

Annex I: List of conditions and recommendations

Table 1. General conditions applicable to all funding proposals

Funding proposal number	Conditions
All proposals	<p><u>Conditions to be met prior to the execution of the Funded Activity Agreement:</u></p> <ul style="list-style-type: none"> (i) Finalization of legal documentation in form and substance satisfactory to the GCF's Secretariat within 180 days of the date of Board approval, or the date when all internal approvals by the accredited entity are obtained, or the date of effectiveness of the AMA entered into with the relevant Accredited Entity, whichever is later; (ii) Completion of the legal due diligence to the GCF's Secretariat satisfaction; (iii) Submission of a certificate in a form and substance that is satisfactory to the GCF's Secretariat, within 120 days after Board approval, or the date of effectiveness of the AMA entered into with the relevant Accredited Entity, confirming that the accredited entity has obtained all final internal approvals needed to be project/programme and it has the capacity and authority to implement the proposed project/programme; and <p><u>Conditions for disbursement under the Funded Activity Agreement:</u></p> <ul style="list-style-type: none"> (iv) Fulfilment of any conditions precedent specified in the funded activity agreement to the satisfaction of the GCF's Secretariat.

Table 2. General recommendation to the Board

Funding proposal number	Recommendation
All proposals	Disbursements by the GCF should be made only after the GCF has obtained satisfactory protection against litigation and expropriation in the country where the project/programme will be implemented, or has been provided with appropriate privileges and immunities in that country.

Table 3. Project-specific conditions and recommendations

Funding proposal number	Conditions
FP 018 (UNDP Pakistan)	<p><u>Conditions for disbursement under the Funded Activity Agreement:</u></p> <p><i>For first disbursement:</i></p> <ul style="list-style-type: none"> (i) Completion of the detailed evaluation of the financial management capacity of the Ministry of Climate Change and the potential Responsible Parties, under the UNDP's Framework for Cash Transfer to Implementing Partners as satisfactory to implement the Project. <p><i>For third disbursement:</i></p> <ul style="list-style-type: none"> (ii) Provision of formal commitment letters from the relevant Government institutions and the Pakistan Meteorological Department to include operations and maintenance costs for the assets and/or equipment within their annual budgets, consistent with the cost estimates provided by UNDP.



	<p><u>Additional conditions:</u></p> <ul style="list-style-type: none"> (i) Arranging insurance of the equipment so that maintenance costs beyond the project lifetime could be arranged, making EWS sustainable. (ii) Developing a clearer implementation plan for drinking water provision immediately after GLOF events. (iii) Maintaining and (if necessary) expanding the Project Management Unit team from the first pilot, so as to take advantage of their knowledge and speed up the initial stages of implementation. (iv) Ensuring constant contact with community-based GLOF risk management projects by deploying experienced site managers and support staff on the ground for long periods of time. (v) Producing periodical documentation on lessons learned on multiple aspects of the implementation (social, environmental, technical, science, etc.), so that programme replication is carried out adequately. <p><u>Recommendation:</u></p> <ul style="list-style-type: none"> (vi) Take advantage of project-developed organizations on the site to expand to other activities in the near future, for example, water and sanitation, health, education, community-based first aid, etc. <p><u>Further conditions and recommendations:</u></p> <p><u>Condition:</u></p> <ul style="list-style-type: none"> (i) GCF proceeds shall not be used for financing activities related to disaster response and relief. (ii) Prior to first disbursement, UNDP will present the report of a technical assessment on the possible risk of natural disasters affecting the project area. <p><u>Recommendation:</u></p> <ul style="list-style-type: none"> (ii) UNDP to provide more information on the capacity building measures and on potential resulting regulations and policies, in particular on how to integrate climate change and GLOF risks in development plans.
<p>FP 019 (UNDP Ecuador)</p>	<p><u>Conditions to be met prior to the execution of the Funded Activity Agreement:</u></p> <ul style="list-style-type: none"> (i) The SBAA between UNDP and the Government of Ecuador, including the Country Programme Action Plan, is duly executed and effective. <p><u>Conditions for effectiveness of the Funded Activity Agreement:</u></p> <ul style="list-style-type: none"> (ii) A certificate in a form and substance that is satisfactory to the Fund, which has been signed by the most senior legal officer of UNDP confirming that the FAA entered into by UNDP has been duly authorized or ratified by all necessary corporate actions, duly executed and delivered on behalf of UNDP, and is binding upon UNDP in accordance with its terms. (iii) The UNDP Project Document between UNDP (Country Office) and the Ministry of Environment (MAE) acting as Executing Entity is duly signed and effective. <p><u>Conditions for disbursement under the Funded Activity Agreement:</u></p> <p><i>For second disbursement:</i></p> <ul style="list-style-type: none"> (iv) Completion and submission by UNDP, in a form and substance satisfactory to the Fund, of the detailed technical studies that are project-specific for Activity 1.3.3 (Infrastructure for integrated forest control centres) and Activity 2.5.6 (Infrastructure for cocoa collection centres), including a map for locations, technical specifications and budget breakdown by activity and by expenditure type.



