



BIOCORREDOR AMAZÓNICO FUND

GRANT AWARD PROCEDURES MANUAL

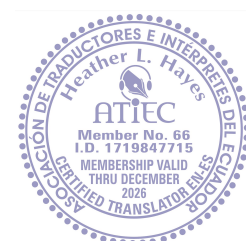


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1. INTRODUCTION

The Ecuadorian Amazon is one of the most biologically and culturally diverse regions on the planet, home to a vast wealth of ecosystems, endemic species, and indigenous peoples and nationalities¹ who have preserved their territories for generations. However, it faces growing pressures and threats from, among others, deforestation, climate change, the expansion of extractive activities, and the loss of ecological connectivity.

In response to this situation, the Biocorredor Amazónico Program has been created as a comprehensive management model to ensure conservation, sustainable management, and ecological and social resilience in this key region. This effort has been made possible thanks to coordination between various public and private, national, and international partners.

In order to guarantee the long-term financial sustainability of this strategy, the Biocorredor Amazónico Fund² (hereinafter "BCA Fund") was established as an innovative financing mechanism aimed at channeling and managing resources efficiently and transparently.

The BCA Fund was created within the framework of a debt-for-nature swap, with the aim of ensuring stable, long-term financing for conservation, ecological restoration, indigenous territorial strengthening, and sustainable development in the Ecuadorian Amazon.

In this framework, the Grant Award Procedures Manual is an essential tool for operationalizing the conservation commitments made by the Republic of Ecuador through the Biocorredor Amazónico Program, as well as the different goals and objectives of the management model itself, providing clear rules, technical criteria, and the necessary procedures to channel BCA Fund resources toward initiatives that contribute effectively and sustainably to the fulfillment of conservation and sustainable development commitments in the Ecuadorian Amazon.

1.1 About the Grant Award Procedures Manual

The Grant Award Procedures Manual (hereinafter, "the Manual") is a technical and operational instrument that establishes in a clear, transparent, and orderly manner the rules, processes, criteria, and responsibilities for the allocation, execution, and monitoring of financial resources granted to different initiatives and actors through subsidies awarded through the BCA Fund.

¹ It shall refer to the eleven nationalities established in the legal documents of the BCA's debt-to-equity swap financial transaction.

² Executive Order No. 486 of December 16, 2024.



The purpose of this Manual is to ensure that available resources are allocated in a strategic, efficient, and transparent manner, in line with the conservation and sustainable development commitments made by the Republic of Ecuador. It is also a living tool that will be updated periodically to incorporate best practices, lessons learned, and regulatory changes.

1.2 Biocorredor Amazónico Program

The Biocorredor Amazónico Program (hereinafter "BCA") is a management model that offers comprehensive solutions to environmental and climate challenges through the application of public policy. The participation of the communes, communities, and indigenous peoples of the Ecuadorian Amazon is a priority, as their territories preserve the region's biodiversity. It is a strategic initiative of national scope aimed at conserving the Ecuadorian Amazon as a functional, diverse, fair, and resilient landscape.

Its mission is to maintain and strengthen ecological connectivity between the different ecosystems of the Amazon basin, promote biodiversity conservation, strengthen the collective rights of indigenous peoples and nationalities, and support sustainable development models that ensure the well-being of local communities.

The Republic of Ecuador, through the National Environmental Authority, is leading the design, construction, and implementation of this conservation program with technical assistance from The Nature Conservancy (hereinafter "TNC") and the participation of other key players that include the Inter-American Development Bank (hereinafter "IDB") and the United States International Development Finance Corporation (hereinafter "DFC"). It is based on a financial mechanism that will generate economic resources in perpetuity and provide direct benefits to the Amazon region's local, administered by a trust, which is the BCA Fund.

1.3 Biocorredor Amazónico Fund

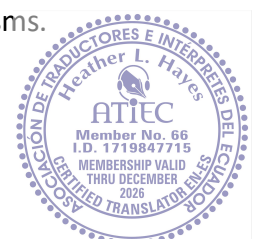
The BCA Fund is a non-profit, non-stock corporation incorporated in the State of Delaware in the United States of America, organized and operated for charitable, educational, and scientific purposes.

The BCA Fund was legally established in Ecuador upon signing the Basic Operating Agreement with the Ministry of Foreign Affairs and Human Mobility on July 1, 2025.

The BCA Fund will administer, distribute, and manage the financial resources allocated for the conservation of the Amazon following the debt conversion finalized at the end of 2024.

Through its governance structure, it seeks to ensure:

- Financial stability and sustainability over time through innovative mechanisms.
- Transparency and participation in decision-making.



- Efficient investment in initiatives that contribute to conserving Amazonian ecosystems and strengthening the capacity to manage their indigenous territories.

1.4 Objectives of the Biocorredor Amazónico Fund

The Biocorredor Amazónico Fund has the following objectives:

- Provide and manage strategic resources for the protection of terrestrial and aquatic ecosystems;
- Protect and restore biological diversity and ecosystem services;
- Promote sustainable forest and biodiversity management;
- Promote sustainable value chains;
- Strengthen the communes, communities, indigenous peoples, and nationalities that inhabit the Ecuadorian Amazon for their sustainable development and natural environment; and
- Any other activity that may be aligned achieving Ecuador's Conservation Commitments and support the Biocorridor Amazónico Management Model.

1.5 BCA Fund Regulatory Framework

The BCA Fund is governed by the following instruments:

Constitutive:

- Certificate of Incorporation of the BCA Fund.
- BCA Fund Bylaws.³

Operational:

- BCA Fund Operations Manual

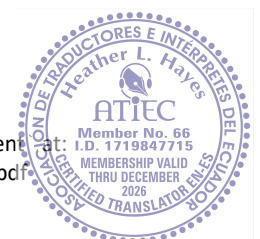
2. SCOPE AND GEOGRAPHICAL DESCRIPTION OF THE AMAZON BIOCORRIDOR

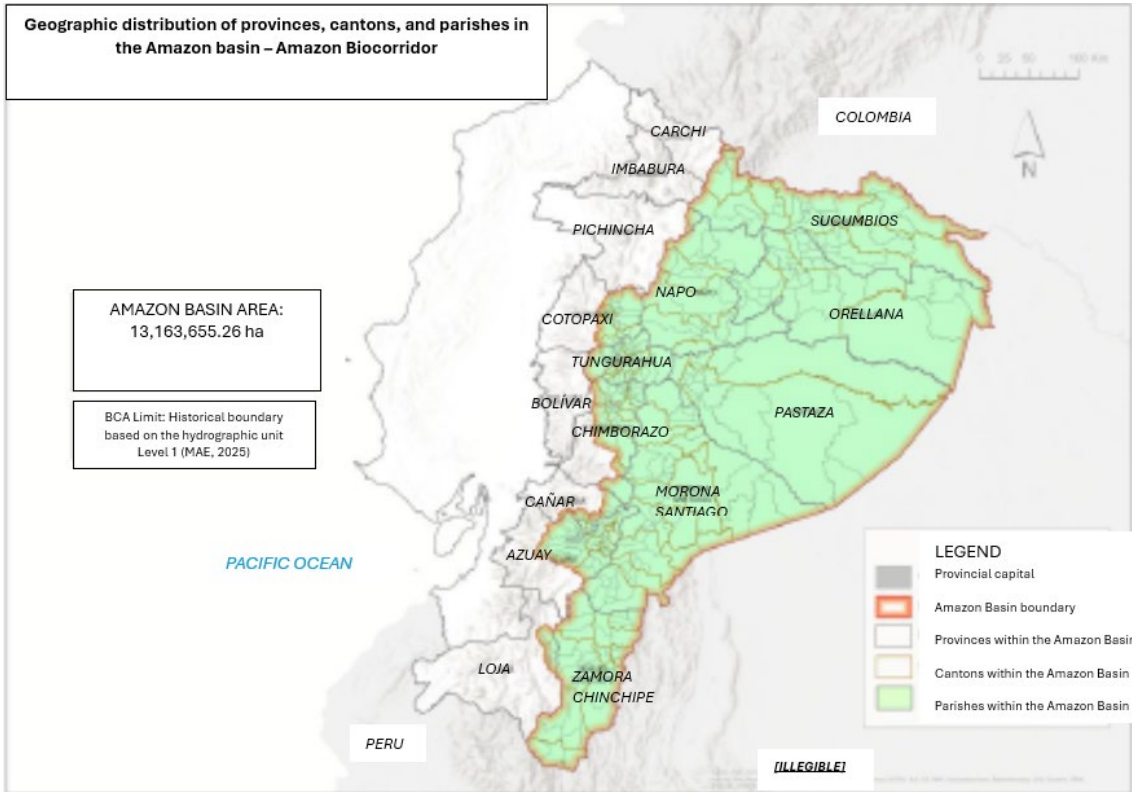
The Amazon Biocorridor covers the Amazon basin, understood as the hydrographic and ecological system comprising the vast network of rivers that drain into the Amazon, including not only the Amazonian plain but also the mountainous areas and foothills of the Eastern Andes. This area encompasses interconnected ecosystems that regulate the water cycle, biodiversity, and regional climate.

