



# Project Appraisal Manual

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This document is as approved by the REC Caucasus executive Body (Collegial Trio) and is set out at the end of the document.

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# 1. Introduction and Purpose

## 1.1 Background

The Regional Environmental Centre for the Caucasus (REC Caucasus) is a non-profit, independent organization established to support regional cooperation and capacity building for environmental protection and sustainable development across Armenia, Azerbaijan, and Georgia. Since 2003, REC Caucasus has maintained a long-standing partnership with the governments in South Caucasus and aid agencies in the world and other development partners, implementing a wide portfolio of projects in environmental governance, climate adaptation, and green economic transformation.

Over the past two decades, REC Caucasus has expanded its regional presence through a network of its Regional Office in Tbilisi, Georgia and Country Offices in Armenia and in Azerbaijan, building institutional credibility and fiduciary discipline that align with international standards. Sustaining this progress requires a coordinated, strategic approach to donor engagement, particularly with Governments and Aid Agencies (GAA) and global climate finance institutions - ensuring that REC Caucasus's proposals and operations remain coherent, evidence-based, and aligned with shared environmental and development priorities.

Given the increasing competition for limited international climate and environmental funding, REC Caucasus must continue to position its core product - "Environment Protection and Sustainable Development"—as a solution that simultaneously serves regional environmental objectives and donor policy goals. This Manual therefore does not redefine REC Caucasus's identity as an environmental institution; rather, it articulates how REC Caucasus's mission fits within the broader *development–climate–sustainability nexus*, making it more accessible to GAA partners, the Adaptation Fund (AF), the Green Climate Fund (GCF) & other donors.

To operationalize this, REC Caucasus is strengthening its internal systems and governance to meet the fiduciary, technical, and safeguard requirements of international climate finance. This Project and Programme Appraisal Manual (the Manual) establishes a unified, transparent, and technically rigorous framework for screening, appraisal, and implementation of all REC Caucasus-managed or REC Caucasus-supported initiatives. It ensures that each project:

- Aligns with national and regional environmental and climate strategies.
- Addresses the most pressing adaptation and sustainability priorities of communities in the South Caucasus.
- Demonstrates sound technical design, cost-effectiveness, and institutional viability;
- Meets fiduciary, environmental, social, and gender standards consistent with the Adaptation Fund's Operational Policies and Guidelines (OPG) and REC Caucasus's Environmental and Social Management System (ESMS);
- Contributes measurable results in line with the donor Strategic Results Framework (SRF) and REC Caucasus's Institutional Monitoring & Evaluation Framework.

The Manual is both an operational tool and a compliance instrument, ensuring consistency with REC Caucasus's fiduciary standards and enabling readiness for direct access to international climate finance mechanisms.

## 1.2 Scope

This Manual applies to **all projects and programmes** implemented, managed, or endorsed by REC Caucasus, irrespective of the funding source. It governs the entire project cycle—from concept note and preliminary screening through full appraisal, approval, and post-implementation learning.

The Manual ensures that every REC Caucasus intervention integrates the following cross-cutting priorities:

- **Environmental and Social Safeguards (ESS):** Full adherence to REC Caucasus's ESMS and the Adaptation Fund's Environmental and Social Policy (ESP).
- **Gender Equality and Inclusion:** Mainstreaming of gender-responsive design, budgeting, and reporting consistent with the **Adaptation Fund Gender Policy and Action Plan (GAP)**;
- **Stakeholder Engagement:** Inclusive participation of government partners, local authorities, and civil society across all project stages.
- **Fiduciary Integrity:** Robust financial management, procurement transparency, and accountability mechanisms.
- **Risk Management and Grievance Redress:** Proactive identification and mitigation of environmental, social, and governance risks, supported by a confidential and accessible grievance mechanism.
- **Learning and Knowledge Sharing:** Systematic monitoring, reporting, and dissemination of lessons learned via REC Caucasus's Open Information procedures.

Project proposals, concepts, etc. appraisal procedures are structured in four stages:

1. **Concept Screening:** Review of alignment with REC Caucasus strategic priorities and donor policies.
2. **Detailed Appraisal:** Technical, financial, environmental, and gender assessment.
3. **Pre-Appraisal Review:** Internal quality assurance and fiduciary due diligence.
4. **Final Appraisal and Approval:** Validation by the REC Caucasus Executive Director and/or REC Caucasus Board.

All project proposals must explicitly reference relevant national climate strategies, National Adaptation Plans (NAPs), Nationally Determined Contributions (NDCs), or regional environmental commitments. Proposals financed by the Adaptation Fund must also follow the M&E and fiduciary standards outlined in REC Caucasus's 2024 donor-aligned M&E Plan, including annual Project Performance Reports (PPRs) due within 60 days of each disbursement anniversary and linked to tranche release.

## 2. Legal and Regulatory Framework

### 2.1 National and Regional Framework

REC Caucasus operates in alignment with the environmental and development laws of the three South Caucasus countries and in accordance with REC Caucasus Charter and policies, regional cooperation agreements on sustainable development and transboundary environmental management. This includes adherence to:

- National Environmental Protection, Climate Change, and Biodiversity Laws.
- National Adaptation Plans (NAPs) and Nationally Determined Contributions (NDCs).
- Gender equality and social inclusion legislation of partner countries.
- Public procurement, financial management, and anti-corruption regulations.
- Public participation and access-to-information principles as enshrined in the Aarhus Convention, UN Convention on Biological Diversity, and UNFCCC.

### 2.2 International Standards and Donor Requirements

All relevant project proposals, concepts, etc. appraisals under this Manual shall ensure compliance with:

- Adaptation Fund Operational Policies and Guidelines (OPG) – including fiduciary, environmental, and gender requirements.
- Adaptation Fund Environmental and Social Policy (ESP) and Gender Policy (GP);
- Green Climate Fund and UNDP/UNEP safeguard frameworks, as applicable to co-financed activities.
- OECD-DAC criteria for relevance, effectiveness, efficiency, impact, and sustainability.
- REC Caucasus's own ESMS, which operationalizes these standards institutionally.

Financial accountability and transparency are central. All REC Caucasus projects must maintain accurate accounting, internal control systems, and audit trails, following REC Caucasus's Financial Manual and donor's fiduciary principles. Any suspected misuse of funds must be reported within 30 days and updated every 30 days until resolved.

### 2.3 Integration with REC Caucasus's Environmental and Social Management System

This Manual fully integrates with REC Caucasus's Environmental and Social Management System (ESMS), which defines procedures for environmental and social risk assessment, stakeholder engagement, and monitoring. All appraisals must comply with the ESMS's:

- Environmental and social safeguard principles.
- Risk categorization and due diligence procedures.
- Stakeholder consultation and grievance handling.
- Monitoring, evaluation, and reporting obligations.
- Institutional accountability and capacity development requirements.

Where overlap occurs, the ESMS provisions take precedence to ensure comprehensive environmental and social protection. No project may advance through the appraisal process without demonstrating compliance with ESMS and gender mainstreaming requirements.

### 3. Objectives of the Manual

The REC Caucasus Project Appraisal and Evaluation Manual serves as a strategic and operational guide for the Regional Environmental Centre for the Caucasus (REC Caucasus) and its partners. Its primary purpose is to ensure that all proposed projects and programmes undergo a structured, transparent, and consistent appraisal process that reflects regional environmental and climate priorities, integrates internationally recognized standards, and promotes climate-resilient, inclusive, and sustainable outcomes across REC Caucasus's member countries.

The central objective of the Manual is to establish a comprehensive and harmonized approach to evaluating investment proposals across all key dimensions — environmental, social, gender, technical, financial, and economic. This integrated framework helps determine whether projects are feasible, sustainable, and strategically aligned with REC Caucasus's mission, the national, regional and international commitments of participating countries, and relevant global goals under the Paris Agreement and the 2030 Agenda for Sustainable Development.

