

Annex III: 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 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 satisfaction of the GCF Secretariat; (iii) Submission of a certificate in a form and substance that is satisfactory to the GCF 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 he project/programme and it has the capacity and authority to implement the proposed project/programme.¹ <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 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. Conditions and recommendations proposed²

Funding proposal number	Conditions and recommendations
FP 028 (XacBank Mongolia)	<p>Recommendation from the independent Technical Advisory Panel:</p> <ul style="list-style-type: none"> (i) Investigate the possible integration of a third-party energy savings insurance programme (e.g. the Climate Technology Centre and Network, the Technology Needs Assessment, local energy service companies, etc.) to fully eliminate the

¹ For FP036 (Asian Development Bank; Pacific Islands Renewable Energy Investment Program), the certificate, in a form and substance that is satisfactory to the GCF Secretariat, confirming that the Accredited Entity has obtained all final internal approvals needed to the programme and that it has capacity and authority to implement the programme shall be submitted to the Fund within 240 days after Board approval, or the date of effectiveness of the AMA entered into with the accredited entity, whichever is later.

² The conditions set out in FP 028, FP 029, and FP 030 are in addition to those set out in the term sheets / confirmations for the relevant funding proposal.



	<p>burden of technological risk, in order to ensure the complete success of the programme.</p> <p>Conditions from the Board:</p> <p>(i) The approval of the funding proposal shall be conditional on the inclusion in the Funded Activity Agreement (FAA) of a covenant to the XacBank LLC to ensure that the concessionality provided by the GCF is passed on to the end beneficiaries and to report annually to the GCF Secretariat in the annual performance reports that the concessionality is passed on, benchmarked with similar types of transactions that do not benefit from the GCF concessionality; and</p> <p>(ii) XacBank LLC shall submit, prior to the execution of the FAA, to the GCF Secretariat a plan to the satisfaction GCF Secretariat for financing USD 500,000 as a grant component for a dedicated technical assistance facility (with the remaining USD 19,500,000 to be invested in accordance with the funding proposal), for the purpose of: (i) building capacity of the end-beneficiaries to take advantage of the initiative; (ii) preparing a list of eligible energy efficiency/renewable energy technologies; and (iii) improving monitoring and evaluation of the initiative.</p>
<p>FP 029 (DBSA South Africa)</p>	<p>Conditions from the GCF Secretariat:</p> <p><u>The approval of the funding proposal shall be conditional on the following provisions being included in the Funded Activity Agreement:</u></p> <p>(i) In the event that the Executing Entity's advisory committee decides to actively pursue a portfolio of activities in one of the GCF's adaptation results areas, the Accredited Entity shall, prior to the first disbursement by the Executing Entity in connection with such result area, provide to the GCF:</p> <p>(a) A revised logical framework for the relevant adaptation result area;</p> <p>(b) The adaptation core indicators to quantify the number of direct and indirect beneficiaries;</p> <p>(c) The relevant GCF performance management framework indicators for the selected adaptation impact; and</p> <p>(d) Outcomes and project level indicators.</p> <p>(ii) Each annual performance report required to be delivered to the GCF following the inclusion of a portfolio within an adaptation results area, shall include the baselines and midterm/final targets for the indicators referred to above.</p> <p>Additional condition from the independent Technical Advisory Panel:</p> <p>(i) The proposed GCF financial assistance of USD 12.2 million is to be divided into two tranches of approximately 50%. The disbursement of the second tranche will be contingent upon the satisfactory evaluation of SCF Capital Solutions' operational performance to be confirmed by the accredited entity and the Secretariat, including the utilization of the committed capital of higher than 80 per cent and the level of NPL of lower than 2 per cent of the total exposure in an annual average.</p> <p>Further conditions from the Board:</p> <p>(ii) Submission of the evaluation referred to in the immediately preceding condition to the Board, prior to the disbursement of the second tranche from the GCF to the accredited entity. As part of the evaluation, DBSA to review its ability to participate directly in the fund with a contribution from its own balance sheet.</p> <p>(iii) The Partnership Agreement committing the Executing Entity to extend no less than 90% of its capital in working capital loans to support renewable energy and energy efficiency activities, with up to 10% of its capital extended to support other</p>