The Ecuadorian Amazon Basin is depicted in the following figure⁴ :

³ In case of discrepancy, the original English version shall prevail. You can access the document at: <https://fondobiocorredoramazonico.org/wp-content/uploads/2024/12/Fondo-BCA-Estatutos-traduccion-ESP.pdf>

⁴ For full access, go to: <https://fondobiocorredoramazonico.org/biocorredor-amazonico/>



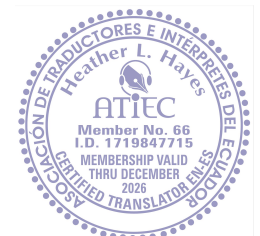


The 88.27% of the Amazon basin covers the six provinces of the Ecuadorian Amazon with the following percentage of coverage:

| Province | Province Area in BCA (Ha) | Percentage of Province in BCA (%) |
|------------------|---------------------------|-----------------------------------|
| ZAMORA CHINCHIPE | 1,059,417.25 | 8.04 |
| NAPO | 1,253,139.87 | 9.51 |
| SUCUMBÍOS | 1,799,916.78 | 13.67% |
| ORELLANA | 2,159,931.63 | 16.40% |
| MORONA SANTIAGO | 2,400,612.78 | 18.23 |
| PASTAZA | 2,952,497.64 | 22.42 |

The remaining 11.73% covers 10 additional provinces with coverage of less than 3%. Proposals located in this geographical distribution must correspond to the geographical distribution within the Amazon basin.

| Province | Province area in BCA (Ha) | Percentage of Province in BCA (%) |
|--------------------------|---------------------------|-----------------------------------|
| IMBABURA | 35.48 | 0.0003% |
| BOLÍVAR | 158.44 | 0.0012% |
| CARCHI | 7,243.76 | 0.0550% |
| PICHINCHA | 28,979.40 | 0.2201% |
| JUVAL (CAÑAR-CHIMBORAZO) | 60,694.74 | 0.4611% |
| LOJA | 63,775.83 | 0.4845% |
| CAÑAR | 91,512.84 | 0.6952% |
| COTOPAXI | 219,919.53 | 1.6707% |



| | | |
|-------------------|------------|---------|
| TUNGURAHUA | 338,670.38 | 2.5728% |
| CHIMBORAZO | 355,365.34 | 2.6996% |
| AZUAY | 371,783.56 | 2.8243% |

For details (provincial, cantonal, and parish) on the geographic distribution of the Amazon Biocorridor in the Amazon Basin, refer to Annex 6.

3. OBJECTIVES OF THE GRANT AWARD PROCEDURES MANUAL

The main objective of the Manual is to establish a clear, transparent, and efficient operational framework for the allocation of financial resources from the BCA Fund, ensuring that these resources contribute effectively to the objectives of conservation and sustainable development in the Ecuadorian Amazon.

The specific objectives of the Manual are:

1. Establish clear guidelines for the submission, evaluation, selection, approval, implementation, and monitoring of projects financed by BCA Fund grants.
2. Ensure the strategic alignment of grants with Ecuador's conservation commitments.
3. Promote the effective participation of local communities, indigenous peoples and nationalities, civil society organizations, public and private institutions, and other key actors in the conservation of the Amazon.
4. Ensure transparent and efficient management of financial resources, promoting accountability and traceability throughout the grant cycle.
5. Establish a framework that incorporates robust environmental and social safeguard standards through the BCA Fund's Environmental and Social Management System (ESMS).
6. Strengthen local and institutional capacities to promote sustainable conservation and development models in the Amazon region.
7. Contribute to the well-being of Amazonian communities, the guarantee of their collective rights, and the protection of ecosystems in the Ecuadorian Amazon basin.

4. GUIDING PRINCIPLES

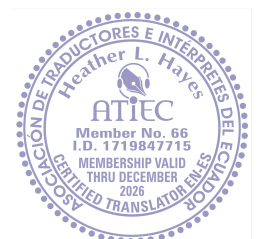
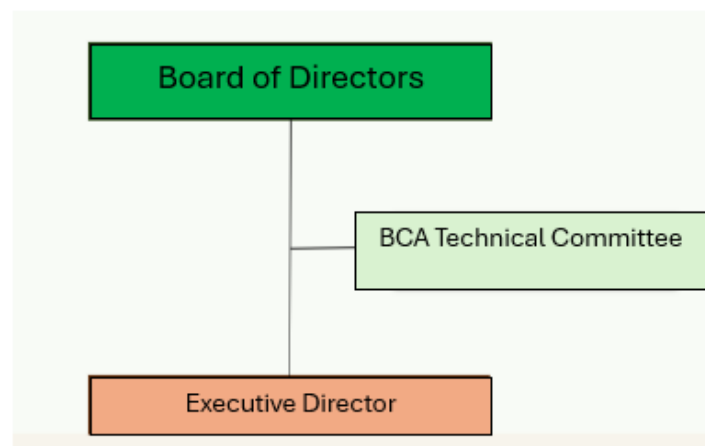
Applicants for BCA Fund grants must abide by and act in accordance with the following guiding principles:

1. **Legality and institutional alignment:** Proposals must be submitted and executed in accordance with the BCA Fund Bylaws, its Operations Manual, current national regulations, and international instruments signed by Ecuador.
2. **Transparency and accountability:** Proponents must ensure transparent processes in the technical and financial management of projects, guaranteeing access to information, traceability of resources, and accountability to the Fund.



