

## Annex I: List of conditions and recommendations

1. The approval of the funding proposals approved by the Board pursuant to decision B.37/12 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
<b>All proposals</b>	<p>(a) Signature of the funded activity agreement (“FAA”) in a form and substance satisfactory to the GCF Secretariat within 180 days<sup>1</sup> 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 days<sup>2</sup> 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
<b>SAP030</b> (SCA Lao People's Democratic Republic)	<i>None</i>
<b>SAP031</b> (Fundación Avina Brazil)	<i>None</i>
<b>SAP032</b> (FNEC Benin)	<p><i>iTAP conditions</i></p> <p><u>Condition precedent to first disbursement by GCF under the FAA:</u></p> <p>Prior to the first disbursement of GCF Proceeds for the funded activity, the accredited entity shall fulfil the following conditions in form and substance satisfactory to the Fund:</p> <p>(a) Delivery to the Fund by the Accredited Entity of a revised detailed gender action plan that articulates the following: (i) tangible actions to promote inclusion for women and youth, (ii) outlines how the activities under the project will help to empower women and help them to become agents of change, and (iii) identifies the concrete benefits that are likely to result for women and youth from the project; and</p>

<sup>1</sup> 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).

<sup>2</sup> For FP219 (AfDB SCPZ) and FP221 (AfDB RGIF), the period shall be 180 days.

	(b) Delivery to the Fund by the Accredited Entity of a revised monitoring and evaluation framework that reflects the requirements of the revised gender action plan required to be submitted under paragraph (a) above.
<b>SAP033</b> (AfDB Sierra Leone)	<i>None</i>
<b>FP214</b> (GIZ Thailand)	<i>None</i>
<b>FP215</b> (ADB CRPP)	<p><i>iTAP conditions</i></p> <p><u>Condition precedent to second disbursement:</u></p> <p>The Accredited Entity shall design an updated Monitoring, Evaluation and Learning (MEL) System and provide to the Fund, in a form and substance satisfactory to the GCF Secretariat, evidence of the adoption of this system. The system shall include the following aspects, in addition to the requirements of the MEL system submitted with the Funding Proposal:</p> <p>(a) a methodology for checking compliance with progress against the eligibility criteria of the CRPP.</p> <p>(b) a complete monitoring and evaluation system that allows the Accredited Entity to assess the adaptation outcomes, including:</p> <p>(i) the corresponding methods for the steps of data gathering, analysis and interpretation, and the frequency of the performance of each step;</p> <p>(ii) the roles and responsibilities for performing the steps above;</p> <p>(iii) a method to assess progress in addressing the climate-gender-poverty nexus as described in the Funding Proposal; and</p> <p>(iv) a clear method for quantifying the number of direct and indirect beneficiaries.</p> <p>(c) a strategy for linking the MEL system of the CRPP's national projects to the national systems for monitoring, evaluation and reporting progress under the UNFCCC in the relevant Host Countries.</p>
<b>FP216</b> (UNDP Bosnia and Herzegovina)	<p><i>iTAP conditions</i></p> <p><u>Stakeholder Consultation:</u></p> <p>(a) The following condition to first disbursement should be fulfilled by the Accredited Entity, in form and substance satisfactory to the GCF:</p> <p>“Deliver to the GCF Secretariat a summary report of stakeholder consultations conducted pursuant to the covenant below including recommendations for project design and implementation modalities.”</p> <p>(b) Inclusion of the following covenants in the FAA:</p> <p>(i) “Prior to the first disbursement of GCF proceeds, the Accredited Entity shall conduct local stakeholder consultations across the entire project area, including in each of the target river basins regarding project design. The local consultations shall be conducted with a view towards: (i) how flood risk reduction measures and nature-based solutions are to be mainstreamed into sectoral policies and plans of Bosnia and Herzegovina; and (ii) how the flood forecasting and early warning systems shall be operationalised and sustained.”</p>



