities for women to benefit from project activities.

# **PART 10: ANNEXES - POLICIES, FORMS, AND TEMPLATES**

**Annex 1. Recommended Future Updates to the CCF**

452. During stakeholder consultations that were conducted during the preparation of this manual, concerns were repeatedly raised about the structure and decision-making approach in the existing legislation. The proposed structure of having the Fund Manager be recruited by the Secretary responsible for climate change and appointed by the Minister and reporting directly to the Director of Environmental Affairs, was seen as a particular weakness due to the potential for political influence on Fund operational decisions. Consequently, when the situation permits, it is recommended that changes are made to the governance structure via legislation as follows:
- Firstly, it is recommended that the Independent Panel of Expert's role is formalised in the legislation, ensuring that it is fully independent and autonomous in its role of assessing applications and making funding recommendations.
  - Secondly, a Fund Management Board should be established. The role of this Board would be to undertake the strategic assessment of recommended projects and make final decisions as a collective.
453. The Environment Management Act (Climate Change Fund) Regulations 2018, Part III. 6. (5b) allow for the establishment of a number of committees or panels as may be considered necessary to perform the functions and responsibilities, as may be determined by the Director.
454. This approach will allow the Fund Manager to concentrate on the management and administration of the CCF, including funding rounds and supporting projects, without being conflicted by the decision-making responsibility.

## Annex 2. CCF Policies on Corruption, Fraud and Anti-Money Laundering

455. All activities of the CCF and any organizations must be in compliance with the Corrupt Practices Act No. 17 of 2004 and Money Laundering and Proceeds of Serious Crime and Terrorist Financial Act, 2007. It is the CCF's policy to require that applicants for CCF funding (including beneficiaries of CCF sub- projects), bidders, suppliers, contractors, consultants and their agents (whether declared or not), sub-contractors, sub-consultants, service providers or suppliers, and any personnel thereof, observe the highest standard of ethics during the procurement and execution of CCF financed contracts. In pursuance of this policy, the CCF:

- a) defines, for the purposes of this provision, the terms set forth below as follows:
  - i. "corrupt practice" is (a) the offering, giving, receiving, or soliciting, directly or indirectly, of anything of value to influence improperly the actions of another party; (b) influence peddling; (c) the extortion of any advantage;
  - ii. "advantage" means any benefit, service, enjoyment or gratification, whether direct or indirect, and includes a payment, whether in cash or in kind, or any rebate, deduction, concession or loan, and any condition or circumstance that puts one person or class of persons in a favourable position over another;
  - iii. "extortion" means the demanding or receiving by a person in office of a fee or other payment for services, work, supplies or other thing which should be performed, done, delivered, offered, provided or given gratuitously; or (b) where compensation is permissible, the demanding or receiving of a fee or other
  - iv. "fraudulent practice" is any act or omission, including a misrepresentation, that knowingly or recklessly misleads, or attempts to mislead, a party to obtain a financial or other benefit or to avoid an obligation;
  - v. "collusive practice" is an arrangement between two or more parties designed to achieve an improper purpose, including to influence improperly the actions of another party;
  - vi. "obstructive practice" is:
    - deliberately destroying, falsifying, altering, or concealing of evidence material to the investigation or making false statements to investigators in order to materially impede an investigation into allegations of a corrupt, fraudulent, coercive or collusive

practice; and/or threatening, harassing or intimidating any party to prevent it from disclosing its knowledge of matters relevant to the investigation or from pursuing the investigation, or

- acts intended to materially impede the exercise of the CCF's inspection and any audit rights;

b. "Money laundering" is:

- an attempt to disguise money derived from or intended to finance an illegal activity including drug trafficking, terrorism, organized crime, fraud, and many other crimes, or
- hiding the sources of their funds, or
- placing cash in illegitimate financial institutions, layering between numerous financial institutions, and integrating the laundered proceeds back into the economy as apparently legitimate funds.

- b) will reject an applicant's request for CCF funding or proposal for award if it determines that the applicant, or any of its personnel, or its agents, or its consultants, sub consultants, sub-contractors, service providers, suppliers and/or their employees, has, directly or indirectly, engaged in corrupt, fraudulent, collusive, coercive, obstructive practices, or money laundering in competing for the agreement in question;
- c) will declare financial mismanagement and other form of malpractice (including mis-procurement) and cancel the funds provided if it determines at any time that representatives of the applicant or a recipient of any part of the proceeds of the funds engaged in corrupt, fraudulent, collusive, coercive, obstructive, or money laundering practices during the procurement or the implementation of the agreement in question, without the applicants having taken timely and appropriate action satisfactory to the CCF to address such practices when they occur, including by failing to inform the CCF in a timely manner at the time they knew of the practices;
- d) will sanction a firm or individual, at any time, in accordance with the government sanctions procedures, including by publicly declaration;
- e) will require that a clause be included in CCF sub-project application forms and bidding documents and in all relevant financing agreements, requiring applicants, bidders, suppliers and contractors, and their sub-contractors, agents, personnel, consultants, service providers, or suppliers, to permit the CCF to inspect all accounts, records, and other documents relating to the submission of application request for funding, bids and contract performance, and to have them audited by auditors appointed by the CCF."

**Annex 3. Expression of Interest (EOI) Form**

**CLIMATE CHANGE FUND**

**Expression of Interest Form**

<b>SECTION 1: ORGANIZATION DETAILS</b>	
Name of Organization:	
Physical Address:	
Mailing Address:	
Phone Number:	
Website Address:	
Type of Organization:	<input type="checkbox"/> Academic Institution <input type="checkbox"/> Government Institution <input type="checkbox"/> Non-Governmental Organization (NGO) <input type="checkbox"/> Private sector enterprise <input type="checkbox"/> Other (please specify)
Number of Full-Time Employees:	
Government Registration Number, if applicable:	
When was your organization established?	
<b>FOR ORGANIZATIONS THAT ARE <u>NOT</u> GOVERNMENT INSTITUTIONS ONLY</b>	
Has your organization previously received funding from the Government of Malawi? If yes, please describe the amount, the duration, and the project.	
Is your organization currently receiving funding from the Government of Malawi? If yes, please describe the amount, the duration, the name of project and where it is being implemented.	
<b>FOR ORGANIZATIONS THAT <u>ARE</u> GOVERNMENT INSTITUTIONS ONLY</b>	
Explain why this project is not being funded out of your baseline funding and does not fall within your core responsibilities.	
Has your department or Ministry ever received funding from private sector/ international sources?	