3. Inclusive participation and equity: Projects must promote the full, effective, and inclusive participation of local communities, indigenous peoples, and nationalities in both the planning and implementation of the project.
4. Environmental and social sustainability: Projects must contribute to the conservation of biodiversity, the sustainable use of natural resources, and the strengthening of the rights and social welfare of beneficiary communities.
5. Respect for collective rights and interculturality: Projects must promote interaction between different cultures and nationalities under the principles of equality, equity, and integration, respecting and promoting the specific characteristics, customs, and traditions of communes, communities, peoples, and nationalities.
6. Efficiency and effectiveness: Resources must be used responsibly and efficiently, prioritizing measurable and sustainable results, with a cost-effective approach aimed at generating positive long-term impacts.
7. Gender approach: Projects must integrate gender equality, promoting the participation of women to reduce gaps in unequal access to the socioeconomic benefits of projects and encourage their active participation.
8. Human rights and equality approach: Projects must integrate respect for human rights in all their phases, bearing in mind that equal treatment implies that all individuals, families, communities, indigenous peoples, and nationalities living in the Amazon Special Territorial District enjoy the same rights and opportunities while exercising their responsibilities.
9. Adaptability and continuous improvement: Projects must incorporate learning and feedback mechanisms that allow for strategy adjustment, institutional capacity strengthening, and continuous improvement of activities undertaken.
10. Respect for the rights of nature: Projects must guarantee the integrity, continuity, maintenance, balance, conservation, restoration, and regeneration of ecosystems' and species' biodiversity in the Amazon Basin, as well as their environmental functions and ecological and evolutionary processes that uphold respect for life, through locally applicable regulations, as a mandatory element of the Comprehensive Plan for the Amazon Region.

5. INSTITUTIONAL AND GOVERNANCE STRUCTURE OF THE BCA FUND.



The Board of Directors is the highest decision-making body of the BCA Fund. Among its main responsibilities is approving the award of grants, for which it will receive evaluation recommendations from the Technical Committee.

The Executive Director has overall control and supervision of the affairs and operations of the BCA Fund and will serve (or a delegate will serve) as Secretary of the BCA Technical Committee, with voice but no vote.

The BCA Technical Committee, without prejudice to the responsibilities described in the Bylaws of the BCA Fund (section 5.3) and as established in the document “Guidelines of the BCA Technical Committee” (Annex 1), has as its primary objective providing specialized technical guidance and advice to the Board of Directors, as well as recommending and developing strategies, procedures, and project selection criteria, and overseeing their implementation within the framework of the Biocorredor Amazónico Program, ensuring at all times that the projects to be financed are aligned with the strategic objectives of the BCA Fund and with the conservation commitments entered into by the Republic of Ecuador within the framework of the debt conversion.

The Technical Committee is composed of:

I) A Government Affiliate Director, appointed by the ministry of the Government of the Republic of Ecuador responsible for environmental matters, who will serve as Chair of the Committee and as a member.

II) A Government Affiliate Representative appointed by the Government Affiliate Directors, who may or may not be a Director of the BCA Fund Board, who will serve as a member of the Committee.

III) A Representative appointed by the Director appointed by The Nature Conservancy, who will serve as a member of the Committee and, in the absence of the Executive Director of the BCA Fund, as the Ad Hoc Secretary.

IV) A Non-Governmental Affiliate Director representing indigenous peoples, nationalities, or local communities of the Ecuadorian Amazon region, who will serve as a member of the Committee.

V) A Non-Governmental Affiliate Representative appointed by the BCA Fund Board, who may or may not be a Director of the Board, who will serve as a member of the Committee.

6. FUNDING PRIORITIES

The Board of Directors of the BCA Fund has exclusive authority to define the priority order and eligibility criteria to be considered for each call for proposals to be funded; however, on an exceptional basis, it may delegate to the necessary analysis to the Technical Committee to determine the order of priority.

Without prejudice to the decisions of the Board of Directors of the BCA Fund regarding the priorities detailed in the Conservation Commitments undertaken by the Republic of Ecuador; and regarding the roles and responsibilities of the Technical Committee of the Biocorredor Amazónico specified in the Bylaws of the BCA Fund and in the Operational Manual; proposals financed by the BCA Fund to support implementation of the



management model of the Biocorredor Amazónico shall be prioritized in the following order⁵ :

- I. Proposals that support the implementation of the Conservation Commitments undertaken by the Republic of Ecuador in the Ecuadorian Amazon;
- II. Proposals that support the implementation of activities related to the Biocorredor Amazónico, including the Biocorredor Amazónico Program;
- III. Proposals that support the sustainable development of the communes, communities, indigenous peoples, and nationalities living in the Ecuadorian Amazon;
- IV. Proposals that support the management of Ecuador’s National System of Protected Areas, or any other area under a national or local conservation or protection scheme in the Ecuadorian Amazon;
- V. Proposals that contribute to sustainable development, conservation, and climate change mitigation or adaptation in the Ecuadorian Amazon.

All proposals must mainstream a gender and human rights approach, ensuring effective participation, equity, and respect for individuals and communities, especially those in vulnerable situations.

Likewise, to complement the aforementioned prioritization, the technical elements set out in the conservation commitments must be taken into account, as detailed in [Annex 7](#) of this document.

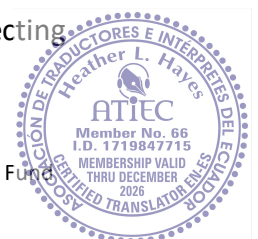
The funding priorities set out in the Manual will be reviewed periodically by the Board of Directors of the BCA Fund, based on the technical recommendations of the BCA Technical Committee, in line with resource availability and changes in the environmental, social, and climate context, the historical geographic and thematic distribution of grants, national priorities, opportunities to mobilize resources jointly with other bilateral, multilateral, and private grants, among other factors; in addition, the Fund’s Strategic Plan and the Biocorredor Amazónico Conservation Plan must be taken into account.

The Board of Directors of the BCA Fund, with technical support from the BCA Technical Committee and other relevant bodies, may redefine and adjust the sequencing of financing priorities to ensure their relevance, strategic coherence, long-term sustainability, and transformative impact, by promoting participatory and inclusive decision-making processes that appropriately incorporate the different standards, including environmental and social safeguards, and that strengthen the effectiveness and sustainability of the initiatives financed by the BCA Fund.

7. TECHNICAL ELIGIBILITY CRITERIA FOR PROJECTS

The technical criteria to be considered by the BCA Technical Committee in selecting projects shall include, at a minimum, the following:

⁵ The funding priorities are set out in the following documents: BCA Fund Certificate of Incorporation and BCA Fund Bylaws.



- a) **Relevance and strategic alignment:** alignment of each project with the objectives and principles of the BCA Fund.
- To what extent the proposed project aligns with the objectives and lines of action defined by the BCA Fund.
 - Consistency with the policies and principles of the BCA Fund, conservation, restoration, sustainability, and community participation.
 - Direct contribution to the expected results of the current call for proposals.
- b) **Expected impact (results):** contribution to the conservation, restoration, or sustainable development of the Amazon Basin.
- The results proposed by the project are relevant, measurable, achievable, and sustainable.
 - The environmental and social risks and impacts of the project must be analyzed and addressed, including dimensions related to ecosystem conservation, restoration, climate change mitigation or adaptation, and the participation of indigenous peoples and nationalities, local communities, capacity-building, and the inclusion of women or vulnerable groups.
 - Economic contribution (sustainable productive diversification, improved livelihoods, incentives for sustainable practices, etc.).
 - SMART verifiable indicators and clear means of verification.
- c) **Technical feasibility (it can be done):** methodological feasibility, timeline, indicators, and implementation plan.
- Feasibility of the project's technical approach, given the local context and available capacities.
 - Problem definition and technical justification for the proposed solution.
 - Coherence among objectives, activities, intermediate and final results, and impact indicators.
 - Methodological clarity in implementation (techniques, approaches, and tools to be used).
 - Feasibility of the timeline and sequence of activities.
 - Appropriate identification of risks and mitigation measures.
- d) **Implementation capacity: experience, organizational structure, and technical, administrative, and financial capacity, as applicable.**
- Previous experience in similar projects.
 - Technical capacity of the proposed team (training, roles, and experience).
 - Administrative and financial capacity to manage funds in accordance with the applicable grant category.
 - Compliance with the legal and statutory requirements required by the BCA Fund.