	<p>(ii) “Prior to submission of a summary report of stakeholder consultations to the Fund, deliver to the GCF Secretariat a copy of such summary report for the review and approval of the Fund.”</p> <p><b><u>Sustainability Plan:</u></b></p> <p>(a) The following condition to second disbursement should be fulfilled by the Accredited Entity, in form and substance satisfactory to the GCF:</p> <p>“Deliver to the GCF Secretariat a sustainability plan developed in close consultation with relevant entities and local government institutions, specifying their respective roles in project implementation, including policy mainstreaming and the operationalising and sustaining of the flood forecasting and early warning systems.”</p> <p>(b) Inclusion of the following covenant in the FAA:</p> <p>“Deliver to the GCF Secretariat a copy of the sustainability plan endorsed by the relevant institutions in Bosnia and Herzegovina for the review and approval of the GCF Secretariat.”</p> <p><b><u>Operationalising Sustainability:</u></b></p> <p>(a) The following condition to third disbursement should be fulfilled by the Accredited Entity, in form and substance satisfactory to the GCF:</p> <p>“Deliver to the GCF Secretariat an updated organization structure for the project for implementation of the sustainability plan.”</p> <p>(b) Inclusion of the following covenant in the FAA:</p> <p>“Deliver to the GCF Secretariat a detailed project organization structure, with equipment property rights assigned or handed over to the various institutions in Bosnia and Herzegovina that will operate and maintain it, for the review and approval of the GCF Secretariat.”</p>
<p><b>FP217</b> (MOE_Rwanda Rwanda)</p>	<p><i>None</i></p>
<p><b>FP218</b> (UNEP Tanzania)</p>	<p><i>iTAP conditions</i></p> <p>Prior to the second disbursement of funds by GCF under the funded activity agreement, the AE shall deliver, in a form and substance satisfactory to the GCF Secretariat:</p> <p>(a) An updated stakeholder engagement plan including:</p> <p>(i) Detailed direct beneficiary mapping in the host communities and in the refugee camps situated in the project area, and evidence of the effective consultations and participation of project beneficiaries -drawn from both the host communities and refugee camps- in the project activities;</p> <p>Prior to the third disbursement of funds by GCF under the funded activity agreement, the AE shall deliver, in a form and substance satisfactory to the GCF Secretariat:</p> <p>(a) A sustainability plan, including:</p> <p>(i) the human resources and financial arrangements with governmental bodies at national and sub-national levels, to ensure the effective implementation of the project activities during and after project completion.</p> <p>(ii) the benefit-sharing arrangements in host communities and refugee camps that evidence how the benefits derived from the project are accrued and shared among the host community beneficiaries and among refugees within the camps in the project Area.</p>



<p><b>FP219</b> (AfDB SCPZ)</p>	<p><i>None</i></p>
<p><b>FP220</b> (IFAD ARCAFIM)</p>	<p><i>iTAP conditions<sup>3</sup></i></p> <p>Condition 1: Subsequent fundraising condition: IFAD states that for the balance of USD 45 million that it needs to raise - in addition to the USD 45 million funding from GCF - it is in negotiations with the Nordic Development Fund and the Government of Finland. It is not guaranteed that these funds will materialize. In order to ensure the programme’s ability to leverage GCF capital to crowd in additional capital in CCA financing, the iTAP would add a condition that GCF funding be disbursed pro rata to additional funding raised by IFAD.</p> <p>Condition 2: Passing on the concessionality to end beneficiaries:</p> <p>(a) Under the terms of the proposed loan agreement between Equity Bank and IFAD (acting as trustee for the GCF), and as currently indicated in the Operations Manual (Annex 21), Equity Bank will have to submit inclusion notices to motivate successive disbursements. Under the current terms of the Operations Manual, Equity Bank would not have to provide evidence that it passes on at least a portion of the concessionality (consisting of the below-market interest rate combined with the first loss risk mitigation) of the IFAD/GCF loan to its clients and beneficiaries (e.g. in terms of tenor and/or interest charged). (The Operational Manual only stipulates that “[...] each Qualifying Loan must be provided at the lowest end of market interest rate range as compared to similar risk sharing products provided by similarly mandated financial institutions, however, not below an interest rate viable for the market in order to avoid potential market distortion.”) The Operations Manual, and ultimately the loan agreement between IFAD and Equity Bank, should contain a provision making it obligatory for Equity Bank to provide, as part of the inclusion notice, evidence that the concessional terms of the IFAD/GCF facility are passed on to its loan clients. Such evidence could include calculations of the amount Equity Bank would have charged its loan clients if it had funded these loans from its own balance sheet, or other objectively verifiable market benchmarks.</p> <p>(b) IFAD should also foresee implementation of an annual audit to determine whether Equity Bank has passed on concessional terms to its loan clients. These audits would involve a comprehensive review of the Equity Bank loan portfolios, interest rates charged and compliance with the conditions set by IFAD.</p>
<p><b>FP221</b> (AfDB RGIF)</p>	<p><i>iTAP conditions</i></p> <p><u>Inclusion of a covenant in the FAA as follows:</u> The Accredited Entity shall ensure that no GCF Proceeds are used (whether through the PPF or Credit Facility) to refinance or otherwise support RGIF sub-projects which are or will be fully funded by way of legally-binding commitments from other sources, except in cases where the Accredited Entity demonstrates, in a form and substance satisfactory to the GCF Secretariat, acting reasonably, that extenuating circumstances exist which make the proposed refinancing in question necessary to prevent the failure of a sub-project that would otherwise be able to receive funding from RGIF. The limitations set out in this paragraph shall not apply to other co-financing which is made available through RGIF.</p>
<p><b>FP222</b></p>	<p><i>iTAP conditions</i></p> <p>Other than in relation to the first disbursement of the GCF Proceeds, delivery by the Accredited Entity to the Fund, in form and substance satisfactory to the GCF Secretariat,</p>