SECTION 2: PRIMARY CONTACT PERSON		SECONDARY CONTACT PERSON	
Name:			
Job Title:			
Physical Address:			
Telephone:			
Email Address:			
<b>List all the key staff in your organisation that will be involved in the project, noting their expertise and their years of experience in similar projects.</b>			

SECTION 3: SUMMARY PROJECT INFORMATION	
Project Title:	
Project Location(s):	
Anticipated Start Date:	
Project Duration (years):	
<b>What problems or challenges will your project address? (200 words maximum)</b>	
Describe the problems/opportunities the project seeks to address:	

<b>How will your project achieve a solution? (300 words maximum)</b>
What do you want to achieve? What will you do to get there? What will be the benefits of the project?: How will the project activities be sustained beyond the project life?
<b>What are the project's objectives, and what are its expected results?</b>
State up to 3 SMART project objectives: Specific, Measurable, Achievable, Realistic and Timeframe:
<b>What are the project's main risks in respect to delivery</b>
Briefly describe each risk, the potential impact on the project, likelihood, and risk management options:
<b>Who are the main stakeholders involved in or who will benefit from the project?</b>
Briefly describe the main stakeholders and how they will be involved or benefit from the project:
<b>How will your project support women, poor communities and vulnerable groups?</b>

Are you aware of any existing similar projects? If so, why is this additional project required?

<b>SECTION 4: SUMMARY PROJECT FUNDING AND SUPPORT</b>	
What is the total cost of the project (MWK or USD)?	
<b>Funding Sources for the Project</b>	
Total amount of funding from CCF requested:	Total amount of co-investor funding (if any):
If there is a co-investor, please provide details of who they are and what they are providing (including any in-kind contributions that are non-monetary)?	
How many years funding is being sought from the CCF?	
One to three years funding available:	
Please provide a rough breakdown of the CCF funds required over each year of the project.	
Year 1.	
Year 2.	
Year 3.	

**What are the critical work streams that require funding?**

List the main activities of the project (e.g., training and development; surveys; equipment and machinery):

**Will the project require the purchase of capital assets?**

If yes, please detail the capital assets that will be purchased and their estimated cost:

## Annex 4. Application Form

### CLIMATE CHANGE FUND

#### Full Application Form

*The first four sections (1 – 4) are a repeat of the Expression of Interest Form (EOI). Please fill in the name and contact details of your organization, however the remainder of these sections only needs to be complete if there are any new details since the EOI was originally submitted.*

SECTION 1: ORGANIZATION DETAILS	
Name of Organization:	
Physical Address:	
Mailing Address:	
Phone Number:	
Website Address:	
Type of Organization:	<input type="checkbox"/> Academic Institution <input type="checkbox"/> Government Institution <input type="checkbox"/> Non-Governmental Organization (NGO) <input type="checkbox"/> Private sector enterprise <input type="checkbox"/> Other (please specify)
Number of Full-Time Employees:	
Government Registration Number, if applicable:	
When was your organization established?	
FOR ORGANIZATIONS THAT ARE <u>NOT</u> GOVERNMENT INSTITUTIONS ONLY	
Has your organization previously received funding from the Government of Malawi? If yes, please describe the amount, the duration, and the project.	
Is your organization currently receiving funding from the Government of Malawi? If yes, please describe the amount, the duration, and the project.	

FOR ORGANIZATIONS THAT ARE GOVERNMENT INSTITUTIONS ONLY	
Explain why this project is not been funded out of your baseline funding and does not fall within your core responsibilities.	

SECTION 2: PRIMARY CONTACT PERSON		SECONDARY CONTACT PERSON	
Name:			
Job Title:			
Physical Address:			
Telephone:			
Email Address:			

SECTION 3: SUMMARY PROJECT INFORMATION	
Project Title:	
Project Location(s):	
Anticipated Start Date:	
Project Duration (years):	

What problems or challenges will your project address? (200 words maximum)
Describe the problems/opportunities the project seeks to address:

**How will your project achieve a solution? (300 words maximum)**

What do you want to achieve? What will you do to get there? What will be the benefits of the project? How will the project activities be sustained beyond project life?

**What are the project's objectives, and what are its expected results?**

State up to 3 SMART project objectives: Specific, Measurable, Achievable, Realistic and Timeframe:

SECTION 4: SUMMARY PROJECT FUNDING AND SUPPORT	
What is the total cost of the project (MWK or USD)?	
Funding Sources for the Project	
Total amount of funding from CCF requested:	Total amount of co-investor funding (if any):
If there is a co-investor, please provide details of who they are and what they are providing (including any in-kind contributions that are non-monetary).	
How many years funding is being sought from the CCF?	
One to three years funding available:	
Please provide a rough breakdown of the CCF funds required over each year of the project.	
Year 1.	
Year 2.	
Year 3.	
What are the critical work streams that require funding?	
List the main activities of the project (e.g., training and development; surveys; equipment and machinery):	

Will the project require the purchase of capital assets?
<p>If yes, please detail the capital assets that will be purchased and their estimated costs:</p>

SECTION 5: PROJECT DETAILS	
Project Area(s):	Tick the box(es) that best describe your project's purpose.
1. Conservation and Sustainable Management of the Environment, Natural Resources and Climate Change	<input type="checkbox"/> Ecosystem Rehabilitation
	<input type="checkbox"/> Sustainable Land Management
	<input type="checkbox"/> Integrated Water Resources Management
	<input type="checkbox"/> Sustainable Mining and Quarry
	<input type="checkbox"/> Sustainable Forestry
	<input type="checkbox"/> Pollution Management
2. Research & Development and Technology Transfer and Implementation	<input type="checkbox"/> Promotion and Protection of Biodiversity
	<input type="checkbox"/> Renewable Energy and Energy Efficiency
	<input type="checkbox"/> Pollution Management
	<input type="checkbox"/> Water storage, Conservation and Irrigation Technologies
	<input type="checkbox"/> Applied and Adaptive Research (Agro-Forestry, Waste, Urban Planning)
	<input type="checkbox"/> Systematic Observations
	<input type="checkbox"/> Disaster Risk Reduction

	<input type="checkbox"/> Data Collection, Monitoring and Management Systems (MIS)
3. Environment and Climate Change Mainstreaming	<input type="checkbox"/> Strategic and social and Environmental and Climate Assessments (SECAs)
	<input type="checkbox"/> Sector Specific (or National) Adaption and/or Mitigation
	<input type="checkbox"/> Support Implementation of Cross-Sectoral Integrated Planning (e.g., IDP, VUP)
<b>Provide the Names and Details of Partner Organizations:</b>	
Provide information on all key partners involved in the project and their specific roles in the project:	
<b>What methodology and approach will be used by the project to achieve the project objectives?</b>	
Describe all the main activities:	
<b>Why is the project needed at this time, and why is funding being sought from this Fund?</b>	
Describe the unique benefits of the project:	
<b>Are you aware of any similar projects in Malawi or internationally; if so, please provide details?</b>	
<b>If you have received funding before, or have previously or are currently undertaking a similar project – what are the lessons learnt that you will bring into this new project?</b>	
<b>How does the project contribute/ link with national policies and legislation?</b>	

Will the project trigger any social safeguards, including resettlement/ compensation; and land acquisition if so, provide details?