- Existence of accountability and transparency mechanisms, to comply with the results reports requested by the Board.
- Monitoring and evaluation (M&E) capacities.

e) **Environmental and social risk management:**

- Appropriate identification of potential environmental and social risks of activities by completing Tools 1 and 2 of the Environmental and Social Management System (ESMS).
- Definition of clear and relevant measures to address/manage/mitigate identified environmental and social risks (completing Tool 3 of the ESMS).

f) **Sustainability:** continuity and maintenance of results after funding.

- A financial, technical, and institutional strategy and local capacities to ensure project continuity.
- Cost-sharing commitments or complementary contributions (in cash or in kind).

g) **Replicability and scale-up**

- How the proposed activities are sustainable and can be scaled up or replicated, as well as their potential for scaling up.
- How the results will be sustained after project implementation ends.

h) **Budget:** consistency and technical and financial justification of the project costs.

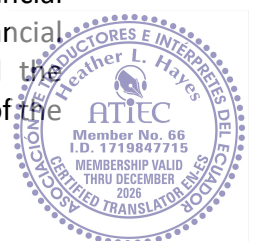
- Technical justification for the proposed costs (unit prices and market rates, among others).
- Percentage of co-financing offered and its source, as applicable.
- Efficiency in the use of resources in relation to the expected results.

The criteria must include quantitative and qualitative indicators with defined means of verification and a baseline (where applicable).

The BCA Technical Committee may incorporate additional criteria depending on the nature of the call for proposals.

8. GRANT CATEGORIES, EXCLUSIONS, CO-FINANCING, AND OTHERS

In accordance with the provisions of the Bylaws, the BCA Fund may provide financial resources through grants, donations, fund contributions, or other forms of financial assistance, depending on the nature of the project, the grant category, and the operational mechanisms authorized by the Bylaws, in order to fulfill the objective of the BCA Fund and the provisions of article 11.2 of the same instrument.



The financial resources to be transferred to public sector entities through grants, donations, fund contributions, or other forms of financial assistance must come from the percentage allocated under subparagraph b) of section ten (10) of this Manual.

8.1 Categories

In order to address the diversity of initiatives and actors that contribute to achieving the strategic objectives of the BCA Fund, three grant categories are established, differentiated by the maximum funding amount and the implementation period.

8.1.1 Small grant

Amount: Up to US\$100,000

Duration: Up to 24 months

8.1.2 Medium-sized grant

Amount: From US\$100,001 to US\$500,000

Duration: Up to 36 months

8.1.3 Large grant

Amount: Over US\$500,000

Duration: Up to 48 months

The category applied to must correspond to the scope, complexity, duration, and expected results of the project and must be duly justified in the technical proposal.

The BCA Fund may, following an assessment, recommend adjusting the category, depending on the nature and scope of the proposed project.

The proponent shall submit a request to the BCA Fund if an extension is required, whether costed or no-cost, which shall be duly justified and approved by the Board of Directors of the BCA Fund.

8.2 Exclusions (Ineligible Activities)

The BCA Fund will not consider proposals that will be used directly or indirectly for any of the following purposes:

a) The operating or administrative expenses of the ministries, departments, or agencies of the Republic of Ecuador or the government of any other country, unless the



beneficiaries of government entities or the direct or indirect costs of project implementation are additional to existing government budgets;

b) Activities included in the exclusion list of the BCA Fund Environmental and Social Management System;

c) Liabilities and provisions for losses;

d) Projects related to political campaigns and/or political advocacy;

e) Activities that run contrary to the objectives of the BCA Program and Fund, specifically those that undermine efforts to conserve and sustainably use biodiversity, strengthen ecosystem resilience, and promote a sustainable bioeconomy under the BCA management model.

f) Activities prohibited under the Constitution of the Republic, international instruments to which Ecuador is a signatory, and national instruments (in force); and,

g) Any other use that is not consistent with the purpose, vision, mission, and/or values of the BCA Fund, as determined by the BCA Fund Board of Directors.

8.3 Co-financing

Co-financing is an essential component of the BCA Fund grant mechanism, as it promotes shared responsibility and the commitment of proponents to project implementation. The BCA Fund promotes co-financing as a strategy to increase the impact of resources allocated to grants; this makes it possible to complement BCA Fund contributions with financial or in-kind contributions from proponents and strategic partners, thereby ensuring the sustainability of the grants awarded by the BCA Fund. Therefore:

- a) Co-financing is not mandatory for small grants, but in-kind contributions of at least 5% are encouraged.
- b) Applicants for medium-sized grants must provide minimum co-financing equivalent to 10 percent of the amount requested from the Fund, either in kind or in cash, aligned with activities and outputs recognized in the budget.
- c) Applicants for large grants must provide minimum co-financing equivalent to 25% of the amount requested from the Fund, either in kind or in cash.

Co-financing must be detailed in Phase 1 (concept note) of project proposals; in Phase 2 (full proposal), a supporting document and/or certificate for the proposed co-financing must be submitted; to verify the accuracy of the co-financing, field visits, audits, or financial monitoring may be conducted.

Please note that public sector entities, given their legal status and budgetary framework, are exempt from the requirement to co-finance proposals submitted to the BCA Fund.

9. ELIGIBLE PROPOSAL APPLICANTS

Without prejudice to any decision by the Board of Directors of the BCA Fund, the following types of entities are eligible to apply for a grant from the BCA Fund:



9.1 Public sector entities:

- The agencies and entities of the Executive Branch.
- The entities that comprise the decentralized autonomous regime.
- The bodies and entities established to provide public services or to carry out economic activities undertaken by the State.
- Legal entities established by a regulatory act of the decentralized autonomous governments to provide public services.
- Universities, academic institutes and research centers

9.2 Private sector entities:

- Legally registered civil society organization (CSO) in the country.
- For-profit legal entities.

Project proponents may apply to calls for proposals issued by the BCA Fund, provided that they meet the established requirements and criteria, bearing in mind that their proposals must align with the objective of the BCA Fund, as set out in its Statute and policies.

The Board of Directors of the BCA Fund may establish specific restrictions on the participation of one or more of the entities described above in any call for proposals, in which case these restrictions will be detailed in the Terms of Reference for that call.

10. DISTRIBUTION OF FINANCIAL RESOURCES

The financial resources for the grants will be distributed among private- and public-sector applicants, under the following arrangement:

- a) A minimum of 45% of the annual amount must be allocated to finance project proposals submitted by private sector actors selected by the Board of Directors of the BCA Fund.
- b) A maximum of 40% of the annual amount will be allocated to finance proposals submitted by public sector entities.

The proposals submitted by public- and private-sector proponents must comply with the guiding principles and technical eligibility criteria for projects.

In the event that the public sector does not use the full allocated budget, the remaining funds shall be used to finance projects submitted by the private sector.

Likewise, in the event that, in a given year, not all resources are utilized, the Board of Directors will decide on the allocation of the remaining resources.

11. GRANT APPROVAL PROCESSES



The Board of Directors of the BCA Fund, as established in the BCA Fund Bylaws, will consider grant applications based on a process for approving proposals submitted by project proponents, which will follow the guidelines established in each BCA Fund call for proposals.

The Executive Management of the BCA Fund will be responsible for the operation and logistics of each proposal submission process, including, but not limited to:

- a) Preparing and publishing calls for proposals;
- b) Receiving and registering of proposals (concept notes and full proposals);
- c) Preliminary review of the eligibility and technical qualification of the proposals, including an analysis of environmental and social risks and potential measures to reduce or mitigate such risks;
- d) Reviewing results and submission of proposals to the Technical Committee;
- e) Preparing of reports and submission of proposals to the Board of Directors of the BCA Fund for approval;
- f) Conducting due diligence on potential grantees;
- g) Presenting findings to the Board, where applicable;
- h) Notifying the results to the applicants and through the communication channels of the BCA Fund; and
- i) Preparing, drafting, and signing grant agreements with each project proponent.