	<p>activities in the GCF’s result areas. This allocation may be altered by the Advisory Committee following the end of the two-year period starting on the date of the first disbursement by the Executing Entity.</p> <p>(iv) DBSA submitting, prior to the first disbursement, a theory of change for the Programme, and a revised monitoring and evaluation framework in a form and substance satisfactory to the Secretariat and the independent Technical Advisory Panel (iTAP), which includes, but is not limited to: (i) how impacts will be measured; (ii) how the Fund’s environmental and social safeguard policies will be implemented; and (iii) how the Programme will comply with applicable national laws.</p> <p>(v) The information relating to the Programme’s impacts included in the annual performance report being provided by DBSA to be verified by an independent third party.</p> <p>(vi) The credit committee of the Executing Entity including at least one member who is a climate change specialist, who will ensure that the underlying MSME activity will be consistent with the results areas of the GCF.</p> <p>(vii) DBSA including in its risk management process an element assessing the Executing Entity’s ongoing capacity to implement the Programme.</p> <p>(viii) For as long as the GCF participates in the Programme, SCF Capital Solution’s (the fund manager’s) share of profits shall be 5%.</p>
<p>FP 030 (IDB Argentina)</p>	<p>Condition from the Board:</p> <p>(i) The approval of the funding proposal shall be conditional on the inclusion in the Funded Activity Agreement of a covenant to the AE to ensure that any concessionality provided by the GCF is passed on to the underlying projects.</p>
<p>FP 033 (UNDP Mauritius)</p>	<p>Conditions from the GCF Secretariat:</p> <p><u>Conditions for effectiveness of the Funded Activity Agreement:</u></p> <p>(i) Delivery by the Accredited Entity of an indicative disbursement schedule for the disbursement of the GCF Proceeds by the Fund for the implementation of the Project; and</p> <p>(ii) Delivery by the Accredited Entity of a certificate, in 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 the Accredited Entity, and is legally binding upon UNDP in accordance with its terms.</p> <p><u>Conditions for disbursement under the Funded Activity Agreement:</u></p> <p><i>For 1st disbursement for Phase 1:</i></p> <p>(iii) Delivery by the Accredited Entity of an executed copy of the Subsidiary Agreement, in the form of a UNDP Project Document, between the Accredited Entity and the Executing Entities; and</p> <p>(iv) Submission of an updated procurement plan to the satisfaction of the Fund.</p> <p><i>For 2nd disbursement for Phase 1:</i></p> <p>(v) The loan agreement between Agence Française de Développement (AFD) and CEB in the amount of at least USD 18.7 million for the financing of Phase 1 of Component 2 is duly signed and effective.</p> <p><i>For 1st disbursement for Phase 2:</i></p> <p>(vi) The interim independent evaluation report of the Project upon completion of Phase 1 is provided by UNDP to the Secretariat, and such report and the Phase 1 of</p>



	<p>the Project having been assessed by the Secretariat as satisfactory and successful as per the criterion specified in the Funding Proposal; and</p> <p>(vii) Provision by UNDP of a written confirmation to the GCF from AFD concerning the availability of the loan facilities amounting to USD 19.2 million for financing of Phase 2 of sub-component 2.3.</p> <p>Additional condition from the independent Technical Advisory Panel:</p> <p><i>Precedent for disbursement for phase 2:</i></p> <p>(i) Provide an action plan, demonstrating continual operation of MARENA during the entire lifespan of the project, as part of phase 1 evaluation report.</p>
<p>FP 034 (UNDP Uganda)</p>	<p>Conditions from the GCF Secretariat</p> <p><u>Conditions for effectiveness of the Funded Activity Agreement:</u></p> <p>(i) Delivery of a certificate, in a form and substance that is satisfactory 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 the Accredited Entity, and is legally binding upon UNDP in accordance with its terms;</p> <p>(ii) Delivery by the Accredited Entity of an indicative disbursement schedule for the disbursement of the GCF Proceeds by the Fund for the implementation of the Project; and</p> <p>(iii) Submission by UNDP to the Secretariat of a revised logic framework including the quantifiable and measurable inputs at activity level, which will contribute to the project objective.</p> <p><u>Conditions for disbursements under the Funded Activity Agreement:</u></p> <p><i>For first disbursement:</i></p> <p>(iv) Delivery to the GCF by the Accredited Entity of an executed copy of the Subsidiary Agreement, in the form of a UNDP Project Document, between the Accredited Entity and the Executing Entity.</p> <p><i>For second disbursement:</i></p> <p>(v) Confirmation by UNDP to the GCF Secretariat, in the annual performance report, that the following studies were conducted and completed:</p> <p>(a) Detailed design study of the small-scale water storage and detention facilities, and detailed plans for silt traps drainage, flood control and maximum water recuperation (Component 1);</p> <p>(b) Suitability assessment of agricultural and water management techniques in the project sites, cost-benefit analysis, and market study in the target wetland areas to identify gaps, employment needs and income streams that are resilient to climate change, including market viability assessment (Component 2);</p> <p>(c) Technical design study for the meteorological and hydrological infrastructure, capacity assessment of existing meteorological and hydrological technicians, identification of products and required data for producing bulletins and advisories based on community defined criteria, and viability assessment of different sources of revenues for SMS-based and traditional communication systems to deliver climate information (Component 3); and</p> <p>(d) Cost analysis of wetlands restoration in each of the project districts.</p> <p>(vi) Submission by UNDP to the GCF Secretariat of the reviewed cost of wetlands restoration in each district based on the results of site-specific studies.</p> <p><i>For fifth disbursement:</i></p>