<b>SECTION 6: ENDURING BENEFITS</b> [This section is optional, as benefits may have been captured in previous sections]
If the project is successful what will be the benefits/ impacts to Malawi? How will you demonstrate and quantify those benefits/ impacts?
Environmental benefits:
Social benefits:
Economic Benefits:
Benefits Cultural:

**SECTION 7: STAKEHOLDERS**

<p>Who are the stakeholders affected by the problem and who are the stakeholders influential in solving the problem? How have they been incorporated and involved in project design and delivery? Have they been consulted in the development of the project? If so, please provide evidence.</p>	
<p>Will any the following stakeholders benefit from your project? (Tick all that apply)</p>	
<p><input type="checkbox"/> Disaster impacted populations</p> <p><input type="checkbox"/> Children/Youth</p> <p><input type="checkbox"/> Elderly</p> <p><input type="checkbox"/> HIV/AIDS affected populations</p> <p><input type="checkbox"/> Indigenous People</p> <p><input type="checkbox"/> People with disabilities</p> <p><input type="checkbox"/> People living below the average Malawian income</p> <p><input type="checkbox"/> Women and girls</p> <p><input type="checkbox"/> Other (Please explain)</p>	
<p>Details of Other:</p>	
<p>How will the stakeholders above benefit from your project?</p>	
<p>Details of all benefits (e.g., training, livelihood improvements; enhanced environmental conditions):</p>	
<p>Will your project create new jobs?</p>	
<p>If yes, how many and what type (temporary, long-term, etc.)? What is the scope for income generation?</p>	
<p><b>SECTION 8: ORGANIZATION/TEAM CAPABILITIES &amp; CAPACITIES</b></p>	
<p>What is your organization's experience managing similar projects or activities?</p>	
<p>Please provide past experience and explain why you think your organization and partners are capable of managing the project:</p>	



<b>Provide details of the governance arrangements for the project.</b>
Who is responsible for overseeing the project's delivery and for ensuring it stays on track? Outline governance structures and accountability:
<b>Does the organisation have a health and safety plan?</b>
If you do not yet have a plan, one may need to be developed during the early stages of the project:
<i>Provide a copy of any recent annual reports for the organization, and the most recent audited annual accounts (income and expenditure), along with main sources of funding as an attachment to this Project Document.</i>

<b>SECTION 9: DETAILS ON PROJECT FUNDING AND SUPPORT</b>			
<i>Critical work streams – deliverables and activities</i>			
Critical work streams		List the main activities that will be required each year to deliver a successful project.	
<b>Year 1</b> (Insert up to 4 bullet points key deliverable(s) for year 1 and those main activities critical to delivery)		•	
		•	
		•	
		•	
<b>Year 2</b> (Insert up to 4 bullet points key deliverable(s) for year 2 and those main activities critical to delivery)		•	
		•	
		•	
		•	
<b>Year 3</b> (Insert up to 4 bullet points key deliverable(s) for year 3 and those main activities critical to delivery)		•	
		•	
		•	
		•	
Work stream cost structure List the cost of delivering your project's key work streams	Total cost (MWK or USD)	Climate Change Fund (MWK or USD)	Co-Financing (MWK or USD)
Year 1			
Year 2			

Year 3			
Total			
<b>Budget Breakdown</b>			
Budget Area	Year 1	Year 2	Year 3
Personnel			
National Consultants/ Contractors			
International Consultants			
Administration			
Capital Assets and Costs			
Venue and Equipment			
Travel			
Communications			
Financial and Legal			
Health and Safety			
Other (specify):			
<b>List all other funding sources.</b>			
Note the status of other funding sources (i.e., whether the money has been approved or awaiting authorization).			
<b>List all in-kind contributions to the project.</b>			
Not all non-monetary support that is being given to the project (e.g., pro-bono contributions; loan of equipment).			
<b>Would the project go ahead without financing from the CCF?</b>			
Is CCF funding critical to this project being undertaken?			
<b>What non-financial support is needed from the CCF to implement the project?</b>			
Beyond funding, how else can the CCF help support the project?			

How will the benefits of the project be sustained once funding from the CCF ends?

<b>SECTION 10: VALUE FOR MONEY</b>
Briefly describe how the required activities have been identified and how the costs of the main activities have been derived?
Briefly explain how the project activities will produce the expected outputs.

<b>SECTION 11: PROCUREMENT PLAN</b>		
Does your organisation have a procurement strategy? If yes, please provide a copy:		
<input type="checkbox"/> Yes <input type="checkbox"/> No		
List all major items of expenditure (above \$50,000), including costs and source (e.g., open or direct).		
List all other items of expenditure (\$5,000 to \$50,000), including costs and source (e.g., open or direct).		



<b>Have Environmental/ Social Impact Assessment(s) been conducted for the project?</b>
If yes, then please provide details and results and attach any documentation to this application form.

**SECTION 13: RISK MANAGEMENT**

What specific risks, if any, does your project pose to the environment, people or institutions affected by the project and broadly how will these be managed and mitigated?

Outline the main risks to the successful delivery of this project, indicating the level of the risk (high, medium or low). How will these risks be mitigated; who will manage them; what is the timeframe?

<i>Risk</i>	<i>Level (H/M/L)</i>	<i>Mitigation</i>	<i>Responsibility</i>	<i>Timeframe</i>

**SECTION 14: MONITORING AND KNOWLEDGE MANAGEMENT**

How will the performance of the project be monitored and evaluated?

Detail monitoring and reporting approaches both during and after the project:

<b>How will you involve the beneficiaries and other stakeholders in monitoring and evaluation?</b>
Provide details of any participatory monitoring activities:
Explain how the learning from this project will be disseminated and shared during and at the end of the project, and to whom this information will be targeted (e.g., project stakeholders and others outside of the project).
What indicators from the Climate Change Fund's M&E framework will be duplicated in the project's M&E Framework? (Please select at least one indicator from the Climate Change Fund's Framework.)

<b>SECTION 15: CONFLICTS OF INTEREST</b>
Does your organization (including any personnel) have any perceived, actual or potential conflicts of interest in relation to this project?
Provide details of any conflicts:
Are there members of your project team or the organization's senior leadership/board that are related to government officials in the CCF Fund Management Team or the Independent Panel of Experts?
Provide details of any relationships:

--

<b>SECTION 16: REFERENCES</b>	
Provide details of two external referees.	
<i>Referee 1:</i>	
Name:	
Organisation:	
Position:	
Email:	
Phone Number	
<i>Referee 2:</i>	
Name:	
Organisation:	
Position:	
Email:	
Phone Number	

## DECLARATION

As a duly authorized representative of the organization submitting this application:

- I declare that, to the best of my knowledge, the information contained in all sections of this application form or supplied by us in support of our application is complete, true and accurate.
- I declare that I am authorized to make this application on behalf of the co-investors and/or co-funders identified in this application.
- I declare that none of the organizations named in this application are in receivership or liquidation.
- I declare that the application is not being made by an undischarged bankrupt or someone prohibited from a business.
- I acknowledge that the Government of Malawi may publicize any successes that result from this application (while respecting commercial confidentiality)
- I acknowledge that the CCF Fund Management Team may be required to share information under the Access to Information Act, 2017.
- I confirm that the information in this application must remain confidential throughout the assessment process
- I give permission that the content provided in the Project Summary (section 3), in the event of a successful application, be used as the public project statement.