	<p><i>For fifth disbursement:</i></p> <p>(v) Submission by UNDP, in the form and substance satisfactory to the Fund, of a financial sustainability strategy of the GCF financing, including the following:</p> <ol style="list-style-type: none"> (1) UNDP's analysis on the efficiency and effectiveness of the incentive mechanisms for direct transfers of components 2 and 3, and any results thereof; and (2) UNDP's evidence of the securement, and/or the achievement, of the sustainable financing sources for component 1 for the continuation of implementation of the activities under component 1. <p><i>General conditions prior to all disbursements (except for the first disbursement):</i></p> <p>(vi) Inclusion of the following elements in the annual performance reports (APRs):</p> <ol style="list-style-type: none"> (1) Evidence showing that GCF funding for sub-component 1 (PDOTs and Life Plans) has been disbursed to activities directly related to REDD+ activities; and (2) Detailed pipeline portfolio report for the three Water Funds. <p>(vii) Delivery of evidence, satisfactory to the GCF, indicating the status and amount of the co-financing funds disbursed and applied to the Project's implementation activities up to the date of the request for funds made by UNDP.</p> <p><u>Additional conditions:</u></p> <p><u>Conditions prior to execution:</u></p> <ol style="list-style-type: none"> (i) A revision of CO2 emission reduction estimates, and a baseline information system to support monitoring arrangements of the REDD+ scheme. (ii) The development of a comprehensive sustainability strategy for all the components of the project with special emphasis on component 2, including alternative financial options to just giving grants. (iii) A grant operational manual with a detailed explanation of the farm (family) selection process for the ATPA project, selection criteria, terms and conditions of the grants, approval process and role of the Ministry of Environment, the Ministry of Agriculture, the ATPA project and the acting unit of the GCF proposed project. (iv) Proof of further consultations with indigenous and peasant communities to agree on the proposed interventions and their willingness to participate in the project. (v) A more comprehensive knowledge-sharing strategy, with special emphasis on institutional coordination. <p><u>After six months from the beginning of the project:</u></p> <p>(vi) Develop a complete revision of the project investments after undertaking an impact assessment of the results of the ATPA, the Socio Bosque Programme and the three water funds, in terms of achieving the REDD targets. Further investments will be considered by the GCF only for the best alternatives to reduce deforestation.</p> <p><u>Further recommendation:</u></p> <ol style="list-style-type: none"> (i) UNDP to provide evidence of how the proposed project will build on and not duplicate work already completed or in progress in other programs, given that Ecuador has gone through a preparatory phase for REDD+.
<p>FP 020 (IDB 5ECC Geothermal)</p>	<p><u>Conditions for effectiveness of the Funded Activity Agreement:</u></p> <ol style="list-style-type: none"> (i) Delivery of a certificate, which has been issued by an authorized legal officer of the IDB, confirming that the FAA entered into by IDB has been duly authorized, duly executed and delivered on behalf of the IDB, and is binding upon IDB in accordance



with its terms.