	<p>(vii) Submission by UNDP to the GCF of a detailed operations and maintenance plan for the meteorological and hydrological infrastructure during project implementation and after project completion.</p> <p><i>General conditions for all disbursements (except for the first disbursement):</i></p> <p>(viii) Delivery of evidence indicating the status and amount of the co-financing funds disbursed and applied the Project’s implementation activities up to the date of the request for funds made by UNDP.</p> <p>Additional conditions from the independent Technical Advisory Panel:</p> <p>(i) The accredited entity shall ensure that the logical framework is revised, clearly articulating targets for each activity, thereby avoiding any potential scope for double counting the number of beneficiary households, and submit it to the GCF Secretariat prior to the execution of the funded activity agreement (FAA), in a form and substance satisfactory to the GCF Secretariat;</p> <p>(ii) The accredited entity shall develop and deliver to the GCF, in a form and substance satisfactory to the GCF Secretariat, a monitoring and evaluation plan, no later than six months after the first disbursement; and</p> <p>(iii) Taking into consideration the written support of the Government of Uganda towards establishing an Operations and Management and Sustainability Unit and its commitment to finance the unit, the accredited entity shall ensure that the long-term sustainability of the functioning of the early warning system, including the management of climate information, is integrated into an operation and Maintenance plan to be submitted to the GCF Secretariat, prior to the second disbursement, in a form and substance satisfactory to the GCF Secretariat.</p>
<p>FP 035 (SPREP Vanuatu)</p>	<p>Conditions from the GCF Secretariat:</p> <p><u>Conditions for effectiveness of the Funded Activity Agreement:</u></p> <p>(i) Delivery by the Accredited Entity of a certificate, in a form and substance that is satisfactory the Fund, which has been signed by the most senior legal officer of SPREP confirming that the FAA entered into by SPREP has been duly authorized or ratified by all necessary corporate actions, duly executed and delivered on behalf of SPREP, and is binding upon SPREP in accordance with its terms;</p> <p>(ii) The Subsidiary Agreement/Executing Partner Agreement between SPREP and the Government of Vanuatu is duly signed and effective;</p> <p>(iii) Delivery by the Accredited Entity of a procurement plan in form and substance satisfactory to the Fund; and</p> <p>(iv) Delivery by the Accredited Entity of an indicative disbursement schedule for the disbursement of the GCF Proceeds by the Fund for the implementation of the Project.</p> <p><u>Conditions for disbursement under the Funded Activity Agreement:</u></p> <p><i>For first disbursement:</i></p> <p>(v) Assessment of the capacity of the VMGD to implement components of the Project, to SPREP’s satisfaction. The assessment report should be submitted for information to the Secretariat;</p> <p>(vi) Delivery of a due diligence report to the Fund ascertaining no conflict of ownership of the lands where the automatic weather stations and Doppler radar under Component 4 will be installed; and</p> <p>(vii) Provision of an operations and maintenance plan, including indicative budget allocation, for the automatic weather stations and Doppler radar to be purchased with GCF Proceeds, to the Fund’s satisfaction.</p> <p>Additional Conditions from the independent Technical Advisory Panel:</p>



