

GCF
ACCREDITATION
MASTER AGREEMENT
between
GREEN CLIMATE FUND
and
NEDERLANDSE FINANCIERINGS-MAATSCHAPPIJ
VOOR ONTWIKKELINGSLANDEN N.V. (FMO)

TABLE OF CONTENTS

	Page
Clause 1 Definitions and Interpretations.....	1
Clause 2 Effective Date and Conditions Precedent to Agreement	8
Clause 3 Conditions Precedent to Disbursement.....	9
Clause 4 Project/Programme Pipeline and Funding Proposals	9
Clause 5 Results Management Framework; Monitoring and Accountability	14
Clause 6 Procedure for Term Sheets and Funded Activity Agreements.....	15
Clause 7 Disbursement of GCF Proceeds to the Accredited Entity; Unused Funds; Reflowed Funds; Investment Income	16
Clause 8 Implementation	17
Clause 9 Standard of Care.....	18
Clause 10 Executing Entities; Affiliates	19
Clause 11 Administration of Funds by the Accredited Entity	20
Clause 12 Accredited Entity Fees.....	21
Clause 13 Compliance with Standards, Policies and Procedures	21
Clause 14 Procurement	22
Clause 15 Record Keeping and Reporting.....	22
Clause 16 Periodic Reviews, <i>Ad Hoc</i> Checks and Evaluations.....	24
Clause 17 Financial Management; Financial Information.....	25
Clause 18 Representations, Warranties and Covenants	27
Clause 19 Events of Default	29
Clause 20 Remedies following an Event of Default.....	29
Clause 21 Force Majeure.....	30
Clause 22 Term and Termination	31
Clause 23 Intellectual Property; Ownership of Equipment; Entitlement to Emission Reductions	32
Clause 24 Branding.....	32
Clause 25 Confidentiality	32
Clause 26 Privileges and Immunities	34
Clause 27 Non-waiver of Privileges and Immunities	34
Clause 28 Governing Law	35
Clause 29 Enforceability and Arbitration	35
Clause 30 Waiver	35
Clause 31 Notices	36
Clause 32 Miscellaneous	36
Annex 1 - Term Sheet.....	40
Annex 2 - Conditions Precedent to Disbursement.....	43
Annex 3 - Accreditation for Fiduciary Standards	44
Annex 4 - Accreditation for Environmental and Social Safeguards.....	46
Annex 5 - Accreditation for Size of Project	47
Annex 6 - Request for Disbursement	48
EXHIBIT A - Interim Policy on Prohibited Practices	49

This ACCREDITATION MASTER AGREEMENT (the "Agreement") is entered into on 18 October 2018 between

NEDERLANDSE FINANCIERINGS MAATSCHAPPIJ VOOR ONTWIKKELINGSLANDEN N.V. (FMO), a public company (*naamloze vennootschap*), organized and existing under the laws of The Netherlands, registered with the commercial registry of the chamber of commerce of Haaglanden under number 270 78 545, having its registered office at Anna van Saksenlaan 71, 2593 HW, The Hague, The Netherlands, which has received Accreditation (as defined below) (the "**Accredited Entity**"); and

The **GREEN CLIMATE FUND**, designated as an operating entity of the financial mechanism under Article 11 of the United Nations Framework Convention on Climate Change and established pursuant to the Governing Instrument (as defined below) possessing juridical personality in order to operate effectively internationally, having such legal capacity as is necessary for the exercise of its functions and the protection of its interests, having its headquarters at Songdo, Incheon, Republic of Korea ("**GCF**" or the "**Fund**"),

each a "**Party**" and together the "**Parties**".

WHEREAS

- (A) The Accredited Entity has been accredited by the Board (as defined below) pursuant to paragraph 45 of the Governing Instrument, subject to and in accordance with the assessment of the Accreditation Panel;
- (B) The Board has endorsed that the Fund shall enter into agreements with accredited entities;
- (C) The Board has authorized the Executive Director – or his/her designee – on behalf of the Fund to negotiate and agree on the terms and conditions of such agreements with accredited entities, reflecting the scope of the accreditation, and to enter into such agreements.

THE PARTIES HEREBY AGREE AS FOLLOWS:

Clause 1 Definitions and Interpretations

1.01 In this Agreement:

"Accountability Units" means the Independent Evaluation Unit, the Independent Integrity Unit and the Independent Redress Mechanism of the Fund;

"Accreditation" means the Decision, accrediting an entity, pursuant to paragraph 45 of the Governing Instrument, and subject to, and in accordance with, the assessment by the Accreditation Panel, and the terms "Accredit" and "Accredited" will have a commensurate meaning;

"Accreditation Panel" means the independent technical panel established by the Board pursuant to Decision B.07/02 to advise it on matters relating to the Accreditation of entities by the Board;

"Accredited Entity Fee" means a fee payable to the Accredited Entity in accordance with Clause 12, to cover the Accredited Entity's costs in respect to services performed by the

Accredited Entity in connection with the Funded Activities. For the avoidance of doubt, the Accredited Entity Fee is not part of the GCF Proceeds, and shall be paid by the Fund to the Accredited Entity separately of the GCF Proceeds;

“Accredited Entity Insolvency Event” means any event where the Accredited Entity:

- (i) is dissolved (other than pursuant to a consolidation, amalgamation or merger);
- (ii) becomes insolvent, or is unable to pay its debts as they become due, or fails or admits in writing its inability to pay its debts as they become due;
- (iii) makes a general assignment, arrangement or composition, or other arrangement for the benefit of its creditors;
- (iv) institutes or has instituted against it, a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors’ rights, or a petition is presented for its winding-up or liquidation and such proceeding or petition results in (A) a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding-up or liquidation or (B) is not withdrawn, dismissed, discharged, stayed or restrained, in each case within thirty (30) days of the institution or presentation thereof;
- (v) has a resolution passed for its winding-up, official management or liquidation (other than pursuant to a consolidation, amalgamation or merger);
- (vi) seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or for all or substantially all its assets;
- (vii) has a secured party take possession of all or substantially all its assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all its assets and such secured party maintains possession, or any such process is not dismissed, discharged, stayed or restrained, in each case within thirty (30) days thereafter;
- (viii) causes or is subject to any event with respect to it which, under the applicable laws of any jurisdiction, has an analogous effect to any of the events specified in (i) to (vii) above (inclusive); or
- (ix) takes any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the acts referred to paragraphs (i) to (vii) above;

“Affiliate” means in relation to any Party, any entity that directly or indirectly: (i) is controlled by the Party; (ii) controls the Party; or (iii) is under common control with the Party. For this purpose, “control” of an entity or Party means ownership of a majority of the voting power of the entity or Party, or as otherwise agreed by the Parties and set out in the relevant FAA;

“Agreement” means this GCF Accreditation Master Agreement between the Fund and the Accredited Entity;

“AML/CFT” means anti-money laundering and countering the financing of terrorism;

“AML/CFT Policy” means the Fund’s Anti-Money Laundering and Countering the Financing of Terrorism Policy adopted by Decision B.18/10;

“APR” means an annual performance report;

“Arbitration Rules” means the arbitration rules of the arbitral body or organization specified in Clause 29.03 of this Agreement in force as of the date on which the notice of arbitration is being served by the plaintiff;

“Board” means the board of the Fund established pursuant to the provisions of the Governing Instrument;

“Concept Note” means a concept note prepared and submitted to the Fund by the Accredited Entity for a project, programme or investment;

“Confidential Information” means information, however recorded or preserved, disclosed by a Party to the other Party, relating to a proposed project, programme, or investment or Funded Activity, which is described and/or marked as “confidential” at the time of disclosure;

“Convention” means the United Nations Framework Convention on Climate Change;

“COP” means the conference of the parties to the Convention;

“Date of Accreditation” means the date the Board Accredits the Accredited Entity;

“Decision” means a decision of the Board, provided that, where pursuant to this Agreement compliance by the Accredited Entity is required with respect to a Decision, such Decision shall only apply to the Accredited Entity if the relevant Decision has been notified by the Fund to the Accredited Entity;

“Disbursement Schedule” means the disbursement schedule as set out in an FAA;

“Environmental and Social Standards” or “ESS” means the interim environmental and social safeguards of the Fund as set out in Annex III to Decision B.07/02;

“Environmental and Social Risk Categories” means the categories and levels of intermediation specified in the Framework for Accreditation Process;

“Euro” and “EUR” each means the lawful currency of the Euro Zone;

“Euro Zone” means the economic and monetary union of member states of the European Union that adopt the single currency in accordance with the treaty of Maastricht establishing the European Community, as amended by the treaty of Lisbon on the functioning of the European Union;

“Executing Entity” means any entity, which includes, as the case may be, a developing country which is a party to the Convention, through which GCF Proceeds are channelled or used for the purposes of a Funded Activity or part thereof, and/or any entity that executes, carries out or implements a Funded Activity, or any part thereof. For the avoidance of doubt, the Accredited Entity may also carry out the functions of an Executing Entity;

“Executive Director” means the head of the Secretariat appointed by the Board from time to time;

“Expert” means an expert or consultant providing services under contractual arrangements with the Fund, including the Accountability Units;

“Fiduciary Principles and Standards” means the initial fiduciary principles and standards of the Fund as set out in Annex II to Decision B.07/02;

“Fiscal Year” means 1 January through 31 December of each calendar year;

“Fitch” means Fitch Ratings Ltd. and any successor to its rating business;

“Focal Point” means the individual or authority designated by a developing country party to the Convention to fulfil all functions of an NDA on a temporary basis, until it has designated an NDA;

“Force Majeure” means any act of God, war (whether declared or not), invasion, revolution, insurrection or other acts or events of a similar nature or force, to the extent that they constitute (i) an unforeseeable exceptional situation or event, (ii) beyond the Parties’ control (iii) which prevents either of the Parties from fulfilling any of their obligations under this Agreement or under an FAA for a Funded Activity;

“Framework for Accreditation Process” means the Fund’s initial guiding framework for its accreditation process, adopted in Decision B.07/02 and contained in Annex I to that Decision, and in Decision B.08/02 and contained in Annex I to that Decision;

“Fund Agent” means a third party retained by the Fund to perform certain functions or activities on behalf of the Fund, as set forth in Clause 17.04;

“Funded Activity” means, unless otherwise specified in the FAA applicable to that Funded Activity, a GCF Project and/or a GCF Programme or part thereof;

“Funded Activity Agreement” or “FAA” means any agreement relating to a Funded Activity entered into by the Parties pursuant to Clause 6.02 of this Agreement and that meets the requirements of Clause 6.03 of this Agreement;

“Funding Proposal” means the proposal, including any annexes thereto, in a form as may be prescribed by the Fund, referred to in Clause 4.01 of this Agreement, requesting funding (whether in the form of grants, loans or otherwise) for a project, programme activity or investment;

“GCF Account” means the separate bank or ledger account (as expressly specified in an FAA) acceptable to the Fund, which shall be interest bearing in accordance with any interest policies of the Accredited Entity, and to be established by the Accredited Entity to, as applicable, record, receive, hold and administer GCF Proceeds and Other GCF Funds;

“GCF Holding Currency” means USD, JPY, EUR or GBP, or such other currency as designated by the Fund from time to time;

“GCF Proceeds” means funds transferred, provided or disbursed by the Fund via the Trustee or via an account designated by the Fund, in connection with a Funded Activity pursuant to this Agreement or in accordance with the terms and conditions of an FAA, which for the purposes of this Agreement shall not include any fees payable to the Accredited Entity pursuant to Clause 12;

“GCF Programme” means a programme comprising several projects, activities and/or investments for which a Funding Proposal has been approved by the Board;

“GCF Project” means a project, activity or investment for which a Funding Proposal has been approved by the Board;

“Gender Policy” means the Fund’s gender policy and gender action plan adopted in Decision B.09/11;

“Goods” means goods, equipment and materials to be financed from GCF Proceeds, but excluding Services;

“Governing Instrument” means the instrument entitled ‘Governing Instrument for the Green Climate Fund’, that was approved by the COP at its seventeenth session on 11 December 2011 and is annexed to Decision 3/CP.17;

“Host Country” means the country or countries in which a Funded Activity is to be, is being, or has been, implemented pursuant to any FAA;

“Independent Evaluation Unit” means the operationally independent evaluation unit established by the Board pursuant to paragraph 60 of the Governing Instrument;

“Independent Integrity Unit” means the independent integrity unit established by the Board pursuant to paragraph 68 of the Governing Instrument;

“Independent Redress Mechanism” means the independent redress mechanism established by the Board pursuant to paragraph 69 of the Governing Instrument;

“Information Disclosure Policy” means the information disclosure policy adopted in Decision B.12/35;

“Investment Framework” means the initial investment framework of the Fund adopted in Decisions B.07/06 and B.09/05;

“Investment Income” means any income, interest or gains earned on the GCF Proceeds held in the GCF Account;

“Japanese Yen” and “JPY” each means the lawful currency of Japan;

“Large-sized Activity” means a project, activity within a programme or investment where the total projected costs as agreed by the Parties at the time of submission of the Funding Proposal to the Board are above USD 250 million (or the equivalent amount thereto measured in any other GCF Holding Currency) or such other amount as may be subsequently specified in a Decision for such sized activity;

“Major Change” means any event or proposed modification that will involve a major change in, or a restructuring of a Funded Activity’s scope, structure, design or objectives, including a reallocation of GCF Proceeds beyond the threshold set out in the relevant FAA affecting the Funded Activity’s scope or objectives, or any other change that substantially alters the purpose or benefit of the Funded Activity, in each case, as may be more particularly set out in the relevant FAA;

“Medium-sized Activity” means a project, activity within a programme or investment where the total projected costs as agreed by the Parties at the time of submission of the Funding Proposal to the Board are above USD 50 million and up to and including USD 250 million (or the equivalent amount thereto measured in any other GCF Holding Currency) or such other amounts as may be subsequently specified in a Decision for such sized activity;

“Micro-sized Activity” means a project, activity within a programme or investment where the total projected costs as agreed by the Parties at the time of submission of the Funding Proposal to the Board are up to and including USD 10 million (or the equivalent amount thereto measured in any other GCF Holding Currency) or such other amounts as may be subsequently specified in a Decision for such sized activity;

“Monitoring and Accountability Framework” means the initial monitoring and accountability framework adopted by the Board in Decision B.11/10;

“Moody’s” means Moody’s Investors Service Limited or any successor to its rating business;

“NDA” means the authority designated by a developing country party to the Convention pursuant to paragraph 46 of the Governing Instrument;

“No-Objection Letter” means a letter from an NDA or, if applicable, a Focal Point, signed by its Official Representative, confirming that it has no objection to a Funding Proposal proposed by an Accredited Entity in its country;