The Manual promotes the selection of initiatives that strengthen regional cooperation, reduce shared climate and environmental risks, and enhance community and ecosystem resilience. It covers both climate-focused projects (adaptation and mitigation) and environmentally significant initiatives such as biodiversity conservation, initiatives to combat desertification, sustainable natural resource management, water security, and support pollution reduction actions — all consistent with REC Caucasus's regional development mandate and environmental priorities.

By embedding environmental, climate, and social considerations into a unified appraisal process, the Manual contributes to effective risk management, long-term sustainability, and evidence-based decision-making that supports REC Caucasus's regional development objectives.

Accordingly, project proposals must demonstrate a clear and well-justified rationale linking proposed activities to specific environmental and climate challenges. Each proposal should:

- Identify the climate change mitigation and adaptation matters, climate hazards or environmental issues being addressed (e.g., floods, droughts, land degradation, biodiversity loss).
- Explain how proposed interventions respond to these challenges.
- Reference relevant regional or national climate strategies, environmental policies, or international commitments.
- Provide evidence supporting the proposed approach and its expected adaptation, mitigation, or sustainability outcomes.

This rationale must be integrated throughout the project design to ensure coherence, alignment, and measurable contribution to long-term climate and environmental resilience.

The Manual emphasizes the importance of alignment with the Sustainable Development Goals (SDGs), particularly:

- SDG 13 (Climate Action) as the overarching goal,

- SDG 6 (Clean Water and Sanitation),
- SDG 2 (Zero Hunger),
- SDG 5 (Gender Equality), and
- SDG 17 (Partnerships for the Goals) — reflecting REC Caucasus’s role in fostering multi-country collaboration and knowledge sharing.

Another key objective is to promote risk-informed and safeguard-compliant planning. The Manual provides guidance on the identification and management of environmental and social risks, ensuring that all proposals comply with national laws and REC Caucasus’s Environmental and Social Safeguards Framework (ESSF), while integrating international best practices. It further underscores the importance of stakeholder engagement, gender responsiveness, and social inclusion across all stages of the project cycle.

To strengthen governance and accountability, the Manual establishes transparent, objective, and consistent appraisal standards. A standardized methodology and clear evaluation criteria enhance comparability, reduce bias, and support evidence-based funding decisions.

From a financial standpoint, the Manual provides tools and criteria to assess financial soundness, cost-effectiveness, and sustainability of proposed project proposals, concepts, including evaluation of co-financing opportunities and mechanisms for leveraging partnerships with development agencies and private sector actors.

Recognizing the importance of learning and accountability, the Manual requires that monitoring, evaluation, and learning (MEL) systems be integrated early in project design. Clear indicators, baselines, and reporting mechanisms ensure performance tracking, adaptive management, and transparency throughout implementation.

Finally, the Manual serves as an institutional learning and capacity-building tool. It provides REC Caucasus staff and partners with a consistent framework for project design, appraisal, and evaluation — strengthening organizational capacity and fostering a culture of knowledge exchange and continuous improvement across the region.

Gender equality and women’s empowerment are non-negotiable principles across all REC Caucasus-supported activities. In line with REC Caucasus’s Gender Policy, every project must demonstrate clear and measurable contributions to gender equality outcomes. Projects that fail to meet mandatory gender requirements will not proceed to approval, regardless of their technical or financial merits.

### 3.1 Eligibility Criteria

To ensure that all proposed project proposals, concepts are strategically sound, environmentally and socially responsible, and financially viable, each submission must meet the following minimum eligibility criteria before advancing to full appraisal.

#### **a) Strategic Relevance and Regional Ownership**

- The project aligns with REC Caucasus’s strategic objectives and the environmental or climate priorities of participating countries.

- The proposal demonstrates complementarity with national, regional and international development strategies in line with REC Caucasus mission and regional cooperation frameworks.

#### **b) Climate and Environmental Rationale**

- The proposal identifies specific climate change mitigation and/or adaptation issues, climate hazards (e.g., floods, droughts, glacial melt) or environmental issues (e.g., land degradation, biodiversity loss, water scarcity).
- The intervention is directly linked to measurable adaptation, mitigation, or environmental benefits.
- The proposal provides evidence-based justification for the chosen approach.
- For externally co-financed projects (e.g., GCF, AF, GEF), the “climate rationale” must clearly demonstrate the link between climate drivers, proposed actions and country priorities.

#### **c) Environmental and Social Safeguards**

- A preliminary environmental and social screening is completed in accordance with REC Caucasus’s Environmental and Social Safeguards Framework (ESSF).
- The project is categorized (A<sup>1</sup>, B+, B, or C) based on potential environmental and social risks.
- Proportionate safeguard instruments (e.g., ESIA, ESMP) are prepared as required.
- The project does not cause significant or irreversible harm to people, ecosystems, or vulnerable groups.

#### **d) Gender Equality and Social Inclusion (Mandatory)**

All projects must fully comply with REC Caucasus’s gender integration standards. The following are mandatory and non-waivable:

- Completion of a gender assessment using REC Caucasus’s Gender Policy.
- Development of a Gender Action Plan with clear actions, resources, and accountability.
- Integration of sex-disaggregated indicators and gender-responsive budgeting.
- Ensured participation of women and underrepresented groups in decision-making.
- Assessment and mitigation of gender-based risks, including GBV prevention measures.

#### **e) Financial Feasibility and Co-Financing**

- The project budget is realistic, coherent, and aligned with proposed outcomes.
- Cost-effectiveness is justified.

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<sup>1</sup> According to the ESMS Manual, REC Caucasus does not implement Category A projects.

- Potential co-financing sources are identified.
- Long-term financial sustainability is addressed, including operation and maintenance plans or institutional integration.

#### **f) Implementation and Institutional Capacity**

- The executing entity demonstrates sufficient technical, fiduciary, and managerial capacity.
- Roles and responsibilities are clearly defined.
- Implementation arrangements align with REC Caucasus's fiduciary and operational standards.

#### **g) Risk Identification and Management**

- Preliminary risks (environmental, social, operational, fiduciary) are identified.
- Corresponding mitigation strategies are proposed, aligned with REC Caucasus's risk management framework.

#### **h) Monitoring, Evaluation, and Learning (MEL)**

- Preliminary results framework and indicators are defined, including climate, gender, and sustainability outcomes.
- Data collection and reporting mechanisms are specified or planned.

### **4. Appraisal Process**

The REC Caucasus project and programme appraisal process ensures that all proposed initiatives are technically sound, environmentally and socially responsible, financially viable, and aligned with regional and national priorities.

The appraisal follows a **three-stage process**, with increasing depth of review and due diligence at each stage.

#### **4.1 Concept Screening**

The Concept Screening stage determines the strategic fit and preliminary feasibility of proposed project proposals, concepts. It includes:

- Assessing alignment with REC Caucasus's strategic priorities and regional frameworks.
- Reviewing proposal, concept objectives, target beneficiaries (especially vulnerable and climate-affected populations), and expected results.
- Conducting a rapid assessment of technical logic, indicative budget, and climate rationale.
- Identifying any environmental, social, or institutional risks that could affect eligibility.

- Determining readiness to proceed to Pre-Appraisal.

**Gender and inclusion compliance** are assessed at this stage. Concepts lacking adequate gender analysis or justification are returned for revision. The screening applies to the **REC Caucasus Eligibility and Compliance Checklist** (Annex IV) to ensure consistent application of standards.

#### 4.2 Pre-Appraisal Assessment

This stage provides a deeper review of project logic, risks, and institutional readiness. It includes:

- **Environmental, Social, and Gender Analysis:** In-depth assessment of potential impacts and safeguard requirements. Gender analysis identifies barriers, risks, and empowerment opportunities.
- **Stakeholder Engagement Mapping:** Identification of key stakeholders and consultation mechanisms, emphasizing participation of vulnerable and marginalized groups.
- **Preliminary Risk Screening and Categorization:** Assigning a provisional risk level (A/B+/B/C) based on REC Caucasus's ESSF and international benchmarks.
- **Institutional Capacity Review:** Assessing the technical and fiduciary readiness of executing entities.
- **Preliminary Financial Assessment:** Reviewing budget soundness and co-financing potential.