<sup>3</sup> The funded activity agreement shall include provisions to give effect to the principles set out in Condition 1 and Condition 2 below.



(CAMCO REPP2)	of written evidence confirming that Co-financing from private sources of an amount not less than ten per cent (10%) of the total capital commitments to Camco REPP SCSp (including the requested disbursement) is either already committed or expected to be committed, to Camco REPP SCSp, at the same time as the GCF Proceeds from the requested disbursement. Such private sources shall exclude co-financing which is ultimately provided by entities (i) where the majority of shares or ownership in that entity (i.e. more than 50%) are held by public sector entities; or (ii) that benefit from an explicit state guarantee or other government support agreement.
<b>FP223</b> (MUFG GAIA)	<p><i>iTAP conditions</i></p> <p>(a) Condition to be met prior to the execution of the funded activity agreement (FAA):</p> <p>Delivery by the Accredited Entity to the GCF of a copy of the MOUs entered with its strategic partners in the implementation of the Funded Activity, including the United Nations Development Programme (UNDP), Global Green Growth Institute (GGGI), International Fund for Agricultural Development (IFAD) and any other strategic partners identified by Accredited Entity.</p> <p>(b) Condition to be met prior to the effectiveness of the FAA:</p> <p>Delivery by the Accredited Entity to the GCF, in form and substance satisfactory to the GCF Secretariat, of evidence that the Accredited Entity has established a measurement, reporting and verification (MRV) system for the greenhouse gas (GHG) emissions reductions and removals of the proposed activities that prove to be aligned with the MRV system in the corresponding country(ies).</p> <p>(c) Covenant to be included in the FAA:</p> <p>The Accredited Entity shall ensure that GCF GAIA Holdco SPV's commitment to GAIA does not, at any time, exceed 21% of the total equity and debt commitments to GAIA.</p>
<b>FP224</b> (IFC Barbados)	<p><i>iTAP conditions</i></p> <p>Prior to the effectiveness of the FAA, delivery by the AE to the Fund, in form and substance satisfactory to the GCF Secretariat, of the procedures setting out the methodology used to ensure cost competitiveness of the fuel cells to be supplied by HDF.</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
<b>SAP030</b> (SCA Lao People's Democratic Republic (the))	<p><i>iTAP recommendations</i></p> <p>It is recommended that, together with the Ministry of Health, the project sets clear annual targets of increased health expenditure in the provinces involved and develops feasible, realistic plans to roll out the climate-resilient health facility infrastructure approach in additional facilities. This is considered as critical for ensuring sustainability of efforts and to achieve a sustained impact. It is therefore also recommended to monitor and report to GCF key financial indicators which show government investment and current expenditures in the project area.</p> <p>It is also recommended to focus investments in health-care infrastructure that are financed by GCF on aspects linked directly with making facilities more climate resilient</p>