“No-Objection Procedure” means the initial ‘no-objection procedure’ for Funding Proposals, as approved in Decision B.08/10;

“Official Representative” means the official representative of an NDA or, if applicable, Focal Point, details of whom are registered with the Fund;

“Other GCF Funds” means Investment Income and Reflowed Funds;

“Policy on Prohibited Practices” means the interim policy on prohibited practices adopted by the Board, which is attached as EXHIBIT A;

“Pound Sterling” and “GBP” each means the official currency of the United Kingdom;

“Prohibited Practices” means the prohibited practices set forth in paragraph 4 of the Policy on Prohibited Practices;

“Project and Programme Activity Cycle” means the updated proposal approval process adopted in Decision B.17/09, including Annex IV to that Decision;

“Reflowed Funds” means any funds reflowed to the Accredited Entity or directly to the Fund via the Trustee (or such other entity or account as the Fund may designate), as the case may be, which were originally distributed by or through the Accredited Entity from GCF Proceeds including, but not limited to, reimbursement or repayment, payments of principal, interest, dividends and fees, as appropriate, but excluding any Unused Funds with respect to a Funded Activity;

“Reporting Period” means, until an FAA has been entered into, the reporting period for a Funded Activity as set out in the relevant Term Sheet or, once an FAA has been entered into for that Funded Activity, as set out in the FAA;

“Request for Disbursement” means a written request submitted by the Accredited Entity to the Fund for the transfer of funds to the Accredited Entity for Funded Activities and for the transfer of the Accredited Entity Fees, the form of which is attached as Annex 6 (*Request for Disbursement*);

“Results Management Framework” means the initial results management framework of the Fund adopted in Decisions B.07/04 and B.08/07;

“S&P” means Standard & Poor’s Financial Services LLC or any successor to its rating business;

“Secretariat” means the Secretariat of the Fund established by the Fund pursuant to paragraph 19 of the Governing Instrument;

“Services” means the services to be financed from GCF Proceeds;

“Small-sized Activity” means a project, activity within a programme or investment where the total projected costs as agreed by the Parties at the time of submission of the Funding Proposal to the Board are above USD 10 million and up to and including USD 50 million (or the equivalent amount thereto measured in any other GCF Holding Currency), or such other amounts as may be subsequently specified in a Decision for such sized activity;

“Staff” means all the staff of the Fund, including the Executive Director and the staff of any subsidiary body or facility established by the Fund, irrespective of their nationality, with the exception of the persons recruited locally and assigned to hourly rates of pay;

“Staff of the Accredited Entity” means all officers and employees of the Accredited Entity, members of the Accredited Entity’s board of directors, their alternates, advisors and technical experts, and experts performing missions for the Accredited Entity;

“Stakeholder Engagement Best Practices” means the best-practice options for country co-ordination and multi-stakeholder engagement, endorsed in Decision B.08/10 and set out in Annex XIV to that Decision;

“Standards” means together, the Fiduciary Principles and Standards, the Environmental and Social Standards and the Gender Policy;

“Subsidiary Agreement” means any agreement entered into by the Accredited Entity on the basis of or in connection with this Agreement, unless expressly agreed otherwise in an FAA, in its own name and on its own behalf, with an Executing Entity (that is not the Accredited Entity);

“TAP” means the independent technical advisory panel established by the Board;

“Term Sheet” means a document setting out, in summary form, the key terms and conditions specific to and relating to a Funding Proposal agreed by the Parties pursuant to Clause 6.01 of this Agreement, an indicative form of which is attached as Annex 1 (*Term Sheet*);

“Trustee” means the International Bank for Reconstruction and Development serving as the interim trustee of the Trust Fund and any replacement or successor entity, serving as the interim or permanent trustee of the Trust Fund assets;

“Trust Fund” means the Green Climate Fund Trust Fund (MTO No. 069022) administered by the Trustee;

“Unused Funds” means any undisbursed or unused funds from the GCF Proceeds for a Funded Activity, for which no further disbursements, liabilities or costs are due to be made or paid by the Accredited Entity (or any other entity involved in the relevant Funded Activity); and

“US Dollars” and “USD” each means the lawful currency of the United States of America.

1.02 The Parties acknowledge that this Agreement sets out the general terms and conditions applicable between them for the Accredited Entity’s role as accredited entity. This

Agreement shall apply to all Funded Activities, save as supplemented or amended, as the case may be, by the specific terms of any FAA entered into by the Parties in relation to a specific Funded Activity, which shall prevail for that specific Funded Activity. As such, any derogation, deviation or modification of this Agreement that is provided for in an FAA shall be justified by the specific requirements of the respective Funded Activity, will only apply with respect to the Funded Activity to which such FAA relates and shall have no application or effect in relation to any other FAA entered into with respect to another Funded Activity. Amendments to this Agreement may only be made pursuant to Clause 32.10.

- 1.03 In the event of any inconsistency or conflict between this Agreement and an FAA for a specific Funded Activity, the terms of the FAA shall prevail for the purposes of that Funded Activity.
- 1.04 References to the Fund's Standards, rules, policies, principles, procedures and frameworks include, subject to Clause 32.04 where applicable, such Standards, rules, policies, principles, procedures and frameworks as amended and updated from time to time, or any successor document thereto.
- 1.05 The headings contained in this Agreement and the Table of Contents are for reference only and shall not be taken into consideration in interpreting this Agreement.
- 1.06 References to singular may include plural and vice versa, and a reference to any gender includes any other gender.
- 1.07 For the avoidance of doubt, the Fund includes the Accountability Units.
- 1.08 Any reference to "Clause" and "Annex" is to the Clause of, and Annex to, this Agreement, unless context requires otherwise.
- 1.09 References to the Accredited Entity taking 'timely' and/or 'appropriate' measures shall be interpreted as the obligation to take any and all measures in a timely manner which the Accredited Entity should normally take under the relevant circumstances in accordance with its own rules, policies and procedures.

Clause 2 Effective Date and Conditions Precedent to Agreement

- 2.01 Except as the Fund and the Accredited Entity may otherwise agree, this Agreement shall be effective from the date upon which the Fund dispatches to the Accredited Entity a notice of its acceptance of the evidence required by Clause 2.02 below.
- 2.02 Unless otherwise specified in writing by the Fund, this Agreement shall not become effective until the following evidence, in form and substance satisfactory to the Fund, has been provided:
 - (a) an executed copy of this Agreement;
 - (b) a legal opinion as to Dutch law issued by a reputable and nationally recognized law firm, in form and substance satisfactory to the Fund confirming that the Agreement entered into by the Accredited Entity has been duly authorized or ratified by all necessary corporate actions, duly executed and delivered on behalf of the Accredited Entity; and
 - (c) a legal opinion as to English law issued by a reputable and nationally recognized law firm, in form and substance satisfactory to the Fund confirming that under the

governing law of this Agreement, this Agreement is legally binding upon and enforceable against the Accredited Entity in accordance with its terms.

Clause 3 Conditions Precedent to Disbursement

3.01 The Accredited Entity acknowledges that in accordance with the relevant Decision Accrediting it, the Fund may not disburse any funds to it for a Funded Activity, until it has satisfied the conditions, if any, (a) contained in that Decision and repeated (or as supplemented) in Annex 2 (*Conditions Precedent to Disbursement*) of this Agreement; and (b) set forth in the relevant FAA.

Clause 4 Project/Programme Pipeline and Funding Proposals

4.01 The Accredited Entity may submit Funding Proposals for projects, programme activities or investments to the Fund, either:

- (a) in response to a call for Funding Proposals published by the Fund on its website; and/or
- (b) of its own volition, in all instances in accordance with the provisions of this Clause 4, the Project and Programme Activity Cycle, and any other steps or actions as may be prescribed by the Fund from time to time.

4.02 Prior to the submission of a Concept Note, if applicable, but in any event in a timely manner and no later than the submission of the Funding Proposal so as to comply with the submission of the No-Objection Letter in accordance with Clause 4.12 and the No-Objection Procedure, the Accredited Entity shall:

- (a) inform the NDA or, if applicable, the Focal Point about the proposed activity to be implemented in their country and commence consultations; and
- (b) inform the Fund that it has commenced consultations with the NDA or, if applicable, the Focal Point.

Submission and Consideration of Concept Note (where applicable)

4.03 Prior to submission of a Funding Proposal, the Accredited Entity may submit a Concept Note to the Fund in accordance with such procedures as may be prescribed by the Fund from time to time.

Preparation of Funding Proposal

4.04 The Accredited Entity shall prepare a Funding Proposal in accordance with its own policies and procedures and consistent with the requirements set forth in the Investment Framework, the Results Management Framework, and any other applicable Decisions, all without prejudice to Clause 32.04.

4.05 In relation to each Funding Proposal, the Accredited Entity shall:

- (a) comply:
 - (i) with AML/CFT, “know your customer”, and other similar checks under all laws and regulations as applicable in accordance with the Accredited

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- Entity's own policies and procedures that reflect international fiduciary standards and practices in relation to the proposed Funded Activity; and
- (ii) with the anti-bribery laws applicable to the Accredited Entity and, in this context, taking into account the anti-bribery laws of the Host Country;
- (b) and, as the case may be:
- (i) incorporate provisions in the Subsidiary Agreement requiring the Executing Entity to comply and to oblige compliance by all other persons and entities contractually involved in the Funded Activity; or
 - (ii) include in the Subsidiary Agreement, if it is entered into after the Funding Proposal has been submitted to the Fund, a warranty by the Executing Entity whereby it warrants, and covenants to oblige all persons and entities contractually involved in the Funded Activity to warrant, that in developing the project, programme or investment referred to in the Funding Proposal before entering into the Subsidiary Agreement or other relevant agreement, they have complied,
 - (A) with all AML/CFT, "know your customer", and other similar checks under all laws and regulations applicable to, respectively, each of the Executing Entity or such other persons and entities, as the case may be, and that reflect international best fiduciary standards and practices in relation to the proposed Funded Activity; and
 - (B) with all laws of the Host Country, in particular the anti-bribery and anti-corruption laws of the Host Country and any other laws applicable to, respectively, each of the Executing Entity or such other relevant persons and entities involved in the Funded Activity, as the case may be;
- (c) as the case may be:
- (i) in the Subsidiary Agreement obtain undertakings from the Executing Entity, and cause the Executing Entity to obtain undertakings from other parties contractually involved in the Funded Activity, that they shall not; or
 - (ii) include in the Subsidiary Agreement, if it is entered into after the Funding Proposal has been submitted to the Fund, a warranty and undertaking by the Executing Entity whereby it warrants and undertakes, and covenants to oblige all other relevant persons and entities involved in the Funded Activity to warrant and undertake, that in developing the project, programme or investment referred to in the Funding Proposal, they have not and shall not,
 - (A) directly or indirectly, in connection with the Funded Activity, pay or paid, offer or offered, give or given, promise or promised to pay or authorize the payment of, or solicit(ed), receive(d) or agree(d) to receive, any monies or other things of value to or from anyone in order to obtain, influence, or reward any improper advantage;
- (d) as the Fund will rely on such due diligence, carry out all due diligence as necessary or desirable in accordance with its own internal rules and usual practice when dealing with funds for which it has management or investment responsibility in

relation to the Funding Proposal, including but not limited to, (i) technical, engineering, economic, financial, risk, legal and commercial viability; (ii) compliance, in accordance with Clause 13.01, with the Standards (to the extent and scope of its Accreditation); (iii) developmental, climate change mitigation and/or adaptation impacts; (iv) administrative and regulatory requirements; and/or (depending on the circumstances) (v) any business or company searches to ascertain the solvency or financial health of the Executing Entity as well as other recipients or beneficiaries of the funding and parties to the transaction set out in relevant Funding Proposal;

- (e) conduct such other due diligence as may be necessary or desirable that it would apply to its own portfolio or when using or investing its own funds or funds for which it has management or investment responsibility; and
- (f) upon request by the Fund, after consultation with, and to the extent permitted by laws applicable to the Accredited Entity, provide all available information, including reports, assessment, and other documentation relating to its obligations under Clauses 4.05(a) to 4.05(e) above and allow the Fund, after reasonable written notice to the Accredited Entity, to speak directly to its staff and any external engineers, consultants, lawyers and technicians directly involved in the preparation of the relevant Funding Proposal, it being expressly acknowledged and agreed that the exercise or non-exercise by the Fund of any of its rights under this paragraph (f) will not in any way affect the Accredited Entity's responsibility and liability, if any, under this Agreement, in respect of the reliance by the Fund on the due diligence by the Accredited Entity.

Procedures for Stakeholders Input

- 4.06 When developing Funding Proposals, the Accredited Entity will, or will ensure that the Executing Entity will, in collaboration with the relevant Host Country authorities, have a process for multi-stakeholder engagement, consistent with any national regulations and processes for such engagement, including confirmation of appropriate action to address any feedback received.
- 4.07 The Accredited Entity will keep the Fund regularly updated and informed as to its material discussions with the relevant Host Country authorities, carried out in accordance with Clause 4.06.
- 4.08 The Accredited Entity will consider the Stakeholder Engagement Best Practices as part of its preparation of any Funding Proposal, particularly the role of the NDA or, if applicable, the Focal Point.

Environmental and Social Risk Categories

- 4.09 The Accredited Entity will only submit Funding Proposals for proposed Funded Activities that fall within the Environmental and Social Risk Categories for which it has been Accredited as set out in Annex 4 (*Accreditation for Environmental and Social Safeguards*), or for proposed Funded Activities which are in a lower risk category.

Size of Projects

- 4.10 The Accredited Entity will only submit Funding Proposals up to the size of proposed Funded Activities for which it has been Accredited, as set out in Annex 5 (*Accreditation for Size of Project*), or for proposed Funded Activities that are smaller.

