

Annex XIII: List of conditions and recommendations

1. The approval of the funding proposals approved by the Board pursuant to decision B.18/08 shall be conditional upon the satisfaction of the requirements set out in tables 1 and 2.

Table 1: General requirements applicable to all funding proposals

Funding proposal number	Requirements
All proposals	<p>(i) Signing of the funded activity agreement (“FAA”) in a 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 date of effectiveness of the accreditation master agreement (“AMA”) entered into with the relevant accredited entity, whichever is later.</p> <p><u>Satisfaction of the following conditions prior to the signing of the FAA:</u></p> <p>(ii) Completion of the legal due diligence to the GCF Secretariat satisfaction¹; and</p> <p>(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, whichever is later, confirming that the accredited entity has obtained all final internal approvals needed to implement the project/programme and it has the capacity and authority to implement the proposed project/programme.</p>

Table 2: Requirements specific to individual funding proposals²

Funding proposal number	Requirements
FP 046 (XacBank Mongolia)	<p><i>Conditions from the Board</i></p> <p>(i) The accredited entity shall extend the entire approved GCF funding amount solely in the form of a senior loan to finance the solar power plant;</p> <p>(ii) Prior to the signing of the Funded Activity Agreement, the accredited entity shall deliver to the Fund a third-party report, to the satisfaction to the GCF Secretariat, confirming that the project will not crowd-out other private sector renewable energy projects that were licensed by the Energy Regulatory Commission of Mongolia in the Choir area at the date of the decision approving the project by the GCF.</p>
FP 047 (EBRD Kazakhstan)	<i>None.</i>
FP 048 (IDB MSMEs)	<i>None.</i>
FP 049 (WFP Senegal)	<p><u>Inclusion of the following covenants in the FAA:</u></p> <p><i>Relevant Secretariat covenants:</i></p>

¹ In the event of inconsistency between this condition and any equivalent condition in a term sheet, the conditions in the relevant term sheet shall prevail.

² The requirements set out in this table are in addition to those set out in the term sheets / confirmations for the relevant Funding Proposal. In the case of Secretariat conditions for public sector funding proposals, the relevant project-specific conditions agreed in the term sheet are listed here for the Board’s reference.

	<p>(i) The Accredited Entity shall create a grievance redress mechanism that will, in addition to the Independent Redress Mechanism of the GCF and the redress mechanism of the Accredited Entity, be able to effectively receive and resolve grievances due to the Project, and shall inform the GCF Secretariat, in the Annual Performance Reports (APRs), of how the existence and access details to the grievance redress mechanism have been communicated to the affected or potentially affected peoples and communities.</p>
<p>FP 050 (WWF Bhutan)</p>	<p><u>Satisfaction of the following conditions prior to the signing of the FAA</u></p> <p><i>Relevant Secretariat conditions</i></p> <p>(i) Confirmation by the Accredited Entity on the fiduciary capacity of the Executing Entities, to assess capacity, policies, procedures and controls of the Executing Entities meet WWF’s financial management and procurement standards; and</p> <p>(ii) Confirmation in writing by the Accredited Entity that all co-financing that is necessary to close the Transition Fund in the amount of USD 91,670,648 is fully committed in the form of legally binding agreements.</p> <p><u>Satisfaction of the following conditions prior to the first disbursement under the FAA:</u></p> <p><i>Relevant Secretariat conditions</i></p> <p>(i) A written confirmation by the Accredited Entity that the Transition Fund has the authority and capacity to receive, hold and manage funds.</p> <p><u>Satisfaction of the following conditions prior to all disbursements under the FAA, except the first:</u></p> <p><i>Relevant Secretariat conditions</i></p> <p>(i) Submission by the Accredited Entity of the following documents:</p> <p>(1) APRs, including technical and financial monitoring and reporting on BFL to ensure that:</p> <ul style="list-style-type: none"> - All Activities planned in a given year, as specified in the Funding Proposal are implemented; and - All Milestones and Indicator Targets, as specified in the Funding Proposal, relevant to a given year are achieved. <p>(2) Evidence showing no-net-loss of area under Protected Areas;</p> <p>(3) Evidence showing RGoB budget allocation for the BFL project corresponding to a 20% real increase for the first year, and a 5.2% real increase for each subsequent year until the end of the 14 years Transition Fund period;</p> <p>(4) Evidence showing that the RGoB through the Bhutan Trust Fund for Environmental Conservation contributes at least 500,000 USD per year to support BFL activities throughout the 14 year life of the Transition Fund in addition to the RGOB budget increases specified in point (3) above; and</p> <p>(5) Report of the activities and hectares of restored and reforested land.</p>