	<p><i>Prior to the effectiveness of the Funded Activity Agreement:</i></p> <p>(i) The project should deliver a long-term management and monitoring arrangement plan (beyond the four years of project completion), including a budget to ensure the sustainability and maintenance of the system.</p> <p><i>Prior to second disbursement:</i></p> <p>(iv) A complete assessment of the information, meteorological services and risk management systems currently in place from previous or related projects, and arrangements to use them for the project objectives;</p> <p>(v) A theory of change that connects end user needs and the design of the technological platform, including the five components and sectors involved in the project;</p> <p>(vi) A workplan with identified packages of work to be undertaken with concrete outputs, linking the five components and ensuring intake from sectors and territories. The workplan should include specific recipients of project funds based on comparative expertise, value for money and a proposal to transfer knowledge. It should also include an assessment of sectoral and market demands for the information services, including arrangements to ensure access to the information by end users in a commercial or free of charge manner and future activities to integrate local and technical knowledge;</p> <p>(vi) Development of the project costs with greater clarity on the international and national assistance needed, budget categories, and in-country investments so as to ensure gradual intake of the system by the government;</p> <p>(vii) A coordination agreement that ensures better project intake by the Vanuatu Meteorology and Geohazards Department, including a well design technological transfer arrangement and exit strategy by SPREP;</p> <p>(viii) A full operational and maintenance plan of the radar system, including an institutional arrangement to make it effective.</p> <p>Further conditions and recommendations from the Board:</p> <p><u>Conditions:</u></p> <p>(i) The approval of the funding proposal shall be conditional on the inclusion in the Funded Activity Agreement of a covenant that GCF Proceeds will not be used to finance scholarships.</p> <p><i>Conditions prior to the execution of the Funded Activity Agreement:</i></p> <p>(ii) The Accredited Entity shall provide to the Board, through the Secretariat:</p> <p>(a) The resubmission of the project budget, subject to the satisfaction of the GCF Secretariat, with the view to improve cost-efficiency, particularly associated with the international consultancies and the equipment to be purchased, including the Doppler radar; and</p> <p>(b) The justification for the revised budget;</p> <p>(iii) The approval of the funding proposal shall be conditional on the inclusion in the Funded Activity Agreement of the new amount resulting from the budget revision.</p> <p><u>Recommendations:</u></p> <p>(i) The Accredited Entity to provide a strategy for the implementation of Activity 1.5, demonstrating how training and capacity development initiatives that will ensure retention of skills within relevant Vanuatu agencies to support project outcomes during and beyond GCF project implementation.</p>
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	<p>(ii) The Accredited Entity to seek alternative sources of financing for support of scholarships and/or formal traineeships.</p>
<p>FP 036 (ADB Pacific RE)</p>	<p>Conditions from the GCF Secretariat:</p> <p><u>Conditions for effectiveness of the Funded Activity Agreement:</u></p> <p>(i) Delivery by the Accredited Entity of an indicative disbursement schedule for the disbursement of the GCF Proceeds by the Fund for the implementation of the Programme; and</p> <p>(ii) Delivery of a certificate, in form and substance that is satisfactory to the Fund, which has been signed by a legal officer of ADB, confirming that the FAA entered into by ADB has been duly authorized by all necessary corporate actions, duly executed and delivered on behalf of ADB, and is binding upon ADB 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>(iii) Confirmation by ADB to the GCF Secretariat that the Subsidiary Agreements for the implementation of Subproject 1 and the relevant letter agreements with the Target Countries for Subproject 2 have become effective;</p> <p>(iv) With respect to Subproject 1, ADB shall provide the GCF with legal opinions it shall receive from the Government of Cook Islands and TAU as a condition to effectiveness, addressed to ADB, in its capacity as Accredited Entity, which it shall have accepted to confirm that the obligations undertaken by the Government of Cook Islands and TAU under the CI Grant Agreement and CI Project Agreement, respectively, are valid and enforceable;</p> <p>(v) Provision of a new logical framework clearly defining deliveries and indicators of the Subproject 2 (technical assistance); and</p> <p>(vi) Provision of a monitoring and evaluation plan for the programme at subproject level.</p> <p>Additional conditions and recommendation from the Board:</p> <p><u>Conditions:</u></p> <p>(i) The approval of the funding proposal shall be conditional on the inclusion in the Funded Activity Agreement of a covenant that GCF Proceeds will not be used for project preparation activities such as feasibility studies, environmental and social safeguards documents, financial modeling, and other related activities that are eligible for the GCF Project Preparation Facility. The USD 5 million grant for technical assistance under the GCF Proceeds will only be used as a means to strengthen capacity building and sector reform;</p> <p>(ii) The amount of USD 5 million in grant financing to support project preparation for subsequent sub-projects shall be secured by the AE from internal sources. Additional grant financing for project preparation, as required, shall be secured by the AE from internal and external sources.</p> <p>(iii) Prior to the execution of the Funded Activity Agreement, the AE shall submit to the GCF Secretariat the revised funding proposal and associated documents reflecting the changes related to the removal of the project preparation activities from the GCF Proceeds.</p> <p><u>Recommendation:</u></p> <p>(i) To coordinate the programme with similar projects and programmes related to climate change in the region to avoid duplication.</p>