Conditions for disbursements under the Funded Activity Agreement:

For first disbursement:

- (ii) Development of the OM of the Programme, which shall include
 - (1) the technical parameters that will trigger the reimbursement of the reimbursable grant funds under the Reimbursable Grant Agreement;
 - (2) a requirement for the local SPV to provide evidence of the availability of funds required for both the exploration and production phases, including the evidence of private sector commitments to be made in the form of equity investments; and
 - (3) the justification of the terms and conditions of the financing applied by CDB to the sub-borrowers/final beneficiaries for the exploration phase, including (a) the level of concessionality of the financial package received by the sub-borrowers/final beneficiaries (SPV) either as reimbursable grants or as grants convertible into loans; and (b) how this level of concessionality is reflected in the economic model of the project which will lead to the potential PPA and, finally, will be reflected in the tariff, comparing the scenarios of CDB extending reimbursable grants, and grants convertible to loans.
- (iii) Approval of the OM by the Board of Directors of CDB, and the non-objection of the IDB to the OM.

General conditions for all disbursements:

- (iv) Delivery of a request for disbursement by the IDB, signed by the person or persons authorized to do so, within thirty (30) calendar days prior to the expected date of disbursement.
- (v) Delivery of evidence, satisfactory to the GCF, of the authority of the person or persons authorized to sign the request for disbursement and the authenticated specimen signature of each such person.

Conditions for disbursement of the non-reimbursable funds:

For first disbursement:

- (vi) The IDB shall provide the GCF with the legal opinions it shall receive from CDB, addressed to IDB and GCF, which shall establish, with citations of the pertinent constitutional, legal, and regulatory provisions, that the obligations undertaken by CDB in the Grant Agreement are valid and enforceable.

For all disbursements:

- (vii) Request of disbursement of non-reimbursable funds, under the Grant Agreement, from the CDB to the IDB.

Conditions for disbursement of the reimbursable funds (to be disbursed by IDB as reimbursable grant):

For first disbursement:

- (viii) Set up of the Programme Account in CDB.
- (ix) The IDB shall provide the GCF with the legal opinions it shall receive from CDB, addressed to IDB and GCF, which shall establish, with citations of the pertinent constitutional, legal, and regulatory provisions, that the obligations undertaken by CDB in the Reimbursable Grant Agreement are valid and enforceable.
- (x) Signed Agreement between CDB and the SPV, for the first sub project, with non-objection from the IDB.



For all disbursements:

- (xi) Delivery of a confirmation by IDB of its no-objection to the final draft appraisal report of the Sub-Projects requesting funding for exploration. The final draft appraisal report shall include regulatory framework developments.
- (xii) Request of disbursement from the CDB to the IDB.

Conditions for effectiveness of the Loan Agreement:

- (xiii) Exploration phase successfully completed and certified by an independent party.

Conditions for disbursement of the reimbursable funds (to be disbursed by IDB as loan):

For first disbursement:

- (xiv) The IDB shall provide the GCF with the legal opinions it shall receive from CDB, addressed to IDB and GCF, which shall establish, with citations of the pertinent constitutional, legal, and regulatory provisions, that the obligations undertaken by CDB in the Loan Agreement are valid and enforceable.

For first disbursement to each individual Sub-Project:

- (xv) IDB will provide the GCF Secretariat with a semi-annual implementation report which will include an updated version of the budget submitted by IDB as an annex to the funding proposal approved by the GCF Board.
- (xvi) Provision by IDB to the GCF of the final draft appraisal report prepared by the CDB, to the GCF's satisfaction, which will include the final financial structure for the respective Sub-Projects.
- (xvii) Delivery of a confirmation by IDB of its no-objection to the final draft appraisal report of the Sub-Project requesting funding. The final draft appraisal report shall include regulatory framework developments.

