

Annex I: List of conditions and recommendations

1. The approval of the funding proposals approved by the Board pursuant to decision B.36/05 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 days² 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’s 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 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 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
FP206 (PKSF Bangladesh (RHL))	<i>None</i>
FP207 (WWF Pakistan)	<i>None</i>
FP208 (UNDP Haiti)	<p><i>iTAP conditions</i></p> <p><u>Inclusion of the following covenant in the FAA:</u></p> <p>The Accredited Entity shall ensure that GCF Proceeds under Activity 1.2 of the project are not used for producing wood for sale into charcoal value chains.</p>
FP209 (DBSA South Africa)	<i>None</i>

² The GCF can only execute a funded activity agreement with an Accredited Entity that has an executed and effective AMA (including an amended and restated AMA).



<p>FP210 (Acumen KawiSafi II)</p>	<p><i>iTAP conditions</i></p> <p><u>Conditions to be met prior to the effectiveness of the funded activity agreement:</u></p> <ul style="list-style-type: none"> (i) Delivery by the Accredited Entity to GCF, in a form and substance satisfactory to the GCF Secretariat, of: <ul style="list-style-type: none"> (a) An enhanced assessment methodology framework to calculate the GHG emissions impact of potential investments into biofuels projects, which shall incorporate an approach to calculate the potential direct and indirect GHG emissions impacts of individual biofuels projects over their extended life cycle (the “Framework”); and (b) Eligibility criteria for investments into biofuels projects, based on the results of the application of the Framework at the appraisal stage (the “EC”); and (ii) Inclusion in the limited partnership agreement for KawiSafi II of an appropriate provision requiring the general partner and manager of the fund to: <ul style="list-style-type: none"> (a) Apply the Framework when appraising potential investments into biofuels projects; (b) In relation to potential investments into biofuels projects, invest only in biofuels projects that meet the EC; and (c) In relation to investments in biofuels projects, as applicable, engage an independent third party to conduct an extended life cycle reviews of the potential direct and indirect GHG emissions impacts of each such project using the approach set out in the Framework, and make the report of the review available to GCF in a prompt manner; and <p><u>Inclusion of the following covenants in the FAA:</u></p> <ul style="list-style-type: none"> (i) The AE shall ensure that the general partner and the manager: <ul style="list-style-type: none"> (a) Apply the Framework when appraising potential investments into biofuels projects; (b) In relation to potential investments into biofuels projects, invest only in biofuels projects that meet the EC; and (c) In relation to investments in biofuels projects, as applicable. engage an independent third party to conduct extended life cycle reviews of the potential direct and indirect GHG emissions impacts of each such projects using the approach set out in the Framework, and make the report available to GCF in a prompt manner.
<p>FP211 (Acumen Hardest-to-Reach)</p>	<p><i>None</i></p>
<p>FP212 (FMO &Green)</p>	<p><i>iTAP conditions</i></p> <p><u>Disbursement of GCF’s second disbursement of GCF Reimbursable Funds shall be conditioned on the:</u></p> <p>Delivery by the Accredited Entity to the Fund, in form and substance satisfactory to the GCF Secretariat, of a written confirmation/ evidence from the Accredited</p>