Submission of Funding Proposal

- 4.11 The Accredited Entity shall submit any Funding Proposal to the Fund, together with all supporting documentation both as referred to therein as well as (upon request) reflecting the due diligence conducted pursuant to Clauses 4.04 and 4.05 above (or such additional or further due diligence that it may itself carry out), and the Fund may in turn provide the Accredited Entity with comments or request clarification in relation to the Funding Proposal and/or the due diligence. The Accredited Entity acknowledges that such Funding Proposal will be processed by the Fund in accordance with the No-Objection Procedure and the Project and Programme Activity Cycle, which may include an independent assessment by the TAP.
- 4.12 In particular, the Accredited Entity acknowledges that, in accordance with the No-Objection Procedure:
- (a) the Fund will acknowledge receipt of a No-Objection Letter received from the NDA or, if applicable, the Focal Point to the Accredited Entity;
 - (b) in the event that a Funding Proposal
 - (i) for a GCF Project, is not accompanied by a No-Objection Letter from the relevant Host Country; or
 - (ii) for a GCF Programme, is not accompanied by a No-Objection Letter from the Host Country, or Host Countries, as the case may be, in which it is envisaged that the first project activities and/or investments will take place,

the Fund will inform the relevant NDA(s) or, if applicable, the Focal Point(s), that the Funding Proposal will not be considered by the Board until the Fund receives the No-Objection Letter(s) and the Fund will notify the Accredited Entity of such communication;
 - (c) in the event that the relevant No-Objection Letter is not received by the Fund within thirty (30) days of its request to the NDA or, if applicable, the Focal Point, the consideration of the application for that Funding Proposal will be suspended and the Fund will notify the Accredited Entity of this suspension;
 - (d) if the No-Objection Letter is received by the Fund after the thirty (30) day period mentioned in Clause 4.12(c) above, the Fund will, at its discretion, determine whether it will review the suspended Funding Proposal, or whether it will require the Funding Proposal to be submitted again and shall notify the Accredited Entity accordingly; and
 - (e) in relation to a GCF Programme for which a Funding Proposal has been approved, No-Objection Letters for each additional Host Country in which a project activity and/or investment will take place must be received by the Fund prior to any project activity and/or investment under such GCF Programme taking place in such Host Country.
- 4.13 Prior to the Fund submitting a Funding Proposal for consideration by the Board, the Accredited Entity shall:
- (a) have obtained all final internal approvals needed by it to implement a proposed Funded Activity itself or to have it implemented through the Executing Entity, as the case may be; and

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- (b) confirm in a certificate issued by the most senior legal officer of the Accredited Entity in a form that is satisfactory to the Fund, that all final internal approvals have been obtained and that the Accredited Entity has the capacity and authority to implement the proposed Funded Activity itself or to have it implemented through the Executing Entity, as the case may be.
- 4.14 Notwithstanding Clause 4.13, if the Accredited Entity has not satisfied the requirements of Clauses 4.13(a) and 4.13(b):
- (a) the Fund may agree to accept the relevant Funding Proposal for submission and consideration by the Board;
 - (b) the Board may, in its sole discretion, decide to conditionally approve the Funding Proposal, whereby such approval shall only become effective upon the Accredited Entity obtaining all final internal approvals needed by it and providing a certificate (as required by Clause 4.13(b)), within the number of days specified by the Board in such approval, provided that such period shall not exceed one hundred and twenty (120) days; and
 - (c) if a Board approval is given under Clause 4.14(b) and the Accredited Entity subsequently fails to satisfy the conditions for effectiveness of such approval within the period determined by the Board pursuant to Clause 4.14(b), the Board approval shall be deemed not to be effective and the relevant Funding Proposal shall not have been approved.
- 4.15 The Fund will, while the Accredited Entity acknowledges that the TAP operates independently, use its best efforts to allow the Accredited Entity to:
- (a) Obtain a copy of the Secretariat's and the TAP assessments substantially in the form for publication, with sufficient time for the Accredited Entity to review, prior to their publication and submission to the Board; and
 - (b) Submit comments, clarifications and/or corrections for publication in unedited form, together with the Secretariat's and TAP assessments;

If the Accredited Entity has reasonable concerns about its reputation if the assessments would be made public, it may withdraw a Funding Proposal following the Accredited Entity's review of the Secretariat's or TAP assessments, while providing the reason or justification to the Fund for such withdrawal. Withdrawing a Funding Proposal shall render the related Secretariat's or TAP assessments confidential and shall prevent any publication.

Decision of the Board

- 4.16 After the Secretariat has received and analysed the Funding Proposal (including the relevant No-Objection Letter), it may be submitted to the Board in accordance with the Project and Programme Activity Cycle and any other relevant Fund policies and procedures. If the Secretariat decides not to submit the Funding Proposal to the Board, it will notify the Accredited Entity as early as possible and provide an appropriate explanation.
- 4.17 Upon receipt and consideration of a Funding Proposal, the Board may take a Decision to:
- (a) approve the Funding Proposal;

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- (b) provide an approval that is conditional on modifications to the project or programme, delivery of further documentation (such as evidence of final internal or any third party approvals) or otherwise, or subject to the availability of funding; or
- (c) reject the Funding Proposal.
- 4.18 The Fund will record the Decision on the Funding Proposal and communicate it to the Accredited Entity and the relevant NDA or, if applicable, the Focal Point. If the Funding Proposal was approved by the Board subject to certain modifications being made thereto, the Accredited Entity will consider such modifications in good faith. If the Accredited Entity considers such modifications to be unfeasible, it will inform the Secretariat accordingly. If the Accredited Entity is willing and able to satisfy the modifications, it shall provide evidence as the Fund may reasonably request, and the Fund shall notify the Accredited Entity when it has made the determination that all conditions imposed by the relevant Decision have been satisfied.
- 4.19 In case the Board approval of a Funding Proposal is conditional on substantial modification of the Funding Proposal, in accordance with Clause 4.17(b), the Accredited Entity shall have a reasonable period to obtain its final internal approvals and to provide to the Fund such certificate. The Fund and the Accredited Entity shall agree on such measures as are appropriate in order to avoid delays in the implementation of the relevant Funded Activity.

Independent Redress Mechanism

- 4.20 The Accredited Entity acknowledges that Funding Proposals rejected by the Board may be referred by the Accredited Entity to the Independent Redress Mechanism. Subject to Clause 13.04, the Accredited Entity shall cooperate with and provide reasonable assistance to the Independent Redress Mechanism in carrying out its functions in respect of rejected Funding Proposals, which may include providing relevant information on rejected Funding Proposals as the Independent Redress Mechanism may reasonably require.

Clause 5 Results Management Framework; Monitoring and Accountability

Results Management Framework

- 5.01 The Fund shall monitor the performance of the Accredited Entity in relation to its compliance in accordance with Clause 13.01 with the Accreditation requirements and the Standards, as applicable to it, and the implementation of any relevant FAA or approved Funding Proposals in accordance with this Agreement, and the Accredited Entity shall be accountable, subject to the third sentence of Clause 8.01 to the Fund in accordance with its rules and procedures as per its Accreditation that should enable it to comply, in accordance with Clause 13.01, with all relevant policies of the Fund, such as the Monitoring and Accountability Framework, the Results Management Framework (“RMF”) and Performance Measurement Frameworks (“PMF”).
- 5.02 The Accredited Entity acknowledges and agrees that each Funding Proposal will include a logical framework setting out the arrangements for identifying expected result areas and for monitoring, reporting, and evaluation of activities consistent with the RMF and PMFs, which includes the measurement of impacts, outcomes and outputs.

Monitoring and Accountability

- 5.03 The Accredited Entity acknowledges and agrees that:
- (a) it will be subject to monitoring and accountability conditions as provided in the Monitoring and Accountability Framework regarding (i) its compliance in accordance with Clause 13.01 with the Accreditation requirements and the Standards, as applicable to it; and (ii) its implementation in accordance with this Agreement and any relevant FAA of approved Funding Proposals;
 - (b) in accordance with the Monitoring and Accountability Framework, it will (i) inform the Fund of any material changes, such as capacity, that may affect its compliance in accordance with Clause 13.01 with the Accreditation requirements and the Standards, as applicable to it; (ii) be subject to *ad hoc* checks or periodic reviews that may be performed by the Fund or the Fund Agent; (iii) cooperate with the Fund in its conduct of annual reviews of Funded Activities; and (iv) be subject to and cooperate with the Fund in its mid-term Accreditation review (such term to be determined in accordance with Clause 22.01) or other review of the Accredited Entity's Accreditation status. With respect to Clauses 5.03(a)(iii) and 5.03(a)(iv) above, whenever feasible and appropriate, as may be determined by the Fund, the Fund may choose to rely on the results of the Accredited Entity's standard review processes in conducting the Fund's own reviews;
 - (c) in accordance with the Monitoring and Accountability Framework, the Fund shall have the right to revise its Accreditation status by upgrading or downgrading, as well as the right to suspend or revoke its Accreditation or amend the applicable terms and conditions thereof, on the basis of the outcome of the *ad hoc* checks or reviews referred to in Clause 5.03(a) above;
 - (d) the Fund will prior to taking any action pursuant to Clause 5.03(b) above, send the Accredited Entity warnings of the possibility of revising/revoking its Accreditation status and/or suspension or termination of this Agreement referring to its concerns arising out of the aforementioned *ad hoc* checks or periodic reviews for discussion with the Accredited Entity, and shall provide the Accredited Entity with a reasonable period of time to cure the issues identified.

Clause 6 Procedure for Term Sheets and Funded Activity Agreements

- 6.01 All Funding Proposals submitted to the Board for consideration shall be accompanied by a Term Sheet agreed to by the Parties – subject only to the Fund's and the Accredited Entity's final internal approvals – setting out, in summary form, the key terms and conditions relating to the proposed Funded Activity (for example, the elected GCF Holding Currency for disbursements or any specific deviation, derogation or modification that the Accredited Entity is seeking to make to this Agreement in the FAA).
- 6.02 As soon as practicable but in any event no later than one hundred and eighty (180) days after the later of: (a) the date of Board approval of a Funding Proposal (including any conditional approval pursuant to Clause 4.14(b) or Clause 4.17(b) above); and (b) the date on which the Accredited Entity has obtained its final internal approvals, the Parties shall enter into an FAA (or a series of FAAs, if applicable) for the relevant Funded Activity, provided that the Fund may not enter into such FAA unless the Accredited Entity has satisfied the requirements under Clause 4.13 or Clause 4.14(b) or, if applicable, Clause 4.17(b). Notwithstanding the previous sentence, if the Parties enter into an FAA prior to the Accredited Entity satisfying the requirements under Clause 4.14(b) or

Clause 4.17(b), they may only do so upon the condition that such FAA will not come into force and will have no legal effect between the Parties until such time as the Fund notifies the Accredited Entity in writing that (i) it satisfied the conditions for effectiveness of the Board's approval of that Funding Proposal, or (ii) if the Fund determines that the conditions for effectiveness have not been satisfied, the Fund waives the satisfaction of such conditions.

- 6.03 The FAA shall be consistent in all material respects with the approved Funding Proposal and Term Sheet and shall set out any other terms and conditions applicable to the relevant Funded Activity, as agreed by the Parties and in line with Clause 1.02. The FAA will reflect the specific Term Sheet provisions and project specific deviations from this Agreement and will, as so reflected, complement this Agreement which is to be read together as one agreement in relation to a specific Funded Activity except as otherwise provided for in the FAA.
- 6.04 Any FAA entered into by the Parties shall be interpreted in a manner that is consistent in all material respects with the relevant Funding Proposal and Term Sheet.

Clause 7 Disbursement of GCF Proceeds to the Accredited Entity; Unused Funds; Reflowed Funds; Investment Income

- 7.01 Disbursement of GCF Proceeds to the Accredited Entity by the Fund shall be carried out in accordance with this Agreement and the applicable FAA, subject to the availability of unallocated resources in the Trust Fund and satisfaction of the conditions to disbursements set out in Annex 2 (*Conditions Precedent to Disbursement*) or otherwise in the applicable FAA. In particular, the Fund shall make available the GCF Proceeds to the Accredited Entity in cash up to the full amount and in the currency specified in the FAA, unless otherwise agreed in the FAA. Funds to be made available to the Accredited Entity in the context of a Funded Activity shall be transferred to the Accredited Entity by the Trustee acting on written instructions received by it from the Fund.
- 7.02 The Accredited Entity shall ensure that GCF Proceeds and Other GCF Funds are, unless otherwise agreed, held or recorded in a GCF Account in a GCF Holding Currency until they are disbursed for individual Funded Activities or otherwise disposed of in accordance with this Agreement or the relevant FAA. GCF Proceeds and Other GCF Funds shall be accounted for, and unless otherwise agreed by the Fund, used solely for the purposes of implementing the Funded Activities. The Accredited Entity shall maintain separate records and ledger accounts in respect of the GCF Proceeds and Other GCF Funds and disbursements made therefrom. Where an FAA provides that the GCF Account for the relevant Funded Activity shall be a bank account, such account shall be: (a) separate from the account used for the purpose of the Accredited Entity's other monies and funds; and (b) shall be opened at a bank with a long term credit rating of BBB+ or above by S&P or Fitch or Baa1 or above at Moody's, or otherwise at a bank acceptable to the Fund, which is in due compliance with all applicable Host Country and international banking standards and regulations.
- 7.03 If for a Funded Activity, the GCF proceeds need to be exchanged by the Accredited Entity into other currencies than a GCF Holding Currency to facilitate their disbursement, the terms of conversion will be at the exchange rate obtained by the Accredited Entity on the date of the conversion unless otherwise agreed in the relevant FAA.
- 7.04 Unused Funds including any Investment Income associated therewith, for which no further disbursements, liabilities or costs are due to be made or paid by the Accredited Entity (or any other entity involved in the relevant Funded Activity), shall be returned by

the Accredited Entity to the Fund within the period of time as agreed between the Parties in the FAA, via the Trustee (or to such other entity or account as the Fund may designate) but, unless an event of default as provided for in Clause 19 has occurred, not more frequently than once a year. The Accredited Entity shall maintain a record of any such Unused Funds and Investment Income associated therewith and report them to the Fund pursuant to Clause 17 below. The Accredited Entity shall ensure that an obligation to procure or refund any Unused Funds is therefore also provided in any Subsidiary Agreements with an obligation on the Executing Entity to impose similar refund requirements on its counterparties involved in the relevant Funded Activity.

- 7.05 Relative to each Funded Activity, unless Reflowed Funds are paid directly to the Fund via the Trustee (or such other entity or account as the Fund may designate), the Accredited Entity shall hold or record any Reflowed Funds (following their receipt by the Accredited Entity) in the GCF Account and, following such receipt, notify the Fund and transfer the Reflowed Funds to the Fund via the Trustee (or such other entity or account as the Fund may designate) in a manner and time as agreed between the Fund and the Accredited Entity in the FAA. The Accredited Entity shall maintain a record of any such Reflowed Funds and report them to the Fund pursuant to Clause 17 below. For the avoidance of doubt, Reflowed Funds shall not include any Unused Funds with respect to a Funded Activity. Any Unused Funds with respect to Funded Activities shall be administered by the Accredited Entity in accordance with Clause 7.04 above.
- 7.06 Investment Income shall be held or recorded by the Accredited Entity in the GCF Account until such Investment Income is to be transferred to the Fund via the Trustee (or such other entity or account as the Fund may designate) in accordance with the relevant FAA or as the Fund may otherwise request. The Accredited Entity shall maintain a record of any such income and report to the Fund pursuant to Clause 17 below.
- 7.07 With respect to any monies owed by the Fund to the Accredited Entity or any other monies owed to the Accredited Entity by any third party (including any Executing Entity), the Accredited Entity may not without the prior consent of the Fund reduce or set off such amounts owed against the GCF Proceeds or Other GCF Funds received, held or recorded by the Accredited Entity.