For all disbursements:

- (xviii) Request of disbursement of the CDB to the IDB.

Additional conditions:

- (i) IDB should submit a document to the GCF providing a comprehensive evaluation of the mitigation benefits of this project. The document will establish a transparent framework for GHG emission reductions of the project and a monitoring protocol that will be utilized in the periodic review of emission reduction performance of the project during the lifetime of the programme.
- (ii) Prior to financial closure, IDB should present to the GCF a comprehensive plan on the flow of the other sources of the fund (including the flow from IDB, CDB and other fund sources) with a contingent plan on what happens to the GCF funds if any of the fund sources do not flow at the quantum rate expected in the programme design.
- (iii) Prior to financial closure or first disbursement, IDB should submit to GCF a comprehensive programme monitoring plan that should cover all the component activities of the SEF-5ECC programme, which includes all technical details and lessons learned in each country.
- (iv) Risk-hedging tools must be agreed on (between the GCF and IDB) and put in place prior to financial closure so as to cover key risks areas identified for the successful implementation of the project.

Further condition and recommendation:

Condition:

- (i) Environmental and Social Impact Assessments for Category A sub-projects will be



	<p>publicly disclosed at least 120 days prior to CDB’s final decision to fund that sub-project.</p> <p><u>Recommendation:</u></p> <p>(ii) IDB shares lessons learnt and publish data on verified cost reductions once the projects are up and running.</p>
<p>FP 021 (AFD Senegal)</p>	<p><u>Conditions for effectiveness of the Funded Activity Agreement:</u></p> <p>(i) Delivery of a certificate issued by the Accredited Entity’s senior legal officer, in a form that is satisfactory to the Fund, certifying that the FAA entered into by the Accredited Entity has been duly authorized or ratified by all necessary corporate actions, duly executed and delivered on behalf of the Accredited Entity, and is binding upon the Accredited Entity in accordance with its terms.</p> <p><u>Conditions for disbursement under the Funded Activity Agreement:</u></p> <p><i>For first disbursement:</i></p> <p>(ii) Delivery of an evidence to the Fund confirming the budget allocation by the GoS of a minimum EUR 6 million (six million Euros) for compensation for the persons affected under sub-component 2.3 of the Project.</p> <p>(iii) Delivery of procurement plan related to GCF Proceeds in form and substance satisfactory to the GCF.</p> <p>(iv) Signing of the Subsidiary Agreement between AFD and the GoS with respect to the GCF Proceeds.</p> <p><u>Additional conditions:</u></p> <p>(i) Developing all project components, particularly subcomponent 2.3 (sewer and drainage infrastructure for Dakar’s Pikine Irrégulier Sud), at a conceptual level so as to be able to estimate the annual O&M expenditures.</p> <p>(ii) Demonstrating funding sources will be available to cover those O&M expenditures in the long term.</p> <p>(iii) Justifying why certain households in the area of intervention in Dakar’s Pikine Irrégulier Sud (subcomponent 2.3) will not have sewers and indicating why this approach will not continue to contaminate the area that is meant to be protected by the project.</p> <p>(iv) Securing funding for intradomiciliary connections in those areas where sewers will be built.</p> <p>(v) Providing estimated annual costs of operation and maintenance of the WWTP, providing an indication of sustainable financial resources to cover these operational expenditures. Also, indicating the proposed treatment of biogas (containing methane) at this utility.</p> <p><u>Further recommendation:</u></p> <p>(i) AFD to develop an integrated strategy for flood risk management as part of the project.</p>
<p>FP 022 (ADA Morocco)</p>	<p><u>Conditions for effectiveness of the Funded Activity Agreement:</u></p> <p>(i) Delivery by ADA of a legal opinion or a certificate, in a form that is satisfactory to the GCF, confirming that the FAA entered into by ADA has been duly authorized or ratified by all necessary corporate actions, duly executed and delivered on behalf of ADA, and is binding and enforceable upon ADA in accordance with its terms.</p> <p><u>Conditions for disbursement under the Funded Activity Agreement:</u></p>