Projects must complete this stage before advancing to full appraisal. The REC Caucasus Environmental and Social Safeguards focal point validates all risk categorizations and safeguard requirements.

#### 4.3 Full Appraisal

The final stage ensures that the full proposal meets all **technical, financial, environmental, social, and gender** criteria for approval. It includes:

- **Detailed Environmental, Social, and Gender Assessment:** Verification of compliance with REC Caucasus's ESSF and inclusion of mitigation plans.
- **Mandatory Gender Compliance Verification:** Review of Gender Action Plan, gender-responsive budget, women's participation strategy, and gender-sensitive indicators. Projects failing to meet these requirements are not approved.
- **Technical Soundness and Sustainability Review:** Evaluation of feasibility, innovation, and long-term impact.
- **Financial and Economic Analysis:** Assessment of cost-effectiveness, co-financing leverage, and sustainability mechanisms.

- **Monitoring, Evaluation, and Learning (MEL):** Verification of performance indicators, baselines, and adaptive learning mechanisms.
- **Comprehensive Risk Management Plan:** Confirmation of risks and mitigation measures, with adjustments based on final design.

#### 4.4 Institutional Roles and Responsibilities

To ensure accountability and coordination, appraisal functions are distributed across REC Caucasus’s institutional structure:

<b>Level / Role</b>	<b>Key Responsibilities</b>
<b>REC Caucasus Executive Director</b>	Provides strategic oversight, approves high-risk and high-value projects, ensures policy alignment across member states.  Holds final approval authority for moderate- and low-risk projects; ensures institutional compliance and coordination with regional partners.
<b>Programme Management / Head of Programme Coordination</b>	Manages daily appraisal processes; ensures quality assurance and procedural consistency.
<b>Finance and Administrative Management</b>	Reviews financial analyses, cost-effectiveness, and fiduciary compliance.
<b>Development Management</b>	Conducts technical and feasibility reviews; coordinates stakeholder consultations and documentation.
<b>Project based ESS focal point</b>	Oversees environmental and social screening, risk categorization, and safeguard compliance.
<b>Gender Mainstreaming Officer</b>	Ensures gender and inclusion standards are met; reviews Gender Action Plans and gender budgets; verifies institutional capacity for gender integration.

### 5. Detailed Criteria for Project Appraisal

This chapter sets out the mandatory criteria and standards for the appraisal of projects and programmes submitted under REC Caucasus. The criteria ensure that all proposals align with REC Caucasus’s Environmental and Social Management System (ESMS), Gender Policy, and are consistent with the Adaptation Fund’s Operational Policies and Guidelines (OPG ¶ 40–83).

Project appraisals shall assess the proposal’s **relevance to national climate priorities, environmental and social benefits, cost-effectiveness, sustainability, and alignment**

**with Georgia’s national adaptation and development strategies.** Evaluations must also verify the quality of the implementation strategy, institutional readiness, and consistency with REC Caucasus’s fiduciary and safeguard standards.

## 5.1 Environmental Assessment

Environmental integrity is central to REC Caucasus’s appraisal process to prevent adverse ecological or climatic effects.

- **Impact on Ecosystems and Biodiversity:** Evaluate the project’s potential effects on biodiversity, protected areas, water resources, forests, and ecosystem services. Consider cumulative impacts and risks of habitat fragmentation.
- **Climate Change Relevance:** Assess how the intervention contributes to climate adaptation and/or mitigation, and its alignment with Georgia’s Nationally Determined Contribution (NDC), National Adaptation Plan (NAP), and sectoral climate strategies.
- **ESMS Compliance:** All environmental reviews must follow REC Caucasus’s ESMS (Section 4). Projects are categorized by environmental and social risk (A (N/A)/B+, B/C) and must prepare Environmental and Social Impact Assessments (ESIA) and/or Environmental and Social Management Plans (ESMP) where required REC Caucasus.

## 5.2 Social Assessment

Social sustainability and equity are critical to ensure that projects generate inclusive benefits and do not inadvertently cause harm.

- **Stakeholder Engagement and Inclusion:** Confirm that stakeholder mapping includes women, youth, persons with disabilities, elderly, and marginalized groups, and that participatory mechanisms are inclusive throughout the project cycle.
- **Social Impact:** Assess effects on livelihoods, health, social cohesion, and equitable access to resources and services. Identify and mitigate any adverse social or economic impacts.
- **Mandatory Gender Equality Integration:** All proposals must include a stand-alone **Gender Assessment** identifying differentiated roles, needs, vulnerabilities, and opportunities for women and men. The assessment must outline specific measures to promote gender equality and inclusion, integrated throughout project design, budgeting, implementation, and M&E. Compliance with REC Caucasus’s Gender Policy is mandatory.
- **Social Safeguards Compliance:** Verify compliance with national laws on labour and social protection, as well as international standards. Evaluate risks of exclusion, involuntary resettlement, or disproportionate impacts.

Social assessments shall comply with REC Caucasus ESMS requirements on stakeholder engagement (Section 6), grievance redress mechanisms (Section 6.5), and social safeguards (Annex I). All projects must maintain a **grievance log** for a minimum of five years and provide quarterly summaries within relevant project reports.

### 5.3 Financial Assessment

Financial appraisal ensures efficient use of funds and long-term sustainability.

- **Budget Coherence and Cost-Effectiveness:** Review the budget for internal consistency and linkage to outputs and outcomes. Assess cost reasonableness and value for money.
- **Financial Sustainability:** Evaluate how project outcomes will be maintained beyond the REC Caucasus funding period, including institutional and budgetary provisions.
- **Co-Financing and Leverage:** Confirm secured or committed co-financing from public, bilateral, or private sources.
- **Risk and Benefit Analysis:** Analyze financial risks (currency, inflation, audit findings, cost overruns) and undertake cost-benefit or cost-effectiveness analyses, including climate resilience and socio-economic multipliers.
- **Financial Management Capacity:** Verify that the executing entity meets REC Caucasus's fiduciary standards and has transparent accounting and audit systems.

### 5.4 Risk Assessment and Management

Comprehensive risk assessment underpins project resilience and accountability.

- **Risk Identification and Categorization:** Identify environmental, social, financial, operational, political, and reputational risks, classifying them as Low/Moderate/High. Confirm or revise the preliminary risk category (A (N/A)/B+, B/C).
- **Mitigation and Adaptive Management:** Evaluate the adequacy of mitigation and contingency plans, ensuring responsibilities and timelines are clear.
- **Risk Monitoring and Reporting:** Each proposal must include a risk register with indicators and review schedules. Risk updates shall be integrated in the Annual Project Performance Report (PPR).

### 5.5 Evaluation Tools and Indicators

To ensure transparency and comparability, REC Caucasus applies standardized appraisal tools consistent with its ESMS and Gender Policy:

<b>Tool / Annex</b>	<b>Purpose</b>
<b>ESMS Screening Form (Annex I)</b>	Early identification of environmental & social risks; determines required safeguard instrument (ESIA / ESMP).
<b>Gender Analysis Matrix (Annex II)</b>	Identifies gender roles, needs, and barriers; ensures gender equality integration.

<b>Tool / Annex</b>	<b>Purpose</b>
<b>Budget Review Template (Annex III)</b>	Confirms cost alignment and financial feasibility.
<b>Eligibility Checklist (Annex IV)</b>	Verifies compliance with basic eligibility criteria (Section 3.1).
<b>Project Categorization Matrix (Annex V)</b>	Assigns environmental and social risk category (A/B+/B/C).
<b>Quality Assurance Framework (Annex VI)</b>	Ensures peer review and compliance verification.
<b>Project Gender Action Plan Framework (Annex VII)</b>	Defines activities, budgets, timelines, and responsibilities to close identified gender gaps.
<b>Risk Matrix</b>	Quantifies and prioritizes risks (Likelihood × Impact) to guide mitigation.