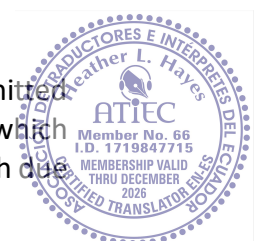
The technical evaluation criteria, ESMS socio-environmental requirements, due diligence elements, as well as the timelines, milestones, and tools applicable to the approval process, are detailed in Annexes 1, 2, 3, and 4 of the Manual.

All grant proposals, from both the public and private sectors, must demonstrate, from submission and throughout implementation, comprehensive principles and measures to prevent, mitigate, and manage environmental, social, and cultural impacts, ensuring the conservation and sustainable use of biodiversity, the sustainable use of natural resources, and the ecological integrity of the territory.

They must also demonstrate the commitment and capacity to ensure respect for, recognition, and the effective exercise of the collective, cultural, and territorial rights of peoples, Indigenous nationalities, and local communities, as well as to promote informed, inclusive, and transparent participatory processes, as established in section four (4) of this Manual.

The capacity to meet these criteria will constitute a fundamental requirement within the eligibility and technical evaluation process for proposals, and its verification will be carried out with the support of an environmental and social safeguards specialist designated by the BCA Fund, who will issue the corresponding technical observations within the framework of the analysis and decision-making process.

Any omission or inability to meet the eligibility criteria will disqualify the submitted proposal; this will be assessed at the relevant stage by the Technical Committee, which will verify the requirements to be met and present the corresponding outcome with due



justification. The final decisions on the proposals to be financed will be adopted by the BCA Fund Board of Directors.

11.1 Call for grant proposals from private sector proponents

The BCA Fund will launch at least one annual call for proposals for the submission of grant proposals by private sector proponents.

However, the Board of Directors of the BCA Fund may authorize additional calls for proposals when it deems appropriate, in accordance with the priorities and resource availability of the BCA Fund.

Calls for proposals shall include, at a minimum, the following information⁶ :

- a) Web link available with the Terms of Reference for the Call for Proposals and the Proposal Submission Format template;
- b) Deadline for the receipt of proposals;
- c) Indicative timeline, including the date on which the BCA Fund notifies applicants of its decision and all other relevant dates of the call for proposals;
- d) Contact information to clarify any questions regarding the call; and,
- e) Evaluation criteria and scoring to be used by the BCA Fund Technical Committee and the Board of Directors for the review and approval of proposals.

The application to the call issued by the BCA Fund must be submitted in Spanish.

The annual call for proposals shall be issued in the first quarter of each year and shall target small, medium, and large grants. Each private sector applicant may apply under each grant category.

The disbursement of resources will take place seven months after the launch of the call for proposals. Additional calls may follow different timelines, which will be detailed in the corresponding Terms of Reference.

11.1.1 Eligible Proposal Types in Calls for Proposals

In order to ensure that the grants awarded by the BCA Fund effectively align with its strategic objectives, the conservation commitments undertaken by the Republic of Ecuador, and the territorial, social, cultural, and ecological realities of the Ecuadorian Amazon, the BCA Technical Committee shall submit an updated proposal on project types to the Board of Directors at least sixty (60) days prior to each call for proposals.

Project proposals shall be aligned with the funding priorities set out in section six (6) of this Manual, the technical eligibility criteria set out in section seven (7) of this document.

⁶ The information on the Forms is detailed in the annexes to this Manual.



and their structure shall conform to the grant categories defined in section eight (8) of this Manual, as adapted to the scale, scope, duration, and nature of each call for proposals.

Approval shall consider, among other aspects, the availability of financial resources, the prevailing environmental, social, and climate context, and the evolution of national and international priorities for conservation and sustainable development.

11.1.2 Dissemination and Accessibility

The calls for proposals shall be widely disseminated and drafted using culturally appropriate formats and channels, in the main Indigenous languages of the peoples and nationalities of the Ecuadorian Amazon (BCA Fund website and social media, among other channels), in order to ensure broad representation among potential applicants from the Ecuadorian Amazon.

The Executive Management of the BCA Fund shall be responsible for publishing and disseminating the calls for proposals, in accordance with the established terms, and for coordinating the corresponding logistical and operational process.

11.1.3 Phases for the submission and review of proposals from public- and private-sector proponents

The submission of proposals will be conducted in two phases:

Concept note: (Phase 1)

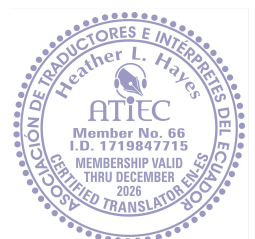
All proposals, whether submitted by public or private sector bidders, and regardless of the grant category, must first submit a concept note that complies with the template and procedure set out in [Annex 2](#) of this document.

Full proposal: (Phase 2)

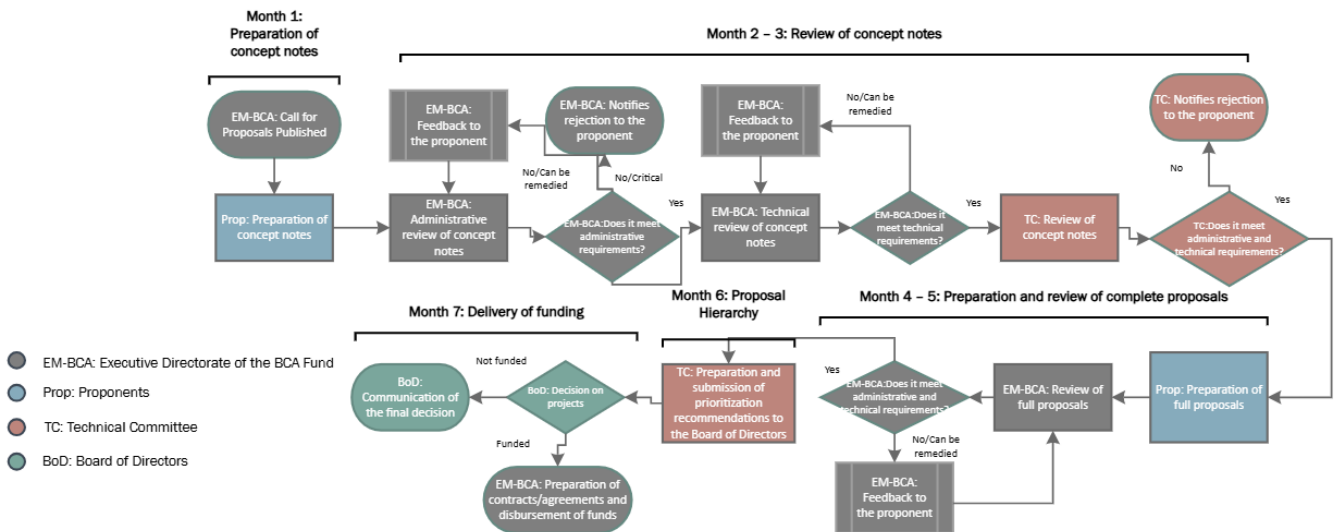
Following the review and approval of the concept notes in phase one (1), the BCA Fund will request the pre-selected bidders to submit a complete proposal, which must comply with the template provided in [Annex 3](#) of this document.

11.1.4 Procedure for Awarding Grants to Private Sector Applicants

The procedure for awarding grants to the private sector will follow the flowchart below:



Streamlined process flow for the private sector



11.2 Procedure for the Award of Grants to Private Sector Applicants

The grants that the BCA Fund will award to public sector applicants will be financed with pre-allocated financial resources, as established in section b) paragraph 10 of this document.