	<p>(ii) The approval of the funding proposal will not prejudice any further approvals of subsequent projects that may be proposed to the GCF as part of the Pacific Islands Renewable Energy Investment Programme.</p>
<p>FP 037 (UNDP Samoa)</p>	<p>Conditions from the GCF Secretariat:</p> <p><u>Conditions for effectiveness of the Funded Activity Agreement:</u></p> <p>(i) Delivery of 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 the Accredited Entity, and is legally binding upon UNDP in accordance with its terms.</p> <p>(ii) Delivery by the Accredited Entity of an indicative disbursement schedule for the disbursement of the GCF Proceeds by the Fund for the implementation of the Project.</p> <p><u>Conditions for disbursement under the Funded Activity Agreement:</u></p> <p><i>For first disbursement:</i></p> <p>(iii) Delivery to the GCF by the Accredited Entity of an executed copy of the Subsidiary Agreement, in the form of a UNDP Project Document, between the Accredited Entity and the Executing Entity.</p> <p><i>For second disbursement:</i></p> <p>(iv) Delivery to the GCF, in a form and substance satisfactory to the GCF, of an operational manual containing detailed guidelines and procedures for the implementation of the Activity 2.2., to be prepared by the Executing Entity under terms of reference. Those Terms of Reference are to be satisfactory to the Accredited Entity, aligned to the Funding Proposal, and to be submitted to the GCF. This document should include i.a. requirements for financial arrangements, business procurement, eligibility and selection criteria for beneficiaries and typology of investment & measures.</p> <p>Additional conditions and recommendation from the independent Technical Advisory Panel:</p> <p><u>Conditions:</u></p> <p>(i) The accredited entity shall deliver to the GCF, prior to the first disbursement, a draft terms of reference for the sub-activity 1.1.1 titled “Review of the interdependence of flood mitigation options”, in a form and substance satisfactory to the GCF Secretariat;</p> <p>(ii) The accredited entity shall confirm to the GCF Secretariat, within six months after the mid-term evaluation, that the executing entity has undertaken and completed an assessment of its O&M capacities, including the necessary financial, human and material needs for the sustainability of the infrastructure components of the project (river works and drainage system);</p> <p>(iii) The accredited entity shall complete, six months after the first disbursement, the capacity assessments of the main implementing entities (e.g. the Ministry of Finance, the Ministry of Natural Resources and Environment, the Land Transport Authority, the Ministry of Health and the Ministry of Works, Transport and Infrastructure);</p> <p>(iv) The accredited entity shall deliver to the GCF, six months after the first disbursement, a description of the selection criteria to be used for the ecosystem activities (sub-activity 2.2), in a form and substance satisfactory to the GCF Secretariat. These criteria should take into consideration the fact that agricultural activities must consist of proper agroforestry systems, which involves planting</p>

	<p>agricultural crops together with tree crops, bearing in mind the need for high crop diversity and avoiding the use of biocides; and</p> <p>(v) The accredited entity shall ensure that, within 12 months after the effectiveness of the funded activity agreement, an operational manual containing detailed guidelines and procedures for the implementation of sub-activity 2.2 is prepared and delivered to the GCF, in a form and substance satisfactory to the GCF Secretariat. The document should include, inter alia, financial arrangements, business procurement, eligibility and selection criteria for beneficiaries, and the typology of investments and measures.</p> <p><u>Recommendation:</u></p> <p>(i) That the accredited entity ensures the maximum synergies between the sewerage studies and the drainage master plan studies with a view to reducing costs and population disturbance during the execution of works (which will not take place as part of this project).</p> <p>Further condition from the Board:</p> <p>(i) The accredited entity shall provide, six months after the first disbursement, a project-level monitoring and evaluation plan, including gender indicators in the logical framework and refine how lessons will be extracted and shared.</p>
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