All templates must be completed prior to appraisal clearance and attached to the final appraisal report. Their consistent application strengthens portfolio quality and compliance.

### Example Risk Matrix

<b>Risk Type</b>	<b>Likelihood (1–5)</b>	<b>Impact (1–5)</b>	<b>Score (L×I)</b>
Environmental	4	5	20
Social	3	4	12
Financial	2	3	6

### 5.6 Concrete Climate Change Adaptation and Mitigation Actions

Each project must include clearly defined, measurable climate actions aligned with national adaptation priorities and the selected donor’s results framework.

- **Physical Interventions:** Tangible measures that reduce exposure or sensitivity to climate hazards (e.g., flood protection, resilient infrastructure, water management).
- **Measurable Results:** Establish quantifiable indicators of reduced vulnerability and/or increased adaptive capacity.
- **Defined Beneficiaries:** Identify direct and indirect beneficiaries, with attention to gender and vulnerability dimensions.

- **Logical Linkage:** Demonstrate clear causal connection between the activity, the climate issue, hazard, and the expected outcome.

Complementary capacity-building or awareness-raising activities may be included, but the appraisal will ensure a balanced emphasis on **tangible adaptation actions**.

## 6. Appraisal Process Components

This section outlines the essential steps of the project and programme appraisal process. These components reflect good international practices and are designed to ensure that all proposals are rigorously, transparently, and consistently assessed.

**Screening and Prioritization:** Screening and prioritization involve the initial review of project proposals to determine their alignment with institutional and national priorities. This step serves as a gateway to determine whether a project advances to detailed review.

- Evaluate proposals against eligibility criteria outlined in Section 3.1 using the Comprehensive Eligibility Screening Checklist (Annex IV), REC Caucasus's strategic priorities and national policies on climate adaptation, environmental protection and sustainable development.
- Screen for alignment with cross-cutting priorities such as gender equality, social inclusion, and resilience building.
- Prioritize projects that demonstrate high potential for impact, innovation, sustainability, and scalability.
- Use standard scoring tools or ranking matrices to facilitate objective and transparent comparison of competing proposals.

**Project Documentation Review:** This component involves the technical review of the full set of submitted documents to assess completeness, quality and compliance.

- Verify that all required documentation is submitted and complete, including the concept note or proposal, Environmental and Social Impact Assessment (ESIA), Gender Action Plan, financial and economic analysis, risk assessment, stakeholder engagement plan, and grievance redress mechanism.
- Review each document for internal consistency, technical soundness, and compliance with REC Caucasus's appraisal criteria, national legislation, and applicable donor standards.
- Confirm the inclusion of required annexes such as budget breakdowns, safeguard screening results, and monitoring and evaluation plans.
- All project proposals must include a formal letter of support or endorsement from the relevant national authority confirming that the proposal aligns with national priorities and complies with applicable policies.

**Stakeholder Consultations:** Stakeholder consultations are a participatory process to engage all relevant actors in the design of the project, enhancing its legitimacy and quality.

- Assess the extent and quality of stakeholder engagement conducted during project development.

- Confirm that consultations have included affected communities, women, vulnerable groups, civil society organizations, local authorities, and other relevant actors.
- Review how feedback from consultations has been integrated into the project design, including changes to address concerns and enhance local ownership.
- Evaluate whether the consultation process followed principles of Free, Prior, and Informed Consent (FPIC), where applicable.

**Site Visits and Field Assessments:** Field assessments provide an opportunity for appraisers to directly observe the physical and social context of the proposed project and confirm details provided in the documentation.

- When appropriate, conduct site visits to verify information contained in the project documentation and assess contextual conditions on the ground.
- Use field assessments to:
  - Identify unreported environmental, social or operational risks.
  - Evaluate infrastructure feasibility and access challenges.
  - Validate stakeholder support and implementation readiness.
  - Verify alignment with local development plans and ecological considerations.

Site visit findings should be documented in the appraisal report and used to refine risk assessments, confirm safeguard categorization, and strengthen final recommendations.

**Environmental and Social Management System Compliance:** All projects undergo mandatory compliance verification with REC Caucasus’s Environmental and Social Management System (ESMS) during appraisal. This includes:

- Risk categorization and safeguard instrument requirements per ESMS Sections 3-4.
- Stakeholder engagement and disclosure compliance per ESMS Section 6.
- Grievance redress mechanism establishment per ESMS Section 6.5.
- Monitoring and reporting framework alignment per ESMS Section 8.
- Institutional capacity assessment per ESMS Section 7.

The REC Caucasus Environmental and Social Safeguards Officer must approve all ESMS compliance before projects advance to final appraisal.

## 7. Appraisal Reports and Decision-Making

Following the detailed appraisal activities described in the previous section, the outcomes of the evaluation process must be synthesized into a formal appraisal report, which will be the consolidated project proposal with all the necessary components described below. This report serves as the primary basis for decision-making and transitions the appraisal phase into

project selection and approval. It also lays the foundation for post-approval monitoring and adaptive management.

**Appraisal Report:** The appraisal report is the core output of the evaluation process. It summarizes key findings, identifies risks and mitigation measures, and presents recommendations.

- Prepare a comprehensive appraisal report that includes:
  - Summary of the project's objectives, expected outcomes, and alignment with REC Caucasus's mandate and national priorities.
  - Evaluation of environmental, social, gender, technical and financial dimensions.
  - Analysis of risk levels and the adequacy of proposed mitigation strategies.
  - A reasoned recommendation for project approval, conditional approval (pending modifications) or rejection.
- The report should be evidence-based and reference annexed tools such as the safeguard screening, gender matrix, and budget review template.

Gender compliance verification is a mandatory component of all appraisal reports. The report must document comprehensive gender assessment findings, Gender Action Plan development, gender-responsive budget analysis and institutional capacity for gender implementation. Projects that fail to demonstrate adequate gender mainstreaming will receive negative appraisal recommendations. Gender compliance is assessed as a pass-fail criterion that cannot be compensated by strengths in other areas.

**Decision-Making Process and Authority Levels:** The appraisal decision-making process follows a structured review sequence that ensures appropriate technical evaluation and institutional oversight. Each project progresses through defined review stages with clear approval authorities based on risk categorization.

The decision-making process operates through four sequential levels that provide systematic quality assurance and appropriate approval authority. This structure ensures technical rigor while maintaining efficient processing of project proposals.

#### **a) Level One: Technical Review**

Depending on the proposal type, the relevant management staff conducts initial technical assessment and completeness verification for all project proposals. This review establishes the foundation for subsequent specialist evaluation and management review.

Level One review produces the following deliverables:

- Technical feasibility review and initial appraisal report
- Preliminary risk categorization recommendation.
- Identification of specialist review requirements.
- Initial stakeholder consultation summary.

## **b) Level Two: Specialist Clearance**

Designated specialist officers conduct detailed reviews within their areas of expertise and provide formal clearance for project advancement. This stage ensures compliance with all applicable policies and standards.

Level Two review generates the following outcomes:

- Environmental Policy and Climate Change Programme Manager clearance on ESS compliance.
- Gender Mainstreaming Officer certification of gender mainstreaming compliance.
- Financial and Admin Head approval of financial and fiduciary arrangements.
- Consolidated specialist recommendations for final approval.

c)

## **c) Level Three: Final Approval**

Final approval authority varies based on project risk categorization as determined through the appraisal process. This structure ensures appropriate institutional oversight while maintaining decision-making efficiency.

Final approval follows these authority assignments:

- According to the ESMS Manual, REC Caucasus does not implement Category A projects.
- Category B+ REC Caucasus relevant Director and Environmental Policy Manager approval.
- Category B projects require REC Caucasus relevant Director approval.
- Category C projects require Management of Programmes and Projects team leads' approval.
- All approvals must include confirmation of compliance with mandatory requirements.