	<p>Entity, that it shall receive from the &Green Fund BV, that the First Linked Catalyzed Tranche amounting to USD 200million has been legally committed by the Senior Noteholders in the &Green Fund BV.</p>
<p>FP213 (PCA BGB)</p>	<p><i>iTAP conditions</i></p> <p><u>Conditions to be met prior to the effectiveness of the Funded Activity Agreement (FAA):</u></p> <ul style="list-style-type: none"> (i) Delivery by the Accredited Entity to the GCF, in a form and substance satisfactory to the GCF Secretariat, of a disbursement plan under the FAA with the amount and schedule for each disbursement tranche aligned with BGB development milestones as agreed between the Accredited Entity and the GCF Secretariat; and (ii) Delivery by the Accredited Entity to the GCF, in a form and substance satisfactory to the GCF Secretariat, of the final form of the BGB’s Investment Policy, Investment Committee Terms of Reference, Board Terms of Reference, Board Risk Committee Terms of Reference, BGB procurement policy and updated procurement plan, and Board Audit Committee Terms of Reference. <p><u>Conditions to be met prior to the first disbursement under the FAA:</u></p> <ul style="list-style-type: none"> (i) Delivery by the Accredited Entity to the GCF, in a form and substance satisfactory to the GCF Secretariat, of evidence of the incorporation and registration of BGB in Barbados and the legally binding subscription for common shares in the share capital of BGB by the Government of Barbados (or an entity representing the Government of Barbados) in the minimum amount of US \$10 million; and (ii) Delivery by the Accredited Entity to the GCF, in a form and substance satisfactory to the GCF Secretariat, of evidence of (A) the appointment of the Board of Directors of BGB, (B) the establishment of the Investment Committee of BGB, which shall include a climate impact specialist with experience in Barbados, whose role is to provide approval authority on the climate validity of BGB financing; and (C) the appointment of the initial Chief Executive Officer (CEO) and Chief Investment Officer (CIO) of BGB, in the case of the climate impact specialist and the initial CEO and CIO, to be approved by GCF BGB Holdings in its capacity as a shareholder of BGB, as a shareholder reserved matter in accordance with the process set out in the Shareholders’ Agreement. <p><u>Conditions to be met prior to the second disbursement under the FAA:</u></p> <ul style="list-style-type: none"> (i) Delivery by the Accredited Entity to the GCF, in a form and substance satisfactory to the GCF Secretariat, of a financial breakdown of the start-up costs incurred by BGB or on behalf of BGB prior to the request for second disbursement under the FAA which shall include evidence indicating the status and amount of any Co-financing received and applied to the BGB start-up costs, up to the date of the Request for Second Disbursement; (ii) Delivery by the Accredited Entity to the GCF, in a form and substance satisfactory to the GCF Secretariat, of a track record of investment activities undertaken in accordance with the BGB’s business plan and a

	<p>pipeline of proposed investment activities that could support the second GCF disbursement;</p> <p>(iii) Delivery by the Accredited Entity to the GCF, in a form and substance satisfactory to the GCF Secretariat, of evidence that funding (which may be equity, debt or grant funding) in an amount at least equal to the aggregate of (i) the amount of the disbursement being requested from the GCF; and (ii) any amounts previously disbursed by the GCF under the FAA, has been contributed to BGB by the Co-financiers or other funders; and</p> <p>(iv) Delivery by the Accredited Entity to the GCF, in a form and substance satisfactory to the GCF Secretariat, of evidence that the GCF BGB Holdings is the legal holder of shares in the share capital of BGB, representing not more than 33.33% of the share capital of BGB.</p>
SAP026 (PKSF Bangladesh (ECCCP- Drought))	<i>None</i>
SAP027 (SCA Solomon Islands)	<i>None</i>
SAP028 (WFP Côte d'Ivoire)	<i>None</i>
SAP029 (MCT Pacific)	<i>None</i>

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
FP206 (PKSF Bangladesh (RHL))	<p><i>iTAP recommendations</i></p> <p>Even with the strong government EWS and pre-storm evacuation experience and response, as demonstrated in the very recent category 5 Cyclone Mocha storm in May 2023, iTAP still recommends the following as redundancy measures:</p> <p>(a) Conduct awareness-raising activities informing the project beneficiaries of the limitations of the project interventions versus the impacts of fast-onset (category 4 and 5) and slow-onset (e.g. sea level rise) climate events;</p>