The BCA Fund will hold two (2) calls for proposals per year for the awarding of grants. This process will follow the same formats and phases established in subsections 11.1.1, 11.1.2, and 11.1.3 of this document.

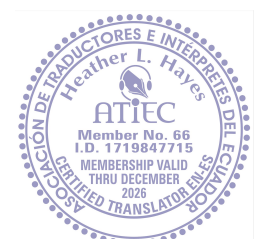
11.2.1 From the Technical Advisory Unit for the Public Sector

In compliance with the provisions of the "Amazon Biocorridor Management Model,"⁷ the Technical Advisory Unit for the Public Sector, in its capacity as an inter-institutional coordination mechanism and executing unit, will seek to provide guidelines for the execution, monitoring, and coordination of actions for the BCA Program by public sector proponents.

Within the framework of the grant-making process and in coordination with the Executive Management of the BCA Fund, the following functions shall be carried out:

- Receive and prioritize proposals to be financed by the BCA Fund using the financial resources preallocated to the public sector.
- Support and assist public sector entities in preparing proposals for both phase one (1) and phase two (2).
- Support the Executive Management of the BCA Fund in the administrative review of proposals submitted by the public sector.
- Any others that may be necessary.

⁷ Official Register Supplement No. 66 of June 24, 2025.



The Technical Advisory Unit will have a detailed procedures manual for its operations.

11.2.2 Specialized Implementing Entities

For public sector proposals, and with the aim of streamlining the delivery of financial resources, project execution, and monitoring, such proposals must be submitted jointly with a private sector proponent acting as a "specialized implementing entity." These may be non-governmental organizations, environmental funds, implementing agencies, or any other legal entity.

The specialized implementing entity shall:

- Be legally established and operational in the country.
- Be responsible for the implementation, follow-up, and monitoring of the project and for the procurement and purchase of the goods and services required for its implementation.
- The specialized implementing entity shall demonstrate that an open and transparent selection process was conducted by the requesting public sector proponent and shall provide the corresponding documentation supporting that process.

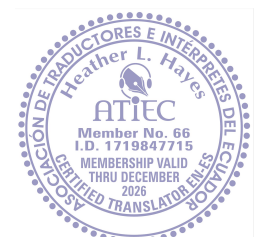
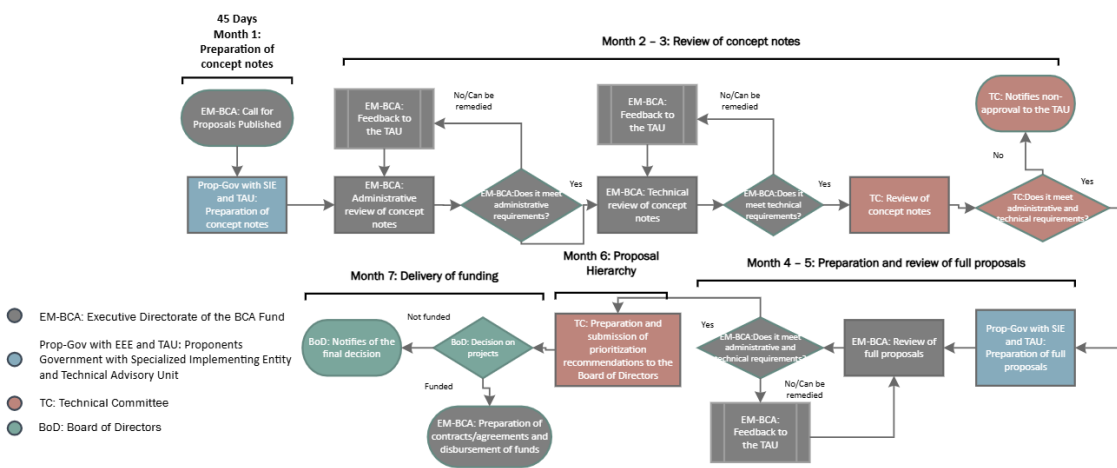
The specialized implementing entity must demonstrate that an open and transparent selection process was carried out by the applicant public sector proponent and must submit the corresponding documentation supporting said process.

Once all phases and requirements set out in this Manual have been met and the project is selected, the specialized implementing entity (proponent) will sign a grant agreement with the BCA Fund.

11.2.3 Flowchart of the procedure

The awarding of grants to public sector proponents will follow the flow chart below:

Streamlined process flow for the public sector



11.3 Evaluation

11.3.1 Evaluation Procedure

The following procedure shall be applied for the evaluation of proposals from both private and public sector proponents:

- 1) The BCA Fund will receive concept notes and complete proposals. All concept notes received must pass the administrative and compliance evaluation phase, which will be carried out by the Executive Management, and thereafter must be submitted to the BCA Technical Committee for evaluation.
- 2) Each member of the BCA Technical Committee will individually evaluate the assigned proposals, applying the evaluation matrix, which covers the corresponding criteria.
- 3) The BCA Technical Committee will meet to discuss the results and, if possible, reach a consensus on a recommendation, with the aim of presenting the results to the Board of Directors for approval.
- 4) A consolidated technical report will be prepared with recommendations on which projects to finance and which not to finance, which will be presented to the Board of Directors for final approval of the projects to be financed.

11.3.2 Administrative and Compliance Evaluation

The Executive Management will verify that proposals meet the administrative requirements described in the annexes to the Terms of Reference for the Call for Grants, applying the following criteria:

- 1) Ensure that the objective of the proposal aligns with the funding priorities of the call for proposals under which it is submitted;
- 2) Verify that the applicant is eligible;
- 3) Verify that none of the proposed activities are included on the list of ineligible activities;
- 4) Verify that the proposal has been submitted in full and before the established deadline; and,
- 5) Verify that the budget meets the funding criteria of the call for proposals to which it is submitted.

If the proposal does not meet one or more of the criteria described or is incomplete, the Executive Management of the BCA Fund may contact the proponent⁸ and request that they correct the administrative non-compliance at or, if applicable, disqualify the proposal with justification, for which purpose it must be submitted to the Board of Directors with the respective supporting documentation and justifications.

⁸ The proponent may be contacted only once, as established in the flow charts.



At this stage, the Executive Management will apply the procedures of the Environmental and Social Management System (ESMS).

11.3.3 Technical Evaluation

Once the proposal has met all the administrative and compliance criteria of the first stage, it will move to the technical evaluation stage, to be conducted by the members of the BCA Technical Committee, which must be completed individually before the evaluation meeting. The technical evaluation will be conducted as follows:

- 1) The evaluation will be carried out considering all the evaluation criteria already defined in the previous section and those established in the evaluation matrix.
- 2) Individual members of the BCA Technical Committee will complete their technical assessments and scoring prior to the evaluation meeting.

11.3.4 Evaluation Meeting

Each member of the BCA Technical Committee will submit the matrices with their respective evaluations seven working days before the evaluation meeting, and the Executive Management will compile the scores in a consolidated matrix to be presented at the BCA Technical Committee meeting.

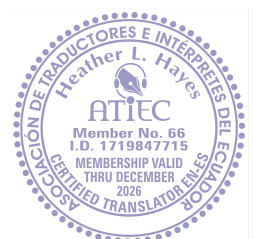
Proposals scoring below 50 percent of the total points assessed will be recommended for automatic rejection. Following the scoring of proposals, they will be categorized by concept/theme, in line with the priorities of the BCA Fund. If more proposals are approved than the funds available, the BCA Technical Committee may recommend to the Board of Directors which grants to reject or to defer funding until additional funds become available.

The shortlisted proposals will undergo a due diligence review to verify the legal, financial, and administrative information submitted, as well as the proponent's management capacity and regulatory compliance. The results of this review will inform the final decision of the BCA Fund Board of Directors.