**Approval Process:** Once a no-objection is received from the National Designated Authority (NDA) and alignment with national priorities is confirmed, the REC Caucasus Director reviews and approves the proposal for donor submission. The Environmental Policy Manager exercises overall oversight but does not directly engage in the approval process.

Following donor approval, the REC Caucasus Director holds the authority to sign the funding agreement on behalf of the institution.

**Monitoring and Reporting Commitments:** The appraisal report should outline the project's expected monitoring framework, including:

- Frequency and format of implementation progress reports.
- Safeguard compliance monitoring (e.g., environmental and gender).

- Risk tracking and management updates.
- Results reporting based on defined indicators.

This ensures that the oversight and learning initiated through appraisal are carried forward throughout the implementation period and serve as inputs to project-level and institutional adaptive management.

## 8. Post-Appraisal Follow-Up

Following the approval of a project or programme, it is essential to ensure that the commitments made during appraisal are translated into effective implementation. Post-appraisal follow-up allows REC Caucasus and relevant stakeholders to track performance, uphold safeguard standards, and respond adaptively to changing conditions throughout the project lifecycle. It ensures continuity between appraisal, execution, and eventual evaluation, helping to reinforce accountability and learning.

**Responsibility for Post-Appraisal Follow-Up:** The Programmes and Projects Management Unit is responsible for coordinating and tracking post-appraisal follow-up activities, in collaboration with Environmental Policy and Climate Change Programme Manager, Gender Mainstreaming Officer and relevant technical units. Each specialist is accountable for monitoring the implementation of commitments within their respective domains—such as safeguards, gender actions and financial compliance—and ensuring timely reporting and corrective action where necessary.

**Implementation Oversight:** Implementation oversight refers to the structured monitoring of approved projects to ensure that they are being executed in line with the agreed design, performance indicators, and safeguard commitments. It involves routine checks, reporting, and coordination with implementing entities to track delivery and outcomes in real time.

- Establish a mechanism for periodic review of project progress, including the review of technical, environmental, social, and financial performance.
- Ensure that the project is being implemented in accordance with the approved design, safeguard commitments, and any conditions of approval.
- Track key performance indicators and flag emerging issues for timely resolution.

**Adaptive Management:** Adaptive management is a proactive, flexible approach that allows project teams and stakeholders to respond to new information, implementation challenges, or changes in context. It reinforces learning, responsiveness, and effectiveness by embedding feedback loops into project execution.

- Promote the integration of lessons learned from both appraisal and implementation into future project design.
- Encourage mid-term reviews or other independent assessments to test assumptions and adjust course where necessary.
- Ensure flexibility to revise project strategies or budgets where justified, while maintaining accountability and results orientation.

Building technical and institutional capacity is critical for ensuring that the appraisal process is implemented consistently, rigorously, and in line with evolving international standards. REC Caucasus promotes ongoing capacity development for both internal staff and external stakeholders to strengthen performance and ownership.

**Post-Approval Modifications:** If changes are needed after project approval, such as revisions to the budget, timeline, or project activities, these must be submitted in writing and reviewed for approval before implementation. Any significant modifications should include justification and an updated risk or impact assessment if relevant.

**Appraisal Team (includes relevant programme managers and officers) Training:** Training for internal appraisal staff ensures consistent application of appraisal procedures, tools, and standards across all projects. For this purpose:

- Provide continuous training (e.g., providing guiding materials, in-person consultations, etc.) for REC Caucasus evaluators and technical staff on the latest tools, methodologies, and international standards for project appraisal. This includes familiarization with logical frameworks, climate rationale, and safeguard instruments.
- Ensure that appraisal teams are well-versed in environmental and social safeguards, gender analysis, financial evaluation, and risk assessment frameworks. This helps ensure projects are appraised in a holistic and multidisciplinary manner.
- Build internal capacity to align with national regulations, REC Caucasus procedures, and evolving best practices from relevant donor organizations. This also enhances REC Caucasus's credibility and readiness to engage with new funding sources.

**Stakeholder Engagement:** Strengthening stakeholder capacity promotes transparency, inclusiveness, and accountability in the appraisal and implementation process. For this purpose:

- Conduct awareness-raising workshops and orientation sessions for key external stakeholders, including government agencies, NGOs, private sector partners and community representatives. These activities improve understanding of REC Caucasus's project cycle and safeguard requirements.
- Ensure that stakeholders understand the appraisal process, know how to contribute effectively, and are equipped to engage meaningfully in consultations, implementation, and monitoring. Well-informed stakeholders are more likely to support successful project outcomes and provide constructive feedback throughout the project lifecycle.

**Mandatory Gender Monitoring:** Gender monitoring is a non-negotiable requirement for all approved projects throughout the implementation period. This monitoring ensures continued compliance with gender commitments made during appraisal and enables adaptive management to strengthen gender outcomes.

Mandatory gender monitoring includes quarterly collection and analysis of sex-disaggregated data, regular assessment of Gender Action Plan implementation progress and documentation of gender-related challenges and achievements. Projects that fail to maintain adequate gender monitoring or demonstrate declining gender performance will be subject to implementation support missions and potential restructuring to address deficiencies.

Annual gender audits are required for all projects in accordance with REC Caucasus's Gender Policy. These audits assess the effectiveness of gender mainstreaming efforts and identify areas requiring additional attention or resources. Audit findings inform adaptive management decisions and contribute to institutional learning on gender-responsive project implementation.

## **9. Capacity Building and Training**

Building technical and institutional capacity is critical for ensuring that the appraisal process is implemented consistently, rigorously and in line with evolving international standards. REC Caucasus promotes ongoing capacity development for both internal staff and external stakeholders to strengthen performance and ownership.

### **9.1 Appraisal Team Training**

Training for internal appraisal staff ensures consistent application of appraisal procedures, tools and standards across all projects. The training program addresses both technical competencies and procedural knowledge.

The training program provides continuous training for REC Caucasus evaluators and technical staff on the latest tools, methodologies and international standards for project appraisal. This includes familiarization with logical frameworks, climate rationale and safeguard instruments.

Training ensures that appraisal teams are well-versed in environmental and social safeguards, gender analysis, financial evaluation and risk assessment frameworks. This helps ensure projects are appraised in a holistic and multidisciplinary manner.

The program builds internal capacity to align with national regulations, REC Caucasus procedures and evolving best practices from the relevant donor institutions. This enhances REC Caucasus's credibility and readiness to engage with new funding sources.

Gender competency is a mandatory requirement for all appraisal team members. Staff involved in project appraisal must complete REC Caucasus's gender training program before participating in appraisal activities. This training covers gender assessment methodologies, Gender Action Plan development, gender-responsive budgeting and gender-sensitive monitoring approaches. Appraisal teams must include designated gender expertise either through trained staff members or external gender specialists. No appraisal will proceed without adequate gender competency represented on the team.

### **9.2 Stakeholder Engagement**

Strengthening stakeholder capacity promotes transparency, inclusiveness and accountability in the appraisal and implementation process. The engagement program ensures that external partners can participate effectively in project cycles.

The engagement program conducts awareness-raising workshops and orientation sessions for key external stakeholders, including government agencies, NGOs, private sector partners and community representatives. These activities improve understanding of REC Caucasus's project cycle and safeguard requirements.

The program ensures that stakeholders understand the appraisal process, know how to contribute effectively and are equipped to engage meaningfully in consultations, implementation and monitoring. Well-informed stakeholders are more likely to support

successful project outcomes and provide constructive feedback throughout the project lifecycle.

### 9.3 Institutional Strengthening

Institutional strengthening activities support the development of systems, procedures and organizational capabilities that enable effective appraisal and project management. These activities build long-term capacity within REC Caucasus and partner organizations.

The strengthening program establishes knowledge management systems to capture and share lessons learned from appraisal and implementation experiences. It creates communities of practice for continuous learning and develops partnerships with academic institutions and training providers to access specialized expertise and resources.