For first disbursement:

- (ii) Submission of evidence by ADA confirming that ANDZOA, as executing entity for the Project, has obtained all necessary land rights which are required for the implementation of the Project according to the planting schedule of the first year.
- (iii) Completion of ADA's evaluation/assessment of ANDZOA's financial and procurement capacity including Assessment of ANDZOA's procurement policies and procedures.
- (iv) Provision of a revised logical framework including adaptation indicators.
- (v) Monitoring arrangements satisfactory to the Fund for the establishment of Argan orchards and ecosystem health of natural Argan forests adjacent to the project.
- (vi) A detailed procurement plan and detailed budget in the form and substance satisfactory to the Fund.

For all disbursements (except for the first disbursement):

- (vii) Submission of evidence by ADA confirming that ANDZOA, as executing entity for the Project, has obtained all necessary land rights which are required for the implementation of the Project according to the planting schedule every year prior to initiation of planting activities.
- (viii) Inclusion of the following elements in the annual performance reports (APRs):
 - (1) Success of the establishment of Argan orchards and ecosystem health of natural Argan forest;
 - (2) Report on the estimation of the indirect beneficiaries and percentage against the total population and the methods used for the estimation of direct and indirect beneficiaries;
 - (3) Report and evidence satisfactory to the Fund on "Volume of finance leveraged".

Additional conditions:

- (i) Present evidence of consultations with communities and co-operatives as well as contract agreements to manage the argan forest, the water catchments and the medicinal plant orchards, in the short, medium and long terms.
- (ii) Present an implementation plan according to the real capacity to plant and maintain trees by the communities and cooperatives involved in the project. The plan should concur with the contract agreements established with the beneficiaries of the project. The disbursement schedule will be subject to providing evidence on the progress of the establishment and success of the implementation stages.
- (iii) Provide a water balance report on the project, including hydrology, evapotranspiration and radiation studies. Ensure that groundwater will not be used, even in dry periods, so as to avoid exporting 'virtual water' outside this dry country to wetter countries (e.g. France).
- (iv) Develop a complete economic, financial and market strategy that assures that the investment of the GCF will be sustainable after project completion. The market analyses will need to include argan sub-products and medicinal plants.
- (v) Provide detailed mapping of the current and expected value chain arrangements with concrete initiatives in order to achieve effectiveness, equity and fair market arrangements.

Further condition and recommendation:

Condition to be met prior to disbursement:

- (i) ADA to develop a strategy for leveraging private sector investment to be submitted