Clause 8 Implementation

- 8.01 When the Accredited Entity is also the Executing Entity, the Accredited Entity shall be responsible for the overall management, implementation in accordance with Clause 10 and supervision of each Funded Activity in line with its own internal rules, policies and procedures. When the Accredited Entity is not the Executing Entity, the Accredited Entity shall, in line with its own internal rules, policies and procedures, (a) administer and manage the use of GCF Proceeds, (b) incorporate provisions in the Subsidiary Agreements requiring the Executing Entity to ensure the management, implementation and supervision of each Funded Activity, and (c) be responsible for the monitoring, evaluation and reporting responsibilities as set forth in this Agreement. The Accredited Entity shall not be responsible or liable for any financial losses or damages caused to the Fund other than resulting from a breach of this Agreement or any FAA by the Accredited Entity (including by its employees, directors, officers, agents and representatives).
- 8.02 The Accredited Entity shall inform the Fund of any circumstances that may substantially interfere with the performance of its obligations under this Agreement, FAA or with its management of any Funded Activity, or otherwise jeopardize the achievements of any objectives, outcomes or outputs of any Funded Activity, providing detailed information

thereof to the Fund for its information promptly upon becoming aware of such circumstance.

Clause 9 Standard of Care

- 9.01 The Accredited Entity shall be solely responsible for the administration of GCF Proceeds and Other GCF Funds and will carry out such administration in accordance with its regulations and rules, standard practices and procedures and with at least the same degree of care as it uses in the administration of its own funds or funds for which it has management or investment responsibility, taking into account the provisions of this Agreement and any applicable FAA.
- 9.02 The Accredited Entity shall take appropriate measures in accordance with its own rules, policies and procedures to ensure that all GCF Proceeds and (where applicable) Other GCF Funds are used for the purposes for which they were provided, as set out in the relevant FAA, and shall be accountable, subject to Clause 8.01 and in accordance with Clause 13.01, to the Fund for the proper use of such GCF Proceeds and (where applicable) Other GCF Funds.
- 9.03 The Accredited Entity shall:
- (a) apply its own fiduciary principles, standards, policies and procedures relating to any 'know your customer' checks, anti-corruption, AML/CFT, fraud, financial sanctions and embargoes which should enable it to comply with the Policy on Prohibited Practices and the principles of the AML/CFT Policy;
 - (b) unless prohibited by law applicable to the Accredited Entity, not use GCF Proceeds or Other GCF Funds for the purposes of any payment to individuals or entities, or for the import of goods, if such payment or import is prohibited by a Decision as may be adopted from time to time and/or sanctioned by UN Security Council Resolution or other relevant authority having jurisdiction over the Accredited Entity;
 - (c) take timely and appropriate measures to respond to, mitigate, and remedy Prohibited Practices, or the equivalent thereof in its own policies and procedures, that are found to have occurred in a Funded Activity and prevent their occurrence; and
 - (d) promptly, upon becoming aware of such event, inform the Fund in the event the GCF Proceeds, Other GCF Funds or funds from other sources for a Funded Activity are not being used or have not been used for the purposes for which they were provided, and consistent with its rules, policies and procedures and integrity of the investigative process, take timely and appropriate measures to investigate allegations thereof, and shall keep the Fund informed of the progress of any formal investigation concerning the improper use of GCF Proceeds or Other GCF Funds and provide a final report to the Fund on the findings of such investigation upon its conclusion, except if the Accredited Entity notifies the Fund that it is mandatorily prohibited to do so by laws applicable to the Accredited Entity.
- 9.04 The Fund shall keep any findings and any related information provided by the Accredited Entity pursuant to Clause 9.03 confidential unless notified to the contrary. Where the Accredited Entity is carrying out an investigation under Clause 9.03(d) and/or is imposing any enforcement action as a result of such investigation, the Fund agrees to discuss with the Accredited Entity prior to undertaking its own investigation or other

action, to ensure that such action will not prejudice or adversely affect the Accredited Entity's investigation or enforcement action.

- 9.05 The Accredited Entity shall, promptly, inform the Fund of any credible and material risks or other indications of money laundering and/or financing of terrorism in relation to a Funded Activity, to the extent permitted by laws applicable to the Accredited Entity, and promptly take steps recommended by the Fund and consulted with the Accredited Entity.
- 9.06 To the extent that any funds are refunded to the GCF Account following an investigation, the Accredited Entity shall use such funds for the same purposes as set out in the relevant FAA, unless otherwise agreed between the Parties, including in accordance with any relevant process specified in the FAA regarding the use of such funds.
- 9.07 In the event of any credible and material risks or other indications of money laundering and/or financing of terrorism as informed by the Accredited Entity under Clause 9.05 above, the Fund may suspend the disbursements to the Accredited Entity under the relevant Funded Activity or any other Funded Activity that may be directly affected by such risks or indications until they have ceased or are reduced to the level satisfactory to the Fund and the Accredited Entity. The Fund may also instruct the Accredited Entity to suspend disbursements of GCF Proceeds to the relevant Executing Entities or third parties that may be directly affected by such risks or indications until they have ceased or are reduced to a level satisfactory to the Fund and the Accredited Entity, where the final decision to continue disbursements shall require consent of the Fund.

Clause 10 Executing Entities; Affiliates

- 10.01 Where the Accredited Entity is also the Executing Entity in relation to a Funded Activity, it shall, with due regard to compliance with its own policies and procedures:
- (a) carry out the Funded Activity with due diligence, efficiency and in conformity with sound administrative, technical, financial, business, and development practices, in accordance with the terms and conditions of this Agreement as well as the relevant FAA;
 - (b) ensure that adequate provision is made for the insurance of any Goods required for the Funded Activity against hazards in accordance with prudent industry practice. Any indemnity for such insurance shall be payable in a freely usable currency to replace or repair such Goods; and
 - (c) ensure that: (i) except as specified in the FAA or as the Fund may otherwise agree, all Goods and Services are used exclusively for the purposes of the Funded Activity, and all facilities relevant to the Funded Activity are properly operated and maintained; and (ii) whenever applicable, competent and qualified consultants and contractors are employed to achieve the objectives of the relevant Funded Activity.
- 10.02 In relation to a Funded Activity where the Accredited Entity is not the Executing Entity, the Accredited Entity in accordance with its own policies and procedures:
- (a) shall:
 - (i) assess, in line with its rules, policies and procedures, through appropriate due diligence processes the integrity and capacity of each Executing Entity to implement the relevant Funded Activity, including with respect to AML/CFT capabilities and capabilities of prevention of fraud and

corruption, and report thereon, make such assessments available to the Fund upon request to the extent permitted by laws applicable to the Accredited Entity, and select each Executing Entity based on a positive assessment of that Executing Entity's capacity to carry out the Funded Activity that is being assigned to it and in a transparent documented manner. Notwithstanding applicable mandatory laws prohibiting the Accredited Entity from providing underlying due diligence documentation relevant to the assessment, the Accredited Entity shall notify the Fund of such restrictions and provide a report on the assessment excluding the supporting documentation which it cannot disclose;

- (ii) require the Executing Entity to carry out, the Funded Activity in accordance with Clause 10.01 of this Agreement as well as the terms of the relevant FAA applicable to it; and
 - (iii) monitor the performance of the Executing Entity and require regular reporting from them in the Subsidiary Agreement, in accordance with this Agreement;
- (b) take appropriate action, which may include remedies, to protect the interest of the Fund in the event of breach, non-performance or default by an Executing Entity;
- (c) acknowledges and agrees that, unless otherwise provided in an FAA, providing funds to an Executing Entity or making payments on behalf of the Fund to implement Funded Activities does not relieve the Accredited Entity of its obligations and liabilities under this Agreement, and that it shall, in line with its rules, policies and procedures, monitor, supervise, and exercise remedies in respect of, the proper management and application by its Executing Entity of any funds disbursed to such entity as if it were the Accredited Entity's own funds or funds for which it has management or investment responsibility; and
- (d) shall ensure that any Subsidiary Agreement that the Accredited Entity enters into with an Executing Entity in respect of a Funded Activity shall reflect or incorporate the terms and conditions of the FAA that may be applicable or relevant to such Executing Entity. The Accredited Entity shall furnish to the Fund, certified copies of any Subsidiary Agreement promptly upon request by the Fund.

10.03 In order to exercise remedies against the Executing Entities, in case of an Event of Default of the Accredited Entity, termination of this Agreement and/or upon lapse of the Accredited Entity's Accreditation status as set out in Clause 22.01 below, and if provided and defined under the relevant FAA, the Fund may assume in accordance with the terms of such FAA and/or any other written agreement among the Parties, in its sole discretion, the contractual position of the Accredited Entity under any Subsidiary Agreement in order to continue the operation of the Funded Activity or to exercise any rights thereunder.

Clause 11 Administration of Funds by the Accredited Entity

11.01 Disbursement, administration and processing of GCF Proceeds by the Accredited Entity shall be in accordance with the Accredited Entity's rules, policies and procedures applicable to the extent and scope of its Accreditation, in order to allow it to comply with its obligations under this Agreement.

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- 11.02 Notwithstanding the amount specified for a specific budget line item set out in an FAA, the Accredited Entity may reallocate GCF Proceeds allocated for a specific budget line item, among the categories of items to be funded under such FAA in accordance with its standard procedures, so long as such reallocation is not in excess of the threshold (expressed as a percentage of the Fund's part of the total projected costs of the relevant Funded Activity) specified in the FAA. The Accredited Entity shall immediately inform the Fund of any proposed reallocation above such threshold and obtain the Fund's prior written consent.
- 11.03 The Accredited Entity shall inform the Fund as soon as possible of any proposed modification to a Funded Activity which could reasonably constitute a Major Change, and seek the Fund's instructions on the necessary steps to be taken to address such event or to effect such proposed modification, which may involve seeking a new No-Objection Letter and/or new Board approval.

Clause 12 Accredited Entity Fees

- 12.01 In accordance with the policies and procedures approved by the Board for the determination and payment of fees payable to Accredited Entities (as such policies and procedures may be amended from time to time in accordance with the process in Clause 32.04), the Accredited Entity may be entitled to receive the Accredited Entity Fee for project implementation or other services performed pursuant to this Agreement, as agreed and detailed in the relevant FAA. The parties will agree, prior to the execution of the FAA, on principles for the formulation and assessment of the Accredited Entity Fee, taking into account the Accredited Entity's policies and procedures relating to the fees usually charged for the type of services performed. For the avoidance of doubt, the Accredited Entity Fee shall not be included in the GCF Proceeds, and shall be paid by the Fund to the Accredited Entity separately from the GCF Proceeds.

Clause 13 Compliance with Standards, Policies and Procedures

- 13.01 The Accredited Entity covenants that it shall at all times comply, and where the Accredited Entity is not the Executing Entity, shall contractually require such compliance by the Executing Entity, (i) with the Accredited Entity's own rules, policies and procedures that should enable it to comply with (A) the Fund's Standards, policies and procedures to the extent and scope of its Accreditation and (B) the AML/CFT Policy and the Policy on Prohibited Practices, and (ii) with any conditions, requirements, or recommendations from the Accreditation Panel and adopted by the Board in the Accreditation. If during the term of this Agreement, the Accredited Entity revises, in its own rules, policies and procedures to such extent that such revision or identified gap may lead to non-compliance by the Accredited Entity with the Fund's Standards, policies and procedures, the Accredited Entity shall:
- (a) promptly notify the Fund; and
 - (b) with the aim of resolving such matter within a reasonable period, which will be not more than one hundred and twenty (120) days, consult with the Fund, so that the Accredited Entity either (i) takes any necessary and appropriate action to ensure its continued compliance or (ii) inform the Fund that it is unable to comply with the Fund's Standards, policies and procedures; and
 - (c) unless otherwise agreed with the Fund, not submit any new Funding Proposals during the period of time specified in Clause 13.01(b) above.

13.02 The Accredited Entity acknowledges that any failure to comply with Clause 13.01 above, can lead to the downgrading, suspension or revocation of its Accreditation as set out in Clause 5.03(c) above.

Independent Integrity Unit

13.03 The Accredited Entity shall use its integrity unit in accordance with its own policies and procedures. The Parties shall endeavour to agree on modalities of cooperation between the Accredited Entity's integrity unit and the Fund's Independent Integrity Unit. Practical modalities of such cooperation shall be agreed upon in writing by the Independent Integrity Unit and the corresponding body of the Accredited Entity.

Independent Redress Mechanism

13.04 The Accredited Entity shall endeavour to promote cooperation between the Independent Redress Mechanism and the Project Complaint Mechanism of the Accredited Entity. For the avoidance of doubt, it is understood that the Independent Redress Mechanism of the Fund on one hand and the Project Complaint Mechanism of the Accredited Entity on the other hand, will each perform their duties and exercise their powers and functions, in accordance with the policies and procedures of the Fund and the Accredited Entity respectively. To this end, the Accredited Entity and the Fund shall promote cooperation between the Independent Redress Mechanism and the Project Complaint Mechanism of the Accredited Entity, and provide them with reasonable assistance in carrying out their functions.

Clause 14 Procurement

14.01 The procurement of Goods and Services for Funded Activities, whether by the Accredited Entity itself, and Executing Entity or by a third party, shall be done in accordance with the rules, policies and procedures of the Accredited Entity to the extent and scope of its Accreditation.