## 10. Mandatory Gender Compliance Framework

REC Caucasus's commitment to gender equality requires systematic enforcement of gender mainstreaming requirements across all projects. This compliance framework establishes clear standards, verification procedures and accountability mechanisms to ensure consistent application of gender requirements.

All projects undergo mandatory gender compliance verification at each appraisal stage. Projects that fail to meet gender requirements at any stage will not advance until deficiencies are addressed. This approach ensures that gender considerations are integrated from project conception through implementation completion rather than treated as optional additions.

The compliance framework operates through standardized assessment tools, trained appraisal staff and systematic quality assurance procedures. Regular monitoring and evaluation of gender compliance effectiveness enables continuous improvement of REC Caucasus's gender mainstreaming approach while maintaining accountability to national and international gender commitments.

## 11. Ensuring Transparency and Accountability

Transparency and accountability are essential principles underpinning the credibility and integrity of REC Caucasus's appraisal system. Clear documentation, inclusive communication, and independent oversight are necessary to uphold public confidence and promote continuous improvement across all project cycles.

A credible and effective appraisal process relies not only on strong technical review but also on the trust and confidence of stakeholders. Ensuring transparency and accountability helps reinforce public legitimacy, minimize risks of bias or mismanagement, and improve institutional performance through stakeholder feedback and external oversight mechanisms.

**Transparency in the Appraisal Process:** The following actions are recommended to ensure transparency is upheld throughout the appraisal process. Promoting transparency ensures that stakeholders have visibility into how project decisions are made, fostering trust and inclusivity.

- Ensure that the appraisal process, from project submission through decision-making, is documented and accessible to relevant stakeholders. This includes maintaining records of appraisal meetings, scoring, and justification for recommendations.

- Publish key appraisal outcomes, criteria, and decisions where appropriate, while safeguarding confidential or sensitive information. Public disclosure supports stakeholder understanding and engagement.
- Maintain a clear audit trail that links appraisal results to final project decisions. This helps ensure the integrity of the process and supports internal and external review mechanisms.

**Accountability Mechanisms:** Accountability mechanisms refer to the systems and procedures that ensure all actors involved in the appraisal process, particularly project proponents, evaluators, and decision-makers are answerable for their actions and decisions. These mechanisms create a structured means for stakeholders to raise concerns, seek redress, and contribute to continuous improvement.

In line with the requirements of REC Caucasus’s project-level Grievance Mechanism, all projects appraised and supported by REC Caucasus must incorporate the following accountability elements:

- Establish a project-level Grievance Redress Mechanism (GRM) that allows stakeholders to submit complaints or feedback related to project design, appraisal, selection or implementation.
  - The GRM must:
    - Be compliant with REC Caucasus project-level GRM standards.
    - Be accessible, inclusive, and culturally appropriate for all affected populations.
    - Define clear procedures for receiving, recording, assessing, and resolving grievances.
    - Ensure confidentiality, non-retaliation, and timely response.
    - Be communicated effectively to communities and stakeholders through consultations, public meetings, and accessible formats.
- a) The GRM’s structure and operational arrangements will be reviewed during project appraisal to ensure it is integrated into the project’s Environmental and Social Management Plan (ESMP), Gender Action Plan (GAP), or Stakeholder Engagement Plan, as applicable.
- b) Where appropriate, REC Caucasus may facilitate independent review or third-party oversight to support impartial grievance resolution and institutional learning.
- c) Feedback received through project-level GRMs will be used to improve the quality of project implementation and inform broader improvements in REC Caucasus’s appraisal and safeguard systems.

## Annex I: Environmental and Social Screening Using REC Caucasus’s ESMS Framework

(Mandatory compliance with REC Caucasus’s Environmental and Social Policy)

### Step 1: Initial Screening (ESMS Table 1)

Check project eligibility and exemptions:

Exempted Activities	Yes	No
Does the project fall entirely within these categories: Knowledge products, workshops/training, capacity building for negotiations, partnership coordination, or global/regional activities with no field implementation?	<input type="checkbox"/>	<input type="checkbox"/>

Excluded Activities	Yes	No
Could the project activities involve: Harmful/exploitative labor, illegal trade, unsustainable forestry, weapons, alcohol production, tobacco, gambling, radioactive materials, or unbonded asbestos?	<input type="checkbox"/>	<input type="checkbox"/>

If ANY exclusion criteria = "Yes" → PROJECT INELIGIBLE If exemption criteria = "Yes" → No further screening required Otherwise → Proceed to Step 2

### Step 2: Full ESMS Screening

Apply REC Caucasus’s 8 Environmental and Social Safeguards:

Safeguard Assessment Matrix

REC Caucasus Safeguard	Triggered?	Risk Level (1-5)	Mitigation Required
1. E&S Risk Assessment & Management	<input type="checkbox"/> Yes <input type="checkbox"/> No	_____	
2. Labour and Working Conditions	<input type="checkbox"/> Yes <input type="checkbox"/> No	_____	
3. Resource Efficiency & Pollution Prevention	<input type="checkbox"/> Yes <input type="checkbox"/> No	_____	
4. Community Health, Safety & Security	<input type="checkbox"/> Yes <input type="checkbox"/> No	_____	
5. Land Acquisition & Involuntary Resettlement	<input type="checkbox"/> Yes <input type="checkbox"/> No	_____	
6. Biodiversity Conservation	<input type="checkbox"/> Yes <input type="checkbox"/> No	_____	

REC Caucasus Safeguard	Triggered?	Risk Level (1-5)	Mitigation Required
7. Indigenous Peoples	<input type="checkbox"/> Yes <input type="checkbox"/> No	_____	
8. Cultural Heritage	<input type="checkbox"/> Yes <input type="checkbox"/> No	_____	

### Step 3: Risk Categorization (Per ESMS)

Overall Project Risk Category:

Category A (High Risk) - Category A – High Risk: Significant, irreversible, or large-scale impacts. RECC does not prepare or implement Category A projects; such proposals are declined at screening.

Category B+ – Substantial Risk: Potentially serious but not Category A–level impacts. Requires a full ESIA and a comprehensive ESMP.

Category B – Moderate Risk: Site-specific, limited, and reversible impacts. Requires a simplified assessment or ESMP.

Category C – Low Risk: Minimal or no adverse impacts. No ESMP needed beyond good practice.

### Step 4: Required Safeguard Instruments

Based on risk category, the following are MANDATORY:

Category B+ Projects:

- Full Environmental and Social Impact Assessment (ESIA)
- Environmental and Social Management Plan (ESMP)
- 60-day public disclosure period

Category B Projects:

- Environmental and Social Management Plan (ESMP)
- Environmental and Social Action Plan (ESAP)
- Targeted assessments as needed
- 30-day public disclosure period

Category C Projects:

- Basic screening documentation only
- Standard mitigation measures in project design

## Step 5: Mandatory Compliance Checks

All projects must confirm:

- National Legal Compliance: Project complies with Georgia's environmental and social legislation
  - ESMS Policy Alignment: Project design incorporates applicable safeguard requirements
  - Stakeholder Engagement: Meaningful consultation conducted per ESMS Section 6.2
  - Grievance Mechanism: Project-level GRM established per ESMS Section 6.5
  - Monitoring Framework: E&S monitoring plan developed per ESMS Section 5.2
- 

Screening Decision:

Risk Category Assigned: \_\_\_\_\_ (A/B+/B/C)

Required Safeguard Instruments:

ESIA

ESMP

ESAP

Process Framework

Other: \_\_\_\_\_

Next Steps:

Develop required safeguard instruments

Conduct stakeholder engagement

Complete disclosure requirements

Submit for REC Caucasus Environmental and Social Safeguards Officer review

Screened by: \_\_\_\_\_ Date: \_\_\_\_\_

Reviewed by Fin-Admin Head: \_\_\_\_\_ Date: \_\_\_\_\_

## **Annex II: Gender Analysis Matrix**

This matrix provides mandatory gender analysis framework required by REC Caucasus's Gender Policy for all projects without exception. Complete assessment of all categories is required before project advancement to full appraisal. Findings directly inform mandatory Project Gender Action Plan development as specified in Annex VII.