<b>Name:</b>  By typing your name in the space provided you are electronically signing this application form	
<b>Title / Position:</b>	
<b>Location</b>	
<b>Date:</b>	DD / MM / YYYY

## CLIMATE CHANGE FUND Project Plan Template

### Introduction

This project plan template is completed by applicants to the Malawi Government’s Climate Change Fund (CCF) who have been invited to proceed from stage 2 of the application process.

During Stage 3, applicants develop and submit their project plans to the Fund Management Team for consideration. It is important to acknowledge that projects that have reached this stage are not guaranteed funding. A final funding decision is made at the end of this Stage 3.

A successful application goes through each of the stages shown in the CCF funding process diagram below:



### Completing the project plan template

Your project plan is pre-populated with some of the information that you provided in your expression of interest (EOI) and full application forms. Update this information as required to reflect the current status of your project. Some time may have elapsed since you first submitted the application form, and further information and details may now be available that were not available previously. In addition, you may need to incorporate any conditions that have been requested during the assessment phase.

Complete this project plan template by fully answering all the remaining questions. If you require more space or additional room in the template, simply insert more rows to the existing tables. If you have a question about the project plan that is not covered in this document, you can email or phone your designated contact at the Fund Management Team.

A project plan is completed each year for multi-year projects, and further details about the milestones for subsequent years are provided at this time.

Email your completed project plan draft to your designated contact. They will review your project plan, and advise you if there are any issues that need to be addressed, or if there are any outstanding questions. Once changes are made, if and as required, you may submit your final project plan.

## Project details

Organisation name				
Project name				
Duration of funding				
Project description				
Total project cost	<i>Total</i>	<i>Year 1</i>	<i>Year 2</i>	<i>Year 3</i>
CCF contribution	<i>Total</i>	<i>Year 1</i>	<i>Year 2</i>	<i>Year 3</i>

## Organization details

*Check that the information below about your organization is correct, and update as required.*

Organisation name	
Organisation type	
Description of the organisation	
Legal entity status	
Physical address	
Postal address	
Telephone	<i>landline</i> <i>Fax</i>
Website address	

## Contact details

Fund Team primary Contact		Recipient's main contact	
Phone		Phone	
Address		Postal Address	

Email		Email	
Fund Team secondary contact		Recipient's secondary contact	



## Evaluation of project objectives

Complete the table below with SMART objectives [*Specific, Measurable, Achievable, Realistic and Timeframe*]

Objective	Key performance indicator (KPI)	Source of measure	Baseline information
<i>A minimum of three clear objectives must be provided, which describe what your project is trying to achieve.</i>	<i>Describe how the objectives will be measured.</i>	<i>Describe how you will collect information to measure your progress against the objectives. What will be the evidence that the objective has been completed?</i>	<i>Describe the current situation based on available data, in order to provide a benchmark.</i>
<b>Example</b>  <i>To reduce local use of fuelwood by 60% in 3 years, by providing householders with LPG cookstoves.</i>	<i>Reduction of deforestation and forest degradation.</i>	<i>Annual surveys on forest cover changes, including crown cover.</i>	<i>5 hectares of existing undegraded forest.</i>

## Evaluation of project benefits

*Provide details on specific benefits across environmental, social, and economic areas [this section is optional, as details may be covered under the section on project objectives]*

<b>Benefit</b>	<b>Description</b>	<b>Measure</b> <i>Describe how you will measure the benefits (e.g., creation of 3 jobs for social row)</i>	<b>Source of measure</b> <i>How will you collect information that the measure has been met (e.g., employment records showing that 3 jobs were created)</i>
<b>Environmental</b>			
<b>Social</b>			

<b>Economic</b>			

## Enduring Benefit and Scalability

Provide details of how the project will become self sufficient at the end of the funding period. Detail activities that will be undertaken during the project to achieve enduring benefits.

Provide details of how the project may be scaled-up after successful completion and how the project will be promoted.

Funding information (MWK or USD)	Total	Year One	Year Two	Year Three
(A) Organisation's cash contribution to the project				
(B) External funding sources				
(C) CCF contribution (approved amount)				
Total cost of project (A+B+C)				
CCF share of costs ( <i>for office use only</i> )				

## External funding sources

*This includes partners. Please specify details of involvement and check that the information below is correct, and update as required.*

Organisation name	Contact name and phone number	Status of offer	Expected date for funding	Amount

		<input type="checkbox"/> Pending <input type="checkbox"/> Confirmed		
		<input type="checkbox"/> Pending <input type="checkbox"/> Confirmed		
		<input type="checkbox"/> Pending <input type="checkbox"/> Confirmed		
		<input type="checkbox"/> Pending <input type="checkbox"/> Confirmed		
<b>Total other external funding sources for year one</b> <i>(excluding tax)</i>				

## Milestones and Deliverables

### Year one

*Milestone refers to an incremental output of the project, whereby specific deliverables (activities are achieved). Provide information below about your project milestones and associated deliverables for year one. All amounts should be exclusive of tax. If your project has been recommended for funding for less than the amount you requested, ensure that you adjust the milestone information to reflect the new funding amount.*

<b>Milestone name</b>  <i>Provide a succinct name for each milestone (e.g., Training)</i>	<b>Activity</b>  <i>List the activities for each milestone (e.g., hold three training workshops for 60 participants).</i>	<b>Deliverable</b>  <i>List the deliverables for each milestone that you will submit to the Fund Management Team (e.g., training reports and details of participants)</i>	<b>Due date</b>	<b>Total estimated cash cost</b>	<b>Total Estimated CCF Contribution</b>  <i>For office use only</i>

**Year two**

Milestone name	Activity	Deliverable	Due date	Total estimated cash cost	Total Estimated CCF Contribution

**Year three**

Milestone name	Activity	Deliverable	Due date	Total estimated cash cost	Total Estimated CCF Contribution

<b>Project budget – year one</b>						
	<i>Provide a breakdown of all the estimated, project-related costs (expenditure) for up to six milestones for year one of your project, exclusive of tax. The project budget is completed one year at a time for every year of multi-year projects.</i>					
<b>Personnel – breakdown of cash costs</b>	<b>Milestone 1</b>	<b>Milestone 2</b>	<b>Milestone 3</b>	<b>Milestone 4</b>	<b>Milestone 5</b>	<b>Milestone 6</b>
<i>Wages, salaries, recruitment, training, etc (specify amount and duration)</i>						
<b>Total estimated costs for personnel for year one (exclusive of tax)</b>						