Clause 15 Record Keeping and Reporting

15.01 The Accredited Entity shall ensure that:

- (a) all relevant documents related to this Agreement, including documents relating to individual Funded Activities, are promptly furnished to the Fund upon its reasonable request, in such detail as the Fund may reasonably request and to the extent permitted by laws applicable to the Accredited Entity;
- (b) documents are maintained adequately to record the progress of individual Funded Activities (including its cost and the climate change adaptation and/or mitigation benefits to be derived from it);
- (c) all relevant documents related to individual Funded Activities, including records evidencing use of GCF Proceeds under each FAA, are retained until at least five (5) years after the relevant Reporting Period, or such longer period required to monitor and manage any equity investment, outstanding loans or other financial instruments or to resolve any claims or audit inquiries, or if required to do so by the Fund and provided for in the relevant FAA;

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- (d) the representatives of the Fund are able to examine all records referred to above in Clauses 15.01(b) and 15.01(c), and are provided all such information concerning such records as they may from time to time reasonably request; and
 - (e) the information relating to Funded Activities required by the Information Disclosure Policy is made publicly available in a timely fashion pursuant thereto.
- 15.02 The Accredited Entity shall provide to the Fund the following reports prepared in a form and manner compliant with the practices and procedures of the Fund for individual Funded Activities:
- (a) APRs on the status of each Funded Activity throughout the relevant Reporting Period, including a narrative report on implementation progress based on the logical framework submitted in the Funding Proposal and considerations on the ongoing performance of the Funded Activity against the Fund's investment framework criteria, including updates on the indicators as per the guidance provided by the Fund's results management framework, and a report on ESS as well as gender. Unless otherwise specified in the FAA, the APR shall be submitted to the Secretariat on an annual basis for the period ending on 31 December within sixty (60) days after the end of the relevant annual period, with the first APR required to be submitted following the end of the calendar year after the Parties have entered into the relevant FAA, and the final APR (project completion report) required to be submitted within six (6) months after the end of the relevant Reporting Period;
 - (b) interim and final evaluation reports, as outlined in the relevant Funding Proposal or FAA, setting out any necessary corrective measures (in the case of interim reports), an assessment of the performance of the Funded Activity against the Fund's investment framework criteria, including financial/economic performances as part of the Funded Activity efficiency and effectiveness criterion, as well as the sustainability and scalability of results and impacts and lessons learned, during the relevant period. If so provided in the relevant Funding Proposal or FAA, such interim and final evaluation reports shall be prepared by an independent evaluator selected by the Accredited Entity or by an independent evaluation unit/office of the Accredited Entity and reasonably acceptable to the Fund, and shall be submitted on the dates or according to the schedule set forth therein copies of these reports shall be forwarded by the Accredited Entity to the NDA or, if applicable, the Focal Point for information;
 - (c) in accordance with the Monitoring and Accountability Framework, on an annual basis for the period ending on 31 December within sixty (60) days after the end of the relevant annual period:
 - (i) a self-assessment of its compliance, in accordance with Clause 13.01, with the Fiduciary Principles and Standards, ESS and Gender Policy; and
 - (ii) provide a report on its actions carried out or planned to be carried out pursuant to Clause 18.02(i); and
 - (d) such other reports as the Accredited Entity may prepare or require in accordance with its own rules, policies or practices in relation to a Funded Activity, and any other reports as may reasonably be requested by the Fund in order to enable it to assess the results and impacts of the Funded Activity and/or compliance with this Agreement.

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- 15.03 Based on the reports submitted to the Fund pursuant to Clauses 15.02(a) and 15.02(d) above in relation to a Funded Activity, and if provided and further specified under the relevant FAA, in the event that the Fund considers that there is any undue or unjustifiable delays in implementation, the Fund shall so notify the Accredited Entity and allow the Accredited Entity a reasonable period of time to provide its comments regarding the reasons for such delays. After considering such comments, the Fund may choose, upon consultation with the Accredited Entity (and taking into account outstanding liabilities) to adjust the Disbursement Schedule set out in the relevant FAA, suspend disbursements until further progress has been made in the implementation of the Funded Activity to the Fund's satisfaction, or take such other action as may be permitted under and in accordance with the relevant FAA. The Fund shall allow the Accredited Entity a reasonable period of time to provide its comments regarding such proposals.

Clause 16 Periodic Reviews, *Ad Hoc* Checks and Evaluations

- 16.01 If the Accredited Entity is not the Executing Entity, the Accredited Entity shall make available to the Fund, in accordance with its policies and procedures, copies of all financial statements and/or, unless otherwise agreed in the relevant FAA, annual audited reports of the Funded Activity received by the Accredited Entity from the Executing Entity pursuant to the relevant Subsidiary Agreement, which shall not be later than three (3) months after the end of the Fiscal Year for unaudited financial statements and five (5) months after the end of the Fiscal Year for audited reports. If the Accredited Entity is also the Executing Entity, the Accredited Entity shall make available to the Fund, in accordance with its policies and procedures, copies of all relevant financial information of the Funded Activity which shall not be later than three (3) months after the end of the Fiscal Year for unaudited financial statements and five (5) months after the end of the Fiscal Year for audited reports.
- 16.02 Where the Fund has reason for concern that GCF Proceeds or Other GCF Funds for any Funded Activity may not have been used in accordance with this Agreement, or the relevant FAA, the Fund may ask the Accredited Entity to, and the Accredited Entity shall, provide it, subject to Clause 25, with information concerning the use of funds or resources in respect of the relevant Funded Activity.
- 16.03 If after reviewing any such information provided by the Accredited Entity, the Fund, acting reasonably, continues to have a concern as to the manner in which GCF Proceeds or Other GCF Funds have been used, the Fund may consult with the Accredited Entity to determine an appropriate solution and may request the Accredited Entity to take necessary corrective measures to address this concern. This could include an audit of the individual Funded Activity by the Accredited Entity's auditors that is performed based on terms established in consultation with the Fund. The Fund will fully communicate its reasons for such a request to the Accredited Entity, which shall be reasonable and appropriate to protect the interest of the Fund. The costs of such audit will be borne by the Accredited Entity, if the concern of the Fund is found to be substantially correct by the auditor, or by the Fund in all other cases.
- 16.04 The Accredited Entity shall invite representatives of the Fund to participate in supervision or other similar missions led by the Accredited Entity relating to a Funded Activity, when applicable. Such missions shall be planned and carried out in a collaborative manner, with procedural matters agreed upon by the Parties in advance, keeping in mind the effective and efficient implementation of the Funded Activity. Each Party shall bear its own costs in relation to such missions, in accordance with the specific agreements to be entered into by such Parties.

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- 16.05 The Fund may, in accordance with the Monitoring and Accountability Framework, at its own cost and with reasonable notice to the Accredited Entity, conduct (a) *ad hoc* checks on the use of GCF Proceeds or Other GCF Funds and a review of the Accredited Entity's compliance with the Standards, to the extent and scope of its Accreditation, this Agreement and/or an FAA, and/or (b) *ex post* evaluations of Funded Activities, and the Accredited Entity shall cooperate with the Fund in the conduct of such *ad hoc* checks or evaluations and provide such information and documentation as may be reasonably requested by the Fund to the extent permitted by laws applicable to the Accredited Entity.
- 16.06 The Accredited Entity shall co-operate with the Secretariat and the Accountability Units and provide them with reasonable assistance in carrying out their functions including promoting cooperation between the Accountability Units and the corresponding body or unit of the Accredited Entity.

Clause 17 Financial Management; Financial Information

- 17.01 The Accredited Entity shall ensure that:
- (a) a financial management system is maintained, with separate informational statements, accounts and records of GCF Proceeds and Other GCF Funds being prepared in accordance with internationally recognized accounting standards, consistently applied and acceptable to the Fund ("Financial Information");
 - (b) the Financial Information referred to in Clauses 17.02(b) and 17.02(c) below are audited annually by independent external auditors or such other auditors as are acceptable to the Fund, in accordance with internationally recognized auditing and accounting standards that are acceptable to the Fund; the Financial Information, as so audited, are furnished to the Fund in accordance with Clauses 17.02(b) and 17.02(c), together with such other information concerning the audited Financial Information and such auditors, as the Fund may from time to time reasonably request; and
 - (c) all Financial Information related to GCF Proceeds and Other GCF Funds shall be expressed in one of the GCF Holding Currencies and in the absence of the Parties specifying otherwise in an FAA, such Financial Information will be provided in USD.
- 17.02 The Accredited Entity shall provide to the Fund the following Financial Information in a form and means agreed with the Fund:
- (a) on a semi-annual basis within ninety (90) days after 30 June and 31 December of each year (or such other frequency agreed in the FAA):
 - (i) the dates and amounts disbursed for Funded Activities, for the period reported and cumulative amounts up to the period, broken down by each Funded Activity, and compliance with financial covenants, if any, specified in the relevant FAA;
 - (ii) the actual expenditures for the Funded Activities for the period reported and cumulative amounts up to the period, broken down by each Funded Activity;
 - (iii) (A) the date on which any Funded Activity is financially closed, (B) the final amount disbursed for such Funded Activity, (C) the amount of any Unused Funds from such Funded Activity, and (D) the amount of such

Unused Funds repaid to the Fund, for the period reported, broken down by each such Funded Activity;

- (iv) the dates and amounts of any Reflowed Funds received by the Accredited Entity from Funded Activities, as well as the amount of such Reflowed Funds paid to the Fund, for the period reported and cumulative amounts up to the period, broken down by each Funded Activity; and
 - (v) a statement of Investment Income earned on GCF Proceeds, as well as the amount of such Investment Income paid to the Fund;
- (b) within three (3) months after the end of the Fiscal Year, an unaudited annual financial statement for each of the Funded Activities and the GCF Account containing the information required under Clauses 17.02(a)(i), 17.02(a)(ii) and 17.02(a)(v) with specific Funded Activities listed in a separate annex, and within five (5) months after the end of the Fiscal Year, an audited annual financial statement for each of the Funded Activities and the GCF Account containing the same information;
- (c) within three (3) months after expiration or termination of this Agreement, an unaudited final financial statement for the GCF Account, and within six (6) months after expiration or termination, an audited final financial statement for the GCF Account, in each case regarding the period since the last period covered by the statements referred to in Clause 17.02(b) above; and
- (d) such other reports related to funds disbursed by the Fund to the Accredited Entity, as may reasonably be requested by the Fund from time to time.

Use of Reports

17.03 Each Party acknowledges and agrees that, subject to Clause 25, a Party may release in the public domain any report or statement, in whole or in part, that has been submitted to it by the other Party under this Agreement (or any FAA). To the extent that the Accredited Entity has the rights of use of any report, each Party also acknowledges and agrees that, subject to Clause 25, the other Party may use, reproduce, modify and/or adapt information and other data contained in such reports for any reason whatsoever.

Fund Agent

17.04 The Fund may utilize a Fund Agent to perform on behalf of the Fund certain functions or activities set out in this Agreement in respect to a Funded Activity provided that the Fund gives adequate prior notice to the Accredited Entity specifying the scope of the functions and activities to be performed by the Fund Agent and the Accredited Entity agrees to the appointment of such Fund Agent:

- (a) conducting periodic reviews, *ad hoc* checks, or evaluations permitted under this Agreement (or any FAA); and
- (b) verifying the status of a Funded Activity, use of GCF Proceeds and Other GCF Funds, and compliance with the terms and conditions of this Agreement or relevant FAA.

17.05 The Accredited Entity shall cooperate with the Fund in agreeing under any FAA the scope of rights relevant to the Funded Activity reasonably necessary to enable the Fund Agent to perform the roles described in Clause 17.04. If so agreed in the FAA, the Accredited Entity shall contractually ensure that any Executing Entity and other parties involved in

a Funded Activity shall or cause such Executing Entity or other parties to cooperate fully, with the Fund Agent to permit the Fund Agent to carry out its functions or activities.

17.06 The principal representative of the Fund Agent shall be the person or entity named or acting in the position identified in an FAA or other communication transmitted by the Fund to the Accredited Entity citing this Clause 17.06. The Fund may, in its sole discretion, decide to replace the Fund Agent or designate an alternative principal representative of the Fund Agent and shall inform the Accredited Entity accordingly.

Clause 18 Representations, Warranties and Covenants

Representations and Warranties

18.01 The Accredited Entity represents and warrants (to the extent applicable) on the effective date of this Agreement, the date of entering into each relevant FAA, if different, the date of effectiveness of such FAA and on the date of each disbursement made by the Fund under such FAA that:

- (a) the execution and delivery of this Agreement or the relevant FAA, as the case may be, and the fulfilment and compliance with the terms of this Agreement or FAA, as the case may be, including the implementation of any Funded Activity by it, will not conflict with or require the consent of any person, authority or body, under any of its national laws, rules, regulations or guidelines, or other agreement to which the Accredited Entity is a party, which has not been obtained;
- (b) it has the capacity and authority to enter into this Agreement and the relevant FAA;
- (c) its own activities related to any Funded Activity are operated in compliance with the laws of the countries in which it operates, and other laws applicable to the Accredited Entity, including but not limited to intellectual property law;
- (d) any factual information provided by it to the Fund as part of the relevant Funding Proposal or otherwise pursuant to Clause 4.11 is to the best of its knowledge true and accurate in all material respects as at the date it is provided or as at the date (if any) at which it is stated;
- (e) the financial projections, if any, contained in the relevant Funding Proposal or FAA are or were, as the case may be, prepared on the basis of recent historical information available at the date of such Funding Proposal or FAA and on the basis of reasonable assumptions;
- (f) to the best of its knowledge, nothing has occurred or been omitted from the relevant Funding Proposal and no information has been given or withheld that results in the information contained in such Funding Proposal being untrue or misleading in any material respect;
- (g) the policies of the Accredited Entity addressing AML/CFT, “know your customer”, and other similar checks under all laws and regulations applicable to the Accredited Entity are substantially consistent with the objectives of the Policy on Prohibited Practices;
- (h) the policies of the Accredited Entity addressing prohibited practices are substantially consistent with the objectives of the Policy on Prohibited Practices; and

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- (i) the policies of the Accredited Entity addressing AML/CFT practices are substantially consistent with the principles of the AML/CFT Policy.

Covenants of the Accredited Entity

18.02 The Accredited Entity covenants (to the extent applicable) that as from the effective date of this Agreement, the date of entering into each FAA and, if different, the date of effectiveness of each FAA, that it:

- (a) shall duly perform its obligations under this Agreement and the relevant FAA;
- (b) shall cause the Funded Activity to be carried out with due diligence and efficiency and in conformity with sound and applicable technical, financial, business and development practices;
- (c) shall not undertake, or shall ensure, insofar as it is contractually able to do so, that the Executing Entity does not undertake, any activities in connection with a Funded Activity, unless all necessary licenses, approvals and consents to implement, (if appropriate) carry out or operate any Funded Activity have been obtained, all of which are to be maintained in full force and effect;
- (d) shall immediately provide or cause to provide written notice to the Fund of any legitimate claims, investigations or proceedings which, if determined adversely, could reasonably be expected to result in a material adverse effect on the ability of the Accredited Entity to perform any of its obligations under this Agreement;
- (e) shall ensure that GCF Proceeds and Other GCF Funds provided for or resulting from the purposes of any Funded Activity are not, or contractually cause such GCF Proceeds and Other GCF Funds not to be, used by it or by any recipients, including any Executing Entity, to whom the funds are disbursed, for any illegal or improper purposes (including bribery) contrary to this Agreement (or any FAA) or any laws of the Host Country in which the Funded Activity is to be implemented, including by incorporating in Subsidiary Agreements provisions corresponding to its own rules, policies and procedures which should enable it to be substantially consistent with the objectives of the Policy on Prohibited Practices and comply with the principles of the AML/CFT Policy, and contractually require the Executing Entity to incorporate such provisions in its agreements with third parties relating to the relevant Funded Activity;
- (f) shall seek remedies including, where appropriate, by claiming repayment by the Executing Entity, either through the Executing Entity or, to the extent possible, from other persons or entities involved, of any GCF Funds or GCF Proceeds used by any of them for any purpose set out in Clause 18.02(e). Any repayment obligation of the Accredited Entity to the Fund shall be limited to such amounts which have actually been recovered by the Accredited Entity from an Executing Entity or any other third party having exercised all best efforts;
- (g) shall maintain an effective conflict of interest (as that term is defined in the Policy on Prohibited Practices) policy and shall always act in good faith and diligently with professional care to avoid a conflict or potential conflict of interest in relation to a Funding Proposal and/or a Funded Activity (as applicable);
- (h) shall ensure or, if acting through an Executing Entity, shall contractually require the Executing Entity to ensure, compliance of a Funded Activity with all laws of the Host Country and all other laws applicable to the Accredited Entity and/or the Executing Entity, as applicable; and

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- (i) shall indicate how it intends to strengthen the capacities of, or otherwise support, potential subnational, national and regional entities to meet the accreditation requirements of the Fund in order to enhance country ownership, to the extent practicable and appropriate.