This annex provides a structured tool for identifying, analyzing, and addressing gender dynamics in the design and implementation of projects and programmes. It supports REC Caucasus's commitment to gender-responsive planning and helps ensure that women and men benefit equitably from development interventions.

The matrix should be used to:

- Identify gender-specific roles, responsibilities, and access to resources.
- Assess the differentiated impacts of climate and development interventions on women and men.
- Highlight gender-specific vulnerabilities and opportunities for empowerment.
- Inform the integration of gender-responsive actions, indicators, and safeguards into project proposals.
- Comply with national gender equality legislation and international frameworks such as CEDAW.

### **How to Fill Out the Matrix:**

1. **Category** – Lists key areas of analysis relevant to gender roles and relations.
2. **Male/Female Columns** – Summarize the current status or roles for each gender in relation to the category (e.g., who controls land, who participates in community decisions).
3. **Comments/Strategies** – Provide qualitative explanations, observed gaps, or proposed strategies to address inequality or enhance inclusiveness.
4. Use existing data, stakeholder consultations, and gender expert input to complete the matrix.
5. Ensure findings inform the project's design, log frame and indicators.

The results of the analysis should be referenced in the project's appraisal summary and incorporated into the logical framework, budget, and implementation arrangements.

**Instructions:** Use the matrix below to identify and analyze gender-specific roles, access, risks, and opportunities. Add narrative explanations in the comments/strategies column.

Category	Male	Female	Comments/Strategies
Access to productive resources			e.g., land ownership, credit access, technology use
Participation in decision-making			e.g., representation in committees, co-management roles
Exposure to climate-related risks			e.g., water scarcity, displacement, livelihood insecurity
Roles in project implementation			e.g., roles in construction, community mobilization, training
Project benefits received			e.g., employment, training, services, asset distribution
Decision-making power and leadership	[Current decision-making roles and authority levels]	[Current decision-making roles and authority levels]	Identify barriers to women's leadership and specific measures to ensure minimum 30% women's representation in project management structures
Gender-based violence and safety risks	[Security concerns and vulnerability factors]	[Security concerns and vulnerability factors]	Assess GBV risks related to project activities and specify prevention measures, confidential reporting mechanisms
Institutional capacity for gender mainstreaming	[Partner organization gender policies and expertise]	[Partner organization gender policies and expertise]	Evaluate implementing partners' capacity for gender implementation and identify capacity building requirements

### 3. Enhanced Instructions Section

#### Mandatory Compliance Requirements:

- Complete assessment must demonstrate alignment with REC Caucasus Gender Policy principles and objectives.
- All findings must be supported by sex-disaggregated data and consultation with women's organizations where possible.
- Assessment must identify minimum 30% women's participation targets for project leadership and decision-making roles.
- Gender-based violence risk screening is mandatory for all projects regardless of sector or risk category.
- Partner institutional capacity for gender mainstreaming must be assessed and capacity building needs identified.

#### Additional Gender Assessment Questions:

- Does the project aim to reduce gender gaps or empower women? If yes, how?
- Are there gender-specific risks or barriers that may affect participation?
- Are gender-disaggregated indicators included in the results framework?
- Have consultations included women, women-led groups, and gender experts?
- How will the project ensure women's equal access to resources and services?
- What percentage of women will hold leadership positions in project management?
- How will the project track and ensure equal benefit distribution between women and men?

#### Example Entry:

- **Access to productive resources:** Women have limited access to irrigation systems; project includes female-targeted water user training and input subsidies.
- **Participation in decision-making:** Women's representation in project advisory committees will be ensured at a minimum of 30%.

#### Gender Policy Compliance Checklist:

- Comprehensive gender assessment completed using participatory methods.
- Women's organizations consulted during assessment process.
- Sex-disaggregated baseline data collected for all relevant indicators.
- Gender-based violence risks assessed with prevention measures identified.
- Institutional capacity for gender mainstreaming evaluated.

- Gender-responsive indicators proposed for project results framework.
- Resource requirements for gender activities estimated.
- Assessment findings will inform mandatory Project Gender Action Plan development.

**Assessment Completed by:** \_\_\_\_\_ **Date:** \_\_\_\_\_

**Reviewed by Gender Mainstreaming Officer:** \_\_\_\_\_ **Date:** \_\_\_\_\_

### Annex III: Budget Review Template

This annex provides a standard format for reviewing and assessing project budgets. It ensures that project costs are realistic, justified, and aligned with intended outcomes. A clear and coherent budget is essential for determining the financial feasibility and cost-effectiveness of proposed interventions.

The template should be used to:

- Verify that all budgeted items correspond to planned activities and deliverables.
- Assess cost reasonableness and consistency with market norms.
- Identify co-financing, in-kind contributions, and long-term financial sustainability measures.
- Support transparency and accountability in project costing.
- Ensure that operational, administrative, and contingency costs are adequately covered.

#### How to Fill Out the Template:

1. **Component/Activity:** List of all major project activities and sub-components (e.g., training, procurement, community outreach).
2. **Cost (USD or any other relevant currency requested by donor):** Enter the estimated cost for each line item. Ensure estimates are based on current or benchmarked rates.
3. **Notes/Justification:** Explain the basis of the cost, reference procurement plans, or note any special considerations (e.g., location-based adjustments).
4. Validate totals and ensure the budget matches the project's log frame and implementation plan.
5. Include contingency and M&E costs and indicate how the project will remain financially sustainable post-implementation.

**Project Title:** \_\_\_\_\_

Component/Activity	Cost (USD)	Notes/Justification
Activity 1		
Activity 2		
Equipment/Capital Items		
Personnel and Training		
Monitoring & Evaluation		
Contingency		

<b>Total</b>	<b>\$XXX</b>	
--------------	--------------	--

**Additional Checks:**

- Are all costs reasonable and in line with market rates?
- Are co-financing or cost-sharing arrangements documented?
- Are future operating and maintenance costs accounted for?

**Example Entry:**

- **Personnel and Training:** \$25,000 — Covers national experts for 12 months and training workshops in 3 regions.

*Note: These annexes must be regularly reviewed and updated to remain aligned with REC Caucasus's Environmental and Social Policy, Gender Policy, and Financial Management procedures.*

#### Annex IV: Comprehensive Eligibility Screening Checklist

Eligibility Criterion	Yes/No	Comments/Required Actions
Strategic alignment with NDS/NAP/NDC/etc.	<input type="checkbox"/> Yes <input type="checkbox"/> No	
Climate or environmental rationale provided	<input type="checkbox"/> Yes <input type="checkbox"/> No	
References to national policy documents	<input type="checkbox"/> Yes <input type="checkbox"/> No	
Environmental and social risks screened	<input type="checkbox"/> Yes <input type="checkbox"/> No	
Safeguard instruments identified or proposed	<input type="checkbox"/> Yes <input type="checkbox"/> No	
Risk category assigned (A/B+/B/C)	<input type="checkbox"/> Yes <input type="checkbox"/> No	
Gender analysis conducted	<input type="checkbox"/> Yes <input type="checkbox"/> No	
Gender-responsive actions and indicators	<input type="checkbox"/> Yes <input type="checkbox"/> No	
Budget coherent and cost-effective	<input type="checkbox"/> Yes <input type="checkbox"/> No	
Co-financing sources identified and credible	<input type="checkbox"/> Yes <input type="checkbox"/> No	
Financial sustainability demonstrated	<input type="checkbox"/> Yes <input type="checkbox"/> No	
Institutional capacity demonstrated	<input type="checkbox"/> Yes <input type="checkbox"/> No	
Stakeholders consulted or consultation planned	<input type="checkbox"/> Yes <input type="checkbox"/> No	
M&E framework drafted with indicators	<input type="checkbox"/> Yes <input type="checkbox"/> No	
Key risks identified and mitigation proposed	<input type="checkbox"/> Yes <input type="checkbox"/> No	
Adaptive management included	<input type="checkbox"/> Yes <input type="checkbox"/> No	

## Annex V: Project Categorization Matrix

This matrix provides guidance for assigning risk categories based on potential environmental and social impacts in accordance with REC Caucasus's Environmental and Social Policy.