<b>Administration – breakdown of cash costs</b> <i>Stationery, insurance, postage, phone calls, courier, etc</i>	Milestone 1	Milestone 2	Milestone 3	Milestone 4	Milestone 5	Milestone 6
<b>Total estimated costs for administration for year one (exclusive of tax)</b>						



<b>Purchase of capital assets and other capital costs – breakdown of cash costs</b>  <i>Includes costs of procuring, freight, and installation of capital assets</i>	Milestone 1	Milestone 2	Milestone 3	Milestone 4	Milestone 5	Milestone 6
<b>Total estimated costs for capital assets for year one (exclusive of tax)</b>						

<b>Venue and equipment – breakdown of cash costs</b>	<b>Milestone 1</b>	<b>Milestone 2</b>	<b>Milestone 3</b>	<b>Milestone 4</b>	<b>Milestone 5</b>	<b>Milestone 6</b>
<i>Venue (hire or rent), equipment (rental or leasing), etc</i>						
<b>Total estimated costs for venue/ equipment for year one (exclusive of tax)</b>						

<b>Travel – breakdown of cash costs</b> <i>Travel and accommodation expenses incurred solely in relation to the project</i>	Milestone 1	Milestone 2	Milestone 3	Milestone 4	Milestone 5	Milestone 6
<b>Total estimated costs for travel for year one (exclusive of tax)</b>						



<b>Financial, legal and information technology (IT) expenses – breakdown of cash costs</b> <i>Financial, legal and IT expenses incurred solely in relation to the project</i>	Milestone 1	Milestone 2	Milestone 3	Milestone 4	Milestone 5	Milestone 6
<b>Total estimated costs for finance, legal &amp; IT for year one (exclusive of tax)</b>						

<b>Health and Safety – breakdown of cash costs</b> <i>Specify the costs associated with managing health and safety during the project  (e.g. First Aid kits, training, personal protective equipment [PPE])</i>	Milestone 1	Milestone 2	Milestone 3	Milestone 4	Milestone 5	Milestone 6
<b>Total estimated costs for health &amp; safety for year one (exclusive of tax)</b>						

<b>Other miscellaneous costs – breakdown of cash costs</b> <i>Any other allowable expenses</i>	Milestone 1	Milestone 2	Milestone 3	Milestone 4	Milestone 5	Milestone 6
<b>Total estimated costs for miscellaneous costs for year one (exclusive of tax)</b>						





<b>Governance and management structure</b>	
<p><b>Project Governance</b></p> <p><i>Include information about the management structure of your organisation, and if there will be regular meetings held and minutes taken</i></p>	
<p><b>Timeframe and Schedule</b></p> <p><i>How will you:</i></p> <ul style="list-style-type: none"> <li>• <i>ensure that personnel are not over-allocated</i></li> <li>• <i>monitor and manage any slippage on progress</i></li> <li>• <i>identify critical paths and dependencies between tasks?</i></li> </ul>	
<p><b>Managing funds</b></p> <p><i>Provide information about how you will manage the project funds. Include information about what processes are in place to procure goods and services, approve payments and manage funds? How will you monitor and address budget overspend?</i></p>	

## Consultant and/or sub-contractor details

*Provide information about any third parties that you intend to sub-contract to undertake work on the project.*

### Disclaimer

Note that as per the Deed of Funding, you (the Recipient) remain wholly responsible for the acts and omissions of all sub-contractors and/or the work and acts of all sub-contractors.

Please ensure your organisation:

1. undertakes the necessary due diligence checks on all sub-contractors associated with the delivery of your project
2. follows appropriate procurement processes when buying goods or services for the project so that only reasonable, open market costs are incurred on an arm's length basis
3. has adequate processes for the monitoring of any work carried out by your sub-contractors (including audit requirements)
4. has procedures for the management of safety including the allocation of responsibilities between you and all sub-contractors and to ensure that all employees and personnel (including those of sub-contractors) have the relevant skills and experience and are trained in the relevant health and safety requirements applicable to the project
5. has appropriate contracts in place with each sub-contractor.

The Fund Management Team may request evidence of all contracts (and associated procurement process followed, for each sub-contractor) as part of the CCF milestone reporting requirements.

Company name of consultant/sub-contractor	
Trading name <i>if different</i>	
Contact person name	
Position	
Postal address	
Email address	
Telephone	(0_) (0_) (0_) <i>work Mobile Fax</i>
Value of contract	
Work to be undertaken for project	

Any potential conflict of interest	
------------------------------------	--

### Health and Safety

*Please describe what health and safety policies and plans your organization has in place for the project and the process to keep these updated and communicated to employees, contractors and volunteers and ensure that all such personnel comply with these policies and plans and procedures and/or that sub-contractors have in place safety policies, management plans and procedures.*

*Please provide a copy of your health and safety management plan for the project along with this project plan*

--

*Identify who is responsible for health and safety for the project and their skills and experience in this area*

--

### Statutory Permissions and Consents

Do you require any statutory permissions to complete the project (e.g., planning consents)?  Yes  No

*If yes, which permission is required, and when is a decision expected (if known)?*

--



## Risk Management

A risk is something that may affect the completion and success of your project. It is good practice to identify all the concerns about your project at an early stage. You may identify issues that can be resolved before the project starts. Many aspects of setting up a project (e.g., project timeframes and schedules, and communication plans) are mitigation measures to reduce common project risks. Your risk management strategy should be reviewed regularly, and any new risks and mitigation strategies added as they are identified.

<b>Potential risk</b>	<b>Level of risk</b>	<b>Impact on project</b>	<b>Consequence on project</b>	<b>Strategy to mitigate</b>
<i>Identify the potential risk to your project (e.g., project not completed on time, unpredictable events such as weather, lack of resource commitment, time and cost estimates too optimistic, unexpected budget cuts, stakeholders changing requirements after the project has started, risks to the industry or sector to which the organization belongs)</i>	<i>Low, medium or high</i>	<i>Describe the impact the risk would have on the project (e.g., misunderstandings, duplication of work, incomplete work)</i>	<i>Minor, moderate or severe</i>	<i>Describe the process that you will use to minimize and manage the risk (e.g., project manager monitors functional roles to ensure enough time is allocated to complete the project)</i>

## Communication and stakeholder management

A good communication plan outlines who you need to communicate with, what about, and how often. Early planning of your communication strategy helps to anticipate issues, and allows time for you to develop methods for dealing with these.

A communication plan helps support your organization to:

- achieve the project goals and objectives
- improve the operational effectiveness
- develop relationships with those who are important in ensuring the project's success
- deliver measurable project results.