	<ul style="list-style-type: none"> (b) Conduct risk mapping as the basis for building resilient housing and livelihoods; (c) Conduct regular disaster risk preparation and evacuation drills targeting the funding proposal project beneficiaries; essentially, the provision of regular climate community drills on category 4/5 storm evacuation and timely and effective dissemination of category 4/5 storms (T-5); warnings as early as 5 days before impact; and (d) Use redundant/back-up communication systems in the communities, climate-proof wireless technology infrastructure against wind and intense precipitation, and integrate climate services information and disseminate it via other wireless technology infrastructure.
<p>FP207 (WWF Pakistan)</p>	<p><i>iTAP recommendations</i></p> <p>The iTAP recommends the following improvements to the funding proposal:</p> <ul style="list-style-type: none"> (a) The formulation, from the very first years of the proposed project, of a realistic and sustainable strategy and plan for mobilizing resources for actions integrating EbA, green and green-grey infrastructures; (b) The formulation, at the early stage of the project implementation, of a clear protocol for assessing the efficiency and effectiveness of EbA and green and green-grey infrastructure interventions; (c) Making an additional effort to better take into account scientific and technical references in the design of the EbA, green and green-grey infrastructure interventions; and (d) Due to the risk of disease propagation associated with the establishment of retention ponds (resulting from the probability of standing water), it is important to carefully reassess these risks and to ensure that appropriate mitigation measures are put in place. <p>Considering that the proposal has largely satisfied all the GCF's investment criteria, the above recommendations are left to the discretion of the AE.</p>
<p>FP208 (UNDP Haiti)</p>	<p><i>None</i></p>
<p>FP209 (DBSA South Africa)</p>	<p><i>None</i></p>
<p>FP210 (Acumen KawiSafi II)</p>	<p><i>None</i></p>
<p>FP211 (Acumen Hardest-to- Reach)</p>	<p><i>iTAP recommendations</i></p> <p>The iTAP recommends that the AE strengthen the logical framework to be able to track progress towards adaptation outcomes 3 and 4. The user surveys planned to track the number of beneficiaries with enhanced climate-resilient livelihood options (outcome 5) can also include questions to track enhanced access to climate-relevant information, or to communication media as a proxy for that</p>



	<p>(outcome 4), as well as the durability/portability of the OGS systems in the face of any extreme events experienced (outcome 3).</p> <p>The iTAP recommends that the GCF concessionary capital be utilized to take local currency basket options or other hedging products at the MEF fund level rather than push such a risk onto OGS companies, or worse, onto end customers. The hedging products may be expensive for the MEF, but they will certainly be expensive for the OGS companies and their end customers who will bear that volatility (which must be borne by someone). Such a hedge may ultimately also address concerns from potential limited partners on the financial sustainability of MEF on-lending. Either way, the main goal of blended finance is to crowd in commercial capital, but it is equally important to utilize concessional capital to pay for “insurance” products, which minimize risk for the companies and customers operating in hardest-to-reach markets.</p>
FP212 (FMO &Green)	<i>None</i>
FP213 (PCA BGB)	<i>None</i>
SAP026 (PKSF Bangladesh (ECCCP- Drought))	<p><i>iTAP recommendations</i></p> <p>To be effective in the long term, iTAP recommends that the project proponents take an adaptive management approach through the four years of project implementation, and through the 20-year project lifetime over which benefits should be monitored, to enable continuous re-evaluation and adjustment in the face of an ever-evolving climate.</p> <p>The iTAP also recommends strengthening the project’s monitoring and evaluation framework to include (1) indicators of project outcomes in enhancing food and water security, to be measured through detailed household surveys at project start, middle and end, and (2) a clear monitoring protocol for measuring groundwater levels and estimating recharge volumes, including stakeholders’ ongoing technical and financial responsibilities over the project’s 20-year lifetime.</p>
SAP027 (SCA Solomon Islands)	<i>None</i>
SAP028 (WFP Côte d’Ivoire)	<p><i>iTAP recommendations</i></p> <p>The iTAP recommends that the AE consider the following improvements to this funding proposal:</p> <ul style="list-style-type: none"> (a) Include indicators and methods in the monitoring and evaluation framework that facilitate understanding the changes, response and resilience over time; (b) Put in place a rigorous approach to disseminating the lessons learned from this innovative project in order to inform project design for other countries/regions that WFP and other relevant organizations may be pursuing in future;



	<p>(c) Plan activities explicitly addressing youth, with a gender differentiated approach; and</p> <p>(d) Prepare a strategy for dealing with potential negative effects of the project, especially towards men (i.e. a strategy for dealing with changes in power relations caused by the privileged access of women farmers to this project).</p>
SAP029 (MCT Pacific)	<p><i>iTAP recommendations</i></p> <p>The iTAP further recommends the AE to consider its comments in order to increase the efficiency and efficacy potential of this SAP/EDA Pilot Programme proposal during its implementation.</p>