### Risk Categories

Category A (High Risk): Projects with potential for significant, irreversible or widespread adverse environmental and social impacts. According to the ESMS Manual, REC Caucasus does not implement Category A projects.

Category B+ (Substantial Risk): Potentially serious but not Category A-level impacts. Requires a full ESIA and a comprehensive ESMP.

Category B (Moderate Risk): Projects with site-specific, limited and reversible impacts. Requires Environmental and Social Management Plan (ESMP) and targeted assessments.

Category C (Low Risk): Projects with minimal or no adverse impacts. Requires basic screening only.

### Assessment Requirements

Category	Assessment Required	Disclosure Period
A	N/A	N/A
B+	Full ESIA + ESMP	60 days
B	ESMP + targeted assessments	30 days
C	Basic screening only	None

### Categorization Process

The REC Caucasus Environmental and Social Safeguards Officer assigns risk categories using screening questionnaires from REC Caucasus's Environmental and Social Policy. All decisions must be documented in the project appraisal report with clear justification.

Projects must comply with REC Caucasus's eight Environmental and Social Safeguards, national legislation and applicable international standards.

## Annex VI: Quality Assurance Framework

All project appraisals undergo quality assurance review to ensure compliance with REC Caucasus's Environmental and Social Policy.

### Review Requirements

Category	Review Type	Reviewer
A	N/A	N/A
B+	Peer review + technical review	Subject matter experts
B	Technical review	Qualified staff
C	Compliance verification	Standard review

### Quality Assurance Checklist

#### *Essential Requirements*

- Environmental and social screening completed.
- Risk category (A (N/A), B+, B, C) assigned and justified.
- Required safeguard instruments prepared (ESIA, ESMP, ESAP).
- Stakeholder engagement documented.
- Grievance redress mechanism established.

#### *REC Caucasus Safeguards Compliance*

Projects must comply with applicable safeguards:

- Environmental and Social Risk Management.
- Labour and Working Conditions.
- Resource Efficiency and Pollution Prevention.
- Community Health, Safety and Security.
- Land Acquisition and Involuntary Resettlement.
- Biodiversity Conservation.
- Indigenous Peoples.
- Cultural Heritage.

### Final Checks

- Mitigation measures appropriate to risk level.
- Implementing entity capacity adequate.
- Disclosure requirements met (60 days Category B+, 30 days Category B).
- National legislation compliance confirmed.

All deficiencies must be addressed before project approval. Quality assurance findings are documented and retained in project files.

**Annex VII: Project Gender Action Plan Template**

*(Mandatory for All Projects - REC Caucasus Gender Policy Compliance)*

This template provides the required framework for developing Gender Action Plans as mandated by REC Caucasus’s Gender Policy. All projects must complete and implement a Gender Action Plan to ensure systematic gender mainstreaming throughout the project cycle.

The Gender Action Plan translates gender assessment findings into specific actions with clear responsibilities, timelines and resource allocations. It serves as the primary accountability tool for achieving gender equality outcomes.

**Project Information**

Project Title: \_\_\_\_\_

Project Duration: \_\_\_\_\_

Total Project Budget: \_\_\_\_\_

Gender Budget Allocation: \_\_\_\_\_

Gender Specialist/Focal Point: \_\_\_\_\_

GAP Preparation Date: \_\_\_\_\_

**Section 1: Gender Assessment Summary**

Key Gender Gaps Identified:

- 1. \_\_\_\_\_
- 2. \_\_\_\_\_
- 3. \_\_\_\_\_

Priority Gender Issues to Address:

- 1. \_\_\_\_\_
- 2. \_\_\_\_\_
- 3. \_\_\_\_\_

**Section 2: Gender Action Framework**

Gender Issue	Specific Action	Expected Result	Responsible Party	Timeline	Budget (USD)

Gender Issue	Specific Action	Expected Result	Responsible Party	Timeline	Budget (USD)

### Section 3: Women's Participation Targets

Leadership and Decision-Making:

- Target percentage of women in project management positions: \_\_\_\_%
- Target percentage of women in community committees: \_\_\_\_%
- Target percentage of women beneficiaries: \_\_\_\_%

Participation Strategy:

- How will women be identified and engaged:  
\_\_\_\_\_
- Methods for ensuring meaningful participation:  
\_\_\_\_\_
- Support measures for women's participation:  
\_\_\_\_\_

### Section 4: Gender-Responsive Activities

Training and Capacity Building:

- Gender training for project staff: \_\_\_\_\_
- Capacity building for women beneficiaries: \_\_\_\_\_
- Leadership development for women: \_\_\_\_\_

Outreach and Communication:

- Gender-sensitive communication materials:  
\_\_\_\_\_
- Targeted outreach to women: \_\_\_\_\_
- Women's feedback mechanisms: \_\_\_\_\_

### Section 5: Risk Management

Gender-Related Risks Identified:

1. \_\_\_\_\_

2. \_\_\_\_\_
3. \_\_\_\_\_

**Risk Mitigation Measures:**

1. \_\_\_\_\_
2. \_\_\_\_\_
3. \_\_\_\_\_

**Gender-Based Violence Prevention:**

- GBV risk assessment completed: Yes/No
- Prevention measures: \_\_\_\_\_
- Reporting mechanism: \_\_\_\_\_
- Referral services available: \_\_\_\_\_

**Section 6: Implementation Arrangements**

**Gender Focal Point Responsibilities:**

- Name and contact: \_\_\_\_\_
- Key responsibilities: \_\_\_\_\_
- Reporting requirements: \_\_\_\_\_

**Partner Gender Capacity:**

- Lead implementing partner gender capacity: \_\_\_\_\_
- Capacity building needs: \_\_\_\_\_
- Support arrangements: \_\_\_\_\_

**Section 7: Monitoring and Evaluation**

**Gender Indicators:**

Indicator	Baseline	Target	Data Source	Collection Frequency

**Monitoring Schedule:**

- Quarterly gender monitoring: \_\_\_\_\_
- Annual gender review: \_\_\_\_\_
- Adaptive management process: \_\_\_\_\_

### Section 8: Budget Allocation

Gender-Specific Budget Breakdown:

Activity	Budget Amount (USD)	Percentage of Total Budget
Gender training		
Women's capacity building		
Gender specialist fees		
Monitoring and evaluation		
Other gender activities		
Total Gender Budget		

### Section 9: Grievance Mechanism

Gender-Sensitive Grievance Process:

- How women can safely report concerns: \_\_\_\_\_
- Confidentiality measures: \_\_\_\_\_
- Response timeline: \_\_\_\_\_
- Appeals process: \_\_\_\_\_

### Section 10: Reporting Requirements

Quarterly Reports Must Include:

- Progress on gender activities
- Gender budget expenditure
- Challenges and lessons learned

Annual Gender Review:

- Assessment of gender outcomes

- GAP implementation effectiveness
- Recommendations for improvement

GAP Approval

Prepared by: \_\_\_\_\_ Date: \_\_\_\_\_

Reviewed by Gender Mainstreaming Officer: \_\_\_\_\_ Date:  
\_\_\_\_\_

Approved by respective Project Manager: \_\_\_\_\_ Date: \_\_\_\_\_

Gender Policy Compliance Statement: This Gender Action Plan has been developed in full compliance with REC Caucasus's Gender Policy and meets all mandatory requirements for systematic gender mainstreaming throughout the project cycle.



This document was reviewed, adopted, and approved on [date] by the REC Caucasus Executive Body (Collegial Trio) in accordance with the organization's internal governance procedures, and shall enter into force as of the date of approval.

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