<b>Target audience</b>	<b>Objectives</b>	<b>Key messages</b>	<b>Tools and methods</b>
<i>Who is your target audience (e.g., farmers, local community, schools)?</i>	<i>What are the objectives of your communication plan and what do you hope to achieve (e.g., develop awareness, impart information, deliver education, and bring about behaviour change)?</i>	<i>What are the key messages you want to communicate?</i>	<i>How will you undertake communications with your target audience (e.g., emails, meetings, website, newsletter)?</i>


Communication plan	
<p><b>Frequency of communication</b></p> <p><i>Does there need to be communication regularly through the project or at specific points in time (e.g., holding public events or when the project is completed)?</i></p>	
<p><b>Budget</b></p> <p><i>Have you budgeted for promotion and distribution costs?</i></p>	
<p><b>Dissemination of project learnings</b></p> <p><i>How will you celebrate the success of your project and share key learnings with others?</i></p>	

# CLIMATE CHANGE FUND

## Milestone Report

<b>Organization:</b>	
<b>Project Name:</b>	
<b>Deed Number:</b>	
<b>Year:</b>	
<b>Milestone Number:</b>	
<b>Milestone Due Date:</b>	
<b>Amount requested in this Milestone:</b>	
<b>Please Note If This is a Final Milestone for the Project:</b>	

## Introduction

This milestone report provides the Climate Change Fund (CCF)/Government of Malawi with information about how the delivery phase of your project is going. It must be completed and submitted for each milestone by the dates agreed in your funding Deed, unless otherwise discussed and agreed with the Fund (e.g., in relation to any minor delays or modifications of the Deed).

It is preferable to complete this report electronically, and submit it by email.

You must discuss any problems, issues, or major changes to your project with the CCF before completing and submitting this report.

## When your report is complete

Milestone reports should be submitted by the dates agreed in your funding Deed, unless otherwise discussed with the CCF.

Email or post the following documents to the CCF:

- completed milestone report
- completed invoice breakdown spreadsheet
- supplier invoices

## What happens next?

The CCF will assess the report to ensure that you have met the requirements for funding as specified in your funding Deed. During the review of the report and supporting documentation, further information (including evidence confirming actual expenditure) may be requested. Allow at least seven working days for the assessment to take place. A report for a final milestone may take longer to assess, and may also be dependent on the results of an independent audit.

Once the CCF is satisfied that your milestone claim meets the funding requirements, advanced payment will be arranged for your subsequent milestone. These subsequent milestone payments will only be made upon adequate delivery of previous milestones.

### SECTION 1: PROGRESS UPDATE

Please provide a summary of this milestone reporting period, including any information that the CCF should be aware of, please consider:

- Work undertaken during the reporting period, whether the project is running to timeline, costs incurred compared to the agreed budget.
- Successes you have had this milestone or particular progress you have made towards your project objectives.
- Risks that have appeared or challenges faced this milestone and ways you plan to mitigate them.

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### SECTION 2: EVALUATION OF PROJECT ACTIVITIES AND DELIVERABLES

Complete the tables below to show how your project is tracking against this milestone in your project plan. Submit evidence of the deliverables.

<b>Deliverable</b> <i>List the deliverables for this milestone as specified in your project plan</i>	<b>Status</b> <i>(Complete/ Incomplete)</i>	<b>Summary of progress</b> <i>Provide a summary of the progress made for each deliverable associated with this milestone</i>

### SECTION 3: EVALUATION OF PROJECT OBJECTIVES

Delivery of each milestone will help you progress towards achieving your project's overall objectives.

<b>Your Project Objectives</b> <i>List the project objectives from your project plan.</i>	<b>Key performance indicators (KPIs)</b> <i>List the KPIs from your project plan.</i>	<b>Actual Measure</b> <i>Describe the current situation. This will show if you are on target to meet the project's objectives.</i>  <i>If your project is not at the stage of measuring and reporting on this information, please provide a short statement to explain</i>

#### SECTION 4: PROCUREMENT

Please provide details of any major items purchased or sub-contracts awarded, as well as evidence (e.g., copy of contracts/ invoices). Please record in the description the make/ model/ serial number of any capital assets purchased.

Description of goods / work/ services procured	Supplier / Manufacturer Name	Invoice Number	Invoice Date	Actual Cost <i>(excluding tax)</i>

#### SECTION 5: OTHER SOURCES OF FUNDING

Please provide information about other external funding for this project (other than that from the CCF). Include all cash contributions and other funding listed in your project plan.

Funder name	Total amount requested	Total amount approved	Amount received to-date	Amount paid towards this milestone

#### SECTION 6: RISK MANAGEMENT

Use the table below to add new risks and/or update changes to any of the risks that have been identified in your project plan. If there are no changes to the risk table in your project plan then please enter N/A.

Risk description	Impact on project	Likelihood of risk	Consequence on project	Risk management plan

## DECLARATION

As a duly authorized representative of the organization:

- I declare that to the best of my knowledge, the information contained in all sections of this milestone report, or supplied by us in support of our milestone report, is complete, true and correct.
- I declare that I have the authority to sign this milestone report and to provide this information.

<b>NAME:</b>	
<b>POSITION:</b>	
<b>LOCATION:</b>	
<b>SIGNATURE</b>	<b>DATE:</b>

*by typing your name in the space provided, you are electronically signing this milestone report.*

For Official Use Only	
All relevant sections of the report have been adequately filled out (yes/ not):	
All proof of purchases has been provided by the applicant (yes/ no). Please provide details of any missing proof of payment:	
The CCF is confident that the deliverables in this milestone have been fully completed (yes/ no):	
If the CCF is not confident that the deliverables have been fully completed, please specify the reasons why:	
What is the recommended course of action (e.g., provide applicant with more time/ modification of DED; withhold future payments):	

## Annex 7. Panel Individual Assessment Form

### CLIMATE CHANGE FUND

#### Panel Individual Assessment Form

ORGANIZATION DETAILS	
Name of Organization:	
Name of Project:	

The following sections provide an aid for assessing individual applications. Please use the righthand column in each section for any notes, and score each section out of 20.

SECTION 1: STRATEGIC ALIGNMENT	
Support for wider climate change government policies and priorities.	
Catalyst for change to enhance and extend the response to climate change.	
<b>Total Score</b>	/ 20

SECTION 2: BENEFITS	
General Benefits (likelihood of success; development of capacity).	
Environmental Benefits (resilience).	
Economic Benefits (economic wellbeing).	
Social Benefits (jobs; livelihoods; skills; poverty & disadvantage reduction).	
<b>Total Score</b>	/ 20

SECTION 3: VALUE	
The project presents value for money.	
Co-funding sources are identified and in place.	
<b>Total Score</b>	/ 20

SECTION 4: PARTNERSHIPS AND COLLABORATION	
Utilizes partnerships to ensure project success.	
Promotes and utilizes cross-sectoral collaboration.	
<b>Total Score</b>	/ 20

<b>SECTION 5: CAPACITY AND PROJECT DELIVERY</b>	
Clear process and sequencing of tasks in delivery of project goals.	
Governance, membership and ability to make decisions.	
Project management skills and experience are adequate.	
Budget is in place and covers all relevant costs.	
Risks have been identified and mitigations highlighted.	
Monitoring, evaluation and reporting processes are in place.	
<b>Total Score</b>	<b>/ 20</b>

<b>SECTION 6: RECOMMENDATIONS</b>	
<b>Total Score</b>	<b>/ 20</b>
Any additional criteria required if the project is funding (e.g., additional requirements for health & safety; longer project timeframe)?	
Is the amount requested realistic or is an alternative value recommended (higher or lower than requested)?	

