

Annex XIV: List of conditions and recommendations

1. The approval of the funding proposals approved by the Board pursuant to decision B.24/09 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
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> <p>(i) Completion of the legal due diligence to the GCF Secretariat satisfaction; and</p> <p>(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.</p>

Table 2: Conditions specific to individual funding proposals

FP number	Conditions
FP082 (ADB China)	<p><i>Relevant iTAP conditions</i></p> <p><u>Satisfaction of the following conditions prior to first disbursement under the FAA:</u></p> <p>(a) Prior to first disbursement, the accredited entity will present for Secretariat review and approval an operation manual to be used by SGDF in its assessment and monitoring of subprojects. The manual should contain, among others:</p> <p>(i) Financial and non-financial indicators and criteria as described in annexes 9 and 14 of the funding proposal, with further elaboration of their application;</p> <p>(ii) Monitoring, evaluation and reporting structure and process expanded to include details based on annex 11 of the funding proposal;</p>

¹ For FP082 (ADB China), the period shall be 180 days.

	<p>(iii) Subproject screening and an investment decision-making process; and</p> <p>(iv) A pricing policy based on project risks but taking into account climate change impact potential and green procurement.</p>
FP116 (FAO Kyrgyzstan)	<i>None.</i>
FP117 (GIZ Lao PDR)	<i>None.</i>
FP118 (FAO Nepal)	<i>None.</i>
FP119 (AFD Palestine)	<i>None.</i>
FP120 (FAO Chile)	<i>None.</i>
FP121 (UNEP Paraguay)	<p><i>Relevant Board conditions</i></p> <p><u>Inclusion of the following covenant in the FAA</u></p> <p>Pursuant to paragraph 14 of the Terms of Reference for the Pilot Programme for REDD-plus, the AE shall provide, to the satisfaction of the GCF Secretariat, and prior to the implementation of the activities described in sub-output 2.2 of the Funded Activity, an operations manual for the implementation of sub-output 2.2 containing detailed eligibility criteria for the activities to be funded as well as the procedure for implementation of fiduciary, environmental and social safeguards consistent with GCF policies. Use of GCF Proceeds to finance the activities described in sub-output 2.2 of the Funded Activity shall be reported in the APRs submitted to the GCF Secretariat.</p>
FP122 (KfW BAF)	<i>None.</i>
SAP008 (PKSF Bangladesh)	<i>None.</i>
SAP009 (UNEP Lao PDR)	<i>None.</i>
SAP010 (Landbank Philippines)	<i>None.</i>

<p>SAP011 (WFP Mozambique)</p>	<p><i>None.</i></p>
<p>SAP012 (IFAD Niger)</p>	<p><i>Relevant iTAP conditions</i></p> <p><u>Inclusion of the following covenant in the FAA</u></p> <p>(a) The accredited entity shall:</p> <ul style="list-style-type: none"> (i) Develop and submit to the GCF, prior to commencing the implementation of component 1 of the funded activity, a groundwater monitoring protocol, satisfactory in form and substance to the GCF Secretariat, identifying the relevant geo-referenced representative sites in each of the four target locations/areas where groundwater abstraction equipment to be financed under component 1 of the funded activity will be operated; (ii) Implement the groundwater monitoring protocol, and require the executing entity/ies to monitor quarterly the status of the groundwater aquifers in each of the identified sites where equipment financed under component 1 is operated, including RET-based water pumps, and report to the GCF in the annual performance reports (APRs) on the compliance with such protocol; and (iii) In case a decline in the piezometric surface of a groundwater aquifer is identified by the accredited entity or the relevant executing entity/ies, ensure that and contractually require the relevant executing entity/ies to ensure that (a) the borrowers suspend any groundwater abstraction activities, and (b) not provide any further financing for new equipment, in order to promote irrigation with the use of surface water sources only.

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. The decision by the Board to permit the Asian Development Bank to seek further approval of the Board of commitment of further funding pursuant to decision B.24/09 shall be conditional upon the satisfaction of the conditions set out in table 3.