	whilst other improvements made to health centres should be financed primarily by government resources. Co-financing of individual health centre upgrades by the government is considered to be an important step towards financial sustainability.
<b>SAP031</b> (Fundación Avina Brazil)	<i>None</i>
<b>SAP032</b> (FNEC Benin)	<p><i>iTAP Recommendations</i></p> <p>The iTAP recommends that the AE should do the following:</p> <ul style="list-style-type: none"> <li>(a) Institutionalize M&amp;E systems for local governments to track effectiveness beyond the lifetime of the project.</li> <li>(b) Put in place mechanisms to carefully monitor the differentiated implementation capacities across the 25 local governments, provide support to those that may be lagging, and incentivize actions that deliver a balance of short-term ('quick win') results and longer-term benefits.</li> <li>(c) Closely monitor the overall effectiveness of the PBCRG model across all 25 communes and ensure that the process of future allocations takes emerging results into consideration.</li> <li>(d) Keep the sustainability of the PBCRG system under review (particularly in relation to mobilizing climate finance), particularly at the project's mid-term evaluation.</li> <li>(e) Extend the functions of the LoCAL Steering Committee to include oversight of the project's gender equality and women's economic empowerment risks and results.</li> <li>(f) Put in place measures for operation and maintenance budget allocation over the lifetime of the project.</li> </ul>
<b>SAP033</b> (AfDB Sierra Leone)	<p><i>iTAP Recommendations</i></p> <p>The iTAP recommends that the AE considers the following improvements to this funding proposal:</p> <ul style="list-style-type: none"> <li>(a) In consultation with key stakeholders of the project, notably the national designated authority, the Ministry of Finance and the GVWC, the AE should explore the feasibility of a diploma training programme in the weather, water and climate value chain;</li> <li>(b) The development of a sustainability strategy, including aspects related to long-term operation and maintenance, to ensure the long-term financial viability of the interventions carried out;</li> <li>(c) Modification of the title of activity 3.1.2 and inclusion of some key socioeconomic sectors or ecosystems; and</li> <li>(d) a more in-depth consultation with different end-users regarding the organization of climate information, early action and early warning systems.</li> </ul> <p>These recommendations can be addressed during the first year of the project's implementation.</p>
<b>FP214</b> (GIZ Thailand)	<p><i>iTAP recommendations</i></p> <p>In order to improve the project, including its impacts, the iTAP recommends the following:</p> <p>During the first year of the project, a detailed monitoring and evaluation plan should be developed, capturing the responsible institutions as well as the timeline for each activity.</p>



	<p>During the first year of the project, a clear mechanism should be established for ensuring that emission reductions achieved by the funded activity will not be converted into carbon credits, as per the terms of the accreditation master agreement between GCF and GIZ.</p> <p>During the inception phase, an improved knowledge management plan should be developed to make better use of process-based crop models in planning adaptation activities in rice farming, including the development of rice varieties that are better adapted to current and adverse climatic conditions. Furthermore, it must ensure that knowledge of the key determinants of the adoption rate of CSA T&amp;P is systematized and translated in a way that can be leveraged in future initiatives.</p> <p>The executing entities should pay particular attention to the socioeconomic factors, such as the age of the farmers, and labour- and gender-related issues, that are to be included in the main criteria for the final selection of the interventions to be implemented</p>
<b>FP215</b> (ADB CRPP)	<i>None</i>
<b>FP216</b> (UNDP Bosnia and Herzegovina)	<i>None</i>
<b>FP217</b> (MOE_Rwan da Rwanda)	<p><i>iTAP recommendations</i></p> <p>The iTAP recommends to the AE that they undertake the following actions to strengthen the measurement, reporting and verification of the project's core mitigation benefits:</p> <ul style="list-style-type: none"> <li>(a) Clarify the roles and responsibilities of the different actors who will be involved in the steps of the measurement, reporting and verification (MRV) process over time, and the frequency of these steps</li> <li>(b) Capture the MRV activities as presented in Annex 22 also in Annex 11, such that they become part of the project's overall monitoring and evaluation system</li> <li>(c) Clarify how this project will be aligned with the existing arrangements for the national MRV system and/or will support or contribute to enhancing the functioning of this system across the country.</li> </ul>
<b>FP218</b> (UNEP Tanzania)	<i>None</i>
<b>FP219</b> (AfDB SCPZ)	<p><i>iTAP recommendations</i></p> <ul style="list-style-type: none"> <li>(a) Seriously address the issue of having a fair and inclusive criteria for all target smallholder household farmer beneficiaries that reasonably stand to benefit from the project interventions;</li> <li>(b) Integrate a robust monitoring, reporting and verification protocol over the project lifetime and ensure such implementation through regular checks by the Secretariat and encouraging the dissemination of knowledge; and</li> <li>(c) Submit a complete and final set of documents that are satisfactory to the Secretariat and iTAP prior to the signing of the funded activity agreement.</li> <li>(d) Update, clean completely, align for consistency with the revised project design, and submit in final versions: <ul style="list-style-type: none"> <li>(i) Funding proposal sections B2 and B3 (e.g. theory of change diagram and outcome statements);</li> <li>(ii) Annex 3A, SCPZ EFA (e.g. emission reduction calculations; country calculations on GHG emissions still include crop abatement; energy demand for Guinea);</li> </ul> </li> </ul>