## Annex 8. Required Experience for Fund Management Team Positions

<p>Fund Manager</p>	<ul style="list-style-type: none"> <li>• Strong intellectual leadership, based on knowledge and experience of climate change, development, finance, and their interrelationships.</li> <li>• Sound political judgement and excellent strategic and analytical skills which can be applied to complex problems.</li> <li>• Enhanced communication and advocacy skills to enable successful interaction with decision-makers at the highest level.</li> <li>• Leadership and management experience within a large organization in an international context.</li> <li>• Strong values and ethics, with the ability to mobilize and engage people.</li> <li>• A track record of robust and accountable management of financial resources at a senior level, preferably in a development finance context.</li> <li>• Experience in working with a range of stakeholders in developing and developed countries; sensitivity to political, gender, cultural, and religious differences.</li> <li>• An impeccable reputation for honesty, integrity and expertise.</li> <li>• Sufficient knowledge of the UNFCCC and the Paris Agreement.</li> <li>• Degree in a relevant field, advanced degree desirable.</li> <li>• At least 15 years of relevant experience, including experience in, or working with, developing countries.</li> </ul> <p>The following Officers will have a direct reporting line to the Fund Manager:</p> <ul style="list-style-type: none"> <li>• Core Function <ul style="list-style-type: none"> <li>○ Climate Change Technical Specialist</li> <li>○ Climate Change Financial Management Specialist</li> <li>○ Climate Change Resource Mobilisation Specialist</li> <li>○ Climate Change Monitoring and Evaluation Specialist</li> <li>○ Climate Change Knowledge Management Specialist</li> <li>○ Social and Environmental Safeguard Specialist</li> </ul> </li> <li>• Support Function <ul style="list-style-type: none"> <li>○ Human Resources and Administration Manager</li> <li>○ Procurement Manager</li> </ul> </li> </ul>
<p>Climate Change Technical Specialist</p>	<ul style="list-style-type: none"> <li>• Master’s degree (or equivalent) or higher in environmental sciences, social sciences or closely related field.</li> </ul>

	<ul style="list-style-type: none"> <li>• At least ten (10) years of professional experience in the formulation and implementation of climate change initiatives/projects. ·</li> <li>• Solid understanding of climate change related issues at both the global (e.g. Paris Agreement processes, climate finance opportunities) and local (challenges, policy environment, key initiatives) levels. ·</li> <li>• Experience preparing knowledge products and communications material. ·</li> <li>• Experience working with multilateral, bilateral, national or civil society actors on climate change is an asset.</li> </ul>
Climate Change Financial Management Specialist	<ul style="list-style-type: none"> <li>• Master’s degree or equivalent in a relevant area such as Commerce, Finance or Accounting;</li> <li>• Must be a member of a recognized accounting and audit professional body, e.g, Association of Chartered Certified Accountants of the United Kingdom (ACCA); Institute of Chartered Accountants Malawi (CA Malawi), Chartered Institute of Management Accountants United Kingdom (CIMA);</li> <li>• Minimum of Ten (10) years of managerial experience;</li> <li>• Experience in Fund Management will be an asset;</li> <li>• Proficient in accounting software packages.</li> </ul>
Climate Change Resource Mobilisation Specialist	<ul style="list-style-type: none"> <li>• Master’s degree or equivalent in development studies, finance, marketing, economics, public affairs, political science, or a related field.</li> <li>• A minimum of 10 years of experience in the development field, including progressively responsible experience working at the international and national levels, with relevant exposure to resource mobilization. Candidates with capital markets, investment banking or investment fund distribution/book-building experience for project finance and/or equity finance in developing markets will be considered.</li> <li>• Track record in international relations, multilateral processes and/or diplomacy, preferably with experience in the intergovernmental negotiations, particularly under the UNFCCC, and/or multilateral development banks.</li> <li>• Good understanding and knowledge of climate change finance.</li> <li>• Demonstrated ability to represent the organization and interface effectively with senior governmental representative officials, private sector, and alternative sources.</li> <li>• Strong communications and advocacy skills.</li> <li>• Ability to lead formulation of strategies, implementation, monitoring and evaluation.</li> <li>• Ability to lead dialogue with Development Partners, particularly non-traditional ones and internal units, as well as the ability to</li> </ul>

	<p>identify and analyse trends, opportunities and challenges to fund-raising.</p>
<p>Climate Change Monitoring and Evaluation and Knowledge Specialist</p>	<ul style="list-style-type: none"> <li>• Post Graduate degree with at least 5 years of experience in project monitoring and evaluation.</li> <li>• Minimum of 10 years of relevant work experience with a strong focus on implementing M&amp;E activities in relation to international development and/or climate change. Experience working on climate change issues in public/private sectors and/or international organizations is an added advantage.</li> <li>• Demonstrable sound knowledge of M&amp;E methodologies and approaches and experience in designing and implementing M&amp;E systems and procedures from project initiation to closeout stages.</li> <li>• Sound knowledge of all thematic areas of climate change (adaptation, mitigation, technology transfer, and financing).</li> <li>• Experience in working and collaborating with governments on climate change issues, particularly in developing countries.</li> <li>• Demonstrated experience in knowledge management and communications functions.</li> <li>• Research, quantitative analysis and report writing skills highly desired.</li> <li>• High level of computer literacy including spreadsheet, word processing and presentation software</li> <li>• Excellent knowledge of English, as well as writing, presentation and communication skills.</li> <li>• Understanding and experience in the application of climate impact measurement methodologies is an added advantage.</li> <li>• Understanding of the Fund’s instruments (grants, loans, guarantees and equity) and sectorial investment areas is an added advantage.</li> <li>• Substantial experience with baseline survey design, supervision, and analysis.</li> <li>• Excellent inter-personal and communication skills, and ability to work with a multitude of stakeholders.</li> </ul>
<p>Climate Change Social and Environmental Safeguard Specialist</p>	<ul style="list-style-type: none"> <li>• Master’s degree or equivalent in Environmental Studies, Environmental Economics, Natural Resource Management, Gender Studies, Women and Environment, or a relevant field.</li> <li>• A minimum of ten (10) years experience in public works projects and/or development projects and/or emergency assistance and/or social development.</li> <li>• Demonstrated experience in carrying out stakeholder consultations, community engagement.</li> </ul>