Clause 19 Events of Default

19.01 The Accredited Entity will be in default of this Agreement if: (i) any of the below mentioned events occur and (ii) except for Clauses 19.01(c), 19.01(d) and 19.01(e), the Fund provides written notice to the Accredited Entity that such event has occurred and the Accredited Entity fails to remedy such event within one hundred and twenty (120) calendar days from the date of receipt of such notice (the “Cure Period”):

- (a) the Accredited Entity failed to comply, in any material respect with, or shall have failed to perform in any material respects, any of its obligations under this Agreement;
- (b) a representation or warranty made or repeated by the Accredited Entity proves to have been incorrect or misleading in any material respect when made or repeated or deemed to have been made or repeated;
- (c) an Accredited Entity Insolvency Event occurs;
- (d) the Accredited Entity has ceased to exist in the same legal form as that prevailing as of the Date of Accreditation and its obligations, responsibilities or liabilities under this Agreement, or in relation to any Funded Activity thereunder, have not been assumed in full by a replacement entity that is satisfactory to the Fund;
- (e) a resolution by the board of the Accredited Entity or a decision of a relevant authority is passed, or any other analogous procedure is taken, whereby any substantial part of the assets of the Accredited Entity shall or may be distributed or disposed;
- (f) the procurement of Goods and Services in respect of any Funded Activity to be financed by the Fund is materially inconsistent with the policies and processes set forth or referred to in this Agreement;
- (g) any representative of the Accredited Entity, any Executing Entity, or third party contracted by the Accredited Entity or the Executing Entity in respect of a Funded Activity, has engaged in a Prohibited Practice, without the Accredited Entity having taken timely and appropriate action satisfactory to the Fund to address such Prohibited Practices when they occur; or
- (h) at any time, a decision is made by a duly authorized investigative or adjudicative body establishing that the Accredited Entity (or any of its directors, officers or employees) has engaged in Prohibited Practices such as in fraudulent, corrupt, coercive, collusive, abusive or obstructive practices (as may be defined under any applicable law).

Clause 20 Remedies following an Event of Default

20.01 Following an Event of Default by the Accredited Entity in accordance with Clause 19, the Fund may exercise one or more of the following rights under this Agreement:

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- (a) terminate this Agreement and/or, if applicable, any specific FAAs entered into thereunder that are affected by the Event of Default or in relation to which the Event of Default has arisen, immediately upon giving ninety (90) day's written notice to the Accredited Entity and cease the consideration or approval of any further Funding Proposals;
 - (b) suspend any further payments, including but not limited to the disbursement of GCF Proceeds, payable by it under the terms of any or all Funded Activities being implemented in accordance with this Agreement, upon giving notice to the Accredited Entity
 - (c) be entitled to a refund or restitution of GCF Proceeds and Other GCF Funds for any Funded Activity to the extent such funds (i) are unused, after paying any liabilities then outstanding incurred in accordance with this Agreement and the FAA, or (ii) have been improperly used by the Accredited Entity or, if applicable, require the Accredited Entity to seek a refund or restitution of GCF Proceeds or Other GCF Funds that have been improperly used by the Executing Entity or relevant third parties. Any repayment obligation of the Accredited Entity shall be limited to such amounts which have actually been recovered by the Accredited Entity from an Executing Entity or any other third party having exercised all best efforts; and
 - (d) seek or invoke any other remedy available in law, including but not limited to making a claim for damages (if any) caused to it as a result of the default by the Accredited Entity.

Clause 21 Force Majeure

- 21.01 Neither of the Parties shall be held liable for the breach of its obligations under this Agreement or an FAA for a Funded Activity if it is prevented from fulfilling them by reason of Force Majeure, provided that the Party affected by such an event has taken all reasonable precautions, due care and reasonable alternative measures, all with the objective of carrying out the terms and conditions of this Agreement and the relevant FAA, as applicable.
- 21.02 A Party affected by an event of Force Majeure shall notify the other Party of such event as soon as possible, and in any event not later than fifteen (15) days upon becoming aware of the occurrence of such event, providing evidence of the nature and cause of such event, which shall include the information about the possibility of restoration of normal conditions as soon as possible. Where elements of the Funded Activity work plan are not affected by the event of Force Majeure then the Accredited Entity shall proceed with such elements to the extent reasonably appropriate (having regard to the nature of the event of Force Majeure). Any costs borne by the Accredited Entity acting reasonably and pursuant to the Funded Activity work plan and budget during the period of suspension under this Clause 21.02 and before the resumption of the Funded Activity, shall be covered within the agreed budget for the Funded Activity.
- 21.03 The Accredited Entity may withdraw a Funding Proposal at any time, if the Accredited Entity, in consultation with the Fund, determines and so notifies the Fund that an event constituting Force Majeure has occurred which would make it impossible, too difficult or too dangerous for the Accredited Entity or the Executing Entity, to implement the proposed Funded Activity.
- 21.04 If after the execution of an FAA for a Funded Activity, the Accredited Entity, in consultation with the Fund, determines and so notifies the Fund that an event constituting

Force Majeure has occurred which would make it impossible, too difficult or too dangerous for the Accredited Entity and/or the Executing Entity, as the case may be, to continue with the implementation of the relevant Funded Activity, either Party may, following mutual consultations, terminate such FAA.

Clause 22 Term and Termination

22.01 Subject to a prior termination pursuant to Clause 22.02, the Accredited Entity will, from the date of its Accreditation, remain Accredited for a period of five (5) years (unless otherwise so provided by the Monitoring and Accountability Framework or other relevant Decision or policy of the Fund). The Accredited Entity will either seek re-accreditation prior to the lapsing of the five (5) year period or its status as an Accredited Entity will lapse thereupon. Upon lapse of its Accreditation status, the Accredited Entity shall continue to satisfy any outstanding commitments and liabilities incurred in relation to each Funded Activity managed by the Accredited Entity prior to the lapse.

22.02 This Agreement will terminate:

- (a) provided that the Accredited Entity has not sought re-accreditation prior to the expiration of the five (5) year period, upon lapse of the Accredited Entity's Accreditation pursuant to Clause 22.01;
- (b) upon revocation of the Accredited Entity's Accreditation in accordance with the Monitoring and Accountability Framework and notice to the Accredited Entity thereof;
- (c) upon the Fund giving notice to the Accredited Entity pursuant to Clause 20.01(a); or
- (d) upon either Party giving prior written notice of at least one hundred and eighty (180) days to the other.

22.03 Upon termination of this Agreement:

- (a) the Accredited Entity shall continue to satisfy any outstanding commitments and liabilities incurred in relation to each Funded Activity managed by the Accredited Entity prior to the termination of this Agreement and the Fund shall continue to perform its related obligations if and when due; provided that by doing so the Fund will not: (i) surrender or waive any rights, claim or demand it may have against the Accredited Entity arising from the termination of this Agreement; or (ii) be deemed to affirm the terminated Agreement; and
- (b) at the complete discretion of the Fund and upon its request, the Accredited Entity shall promptly (or on a date otherwise agreed) refund to the Fund, through the Trustee or other means designated by the Fund, any unused portion of GCF Proceeds, after paying any liabilities then outstanding incurred in accordance with this Agreement and the FAA, and pay the Fund any Reflowed Funds and any net Investment Income earned therefrom not already paid pursuant to Clauses 7.04, 7.05 and 7.06 and not required to satisfy any outstanding commitments and liabilities pursuant to paragraph (a) of this Clause 22.03. If so determined in the Fund's sole discretion, no new funds or GCF Proceeds shall be disbursed after termination.

Clause 23 Intellectual Property; Ownership of Equipment; Entitlement to Emission Reductions

- 23.01 The Accredited Entity shall incorporate provisions in the Subsidiary Agreements requiring the Executing Entity to ensure that all Fund-financed contracts for the procurement of Goods and Services do not violate or infringe any industrial property or intellectual property right or claim of any third party.
- 23.02 The Accredited Entity shall incorporate provisions in the Subsidiary Agreements requiring the Executing Entity to ensure that all Fund-financed contracts for the procurement of Goods and Services contain appropriate representations, warranties and, if appropriate, indemnities from the contractor or supplier with respect to the matters referred to in Clause 23.01 above.
- 23.03 The Accredited Entity shall incorporate provisions in the Subsidiary Agreements requiring the Executing Entity to ensure that all Fund-financed contracts contain appropriate representations, warranties and, if appropriate, indemnities from the contractors or suppliers to ensure that the Services provided do not violate or infringe any industrial property or intellectual property right or claim of any third party.
- 23.04 Unless stated otherwise in the relevant FAA, in relation to a Funded Activity that is a grant financed in whole or in part with GCF Proceeds, if any part of such grant is used to purchase any durable assets or equipment used to implement the relevant Funded Activity (such as vehicles or office equipment), upon completion of the Funded Activity or termination of the relevant FAA in accordance with its terms, the Accredited Entity shall discuss in good faith with the Fund as to the most appropriate way of dealing with such assets or equipment including, if appropriate, redeployment or realizing their capital value. Any funds or proceeds received by or reflowed to the Accredited Entity in respect of the sale or transfer of such assets or equipment shall constitute Reflowed Funds and shall be held and transferred to the Fund in accordance with Clause 7.
- 23.05 In relation to a Funded Activity, the possibility for GHG emission reductions achieved by a Funded Activity to be converted into offset credits or units generated thereby will be determined in accordance with the FAA, if applicable.

Clause 24 Branding

- 24.01 In addition to the use of its own branding, the Accredited Entity shall endeavour to maximize opportunities for acknowledging the visual identity of the Fund in funding the relevant Funded Activities (e.g. through use of the Fund logo, and appropriate references in reports, publications, information given to beneficiaries and news media, related publicity materials and any other forms of public information and the displaying of the GCF logo on the site of any infrastructure works). Any branding activities in support of the Fund shall comply with the Fund's branding guidelines and be reviewed by the Secretariat. The same condition shall apply for co-branding activities.

Clause 25 Confidentiality

- 25.01 Each Party undertakes that it shall not at any time disclose to any person any Confidential Information except as permitted by Clause 25.02.
- 25.02 Each Party may disclose the other Party's Confidential Information to its employees, officers, representatives, consultants or advisers, and in the case of the Fund, its Board

members, alternate Board members and their advisers, who need to know such information for the purposes of exercising the Party's rights or carrying out its obligations under or in connection with this Agreement. Each Party shall ensure that its employees, officers, representatives, consultants or advisers to whom it discloses the other Party's Confidential Information comply with this Clause 25. The Fund shall ensure that its Board members, alternate Board members or their advisors shall also comply with this Clause 25 and the Accredited Entity shall ensure that the Executing Entity, including its employees, officers, representatives, consultants, contractors or advisers, comply with this Clause 25.

25.03 The provisions of this Clause 25 shall not apply to any information, including Confidential Information, that:

- (a) is or becomes generally available to the public (other than as a result of its disclosure by the receiving Party or its representatives in breach of this Clause 25);
- (b) was available to the receiving Party on a non-confidential basis before disclosure by the disclosing Party;
- (c) was, is or becomes available to the receiving Party on a non-confidential basis from a person who, to the receiving Party's knowledge, is not bound by a confidentiality agreement with the disclosing party or otherwise prohibited from disclosing the information to the receiving Party;
- (d) the receiving Party is required to produce by any court, governmental or regulatory body or pursuant to any law, legal process, regulation, or governmental order, decree or rule, or which is necessary or desirable for the receiving Party to disclose in connection with any proceeding in any court or tribunal or before any regulatory authority in order to preserve its rights, provided that the receiving Party provides prior written notice to the disclosing Party of its intention to do so;
- (e) the Parties agree in writing is not confidential or may be disclosed; or
- (f) is developed by or for the receiving party independently of the information disclosed by the disclosing party.

25.04 No Party shall use the other Party's Confidential Information for any purpose other than to exercise its rights and perform its obligations under or in connection with this Agreement, without obtaining the prior written consent of the other Party.

25.05 Pursuant to the Information Disclosure Policy or in line with the disclosure policy of the Accredited Entity, each Party may make publicly available certain information which is not marked confidential, including Concept Notes, Funding Proposals and other information relating to proposed projects, programmes and investments and Funded Activities, and may update such information periodically as required by the Information Disclosure Policy. Each Party undertakes not to make publicly available any other Party's Confidential Information without the prior written consent of the other Party, which consent shall not be unreasonably withheld or delayed.

25.06 The obligations of confidentiality contained in this Clause 25 shall continue for a period of five (5) years from the date of disclosure (save in respect of Confidential Information that the disclosing Party requests the receiving Party upon disclosure to treat as commercially sensitive and to keep confidential after such period, subject to agreement of the receiving Party of this classification). If requested by the disclosing Party, the receiving Party shall return to the disclosing Party all Confidential Information in written form or destroy or (to the extent technically practicable) permanently erase all Confidential Information provided to the receiving Party in written or electronic form save to the extent that

Confidential Information which the receiving Party is required to retain by applicable law, rule or regulation, or if such information is contained in any computer records or files which have been created pursuant to the receiving Party's automatic archiving and back-up procedures, in which case, the Confidential Information retained shall continue to be kept confidential in accordance with the terms of this Clause 25 in which case the provision on expiration of the confidentiality obligation shall not apply.

- 25.07 The Accredited Entity acknowledges that this Clause 25 covers all Funded Activities to be proposed or developed pursuant to this Agreement, as well as all Funded Activities, and that the Fund will not enter into any specific non-disclosure or confidentiality agreements for any such projects, programmes, investments or Funded Activities.
- 25.08 By entering into this Agreement, the Accredited Entity consents to, and agrees to comply with, the Information Disclosure Policy which includes a general presumption in favour of disclosure by the Fund of all information produced by or in the possession of the Fund, including this Agreement and each Funding Proposal (including Term Sheet, excluding any Confidential Information) as further detailed, and subject to the exceptions set out, in such policy.

