

Annex XI: List of conditions and recommendations

2. The approval of the funding proposals approved by the Board pursuant to decision B.23/10 shall be conditional upon the satisfaction of the conditions set out in tables 1 and 2.

Table 1: General conditions applicable to all funding proposals

| FP number | Conditions |
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| All proposals | <p>(a) Signature of the funded activity agreement (“FAA”) in a form and substance satisfactory to the GCF Secretariat within 180 days from the date of Board approval, or the date the accredited entity has provided a certificate or legal opinion set out in paragraph (ii) below, or the 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> <ul style="list-style-type: none"> (i) Completion of the legal due diligence to the GCF Secretariat satisfaction; and (ii) Submission of a certificate or a legal opinion in a form and substance that is satisfactory to the GCF Secretariat, within 120 days¹ 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 by it and has the capacity and authority to implement the proposed project/programme. |

Table 2: Conditions specific to individual funding proposals

| FP number | Conditions |
|---------------------------------------|---|
| FP107 (UNDP Bhutan) | <i>None.</i> |
| FP108 (FAO Pakistan) | <i>None.</i> |
| FP109 (UNDP Timor-Leste) | <p><i>Relevant iTAP conditions</i></p> <p>Condition precedent to all disbursements for drinking water supply interventions under activity 2.2:</p> <ul style="list-style-type: none"> (a) Delivery to the GCF by the accredited entity of evidence, in form and substance satisfactory to GCF, that hygiene and improved sanitation interventions to be provided by third parties are in place before, or are put in place simultaneously with, the drinking water intervention, as described in the funding proposal. For the avoidance of doubt, evidence may include, but not be limited to, the letter of commitment by a third party including a description of the project, availability of funding, project budget, schedule and area of influence; and <p>Covenant:</p> <ul style="list-style-type: none"> (b) The accredited entity shall ensure that the GCF proceeds will not support or finance, directly or indirectly, any activities in relation to drinking water supply interventions in targeted municipalities that do not satisfy the requirements of the condition precedent to all disbursements, as set out above. |
| FP110 | <i>None.</i> |

¹ For FP111 (IDB Honduras), the period shall be 180 days.

| FP number | Conditions |
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| (UNDP Ecuador) | |
| FP111 (IDB Honduras) | <p><i>Relevant iTAP conditions</i></p> <p>Prior to the first disbursement under the FAA, the accredited entity shall deliver to the Fund:</p> <ul style="list-style-type: none"> (a) An operational manual, developed by the Executing Entity and approved by the Accredited Entity, for the water fund (and sub-funds) including the following items: <ul style="list-style-type: none"> (i) Guidelines for engagement with indigenous communities, including free, prior and informed consent processes; Minimum criteria on additionality and conditionality to be agreed with all the water councils, encompassing the actions beyond regulatory compliance that the water fund will be paying for and the conditions that trigger payments. Furthermore, it should include obligations on landowners / managers (i.e. what kind of land care is expected of them) and the benefits they may expect to receive from the water fund to achieve adequate protection of the land and delivery of the ecosystem services; (ii) Transparency mechanisms in the use of GCF proceeds, in accordance with Clauses 9.03(a) and 18.02(e) of the AMA; (iii) Current water tariff projections based on a willingness to pay by downstream water users, including differentiated tariff system based on socio-economic conditions; (iv) Local grievance redress mechanisms; (b) A template agreement with private landowners for agroforestry management, including, but not limited to, obligations of landowners/managers to achieve long-term agroforestry systems. <p>Prior to the second disbursement under the FAA, the accredited entity shall deliver to the Fund:</p> <ul style="list-style-type: none"> (c) a copy of the agreements reached with each of the 11 water sub-funds on the PES systems for the use of resources, including, but not limited to, equitable distribution of payments, mechanism of community participation, empowerment and gender inclusion. |
| FP112 (UNDP Marshall Islands) | <p><i>None.</i></p> |
| FP113 (IUCN Kenya) | <p><i>None.</i></p> |
| FP114 (AfDB Ghana) | <p><i>Relevant iTAP conditions</i></p> <p>Prior to the first disbursement of funds by GCF under the funded activity agreement, the Accredited Entity (AE) shall deliver, in a form and substance satisfactory to the Secretariat:</p> <ul style="list-style-type: none"> (a) An operations manual, developed by the selected LFIs and approved by the AE, for implementation of the GCF programme and any other climate change-related projects implemented by the selected LFIs in the targeted sector, including the following: <ul style="list-style-type: none"> (i) Selection criteria of subsectors and eligibility criteria (e.g. minimum expected impacts in GCF result areas, minimum expected socio-economic benefits, |