<p>FP051 (UNDP Bosnia- Herzegovina)</p>	<p><u>Satisfaction of the following conditions prior to the first disbursement under the FAA:</u></p> <p><i>Relevant iTAP conditions</i></p> <p>(i) In order to measure the mitigative performance of this Project, a clear monitoring and reporting procedure guiding this Project shall be agreed between the Accredited Entity and the Secretariat, prior to the first disbursement.</p> <p><u>Satisfaction of the following conditions prior to all disbursements under the FAA, except the first:</u></p> <p><i>Relevant Secretariat conditions</i></p> <p>(i) Except for the first disbursement, submission by UNDP of annual performance reports (APRs) and financial reports, including evidence of the achievement of the milestones specified in Clause 6 of this Term Sheet, in form and substance agreed by the Parties and in accordance with the AMA;</p> <p><i>Relevant iTAP conditions</i></p> <p>(ii) The monitoring and reporting report shall be submitted on an annual basis as part of the APRs by the Accredited Entity to the Fund.</p>
<p>FP052 (ADB Nauru)</p>	<p><u>Inclusion of the following covenants in the FAA:</u></p> <p><i>Relevant Secretariat covenants</i></p> <p>(i) Prior to commencing any construction works or activities for the implementation of the Project, the Accredited Entity shall submit the detailed Construction Environmental Management Plan (CEMP) related to the relevant construction works or activities to be executed and addressing key issues identified in the due diligence, including but not limited to, waste management, associated facilities, cumulative impacts, stakeholder engagement and community relations, chance find procedure, oil spill contingency, early warning, and emergency preparedness and response.</p>
<p>FP053 (UNDP Egypt)</p>	<p><i>None.</i></p>
<p>FP054 (CAF Argentina)</p>	<p><u>Satisfaction of the following conditions prior to the first disbursement under the FAA:</u></p> <p><i>Relevant Secretariat conditions</i></p> <p>(i) Delivery by the Accredited Entity to the GCF Secretariat of the OM, which shall detail all operative processes and set forth the financial administrative aspects, including procurement processes, and along with the written confirmation of the Accredited Entity’s non-objection to such OM.</p> <p><u>Satisfaction of the following conditions prior to the second disbursement of non-reimbursable funds:</u></p> <p><i>Relevant Secretariat conditions</i></p> <p>(i) Delivery to the GCF Secretariat by the Accredited Entity of a written confirmation that the PBA has developed, to the satisfaction of the Accredited Entity, and is committed to implement, a detailed Knowledge and Dissemination Strategy for the Project which shall enhance the role of the COMILU.</p> <p><u>Inclusion of the following covenants in the FAA:</u></p> <p><i>Relevant Secretariat covenants</i></p> <p>(i) Prior to commencing any construction works or activities for the implementation of the Project, the Accredited Entity shall submit to the Fund, in English, the detailed Environmental and Social Impacts</p>

	<p>Assessments (ESIAs) and Environmental and Social Management Plan (ESMPs) related to the relevant construction works, activities within protected areas or activities to be executed, including copies of all relevant environmental and social permits and clearances from competent authorities, in a form and substance satisfactory to the GCF Secretariat. Such detailed ESIA and ESMPs shall take into consideration relevant conditions of the areas including cultural heritage and properties and shall involve transparent and inclusive stakeholder consultations, in accordance to the Community Relations Plan. Upon reception of the ESIA and/or ESMPs, the GCF Secretariat may provide comments to such documents within seven (7) working days;</p> <p>(ii) At the time of the provisional receipt of each construction work by the PBA under the Project, the Accredited Entity shall submit to the Fund, in the original language (Spanish) and together with a comprehensive summary in English, in a form and substance satisfactory to the GCF Secretariat, the relevant Operation and Maintenance Plan(s), which have been approved by the PBA and satisfactory to CAF, which shall include: (1) a description of the operation, maintenance and management of the work, equipment or system being funded by the Project, and the names of those responsible; (2) a quantification of resources required for operation and maintenance purposes, and financing sources; (3) monitoring mechanisms; and (4) an agreement for transfer of works to a relevant entity, if applicable;</p> <p>(iii) In the event that the Accredited Entity decides to assign a part of its credit under the Loan Agreement to third parties, the Fund shall have the right to participate in such assignment of credit, in the same proportion and on the same terms as the Accredited Entity.</p>
<p>FP056 (UNDP Colombia)</p>	<p><u>Satisfaction of the following conditions prior to the second disbursement under the FAA:</u></p> <p><i>Relevant Secretariat conditions</i></p> <p>(i) Delivery by the Accredited Entity to the Fund, in a form and substance acceptable to the GCF Secretariat, of the Operations and Maintenance Manual (O&M manual) finalised to the satisfaction of the GCF Secretariat;</p> <p><i>Relevant iTAP conditions</i></p> <p>(ii) UNDP must provide a report satisfactory to GCF Secretariat that: (1) The management, operation, maintenance, and monitoring schemes of the mini-aqueducts are developed and operational; and (2) the programme and coverage of the agro-ecological systems is being implemented by the service provider, as indicated in the funding proposal, specifying the recipient communities and the management and monitoring arrangements.</p> <p><u>Inclusion of the following covenants in the FAA:</u></p> <p><i>Relevant Secretariat covenants</i></p> <p>(i) The Accredited Entity shall ensure that full and prior agreement from the affected communities is obtained in cases where access restrictions to certain areas, for any period of time, are caused due to the implementation of the project, and that any such restrictions do not result in temporary or permanent economic displacement of communities.</p>
<p>FP058 (MOFEC Ethiopia)</p>	<p><u>Satisfaction of the following conditions prior to the signing of the FAA:</u></p> <p><i>Relevant Secretariat conditions</i></p> <p>(i) Submission to the Fund by the Accredited Entity of the completed financial management and procurement risk assessment of the Executing Entities to the satisfaction of the Accredited Entity.</p> <p><u>Satisfaction of the following conditions prior to the first disbursement under the FAA:</u></p>