Clause 26 Privileges and Immunities

- 26.01 The Accredited Entity acknowledges the request by the Board to the Secretariat to develop for its consideration and approval of the Board a template bilateral agreement that would provide privileges and immunities in countries in which the Fund operates for the Fund and its operations, members of the Board, consultants, and other persons affiliated with the Fund, as well as its staff.
- 26.02 For so long as a Host Country has not provided such privileges and immunities, the Accredited Entity shall endeavour, to the extent: (a) the Accredited Entity enjoys itself such privileges and immunities; and (b) it is able to do so, to have the Fund, its assets, members of the Board, consultants, and other persons affiliated with the Fund, as well as its staff benefit from its privileges and immunities in such Host Country in connection with a Funded Activity.

Clause 27 Non-waiver of Privileges and Immunities

- 27.01 The Accredited Entity acknowledges and accepts that the Fund is accorded certain privileges, immunities, and exemptions as are necessary for the fulfilment of its purposes, and that its Staff and Experts similarly enjoy such privileges, immunities, and exemptions as are necessary for the independent exercise of their official functions in connection with the Fund. Nothing in or related to this Agreement or FAA may be construed as a waiver, express or implied, of the privileges, immunities and exemptions accorded to the Fund, its Staff and Experts under: (a) international law, including international customary law, any international conventions, treaties or agreements; (b) the Governing Instrument; (c) the Agreement between the Republic of Korea and the Green Climate Fund concerning the Headquarters of the Green Climate Fund; or (d) any other applicable laws.
- 27.02 In respect of any proceedings, the Accredited Entity consents generally to the giving of any relief or the issue of any process in connection with the proceedings including, without limitation, the enforcement or execution against any property or assets whatsoever (irrespective of its intended use) of any order judgment which may be made or given in the proceedings.

27.03 The Accredited Entity irrevocably and unconditionally acknowledges that the execution, delivery and performance of this Agreement constitute private and commercial (and not public) acts of the Accredited Entity.

Clause 28 Governing Law

28.01 This Agreement shall be governed by English law.

28.02 The governing law for the Subsidiary Agreements may be agreed by the parties thereto.

Clause 29 Enforceability and Arbitration

Enforceability

29.01 The rights and obligations of the Parties under this Agreement shall be valid and enforceable in accordance with its terms, notwithstanding the law of any state or political subdivision thereof to the contrary.

Arbitration

29.02 The Parties will attempt in good faith to resolve any dispute, controversy or claim arising out of or in relation to this Agreement through negotiations between a duly authorized senior representative of each of the Parties with authority to settle the relevant dispute. If the dispute, controversy or claim cannot be settled amicably within sixty (60) days from the date on which either Party has served written notice on the other of the dispute, then Clause 29.03 shall apply.

29.03 Any dispute, controversy or claim arising out of or relating to this Agreement, including any issue as to the breach, termination or invalidity thereof or any dispute regarding non-contractual obligations arising out of or relating to it, that has not been resolved through negotiation pursuant to Clause 29.02 above, shall be finally settled under the Rules of Arbitration of the International Chamber of Commerce, and:

- (a) The number of arbitrators shall be three, appointed in accordance with the said Arbitration Rules;
- (b) The place and the seat of arbitration shall be London;
- (c) The language to be used in the arbitral proceedings shall be English;
- (d) The arbitration decision shall be final and binding on the Parties and there shall be no appeal.

Clause 30 Waiver

30.01 No delay in exercising, or omission to exercise, any right, power or remedy accruing to a Party under this Agreement upon any default shall impair any such right, power or remedy or be construed to be a waiver thereof or an acquiescence in such default. No action of such Party in respect of any default, or any acquiescence by it in any default, shall affect or impair any right, power or remedy of such Party in respect of any other or subsequent default.

Clause 31 Notices

31.01 Any notice, request, document, report, or other communication submitted by either the Accredited Entity or the Fund, shall unless expressly specified in this Agreement or an FAA, be in English and delivered by hand or by facsimile or email to the Party to which it is required or permitted to be given or made to the following addresses:

For the Accredited Entity

FMO

Director, Partnerships for Impact

Address: Anna van Saksenlaan 71
P.O. Box 93060
2509 AB The Hague
The Netherlands

Fax: +31 (0)70 324 61 87

Email: p4i-Secretariat@fmo.nl

For the Fund

Director, Country Programming Division

Address: 175, Art Center-daero
Yeonsu-gu, Incheon 22004
Republic of Korea

Fax: +82 32 458 6095

Email: entities@gcfund.org

Clause 32 Miscellaneous

32.01 *Limits of Parties' Liability*

- (a) The Parties will be responsible only for performing the obligations that are specifically set forth in this Agreement (or any FAA). Except for those obligations, a Party (including in the case of the Fund, Board members, alternate Board members, the Executive Director, Staff, Experts and Fund Agent) will have no liability to the other Party, any of its directors, officers, employees, agents or contractors or any other person or entity as a result of this Agreement, any FAA, or the implementation of any Funded Activity, and moreover, will not be liable for lost profits or consequential or punitive damages.
- (b) Without prejudice to Clause 32.01(a) above, any liability of the Fund under this Agreement or under an FAA shall be strictly limited to the amount approved by the Board for the relevant Funded Activity and the fees for the Accredited Entity for that Funded Activity as agreed in the relevant FAA.
- (c) The Fund (including its members of the Board, Staff, Experts and Fund Agent) shall not be responsible or liable for any losses, damages or injuries caused to any third party under a Funded Activity, resulting from the acts, omissions or negligence of or breach of this Agreement or any FAA by the Accredited Entity's employees, directors, officers, agents, and representatives.
- (d) The Accredited Entity (including its Staff) shall not be responsible or liable for any losses, damages or injuries caused to any third party under a Funded Activity,

resulting from a breach of this Agreement or any FAA by the Fund (including its members of the Board, Staff, Experts and Fund Agent).

32.02 **Claims.** Unless otherwise instructed by the Fund, the Accredited Entity shall be responsible for dealing, in consultation with the Fund, with any claims arising out of, or resulting from, the implementation of Funded Activities which may be brought by third parties against the Fund, Board members, the Executive Director, Staff, Experts, or Fund Agent. Unless the claim by a third party is caused by an event of default of the Accredited Entity pursuant to Clause 19.01, the Fund shall reimburse to the Accredited Entity:

- (a) all external costs, such as legal counsels' fees and court costs; and
- (b) all other reasonable costs subject to a pre-agreed budget,

incurred by the Accredited Entity in this respect.

32.03 **Trustee.** GCF Proceeds made available to the Accredited Entity may be disbursed from the Trust Fund. All of the obligations of the Fund under this Agreement are obligations of the Fund, and the Trustee has no personal liability for the obligations of the Fund under this Agreement.

32.04 **Changes to Policies and Procedures.** If during the term of this Agreement the Fund intends to revise any of its rules, policies, or procedures (including without limitation the Standards) and such change is material, or intends to adopt new rules, policies, or procedures by a Decision that, in the Fund's opinion, applies to the Accredited Entity, then:

- (a) the Fund shall so notify the Accredited Entity and allow the Accredited Entity a reasonable period of time to provide its comments to the intended revision or adoption. The Fund may take any comments received from the Accredited Entity into account when finalising the proposed revision or adoption;
- (b) Upon the relevant Decision, the Fund shall notify the Accredited Entity. The receipt of such notice shall require the Accredited Entity to (i) take any necessary or appropriate action; or (ii) inform the Fund that it is unable or unwilling to, through the compliance with the Accredited Entity's own policies and procedures, comply fully or partially with the rules, policies and procedures of the Fund as revised or adopted (the "Revisions") from a date that is one hundred and eighty (180) days following such notice; and
- (c) In case of Clause 32.04(b)(ii), the Parties will consult with each other with the aim of resolving such matter within a reasonable period, which will not be less than one hundred and twenty (120) days, before the Accredited Entity's accreditation may be deemed to have lapsed and Clause 22.01 shall apply.

For the avoidance of doubt, the relevant Revisions shall apply only to new Funding Proposals.


32.05 **Assignment/Novation.** Except as otherwise provided in this Agreement or an FAA, the Accredited Entity will not be entitled to assign or otherwise transfer its rights and obligations under this Agreement, in full or in part, without the prior written consent of the Fund, which consent may be granted or not granted at the Fund's absolute discretion.

32.06 **Use of Logos or Trademarks.** The Accredited Entity shall not use the name, abbreviation, logo or any trademarks of the Fund other than as provided for in Clause 24 or unless the Fund has provided prior consent in writing to such use.


-
- 32.07 **Execution in Counterparts.** This Agreement may be executed in several counterparts, each of which shall be an original.
- 32.08 **Rights of Third Parties.** This Agreement is intended solely for the benefit of the Parties and is not intended to be for the benefit of, nor may any provision be enforced by, any person or entity that is not a Party to this Agreement. Any other statute or law to the contrary is hereby excluded or disappplied.
- 32.09 **Entire Agreement.** This Agreement constitutes the entire agreement and understanding of the Parties with respect to its subject matter and supersedes all oral communication and prior writings with respect thereto, other than those writings expressly referred to or incorporated into this Agreement and/or any FAA entered into hereunder.
- 32.10 **Modification or Amendment.** No modification or amendment of this Agreement shall be valid unless in writing and signed by an authorized representative of the Fund and an authorized representative of the Accredited Entity. Other than as contemplated by Clause 1.02 of this Agreement, no modification or amendment to this Agreement shall be made in an FAA.
- 32.11 **Justification for Limitation of Rights or Obligations by the Accredited Entity.** With respect to Clauses 4.05(f), 9.03(d), 9.05, 10.02(a)(i), 15.01(a) and 16.05, in the event the Accredited Entity seeks to limit or modify any right or obligation under this Agreement because of a conflict concerning such right or obligation with laws applicable to the Accredited Entity, it shall provide the Fund with clear justification together with supporting documentation if so requested for seeking such limitation or modification.
- 32.12 **Survival of Clauses.** Clause 4.20, Clause 13.03, Clause 15.01(c), Clause 16.06, Clause 25, Clause 26, Clause 27, Clause 28, Clause 29, Clause 31.01, Clause 32.01, Clause 32.02, Clause 32.03 and this Clause 32.12 shall, unless explicitly provided otherwise, survive for a period of ten (10) years after the termination of this Agreement. Furthermore, in the event that under Clause 22.03 the Parties decide to complete any on-going Funded Activities, those Clauses of this Agreement necessary and suitable to achieve that objective shall also survive for a period of ten (10) years after the completion of the last Funded Activity.

IN WITNESS WHEREOF the parties hereto, acting through their representatives thereunto duly authorized, have caused this Agreement to be signed in their respective names as of the day and year first above written and to be delivered at the principal office of the Fund.

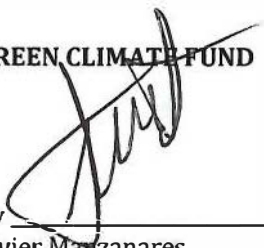
NEDERLANSE FINANCIERINGS-MAATSCHAPPIJ VOOR ONTWIKKELINGSLANDEN N.V.

By 
David Kuijper
Manager Public Investment and Blended Finance

Date Oct 18 2018

By 
Erik Nieuwland
Senior Legal Counsel
pursuant to power of attorney

Date 18/10/2018

GREEN CLIMATE FUND

By _____
Javier Manzanares
Deputy Executive Director

Date 09/18/18

Annex 1 - Term Sheet

[Note: This is not a template. Sample provisions are set out below for information purposes only.]

This Term Sheet, together with the Funding Proposal [and schedules and annexes] attached hereto, as agreed by the Green Climate Fund (“Fund”) and [the Accredited Entity], shall be reflected in the Funded Activity Agreement to be entered into by the Fund and [the Accredited Entity] in due course. The Parties acknowledge that such Funded Activity Agreement shall also incorporate the terms and conditions of the Accreditation Master Agreement dated [insert date] entered into by the Parties (the “Agreement”) and, as such, any derogation, modification or deviation from those terms is set out below.

Project/Programme Activity Information

1. GCF [Project/Programme Name]
Description:
[Objectives, etc.]
2. Implementation Arrangements
3. Total Amount to be Disbursed by the Fund / Form of Financing (grant, loan, equity, guarantee)
4. Components and Financing (by source)
5. Cost/Budget Breakdown
6. Disbursement Schedule
7. Permitted reallocation pursuant to Clause 11.02 of the Agreement (percentage of total projected costs)
8. Reporting Period
9. Project Calendar

Milestones	Expected Dates
Start of Project/Programme Implementation	
Interim Evaluation	
Project/Programme Completion	
Final Evaluation	

10. Conditions to be met prior to the execution of the FAA
[Insert conditions here]
11. Conditions for Effectiveness of the FAA
[Insert conditions here]
12. Conditions for Disbursement under the FAA
[Insert conditions here]
13. Details of Fund Agent
14. GCF Account

-
- [Bank]/[Ledger]
15. Account Details
 16. GCF Holding Currency of Disbursements:
[USD]/[JPY]/[EUR]/[GBP]
 17. ESS, public disclosure and procurement compliance
 18. Financial Reporting and Accounting Currency:

[FOR GRANTS]

19. [Key terms and conditions, including but not limited to:
 - (a) Accredited Entity fee,
 - (b) [repayment contingency terms.]
20. Events of default (additional to those set out in Clause 19)
21. Remedies/Consequences of Default (additional to those set out in Clause 20)
22. Step-in rights
23. Procedure for disbursements in case of undue or unjustifiable delays in the implementation (Clause 15.03)

[FOR LOANS]

24. [Key terms and conditions, including but not limited to:
 - (a) repayment period,
 - (b) grace period,
 - (c) pricing (interest, etc.),
 - (d) when interest/principal repayable (semi-annually, etc.),
 - (e) currency of repayment of principal/interest,
 - (f) amortization schedule,
 - (g) Accredited Entity fees,
 - (h) taxes.
25. Events of default (additional to those set out in Clause 19)
26. Remedies/Consequences of Default (additional to those set out in Clause 20)
27. Step-in rights
28. Procedure for disbursements in case of undue or unjustifiable delays in the implementation (Clause 15.03)
29. Right of GCF to assign/transfer rights
30. [Acceleration]

[FOR EQUITY]

31. [Key terms and conditions including]
 - (a) conditions for investment (e.g. completion of due diligence)