12. PROJECT ADMINISTRATIVE EXPENSES

The administrative expenses associated with project implementation shall not exceed fifteen percent (15%) of the total amount of the grant awarded. This limit seeks to ensure that the largest proportion of resources is allocated directly to the activities and results envisaged in the project proposal to be financed by the BCA Fund.

Administrative expenses are detailed in Annexes 2 and 3 of this document.



13. ENVIRONMENTAL AND SOCIAL MANAGEMENT SYSTEM (ESMS)

The BCA Fund will apply its Environmental and Social Management System (ESMS), which establishes the principles, policies, and procedures for identifying, assessing, and managing the environmental and social risks and impacts of the initiatives to be financed.

The ESMS of the BCA Fund is based on the principles, standards, and guidelines set out in the Environmental and Social Management Framework of the Biocorredor Amazónico Program and is aligned with the International Finance Corporation (IFC) Performance Standards. It has been adapted to Ecuador's legal and sociocultural context, ensuring high levels of sustainability, the protection of human rights, and respect for the diversity of the Amazon territory.

Compliance with the ESMS is mandatory for all proponents of projects financed by the BCA Fund, both public- and private-sector proponents. Proposals must demonstrate their commitment and institutional capacity to apply the ESMS provisions and to comply with the instruments and measures resulting from its implementation.

No disbursement shall be authorized until the project has been assessed in accordance with the ESMS and has the environmental and social instruments required under that system (when applicable), duly approved by the BCA Fund.

The ESMS incorporates, among other elements, participation and consultation mechanisms, grievance and complaints management, a gender and social inclusion approach, and respect for collective rights, ensuring that all financed activities are carried out in an environmentally and socially responsible manner.

13.1 Application of the ESMS in the Grant Award Process

The BCA Fund's grant award process mainstreams the principles and procedures established in the ESMS throughout.

Environmental and social safeguards are integrated into all phases of the BCA Fund grant cycle, from submission of the concept note through project implementation and closure; compliance with the environmental and social requirements established by the BCA Fund will be verified prior to the award of grants.

Proponents shall:

- Complete the templates and forms required by the ESMS during the application and evaluation process, corresponding to phases one (1) and two (2).
- Incorporate into their proposals the relevant environmental and social considerations established by the ESMS, in accordance with the guidelines of the BCA Fund.
- Implement the approved measures and actions, as well as the commitments made in accordance with the ESMS.



The technical team of the BCA Fund, with support from its environmental and social safeguards specialist, will be responsible for verifying proper compliance with the ESMS, providing technical guidance during the evaluation, and supporting the grant implementation process. Likewise, it will provide the templates, forms, and technical instruments required by the ESMS to ensure its proper application in the grant award process.

13.2 Environmental and Social Compliance and Monitoring

Compliance with the ESMS will be continuously monitored by the BCA Fund, in accordance with the procedures defined by the system itself. Any ESMS requirement will be included as an obligation of the project proponent⁹ and/or in the Grant Agreement.

The BCA Fund will continuously monitor compliance with the ESMS through mechanisms such as audits, field visits, and/or periodic reviews to ensure that financed projects maintain adequate environmental and social performance in accordance with the commitments made.

In the event of non-compliance with the obligations in the ESMS, corrective measures, suspension of disbursements, unilateral termination, or adjustments to the conditions of the grant may be applied as established in the corresponding Grant Agreement.

14. GRANT AWARDING

Final approval of grant proposals will be made by the BCA Fund Board of Directors, which may not delegate this responsibility to any other body.

Once the proposals to be funded have been assessed and selected, the Executive Management of the Fondo del BCA will inform both selected and non-selected proponents, in writing, of the decisions adopted by the Board of Directors of the BCA Fund. The Executive Management shall provide feedback to non-selected proponents so that they can improve their projects and apply in future BCA Fund calls for proposals.

Through its communication channels, BCA Fund will post the selected projects, including the project proponents, the amounts to be funded, and a brief description of each project.

15. GRANT AGREEMENT

The BCA Fund and the selected project proponent will sign a Grant Agreement. At a minimum, such agreement shall follow the template provided in [Annex 5](#) of this Manual, which may be adjusted and detailed as appropriate for the implementation of each project.

⁹ Upon signing the Grant Agreement with the BCA Fund, the proponent will be referred to as the "Executor."



The Executor shall comply with the provisions contained in [Anexo 5](#), which forms an integral part of this Manual, in particular those related to full compliance with the labor, social security, health, and occupational health and safety regulations in force in Ecuador. The Executor shall be solely responsible for the personnel involved in project implementation, as well as for contractors and subcontractors.

16. DISBURSEMENTS

The percentage corresponding to the initial disbursement will be established in the Grant Agreement, according to the type and nature of the project.

Subsequent disbursements will be made once the proponent has justified the execution of at least 80% of the amount corresponding to the previous disbursement, in accordance with the technical and financial reports approved by the Executive Management of the BCA Fund, in accordance with the schedule presented in the project proposal.

The suspension of disbursements of financial resources may be applied in the event of non-compliance with the clauses of the Grant Agreement related to the obligations and responsibilities of the proponent.¹⁰

17. MONITORING AND FOLLOW-UP.

The Biocorredor Amazónico Fund (BCA Fund) will oversee and ensure that contractors, subcontractors, suppliers, or third parties involved in grant-funded projects comply with all applicable national regulations on the environment, occupational health and safety, and labor rights.

To this effect, the BCA Fund shall include explicit labor compliance clauses in grant agreements and in the contractual instruments governing its relationship with contractors, subcontractors, suppliers, or third parties, taking into account the specific features of and risks associated with the type of project to be implemented. During project implementation, the BCA Fund shall verify compliance with these obligations through monitoring and oversight mechanisms, which shall include, inter alia, technical reviews, progress reports, audits, and midterm and final evaluations, without prejudice to the adoption of corrective measures if non-compliance is identified. This also applies to subcontractors, suppliers, or third parties.

The Executive Management will inform the BCA Technical Committee and the Board of Directors of the BCA Fund of updates identified through the monitoring visits and the reports received from the funded projects.

The reports required of project proponents shall be based on Annex 4 of this Manual.

¹⁰ Upon signing the Grant Agreement with the BCA Fund, the proponent will be referred to as the "Executor."



18. ANNEXES

The annexes form an integral part of the Manual and are as follows:

- 18.1 Guidelines of the BCA Technical Committee.
- 18.2 Phase 1: Concept Note Template.
- 18.3 Phase 2: Complete Proposal Template
- 18.4 Standard Format for the Technical Report and the Financial Report of the Biocorredor Amazónico Fund.
- 18.5 Standard Template for the Grant Agreement for Proposals under the Biocorredor Amazónico Fund.
- 18.6 Geographical Distribution of the Amazon Biocorridor in the Amazon Basin at the Provincial, Canton, and Parish Levels.
- 18.7 Technical Elements included in the Conservation Commitments.

19. GLOSSARY

This glossary is intended to define the main terms and concepts used in this Manual and its annexes. Its purpose is to facilitate understanding and ensure the consistent application of the provisions contained herein, by ensuring coherent use of the technical and administrative terminology employed by the BCA Fund.

If terms are not defined herein, the definitions set out in the Bylaws of BCA Fund and/or the BCA Fund Operational Manual shall apply.

The terms and concepts to be defined are:

Bioeconomy: Economic model based on the sustainable use of biological resources, including biodiversity, its components, and associated traditional knowledge, intended to generate economic value and community well-being without degrading ecosystems.

Certificate of Incorporation: The document that certifies the legal incorporation of the BCA Fund.