	<p>to the Secretariat.</p> <p><u>Recommendation:</u></p> <p>(ii) ADA clarifies how the project addresses risks such as overuse, deforestation and animals that mainly threaten the sustainability of argan trees.</p>
<p>FP 023 (EIF Namibia CRAVE)</p>	<p><u>Conditions for effectiveness of the Funded Activity Agreement:</u></p> <p>(i) Delivery of a certificate issued by the Accredited Entity’s senior legal officer, in a form that is satisfactory to the Fund, certifying that the FAA entered into by the Accredited Entity has been duly authorized or ratified by all necessary corporate actions, duly executed and delivered on behalf of the Accredited Entity, and is legally binding and enforceable upon the Accredited Entity in accordance with its terms.</p> <p><u>Conditions for disbursement under the Funded Activity Agreement:</u></p> <p><i>For first disbursement:</i></p> <p>(ii) Satisfaction of the conditions prior to the first disbursement by the Fund for an approved project/programme to be undertaken by the Accredited Entity prescribed in the Accreditation Decision B.10/06, Annex VII.</p> <p>(iii) Having obtained an approval from the Central Bank of Namibia to open and having opened a US Dollar Bank account as the GCF Account.</p> <p>(iv) Submission of an updated procurement plan in form and substance satisfactory to the Fund.</p> <p>(v) Submission of a detailed budget for the duration of the Project in form and substance satisfactory to the Fund.</p> <p><u>Additional conditions:</u></p> <p>(i) Provide a letter of commitment to the GCF before financial closure, confirming that the proposed MCRACE will continue to function, with expanded coverage as envisaged, with no further external support beyond the project period.</p> <p>(ii) Submit complete scientific analytical evidences (hydrogeology and hydrology studies) to the GCF before the mid-term review of the project, ensuring that both surface and groundwater utilization for irrigation will not lead to unsustainable use of water resources from either of the sources.</p> <p>(iii) Supply a revision of the budget before the second disbursement, demonstrating the rationales of inputs to various heads and also exhibiting unit costs, ensuring allocation for the functioning of the proposed MCRACE throughout the project period (including the fifth year). The budgetary revision shall create financial room by decreasing dependence on external consultants, and moving towards increasing coverage of SSFs and land area targeted, especially for the coverage of irrigated agriculture, in line with the adaptation targets set in the proposal.</p> <p>(iv) Confirm, by written expression, an increase in the number of field-trial sites from the three sites to involving all regions (three sites per region). Such revision will be made before financial closure.</p> <p>(v) Provide for a revised logical framework to the satisfaction of the Secretariat before financial closure, illustrating all the activities under the various components and exhibiting all the indicators, taking into consideration the provisions created under condition #3 above.</p> <p><u>Recommendations:</u></p> <p>(vi) Finalize the monitoring and evaluation framework taking into consideration the safe removal/retiring of exhausted solar PV systems and their timely replacement so that sustained irrigation is possible.</p>



	<p>(vii) Develop and utilize a gender-differentiated training manual, based on local level gender considerations and needs, for managing a solar-based irrigating system.</p> <p>(viii) Invite a representative of the national authority to deliver disaster risk reduction to the Project Management Unit, so that a greater inter-agency integration of project activities might be forged.</p> <p><u>Further condition and recommendation:</u></p> <p><u>Condition to be met prior to disbursement:</u></p> <p>(i) The business model referred to in component 1.1.1. will be completed and submitted to the GCF Secretariat prior to disbursement of GCF funding.</p> <p><u>Recommendation:</u></p> <p>(ii) Provide evidence of how to deal with social consequences of crop and vegetable farming production in semi-arid region, and environmental consequences of innovative agricultural practices.</p>
<p>FP 024 (EIF Namibia EDA)</p>	<p><u>Conditions for effectiveness of the Funded Activity Agreement:</u></p> <p>(i) Delivery of a certificate issued by the Accredited Entity's senior legal officer, in a form that is satisfactory to the Fund, certifying that the FAA entered into by the Accredited Entity has been duly authorized or ratified by all necessary corporate actions, duly executed and delivered on behalf of the Accredited Entity, and is legally binding and enforceable upon the Accredited Entity in accordance with its terms.</p> <p><u>Conditions for disbursement under the Funded Activity Agreement:</u></p> <p><i>For first disbursement:</i></p> <p>(ii) Satisfaction of the conditions specified in Decision B.10/06 of the GCF accrediting the EIF to be met prior to the first disbursement by the Fund for an approved project/programme to be undertaken by the Accredited Entity.</p> <p>(iii) Having obtained an approval from the Central Bank of Namibia to open and having duly opened a US Dollar bank account as the GCF Account.</p> <p><u>Additional conditions:</u></p> <p>(i) A clear effort should be made by the AE, prior to the second disbursement for the project, to clearly indicate the overall project targets regarding impacts on all three grant-based activities, segregated by type of adaptation and low-carbon development, including approximate carbon sequestration potential from CBNRM activities.</p> <p>(ii) The budget should be revised prior to the signing of the contract, removing non-climate components such as the strengthening of CBO governance, and with the saved allocation, the coverage of grants for drought reducing adaptive capacities could be strengthened and/or increased allocation could be made to incentivize innovative sub-components such as activity 2.1.</p> <p>(iii) A clear written commitment should be provided to the GCF by the accredited entity EIF, prior to the signing of the contract, to invest the 'environment levy' in order to sustain the functioning of project-related gains (particularly those related to component 2 activities and activity 2.1 of component 1), beyond the project period and to scale up the project ideas.</p> <p>(iv) Prior to the signing of the contract, clear written assurance should be received from EIF, to the satisfaction of the Secretariat, that the transaction cost for supporting activities under component 2 will be limited to a maximum of 15 per cent of the three grant facilities.</p> <p><u>Further conditions:</u></p>