	<p><i>Relevant Secretariat conditions</i></p> <p>(i) Submission by the Accredited Entity of the completed Project Implementation Manual (“PIM”), in a form and substance satisfactory to the GCF Secretariat;</p> <p><i>Relevant iTAP conditions</i></p> <p>(ii) The Accredited Entity shall submit to the Fund, in a form and substance satisfactory to the GCF Secretariat, the results of a completed water-balance study, including bore hole data at different strata where exploitable groundwater exists in all 66 target Kebeles, confirming the feasibility to maintain the balance of the water table of the aquifer at positive or neutral levels throughout the expected project lifespan of the water-pumping activities (i.e., 22 years after commencement of component 1).</p> <p><u>Inclusion of the following covenants in the FAA:</u></p> <p><i>Relevant Secretariat covenants</i></p> <p>(i) The Accredited Entity shall ensure that an external communications mechanism (for providing a system to receive, document and respond to questions or complaints from the general public), can also be employed as an institutional-level grievance redress mechanism and that it is accessible to the communities in the Project area and other stakeholders to receive and address complaints related to the Project, in an effort to complement the project-level grievance redress mechanism.</p>
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2. In addition, it is recommended that, for all approved funding 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.

3. It is also recommended that the Accredited Entity implements the following recommendations during the implementation of the relevant project or programme.

Table 3: Project-specific recommendations

Funding proposal number	Recommendation
FP 046 (XacBank Mongolia)	<i>None.</i>
FP 047 (EBRD Kazakhstan)	<i>None.</i>
FP 048 (IDA CSA)	<i>None.</i>
FP 049 (WFP Senegal)	<p><i>Relevant iTAP recommendations:</i></p> <p>(i) Appropriate gender-sensitive training should be designed and administered in such a fashion that, in the process, time away from the training recipients’ household chores does not affect their overall household harmony;</p> <p>(ii) The project should conduct a study to analyse the opportunity of lifting the existing monopoly agriculture insurance company supported by the Government of Senegal, towards creating additional opportunities for other micro-insurance companies to provide for competitive options for farmers; and</p>

	(iii) The monitoring and evaluation function should be enhanced in view of the potential increase in the application of agrochemicals and fertilizers, which must be supplemented with training on integrated pest management and the application of organic fertilizers.
FP 050 (WWF Bhutan)	<i>Relevant iTAP recommendations:</i> (i) The independent Technical Advisory Panel recommends the Secretariat to monitor and avoid the potential double counting in mitigation impact achieved by BFL project and REDD-plus action plan implementation.
FP051 (UNDP Bosnia- Herzegovina)	<i>None.</i>
FP052 (ADB Nauru)	<i>None.</i>
FP053 (UNDP Egypt)	<i>Relevant iTAP recommendations:</i> (i) The constructions are made in full alignment and legal permission of the provision created under the Environmental Protection Law (1994) and law number 48/1982 on Protection of the Nile River and Waterways to prevent pollution from various project activities, including dredging; (ii) In addition to the provisions of the Environment and Social Management Framework (ESMF) section 5.2.2 (e and f), refrain from construction activities in the beach/water front areas during the peak nesting and hatching season for sea turtles. This should be highlighted in the proposed Biodiversity Action Plan, as indicated in the ESMF document; and (iii) Extend the scope of environmental auditing, to take into consideration the inclusion of representatives from scientific communities, civil society organizations and media in a joint audit team, instead of an environmental audit team consisting of personnel from only UNDP and Shoreline Protection Agency (as in section 3.2.7 of annex VI (b) of funding proposal package).
FP054 (CAF Argentina)	<i>Relevant iTAP recommendations:</i> (i) Evidence of the inclusion of the due diligence recommendations in the final detailed engineering design of the projects should be presented to the GCF Secretariat before the start of construction of the facilities.
FP056 (UNDP Colombia)	<i>Relevant iTAP recommendations:</i> (i) Ensure the participation of women in water committees by formulating and implementing criteria pertaining to these committees, in which the number of women and men involved in the management of these organizations is balanced. Proof of balanced participation should be provided to GCF Secretariat.
FP058 (MOFEC Ethiopia)	<i>Relevant iTAP recommendations:</i> (i) Strengthen Component 3 by committing to community-centric knowledge management and cross-learning activities, taking into consideration that the quoted unit price for solar-powered motors is on the higher side and there is a possibility to 'save' part of the budgeted amount and re-invest in knowledge management activities.