Table 3: Conditions for approval of further commitment by the Board

FP number	Conditions
<p>FP082 (ADB China)</p>	<p><u>Satisfaction of the following conditions prior to approval by the Board of a commitment</u></p> <ul style="list-style-type: none"> (a) The GCF having resources available for commitment in respect of the amounts requested; (b) All APRs and other reports outlined in the relevant FAA Schedule submitted by the accredited entity are in form and substance satisfactory to the GCF Secretariat, and that all changes (if any) required by the GCF Secretariat as a consequence of such APRs and reports not being satisfactory have been addressed to the satisfaction of the GCF Secretariat; and (c) The accredited entity has delivered, in form and substance satisfactory to the GCF Secretariat, no later than one year prior to the closing date specified in the FAA: <ul style="list-style-type: none"> (i) A request for approval by the Board of a further commitment for the funded activity; (ii) Evidence that at least seventy per cent (70%) of the funds previously disbursed by the GCF have been cumulatively committed by the executing entity for the implementation of the funded activity; and (iii) A document describing any changes required to the funding proposal and the FAA, including such changes to the activities, outputs, outcomes and impacts of the funded activity as are required to reflect the additional activities to be undertaken with the further funding requested.

4. It is also recommended that the accredited entity implements the following recommendations during the implementation of the relevant project or programme.

Table 4. Project-specific recommendations

FP number	Recommendations
<p>FP082 (ADB China)</p>	<p><i>None.</i></p>
<p>FP116 (FAO Kyrgyzstan)</p>	<p><i>None.</i></p>
<p>FP117 (GIZ Lao PDR)</p>	<p>The iTAP recommends that the project provides a well-structured benefit sharing mechanism with concrete indicators on incentives and disincentives. The implementation arrangement is complex and includes differentiated roles of various stakeholders. The iTAP recommends that the governance mechanism responds to and monitors this complexity at multiple levels.</p>

<p>FP118 (FAO Nepal)</p>	<p><i>None.</i></p>
<p>FP119 (AFD Palestine)</p>	<p><i>None.</i></p>
<p>FP120 (FAO Chile)</p>	<p><i>None.</i></p>
<p>FP121 (UNEP Paraguay)</p>	<p>The iTAP recommends that Paraguay and the accredited entity give special attention to the following:</p> <p>(a) Continue efforts to improve the FREL, prioritizing:</p> <ul style="list-style-type: none"> (i) Implementation of the proposed improvement plan in order to (a) address the inconsistencies between the FREL and the GHG inventory; (b) improve the collection of information on activity data, emission factors and omitted carbon pools; and (c) assess the significance of emissions of gases omitted from the FREL; (ii) Estimate and report the aggregate FREL and uncertainties related to results in future submissions; (iii) Finalize the studies allowing for the definition of forest degradation as well as of methods and processes for generating activity data and emission factors, so that it may be possible to analyse the significance of the emissions from this activity; (iv) Continue capacity-building efforts to improve accuracy of the data and information included in the technical annex, particularly regarding the consideration of post-deforestation carbon stocks and the methods to estimate activity data; and (v) Finalize the establishment of a system allowing registration and tracking of emission reductions from REDD-plus activities; and <p>(b) Given the accreditation scope of the accredited entity with a ceiling of USD 50 million, the additional RBPs that the host country is entitled to might be addressed in a future funding proposal for a subsequent Board meeting.</p> <p>In terms of the use of the proceeds for the potential subsequent proposal, the long-term sustainability of the national climate change fund is fundamental to build on this funding proposal. Paraguay proposed several lines of action towards this goal, including contributions from the public treasury, private sources and others. The iTAP would like to see these lines of action confirmed with a plan around scalability, efficiency, capitalization and innovative blended finance, incentive and disincentive mechanisms, if Paraguay returns to GCF for additional RBPs.</p>

	<p>Furthermore, the iTAP would welcome mechanisms and provisions to drive actions for “defunding deforestation” and to involve agribusinesses in deforestation-free commodity value chains that respond to the urgent need to stop deforestation and ensure regenerative agricultural production in Paraguay.</p> <p>Moreover, the iTAP would recommend design of a proper benefit-sharing mechanism involving indigenous communities and peasants (campesinos).</p>
FP122 (KfW BAF)	<i>None.</i>
SAP008 (PKSF Bangladesh)	<i>None.</i>
SAP009 (UNEP Lao PDR)	<p>The iTAP recommends the accredited entity to:</p> <p>(a) Carry out a political economic analysis for each of the target cities so that the key stakeholders are all engaged from inception of the project and work closely to embark upon a sound governance system for the ICFMS to succeed; and</p> <p>(b) Strengthen the environmental management framework in anticipation of greater functions regarding pollution control in each of the four target cities and integrate such aspects in future integrated environmental management frameworks.</p>
SAP010 (Landbank Philippines)	<i>None.</i>
SAP011 (WFP Mozambique)	<i>None.</i>
SAP012 (IFAD Niger)	<i>None.</i>