	<p><u>Condition to be met prior to disbursement:</u></p> <p>(i) Disbursement will not occur until the project meets all the requirements described in Annex I to Decision 10/04, in particular (1) the national oversight and steering function is operational, and (2) multi-stakeholder engagement processes are in place, in line with Annex XIV to decision B.08/10.</p>
<p>FP 025 (EBRD SEFF)</p>	<p><u>Further conditions and recommendations:</u></p> <p><u>Condition:</u></p> <p>(i) Only countries that have provided a letter of no-objection as at 14 October 2016 are included in the programme.</p> <p>(ii) Countries that provide a letter of no-objection after 14 October 2016 may be added to the programme, subject to approval by the Board.</p> <p><u>Recommendation:</u></p> <p>(iii) EBRD develops a policy for how lessons learnt of previous SEFFs will be shared.</p>
<p>FP 026 (CI/EIB Madagascar)</p>	<p><u>Conditions for effectiveness of the Funded Activity Agreement:</u></p> <p>(i) The Accredited Entities shall ensure that support will not be provided to any Category A subprojects and activities as explicitly stated in the ESMP.</p> <p>(ii) Specific to the CI Funded Activity Agreement, the government approval for CI operating in Madagascar shall have been obtained.</p> <p>(iii) Specific to the EIB Funded Activity Agreement, the following condition shall be incorporated:</p> <ol style="list-style-type: none"> a. A new calendar of committed disbursements should be established for the Class A shares, aligned to the calendar of the rest of shareholders. It should set a limit on the annual amount of each reflow up to the accumulated amount it has already disbursed at that point; b. The shareholder agreement should oblige all the shareholders (Class A and Class B) to honour the disbursements on a proportionate basis at all times throughout the Project’s lifespan; and c. The commencement of the Project should be conditional on the commitment of the Class A investor or, if this is not possible, the guarantee of the AE related to it. <p><u>Conditions for disbursement of the Funded Activity Agreement:</u></p> <p>(iv) Accredited Entities shall, prior to disbursement, ensure that a more detailed gender assessment is conducted using primary or secondary sources, as developing a gender assessment during the Project preparatory stage is mandatory according to the GCF Gender Policy. The Accredited Entities shall also ensure that a Project-level gender action plan (GAP) is developed at the Project preparatory stage. The GAP should contain clear-cut gender responsive activities, gender performance indicators (both qualitative and quantitative), sex-disaggregated targets, and responsibility lines.</p> <p><u>Additional conditions:</u></p> <p>To be complied with prior to financial closure:</p> <p>(i) Complete a climate change baseline impact study for the agriculture sector on targeted landscapes and provide planned measures for climate-smart</p>