Co-financing: This shall be understood as a financial contribution, in-kind contribution, or resources provided by third-party partners to complement the funds granted by the Biocorredor Amazónico Fund for project implementation. Co-financing increases the resources available, helps ensure the commitment of the stakeholders involved, and supports project sustainability.

Technical Committee: Advisory body responsible for the technical assessment of grant proposals and for issuing recommendations to the Board of Directors of the BCA Fund.



Conservation Commitments: Environmental obligations assumed by the Ecuadorian State within the framework of international and national instruments, or agreements related to the conservation of the Amazon.

Public sector entities: Public sector entities are those established in Article 225 of the Constitution of the Republic of Ecuador, Official Gazette No. 449.

Specialized Implementing Entity: A private-sector legal entity, legally established in Ecuador, with the experience and technical, administrative, and financial capacity to implement projects, in coordination with public sector entities.

Bylaws: This shall be understood as the legal document that establishes the organizational structure, operating rules, rights and obligations of members, and the Fund's internal mechanisms. The bylaws constitute the legal basis governing the operation of the Fund, including the establishment of the Board of Directors, decision-making, resource management, among others.

Administrative Evaluation: This evaluation will verify that proposals meet the administrative requirements described in the Terms of Reference for the Call for Grants, ensuring that the proposal objective aligns with the funding priorities of the call for proposals to which it applies; verifying applicant eligibility; confirming that none of the proposed activities is included in the list of ineligible activities; confirming that the proposal has been submitted in full and before the deadline; verifying that the budget complies with the financing criteria of the relevant call for proposals; and applying KYC and ESMS.

Significant environmental and social event: Any incident, accident, or circumstance arising from project implementation that causes or may cause significant adverse environmental or social impacts, including impacts on communities, workers, biodiversity, regulatory compliance, or human rights.

BCA Fund: Fondo del Biocorredor Amazónico Inc.

Markup Formula: For the purposes of this Manual, the markup formula is defined as the formula used to determine the amount of allowable administrative costs, which consists of calculating 15% of the project base subtotal.

Administrative Costs (Overhead): All costs necessary for the proponent¹¹ to operate, which may or may not be directly related to a specific project or service. For example: administrative salaries, office rent, systems, licenses, insurance, and other management costs shared among different projects.

Indicators: These are quantitative or qualitative variables that enable stakeholders to verify the changes generated by a development intervention against what was planned.

¹¹ Upon signing the grant agreement with the Fondo BCA, the proponent will be referred to as the "executor."



Quantitative indicators are expressed as a number, percentage, or ratio. By contrast, qualitative indicators measure quality and are often based on perceptions, opinions, or levels of satisfaction. Indicators should be stated in neutral language, such as “the level or degree of satisfaction” or “the percentage of school enrollment by gender.”

Impact indicator: This is the structural change achieved through a policy/program with long-term goals. Impact implies changes in people’s lives. This may include changes in the knowledge, skills, behavior, health, or living conditions of children, adults, families, or communities. Such changes may be positive or negative. Long-term effects on identifiable population groups produced by a development intervention, directly or indirectly, intended or unintended. These effects may be economic, sociocultural, institutional, environmental, technological, or of another type.

Outcome indicator: This demonstrates the change achieved through a short- or medium-term policy/action/program. Outcomes represent changes in institutional and behavioral capacities for development conditions that occur between the completion of outputs and the achievement of objectives.

Board of Directors: The highest governing body of the BCA Fund, responsible for approving grants, strategic guidelines, and high-level financial decisions.

KYC (Know Your Customer): A procedure to verify the identity of the proponent, prevent money laundering, and ensure that its activities are legitimate.

Applicable law: All laws, regulations, ordinances, decrees, resolutions, permits, licenses, authorizations, and other legally binding requirements issued by any competent governmental authority that apply to the Project.

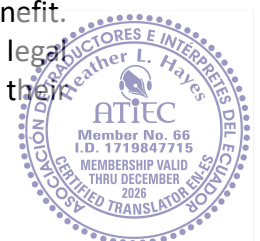
BCA Fund exclusion list: The list of activities that the BCA Fund does not finance under any circumstances, due to their potential to generate unacceptable environmental or social impacts, as established in the ESMS (Tool 1).¹²

Biocorredor Amazónico Management Model: refers to the management model that contributes to the implementation of sectoral public policy for the governance and sustainable management of the natural and freshwater landscapes of the Ecuadorian Amazon.

DFC Performance Standards: International Finance Corporation Performance Standards on Environmental and Social Sustainability.

Civil society organization: Civil society organizations shall be understood as those private, nonprofit entities, legally established in accordance with applicable regulations, whose purpose is to carry out activities in the public interest or for the collective benefit. These organizations operate autonomously from the State and may take various legal forms, such as foundations, corporations, associations, or similar entities, and their

¹² Find this information at the following link: https://fondobiocorredoramazonico.org/documentos-FBCA/Herramienta-SGAS_Fondo-BCA.xls



management is oriented toward social, environmental, cultural, or community development.

Environmental and Social Action Plan (PAAS): Project-specific management tool required under the Fund’s ESMS that sets out mitigation measures, responsibilities, time frames, and indicators to address identified environmental and social risks and impacts.

Biocorredor Amazónico Program: Management model that, through the application of a public policy, provides comprehensive solutions to environmental and climate challenges.

Proponent: The Proponent is the entity responsible for implementing and administering a project or activity financed through the grant awarded by the Fund, in accordance with the terms set out in the grant agreement and this Manual. The Proponent is responsible for the proper technical, administrative, and financial execution of the project, ensuring compliance with the Fund’s objectives. Once the Proponent signs the grant agreement, it is referred to as the “Executor” and retains the same designation as the “Proponent.” Any reference to an “executing agency” or “implementing agency” shall be understood as referring to the Executor.

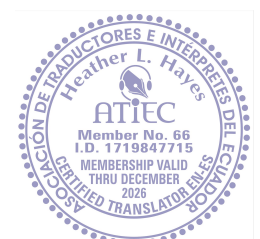
Eligible proposal: Technical, social, and/or environmental initiative that meets the eligibility criteria established by the BCA Fund.

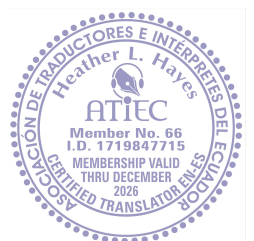
Social and Environmental Safeguards (ESMS): Set of principles, standards, and procedures designed to prevent, mitigate, and manage social and environmental risks and impacts associated with financed projects, as reflected in the Fund’s ESMS.

Environmental and Social Management System (ESMS): Set of policies, procedures, and tools that ensure that financed activities are implemented in an environmentally and socially responsible manner.

Grant: Financial support provided by the Biocorredor Amazónico Fund to finance projects that contribute to achieving the Fund’s objectives, such as biodiversity conservation, environmental sustainability, community development, and conservation commitments. Grants do not constitute loans or equity investments and do not create an obligation to repay funds, except in cases expressly established in the governing documents of the Fund.

Workers: All individuals who provide services or carry out activities related to the implementation of the Project, regardless of the type of contract, including the Executor’s direct employees, temporary staff, individual consultants, contractors’ and subcontractors’ workers, as well as any other individual performing work-related functions linked to the Project.





I, Heather Hayes, with national ID number 1719847715, hereby certify that the attached is a complete and accurate English translation of the original Spanish language version of the attached document: *Manual de Subvenciones*, and that I am competent in both the English and Spanish languages to render such translation.

Signature of Translator

Translator:

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**The translator is a U.S. citizen, certified translator, and member No. 66 of ATIEC (The Ecuadorian Association of Translators and Interpreters), as well as an accredited court translator for Ecuador with accreditation number 18-00207-00006*

