

Annex II: List of conditions and recommendations

1. The approval of the funding proposals approved by the Board pursuant to decision B.29/02 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’s 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
FP165 (JICA Maldives)	<i>None</i>
FP166 (CABEI Costa Rica)	<i>None</i>
FP167 (IUCN Rwanda)	<p><i>iTAP conditions</i></p> <p><u>Condition precedent to first disbursement by GCF under the FAA:</u></p> <p>(a) Prior to the first disbursement for the Funded Activity, the accredited entity shall finalize and submit to the Fund an additional report, in a form and substance satisfactory to the GCF Secretariat (through its Climate Science Lead or other competent officer), which:</p> <p>(i) Validates the applicability of the MPI_ESM_LR General Circulation Model against the available observational data from Rwanda’s Eastern Province (years 1983-2015), to provide the basis for future climate change projections (utilizing both observed and model data to be presented in comparable form for the common time period); and</p>

¹ For FP168 (AfDB LEAF), in case the Board approval of the Funding Proposal is conditional on substantial modification of the Funding Proposal, the period shall be 210 days.

FP number	Conditions
	<p>(ii) Extends the analysis of Potential Evapotranspiration (Hargreaves method) using properly validated model-based projection data for the 2020s, estimating month-wise change in PET-Hg values that involve the baseline and the projection to be done, in order to confirm the severity of the expected drought conditions in the Funded Activity area, thus justifying the urgent need for investment.</p>
<p>FP168 (AfDB LEAF)</p>	<p><i>iTAP conditions</i></p> <p><u>Conditions to be met prior to the first disbursement:</u></p> <p>(a) Delivery of a comprehensive waste management plan to the satisfaction of the Secretariat to ensure appropriate, best practice disposal of end-of-life items, in particular batteries.</p> <p><u>Conditions to be met prior to the second disbursement:</u></p> <p>(a) Development of a comprehensive tool kit, to the satisfaction of the Secretariat, to ensure that the principles of O&M requirements in subprojects, in particular in mini-grids, are well understood by participating local financial institutions.</p> <p><u>Interim independent evaluation report shall include:</u></p> <p>(a) A dedicated section on the adaptation co-benefits from the investments made with a particular focus on mini-grids and solar home systems;</p> <p>(b) A dedicated section providing an overview of the installed cost and barriers encountered in each country to the delivery of new mini-grid capacity; and</p> <p>(c) A dedicated section on the impact of local currency finance.</p> <p><u>Throughout the term of the funded activity agreement:</u></p> <p>(a) A report summarizing the stakeholder engagement (at sub-project level) to be submitted alongside the annual performance report (APR).</p> <p>(b) Consolidated report on MWh produced by projects financed through the programme through the lifetime of the operation to be included as part of the annual performance report (APR).</p> <p><i>Secretariat condition</i></p> <p><u>Inclusion of the following covenants in the FAA:</u></p> <p>(a) In relation to each Category B Sub-Project, disclose the Environmental and Social Impact Assessment (ESIA) and, if applicable, the Environmental and Social Management Plan (ESMP), and, as appropriate, the Abbreviated Resettlement Action Plan (ARAP) and any other associated information including those relevant to indigenous peoples required to be disclosed pursuant to the GCF Information Disclosure Policy and the GCF Environmental and Social Policy (each, the “Sub-Project Disclosure Package”). The Accredited Entity shall disclose or contractually require the Executing Entities to disclose the Sub-Project Disclosure Package at least thirty (30) calendar days prior to its or the relevant Executing Entity’s</p>

FP number	Conditions
	<p>approval of the relevant Category B Sub-Project, in English and in local language (if not English), on its or the Executing Entity's website and in locations convenient to the affected peoples, and submit the Sub-Project Disclosure Package to the Fund for subsequent distribution to the GCF Board and the Fund's active observers and for publishing in the GCF website;</p> <p>(b) Pursuant to the procedure agreed by the Parties in relation to Category B Sub-Projects, prior to the finalization of each Sub-Project Disclosure Package, deliver such documentation for the review and comment by the Fund and take into account such comments in the finalization of the Sub-Project Disclosure Packages;</p> <p>"Category B Sub-Project" means any sub-project financed under Components 1 or 2 which is Category B (pursuant to the GCF Environmental and Social Risk Categories).</p> <p><i>Board conditions</i></p> <p><u>Inclusion of the following covenants in the FAA:</u></p> <p>(a) In accordance with the AE's policies and procedures and prior to any commitment of GCF Reimbursable Funds to a sub-project under the Programme which may potentially be affected by conflict risks, the Accredited Entity shall conduct a fragility assessment on such sub-project in accordance with the Accredited Entity's policies and procedures ("Fragility Note"). Such Fragility Notes shall inter-alia include drivers of fragility, identification of entry points for building resilience and conflict analysis components that highlight the contextual risks and vulnerability. The Accredited Entity shall deliver such Fragility Notes to the GCF Secretariat prior to any disbursement by the Fund to the Accredited Entity of GCF Reimbursable Funds relating to the sub-project that is the subject of a fragility assessment.</p> <p>(b) The Accredited Entity shall (a) ensure that any breach of the excluded activity list (as contained in Annex 4 of the term sheet) will constitute a breach of the financing documents entered into by the Accredited Entity in connection with the Programme and (b) contractually procure that any breach of the excluded activity list (as contained in Annex 4 of the term sheet) will constitute a breach of the financing documents entered into by other Executing Entities in connection with the Programme; and (c) following such a breach, the Accredited Entity or the relevant Executing Entity (as applicable) shall be entitled to (i) cancel or terminate its commitments under the affected financing agreement, (ii) immediately cease any remaining disbursements and (iii) demand immediate repayment under that financing agreement.</p>

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

FP number	Recommendations
FP165 (JICA Maldives)	<i>None</i>
FP166 (CABEI Costa Rica)	<i>None</i>
FP167 (IUCN Rwanda)	<i>None</i>
FP168 (AfDB LEAF)	<i>None</i>