	<p>agriculture based on this demonstrated impact.</p> <p>(ii) Provide detailed analysis of concrete measures preventing the “return back to traditional practice” and other measures ensuring the long-term sustainability of the results.</p> <p>(iii) Provide forest management reference level/baseline information for these particular landscapes, including NDs. Also provide information on the potential impact of NDs on the forest sector contributing to forest degradation with the preliminary assessment of risks for project success.</p> <p><u>Further conditions:</u></p> <p><u>Conditions to be met prior to disbursement:</u></p> <p>(iii) Prior to disbursement, CI provides a roadmap on how and when the project will be aligned with the national REDD+ implementation arrangements, including REDD+ activities which have received funding from other sources. The roadmap should include steps to ensure that this project will effectively contribute to the establishment of Madagascar’s national REDD+ implementation arrangements.</p> <p><u>Conditions:</u></p> <p>(iv) That disbursement of the Remaining Seed Capitalisation of the Climate Change Trust Fund (CCTF) is contingent on receipt of both the CCTF constitutive documents and the Strategic Plan.</p> <p>(v) That the capitalisation will be an endowment to provide for the financial sustainability of the CCTF in order to finalise the remaining Administration and Operations Documents and seek further funding, and will not be disbursed into any other activity until such time as it has raised additional donor funding to match the capitalisation from the GCF.</p> <p>(vi) That if on the fifth (5) anniversary of the disbursement of the Remaining Seed Capitalisation the Trust Fund has not succeeded in raising additional donor funds (which could include Board approval for the reallocation of reflows from the private sector part of the overall project), then the GCF capitalisation of the CCTF is returned to the GCF, in accordance with prevailing Malagasy law.</p>
<p>FP 027 (Deutsche Bank AG UGEAP)</p>	<p><u>Conditions to be met prior to the execution of the Funded Activity Agreement:</u></p> <p>(i) The lead syndication partner of UGEAP underwrites no less than 20 per cent of a syndicated loan for an eligible investment against a maximum 70 per cent of UGEAP take, with the possibility of the lead syndication partner selling down to no less than 15 per cent of the loan principal, on a pro-rata basis with UGEAP. ‘Market-out’ clauses would be applicable to both the lead syndication partner and UGEAP.</p> <p>(ii) Deutsche Bank’s 3 per cent participation in the capital of UGEAP is invested on a pro-rata basis with the GCF on each closing date.</p> <p><u>Conditions for disbursement under the Funded Activity Agreement:</u></p> <p>(iii) The initial drawdown of GCF funding shall be subject to legal confirmation in form and substance satisfactory to the GCF Secretariat of the participation</p>

by other public/private investors in Class B capital.

- (iv) GCF participation in Class B capital shall not represent more than 80 per cent of the total Class B capital upon each closing.

Additional conditions:

- (i) The AE prepares, for review and endorsement by the Secretariat before the signing of financial agreements, a strategy and programme to develop the capacity of local FIs to evaluate, credit rate, structure and monitor renewable energy business and projects prior to the first GCF disbursement. The programme should take into account the availability of funding to address the need for continuous training and follow-ups during the term of UGEAP. The strategy and programme need to be reviewed and updated so as to help local FIs to effectively respond to developments in the sector and regions.
- (ii) The AE also prepares, for review and endorsement by the Secretariat before the signing of financial agreements, the UGEAP plan to develop and supervise the capacity and implementation of local FIs to guide and monitor proactively their borrowers' implementation of and compliance with GCF E&S requirements and international best practices with respect to UGEAP intervention. The plan should include, among others, a scheme to properly control and monitor disposal of solar power equipment such as batteries. The implementation of the plan needs to be reported by the AE to the GCF annually for GCF review and guidance. The AE and UGEAP need to ensure sufficient funds to be allocated to ensure the sustainable implementation of the plan.
- (iii) Before the end of its second year of operation, UGEAP should prepare and implement, together with its partnered local FIs and corporations, a strategy and plan for disseminating knowledge and lessons learned to local and national governments in a periodic manner. UGEAP should include in its annual report to the GCF discussions and feedback received from governments in terms of regulatory developments in the sector and region as a result of the operation and contribution of UGEAP.

Further conditions and recommendations:

Condition:

- (i) That two per cent of the GCF commitment to Phase 1 of UGEAP (equivalent to \$1.6m) is disbursed as grant to a dedicated Technical Assistance facility, subject to the submission of a proposal to manage such a facility which is acceptable to the GCF, with the remaining \$78.4m being invested as equity in Tranche B.

Recommendation:

- (ii) Deutsche Bank should define how UGEAP sets itself apart and/or cooperates with similar initiatives acting in the target countries.