	<ul style="list-style-type: none"> <li>• Experience in preparing UNDP SESP, Environmental and Social Management Frameworks (ESMF) and stand-alone social and environmental management risk plans will be added advantage.</li> <li>• Skills in Project Management.</li> </ul>
Human Resources and Administration Manager	<ul style="list-style-type: none"> <li>• Advanced university degree (Master’s or higher) in Human Resources, Business or Public Administration or Management or equivalent.</li> <li>• At least 10 years of progressively responsible experience in Human Resources Management, including managing teams in a diverse workforce in private or public international organizations.</li> <li>• Demonstrated professional expertise in Strategic Human Resources Management developed through significant experience at a senior level in large and complex international organizations.</li> <li>• Experience in climate change, energy or environmental issues is an advantage.</li> <li>• Excellent knowledge of English, as well as writing, presentation, and communication skills.</li> </ul>
Procurement Manager	<ul style="list-style-type: none"> <li>• Master’s Degree or equivalent in Business Administration, Public Administration, Procurement or a legal discipline relevant to the job with Full Chartered Institute of Procurement and Supply (MCIPS) membership.</li> <li>• A minimum of 10 years’ experience of relevant and progressively responsible experience in purchasing/procurement in public and private sectors.</li> <li>• Experience working in or with developing countries is preferable.</li> <li>• Strong capability to develop expert analytic reports and information technology knowledge.</li> <li>• Demonstrated ability to manage multiple activities simultaneously, delivering high-quality results in terms of process, content and timeliness.</li> <li>• Exceptional problem-solving skills.</li> <li>• Strong ability to develop linkages with the Fund’s different Departments and functions.</li> <li>• Strong and collaborative leadership capabilities to deliver results.</li> <li>• Ability to interact effectively across all levels of the organization.</li> <li>• Experience working with a range of stakeholders in developing and developed countries.</li> <li>• Staff supervisory experience in procurement.</li> </ul>

## Annex 9. Composition of Committees

<p>National Steering Committee on Climate Change</p>	<ul style="list-style-type: none"> <li>• Ministry responsible for Lands and Natural Resources</li> <li>• Ministry responsible for Economic Planning and Development</li> <li>• Department responsible for Environmental Affairs</li> <li>• Ministry responsible for Energy and Mines</li> <li>• Ministry responsible for Agriculture and Food Security</li> <li>• Ministry responsible for Irrigation and Water Development</li> <li>• Ministry responsible for Tourism, Wildlife and Culture</li> <li>• Ministry responsible for Information and Civic Education</li> <li>• Ministry responsible for Health</li> <li>• Ministry responsible for Local Government &amp; Rural Development</li> <li>• Development Partner – Representatives</li> <li>• International Non-Governmental Organizations - Representatives</li> <li>• Non-Government Organizations – Representatives</li> </ul>
<p>National Technical Committee on Climate Change</p>	<p>The NTCCC &amp; DRM will be composed of members at Director and head of Programs level as follows:</p> <ul style="list-style-type: none"> <li>• Co-Chair             <ul style="list-style-type: none"> <li>○ Department responsible for Climate Change and Meteorological Services</li> <li>○ Department of Disaster Management Affairs (National Planning Commission)</li> </ul> </li> <li>• Finance</li> <li>• Ministry (Physical Planning and Housing)</li> <li>• National Planning Commission</li> <li>• Malawi Defence Force</li> <li>• Malawi Police Services</li> <li>• Department responsible for Energy</li> <li>• Department responsible for Forestry</li> <li>• Department of Gender</li> <li>• Department of Geological survey</li> <li>• Ministry Agriculture (Land Resources Conservation &amp; Water Resources)</li> <li>• Department responsible for Education</li> <li>• Ministry of Local Government and Urban Development</li> <li>• Department of Information and Civic Education</li> </ul>

	<ul style="list-style-type: none"> <li>• Department of Fisheries</li> <li>• National Herbarium and Botanical Gardens</li> <li>• National Commission for Science and Technology</li> <li>• Department of Preventive Health</li> <li>• Department of Transport</li> <li>• Malawi Confederation of Chambers of Commerce and Industry (MCCCI) - representing the private sector</li> <li>• Civil Society Network on Climate Change (CISONECC) – Both/INGO Forum <ul style="list-style-type: none"> <li>○ Five members nominated</li> </ul> </li> <li>• Special Interest Groups <ul style="list-style-type: none"> <li>○ Malawi Network for Elderly Persons Organization (MANEPO)</li> <li>○ Federation of Disability Organizations in Malawi (FEDOMA)</li> <li>○ Youth Network on Climate Change</li> </ul> </li> <li>• Development Partners <ul style="list-style-type: none"> <li>○ Five members nominated</li> </ul> </li> <li>• Media <ul style="list-style-type: none"> <li>○ Association of Environmental Journalists</li> <li>○ Media Institute of Southern Africa – Malawi</li> </ul> </li> <li>• Academia <ul style="list-style-type: none"> <li>○ Lilongwe University of Agriculture and Natural Resources</li> <li>○ Malawi University of Science and Technology</li> <li>○ Mzuzu University</li> <li>○ University of Malawi</li> </ul> </li> </ul>
Independent Panel of Experts	<p>Members of the Panel will be appointed by the Director of Environmental Affairs, with input from the Development Partners, International Non-Governmental Organizations, and local Non-Governmental Organizations. Panel members will serve a three-year term, which can be renewed on expiry at the discretion of the Director.</p> <p>Members of the Panel will be appointed based on their technical knowledge and experience, and the Panel may be comprised of both international and national experts. There will not be an exact limit on the number of panel member, and its membership is likely to evolve as the Fund gains more exposure and the number and diversity of applications increase.</p> <p>Panel members will need to be provided with some basic training prior to commencing their roles on the Panel. This will include the need to develop a deeper understanding of the CCF and what it seeks to achieve, as well as the provision of tools/ guidelines on how to undertake assessments.</p>

## Annex 10. Supporting Documents

456. These documents have been used or referenced in the development of this manual.

- Environment Management Act (CAP 60:02)
- Environment Management (Climate Change Fund) Regulations, 2018
- Malawi National Climate Change Management Policy, 2016
- United Nations Framework Convention on Climate Change Paris Agreement
- National Auditing Office of Malawi Auditing Standards, 2005
- Public Finance Management Act, 2003
- Public Procurement Act, 2003
- Money Laundering and Proceeds of Serious Crime and Terrorist Financial Act, 2007
- Public Procurement and Disposal of Assets Act, 2017
- Access to Information Act, 2016
- Corrupt Practices Act No 17, 2004
- Environmental Affairs Department, Ministry of Natural Resources and Environmental Affairs, Government of Malawi, National Environmental Policy, 2004
- Environmental Affairs Department, Ministry of Mines, Natural Resources and Environment, Government of Malawi, Malawi's National Adaptation Programs of Action (NAPA), 2015
- Environmental Affairs Department, Ministry of Mines, Natural Resources and Environment, Government of Malawi, Nationally Appropriate Mitigation Actions for Malawi, 2015
- Environmental Affairs Department, Ministry of Environmental and Climate Change Management, Government of Malawi, National Climate Change Investment Plan, 2013 - 2018