| FP number | Conditions |
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| | <p>minimum co-financing ratios, final beneficiaries, minimum requirements to technology to be implemented, among others) for the selection of subprojects in each targeted subsector;</p> <ul style="list-style-type: none"> (ii) A proposal selection process, including a criteria scoring system and decision-making procedure for approval of subprojects; (iii) Methodologies for calculation of GHG emission reductions by technologies planned to be implemented, for monitoring and impact measurements; (iv) A feasibility study on sector-related climate change rationale, needs of final beneficiaries in respect of technology knowledge transfer, finance and market, among others; and (v) An indicative pipeline of subprojects; and <p>(b) A training programme in relation to the activities to be implemented under component 2, developed by the selected LFIs and approved by the AE, based on the studies conducted for the proposed programme on the gap and barrier analysis. The training programme shall include:</p> <ul style="list-style-type: none"> (i) Training material for the selected LFIs and the final beneficiaries (MSMEs/FBAs); and (ii) An implementation plan detailing the training provider institutions, responsibilities and results to be achieved. |
| <p>FP115 (MUG Chile)</p> | <p><i>Relevant iTAP conditions</i></p> <ul style="list-style-type: none"> (a) Prior to the execution of the FAA (or the first disbursement), the accredited entity should submit to the Secretariat a draft communication plan, in the form and content satisfactory to the Secretariat, to enhance dissemination of the project's benefits, knowledge and lessons learned in development, construction and operation of the project in the context of climate change technology transfer among public sector including government agencies and regulator, and private sector investors and financiers. The plan should include the accredited entity's communication strategy indicating the methodology of communication, targeted participants (public and private sector) and schedule, and should not be limited to events and seminars that the accredited entity participates or engages as its usual marketing and commercial efforts. |
| <p>SAP007 (WFP Zimbabwe)</p> | <p><i>Relevant iTAP conditions</i></p> <p>Prior to first disbursement of funds by GCF under the funded activity agreement, the accredited entity shall deliver in a form and substance satisfactory to the GCF Secretariat:</p> <ul style="list-style-type: none"> (a) A signed memorandum of understanding between WFP and the Meteorological Services Department (MSD) under the Ministry of Lands, Agriculture, Water, Climate and Rural Resettlement (MoLAWCRR) that governs their collaboration under the project, most particularly under component 1. The memorandum of understanding would include: a specific clause on access to relevant data and datasets for the accurate and timely implementation of project activities; (b) A draft training programme for all related capacity building activities within the Project, in consultation with MoLAWCRR, which shall include: <ul style="list-style-type: none"> (i) training topics for the different target groups; and (ii) an implementation plan detailing the training provider institutions, their responsibilities and results to be achieved. |

3. 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.

4. 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

| FP number | Recommendations |
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| FP107 (UNDP Bhutan) | The iTAP recommends the following for successful implementation of the project: <ul style="list-style-type: none"> (a) Ensure a stronger supervisory and coordination role is played by the accredited entity in order to ensure complementarity of various components and involvement of different key stakeholder institutions of the project; and (b) Given that new grassroots-based organizations such as Water User Associations and Road User Groups will monitor and maintain water (i.e. irrigation) and road infrastructure, the project should develop guidelines of participation and supervision of their performance involving national institutions. A failure to guide the processes might reduce the effectiveness of the application of such newly constituted grassroots-based participatory organizations, which in turn may adversely affect overall maintenance of critically important infrastructure. |
| FP108 (FAO Pakistan) | <i>None.</i> |
| FP109 (UNDP Timor-Leste) | The iTAP recommends that the accredited entity develop and describe specific activities aimed at disseminating lessons learned throughout the country or region. |
| FP110 (UNDP Ecuador) | The iTAP recommends the following: <ul style="list-style-type: none"> (a) Strengthen the gender action plan, giving greater emphasis to the creation of economic access (through, e.g., tailor-made skills enhancement programmes, credit support) to the modalities, such as SMEs, value chains and marketing of NTFP; (b) Ensure that the environment and social impact assessment is completed, as promised, during the inception stage; (c) Strengthen the project monitoring and reporting mechanisms to ensure that deforestation and forest degradation do not take place during the course of the project implementation, involving regular monitoring, reporting and verification (MRV) opportunities and end-of-project MRV compliance; and (d) Strengthen the project governance structure by creating greater opportunities for the representation of indigenous people, and women’s, youth and civil society organizations in project governance beyond participation in the inception level consultations. |
| FP111 (IDB Honduras) | <i>None.</i> |
| FP112 (UNDP Marshall Islands) | The iTAP recommends the following: <ul style="list-style-type: none"> (a) Review the cost of water tanks, considering other options for types of tanks that could result in a reduction of costs; and |



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| | (b) Evaluate the actual needs and costs related to foreign engineers, trying to maximize the participation of trained local technicians. |
| FP113 (IUCN Kenya) | <p>The iTAP recommends that the accredited entity and the project management unit work closely with the executing entity on component 3 so that recipients of the proposed fund for value chain intermediaries will also receive proper training and other auxiliary support, as needed. Effective implementation of component 3 will enable the community-run micro-enterprises to succeed in following a business model and become a source of inspiration for other similar micro-enterprises in the ASALs.</p> <p>The iTAP also recommends that a baseline KAP study is conducted involving the members of the target communities, as a part of the monitoring framework. The study findings will be compared with KAP findings at the end of the project in order to understand progress made in community mobilization for achieving the objectives of the EBA project.</p> |
| FP114 (AfDB Ghana) | <i>None.</i> |
| FP115 (MUFG Chile) | <i>None.</i> |
| SAP007 (WFP Zimbabwe) | <p>Moreover, the iTAP recommends:</p> <p>(a) Upon finalization of the climate and food security analysis to be conducted in the targeted two districts under Activity 1.1.2 of the proposed Project, as described in the Funding Proposal, the accredited entity shall ensure that the results of this analysis are taken into account in the finalization of the training programme.</p> |

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