	<p>(iii) Annex 4, SCPZ Budget plan revised (e.g. budget notes, assumptions and figures do not match information in the funding proposal; some financiers, for example, for Ethiopia are still included);</p> <p>(iv) Annex 14 SCPZ Term sheet; and</p> <p>(v) Annex 17 Multi-country project information.</p> <p>(e) Submit copies of last-mile agreements with the target beneficiaries showing alignment of funding proposal outputs and indicators, scope of activities per project component, and duties and responsibilities, to ensure delivery of funding proposal outputs/deliverables. This will ensure that the project interventions on CRA (activity 2.1.1), AFM (activity 2.1.2) and CIEWS (activity 2.2.2) among the target farmer beneficiaries will bring about behavioural transformation.</p>
<p><b>FP220</b> (IFAD ARCAFIM)</p>	<p><i>iTAP recommendations</i></p> <p><b>Recommendation 1: Minimum lending through different local intermediaries:</b> Given the high risk of market distortion, where existing rural SACCOs and MFIs have limited access to finance, it is important to maintain that at least 30 per cent of the loans to end beneficiaries are disbursed through these intermediaries. In other words, iTAP suggests that a maximum of 70 per cent of the loans be channelled through the host bank or its subsidiaries.</p> <p><b>Recommendation 2: Incentivizing loan officers:</b> (Concessional) lines of credit are a tried and tested method to drive investment in climate action through local financial intermediaries. However, experience shows that many lines of credit, and especially those that are designed to achieve ambitious promotional objectives, are not drawn. The commitment fee that is envisioned (0.5 per cent annually on undrawn amounts) provides Equity Bank with a strong incentive to utilize the line of credit provided by IFAD. However, the key will be to properly incentivize loan officers in the respective Equity Bank country operations to originate a portfolio of new projects that would qualify under the terms of the programme. There is significant theoretical demand, but that will have to be translated into a pipeline of investible opportunities for Equity Bank. Equity Bank should be required to submit, prior to first disbursement, a more comprehensive plan of how it will incentivize and support its loan officers to originate this new target portfolio.</p> <p><b>Recommendation 3: Monitoring gender equality and social inclusion indicators:</b> Among the 260,000 loans (worth USD 266,000,000) expected to be disbursed across the four East African countries, 50 per cent of beneficiaries are expected to be women and 30 per cent youth. For the maximum 70 per cent of the loans to be disbursed through Equity Bank directly or through subsidiaries, the iTAP recommends that IFAD tracks whether beneficiaries are 50 per cent women and 30 per cent youth (to be defined) in each of the four countries, and report to GCF on whether the targets have been met, and if not, why not. If such targets are consistently not met over a period agreed with the GCF Secretariat, IFAD is to investigate and report back on why the targets have not been met.</p>
<p><b>FP221</b> (AfDB RGIF)</p>	<p><i>None</i></p>
<p><b>FP222</b> (CAMCO REPP2)</p>	<p><i>None</i></p>
<p><b>FP223</b> (MUG GAIA)</p>	<p><i>iTAP recommendations</i></p>





	<p>To strengthen further the resubmitted funding proposal and ensure clarity of documentation as well as the sustainability of proposed interventions, the iTAP also strongly recommends that the AE submits a complete and final set of documents that are satisfactory to the Secretariat prior to the signing of the FAA. One such document is the annex 14A Gaia Fund Term Sheet.</p>
<p><b>FP224</b> (IFC Barbados)</p>	<p><i>iTAP recommendations</i></p> <p>ITAP recommends that the project reports data on energy usage and inputs/outputs for the solar energy system, the BESS and the H2 system.</p> <p>The iTAP recommends that TA funds are used as far as possible in a technology neutral manner including (i) focusing scholarships on energy storage technologies in general and not only on potential usage of hydrogen; (ii) financing and promoting studies of energy storage options for SIDS in general without focusing exclusively on hybrid or H2 solutions; (iii) not financing directly H2 platforms but technology open platforms.</p> <p>The iTAP recommends that no GCF Proceeds under Component 2 of the Funded Activity are used for the training and/or capacity building of RSB's plant technicians.</p>