-
- (b) additional agreements to be entered into
 - (c) representations and warranties given to GCF
 - (d) conditions to completions
 - (e) corporate issues e.g.
 - (1) appointment of directors
 - (2) number of GCF directors
 - (3) matters requiring GCF consent
 - (f) GCF obligations to maintain shareholding
 - (g) rights of GCF to exit investment, sell down, assign and/or transfer shares
 - (h) Accredited Entity fees
 - (i) costs
 - (j) taxes
 - (k) accounting, business plan and information rights
32. Events of default (additional to those set out in Clause 19)
33. Remedies/Consequences of Default (additional to those set out in Clause 20)
34. Step-in rights
35. Procedure for disbursements in case of undue or unjustifiable delays in the implementation (Clause 15.03)

[FOR GUARANTEES]

36. [Key terms and conditions including]
- (a) form of guarantee – [Comprehensive][Partial Risk][Partial Credit][Policy Based]
 - (b) beneficiary
 - (c) condition of a counter-guarantee from beneficiary
 - (d) obligations covered by guarantee [different for risk and credit guarantees]
 - (e) [value of guarantee/exposure of Fund under guarantee]
 - (f) length of guarantee
 - (g) currency of payments under guarantee
 - (h) procedures for making a claim under guarantee
 - (i) Accredited Entity fees
37. Right of GCF to assign/transfer rights
38. Events of default (additional to those set out in Clause 19)
39. Remedies/Consequences of Default (additional to those set out in Clause 20)
40. Step-in rights
41. Procedure for disbursements in case of undue or unjustifiable delays in the implementation (Clause 15.03)

Attachments:

Annex 2 - Conditions Precedent to Disbursement

1. The Board adopted the following conditions in its Decision B.14/11, pursuant to Annex XIII (Accreditation assessment of Applicant 042 (APL042)), paragraph 37(b)(i), Accrediting the Accredited Entity:

“Conditions: the applicant will be required to submit to the AP, through the Secretariat, information on how it has complied with the condition(s). The AP will thereafter assess whether the condition(s) has/have been met. This assessment will be communicated by the Secretariat, on behalf of the AP, to the Board for information purposes;

(i) Condition(s) prior to the first disbursement by the GCF for an approved project/programme to be undertaken by the applicant:

1. *Develop and demonstrate effective implementation of policies and procedures for providing information on results achieved and lessons learned, and their public disclosure, on project-by-project basis;*
 2. *Develop and demonstrate effective implementation of a policy on the disclosure of the evaluation reports on a project-by-project basis;*
 3. *Adopt and demonstrate effective implementation of policies and practices on the disclosure of project E&S assessments, as well as a stakeholder engagement strategy, in line with the GCF information disclosure policy and the GCF interim ESS (performance standard 1), respectively; and*
 4. *Adopt a gender policy in line with the GCF gender policy, and demonstrate progress in developing appropriate competencies to implement, and experience in applying, the policy.”*
2. Delivery of a Request for Disbursement, signed by the person or persons authorized to do so, within a timeframe that is acceptable to the Fund;
3. Delivery of evidence, satisfactory to the Fund, of the authority of the person or persons authorized to sign each Request for Disbursement and the authenticated specimen signature of each such person; and
4. Any other such documents and other evidence in support of each Request for Disbursement as the Parties shall specify in the FAA.

Annex 3 - Accreditation for Fiduciary Standards

1. The Board has Accredited the Accrediting Entity for the following specialized fiduciary standards set out in the Fiduciary Principles and Standards:
 - (a) Part 2.1 relating to the specialized fiduciary standards for project management;
 - (b) Part 2.2 relating to the specialized fiduciary standards for grant award and/or funding allocation mechanisms; and
 - (c) Part 2.3 relating to the specialized fiduciary standards for on-lending and/or blending (for loans, equity and guarantees).
2. In addition, where the Funded Activity involves the Accredited Entity acting in relation to on-lending and/or blending transactions (through loans, grants, equity and guarantees), the Accredited Entity's roles and responsibilities to the Fund and any relevant investors shall include:
 - (a) Satisfying itself that it has complied with AML/CFT, "know your customer" and other similar checks under all laws and regulations applicable to it in relation to the proposed project, programme or investment, and promptly notifying the Fund upon being so satisfied.
 - (b) Obtaining all necessary legal opinions to ascertain the ability of the different parties to enter into the relevant transaction.
 - (c) Carrying out all necessary due diligence, as necessary or desirable in accordance with its own internal rules and usual practice when dealing with funds for which it has management or investment responsibility, in relation to the Funding Proposal, including but not limited to, (i) technical, engineering, economic, financial, risk, legal and commercial viability, (ii) compliance, in accordance with Clause 13.01, with the Standards (to the extent and scope of its Accreditation), (iii) developmental, climate change mitigation and/or adaptation impacts, (iv) administrative and regulatory requirements, and/or (depending on the circumstances) (v) any business or company searches to ascertain the solvency or financial health of the Executing Entity as well as other recipients or beneficiaries of the funding and parties to the transaction set out in the relevant Funding Proposal.
 - (d) Where appropriate and where the Fund is the holder or beneficiary of securities, shares, stocks etc. (an "Equity Stake") through any equity investments, seeking to ensure that such Equity Stake will not be subject to any restrictions on transfer or alienation (unless otherwise agreed by the Fund).
 - (e) Monitoring the implementation of the Funded Activity and furnishing to the Fund and all relevant investors, necessary or appropriate information for use in connection with the relevant transaction and warranting that all information that has been or will be furnished has and will at all times be complete and correct in all material respects and does not and will not contain any untrue statement of a material fact, or omit to state a material fact necessary in order to make the statements contained therein not misleading in light of the circumstances under which such statements were or are made.
 - (f) Obtaining from the relevant parties (and upon request, providing to the Fund) copies of relevant audited financial statements and any other relevant statements or reports as soon as they become available.
 - (g) Receiving from the relevant parties and providing to the Fund, periodic reports from such third parties which provide details of the transaction including, the paydown principal, collections, default and delinquencies.

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- (h) Promptly upon becoming aware of them, informing the Fund of the details of any relevant litigation, arbitration or administrative proceedings which are current, threatened or pending.
 - (i) Making such management and personnel (together with any relevant materials) as the Fund reasonably considers necessary, available for meetings and discussions with them in relation to the relevant Funded Activity.
 - (j) Notifying the Fund promptly in case of any delays in connection with the relevant Funded Activity.
 - (k) Identifying potential triggers and opinions required to be delivered under its governing documents and sending such information to the Fund and any other relevant parties.
 - (l) Immediately notifying the Fund of a default scenario in accordance with its governing documents and acting to protect the interests of the Fund and any other relevant investors in such a scenario.
 - (m) Allowing the Fund to assign or sell down its interest in a Funded Activity to a third party.
 - (n) If applicable, depending on the nature of a Funded Activity, representing the Fund and acting in the Fund's interest in the event of a resolution of any dispute or conflict with a third party.

Annex 4 - Accreditation for Environmental and Social Safeguards

1. The Board has Accredited the Accrediting Entity to carry out Funded Activities that fall within the following Environmental and Social Risk Categories:
 - (a) High risk (Category A/Intermediation (I-1), including lower risk (Category B/I-2 and Category C/I-3).

Annex 5 - Accreditation for Size of Project

1. The Board has Accredited the Accrediting Entity to carry out GCF Projects and activities within GCF Programmes for the following sizes: up to and including Large-sized Activities.

Annex 6 - Request for Disbursement

[[RECIPIENT]/[BORROWER]'S LETTERHEAD]

Green Climate Fund
175, Art Center-daero
Yeonsu-gu, Incheon 22004
Republic of Korea
Attn: [CFO]

[DATE]

Ref: Request for Disbursement – [AGREEMENT] No. [X] – Request for Disbursement [No. [____]]

Ladies and Gentlemen:

1. Reference is made to the [AGREEMENT] dated as of [DATE] (the “Agreement”) between [ADD NAME OF RECIPIENT/BORROWER] (the “[Recipient]/[Borrower]”) and the Green Climate Fund (“GCF”). Capitalized terms used but not defined in this request have the meanings assigned to them in the Agreement. The rules of interpretation set forth in Clause [X] (NAME OF CLAUSE) of the Agreement shall apply to this request.
2. The [Recipient]/[Borrower] irrevocably requests disbursement on [DATE] (or as soon as practicable thereafter) of the amount of [_____] [CURRENCY] under the Agreement (the “Disbursement”), in accordance with Clause [X] (NAME OF CLAUSE) of the Agreement. GCF is requested to pay such amount to the Account No. _____, [SWIFT/ABA] at [name and address of bank] in [city and country].
3. The [Recipient]/[Borrower] certifies that all the conditions precedent set forth in Clause [X] (NAME OF CLAUSE) of the Agreement have been satisfied.
4. The [Recipient]/[Borrower] further certifies that the proceeds of all Disbursements shall be applied only for the purpose described in Clause [X] (NAME OF CLAUSE) of the Agreement.
5. The above certifications are effective as of the date hereof and shall continue to be effective as of the date of Disbursement for this Disbursement. If any certification is no longer valid as of or prior to such Disbursement, the [Recipient]/[Borrower] will notify GCF immediately and, on demand, repay the Disbursement (or any portion thereof) if the Disbursement is made prior to GCF’s receipt of such notice.
6. The [Recipient]/[Borrower] acknowledges hereby that the total amount of funds disbursed under the Agreement up to the current date, without considering the funds to be disbursed under this request, is [_____].

Yours truly,
[X]

By: _____
Authorized Representative

By: _____
Authorized Representative

EXHIBIT A - Interim Policy on Prohibited Practices

I. Introduction

1. The Green Climate Fund (“Fund”) is strongly committed to preventing and combating fraud, corruption, Money Laundering, Terrorist Financing and other Prohibited Practices (as defined below), in accordance with international standards. In that regard, it expects all individuals and entities involved in Fund-related Activities (as defined below) to observe the highest standards of ethics and to take appropriate measures to prevent and combat such Prohibited Practices.

II. Scope

2. This Policy shall apply to all:
 - a. **“Fund-related Activities”**, which means any activity which is financed, administered or supported by the Fund, either with its own resources or those of others, or any activity that materially affects or may affect or otherwise be relevant to the Fund, and
 - b. **“Counterparties”**, which means any party that contributes to, executes, implements, bids for, benefits from, or in any way participates in, Fund-related Activities, including receiving, or being a beneficiary of, a grant, loan or other form of financing or support from the Fund,

in respect of **“Prohibited Practices”** as defined in paragraph 4 below, including attempts to commit or suspicions thereof. For the avoidance of doubt, Fund-related Activities include Funded Activities as defined in the Agreement, and Counterparties include the Accredited Entity and any Executing Entity.

III. General Requirements of all Counterparties in relation to Fund-related Activities

3. The Fund requires all Counterparties to:
 - a. adhere to the highest ethical standards;
 - b. take all appropriate measures to prevent or mitigate fraud, corruption, and other Prohibited Practices; and
 - c. refrain from engaging in Prohibited Practices in connection with Fund-related Activities.
4. **Prohibited Practices.** The practices defined in this paragraph are prohibited (“Prohibited Practices”)¹ in relation to Fund-related Activities:
 - a. **“Corrupt practice”** means the offering, giving, receiving, or soliciting, directly or indirectly, anything of value (including but not limited to gifts, gratuities, favors, invitations, and benefits of any kind) to influence improperly the actions of another party.
 - b. **“Fraudulent practice”** means any act or omission, including a misrepresentation, that knowingly or recklessly misleads, or attempts to mislead, a party to obtain a financial or other benefit, or to avoid an obligation.
 - c. **“Coercive practice”** means the impairing or harming, or threatening to impair or harm, directly or indirectly, any party or the property of the party to influence improperly the actions of a party.

¹ The definitions of corruption, fraud, coercion, and collusion are harmonized definitions adopted by multilateral development banks consisting of the Africa Development Bank (AfDB), the Asian Development Bank (ADB), the European Bank for Reconstruction and Development (EBRD), the European Investment Bank (EIB), the Inter-American Development Bank Group (IADB), and the World Bank (WB).

-
- d. “Collusive practice” means an arrangement between two or more parties designed to achieve an improper purpose, including to improperly influence the actions of another party.
 - e. “Obstructive practice” includes (i) deliberately destroying, falsifying, altering, or concealing evidence material to an investigation; (ii) making false statements to investigators in order to materially impede an investigation; (iii) failing to comply with requests to provide information, documents or records in connection with a Fund investigation; (iv) threatening, harassing, or intimidating any party to prevent it from disclosing its knowledge of matters relevant to the investigation or from pursuing the investigation; or (v) materially impeding the Fund’s contractual rights of audit or access to information.
 - f. “Abuse” means theft, misappropriation, waste or improper use of property or assets related to Fund-related Activity, either committed intentionally or through reckless disregard.
 - g. A “conflict of interest” is any situation in which a party or any of its staff involved in the relevant decision making process has interests that could, or could be deemed to, improperly influence its performance of official duties or responsibilities, contractual obligations, or compliance with applicable laws and regulations.²
 - h. “Retaliation against whistleblowers or witnesses” means any detrimental act, direct or indirect, recommended, threatened or taken against a whistleblower or witness, or person associated with a whistleblower or witness, in a manner material to a complaint because of the report or cooperation with a Fund investigation by the whistleblower or witness.
 - i. “Money Laundering” has the meaning as set forth at paragraph a below.
 - j. “Terrorist Financing” has the meaning as set forth at paragraph b below.
5. **Additional Terms and Definitions** - For the purposes of this document, the following terms have the meanings ascribed to them below:
- a. “**Money Laundering**” refers to: (a) the conversion or transfer of property, knowing that such property is the proceeds of crime, for the purpose of concealing or disguising the illicit origin of the property or of helping any person who is involved in the commission of the crime to evade the legal consequences of his or her action; (b) the concealment or disguise of the true nature, source, location, disposition, movement or ownership of or rights with respect to property, knowing that such property is the proceeds of crime;³ or (c) the acquisition, possession or use of property knowing at the time of its receipt that it is derived from a criminal offence.
 - b. “**Terrorist Financing**” means the act of, directly or indirectly, providing or collecting funds with the intention that they should be used or in the knowledge that they are to be used, in full or in part, in order to carry out terrorist acts.⁴

² A conflict of interest may not, in all cases, in and of itself, constitute a Prohibited Practice.

³ Refer to Article 5 of the United Nations Convention against Transnational Organized Crime, 2000 (the Palermo Convention).

⁴ According to Article 2 of the International Convention for the Suppression of the Financing of Terrorism, a person commits the crime of financing of terrorism if that person by any means, directly or indirectly, unlawfully and wilfully, provides or collects funds with the intention that they should be used or in the knowledge that they are to be used, in full or in part, in order to carry out an offense within the scope of the Convention: (a) An act which constitutes an offence within the scope of and as defined in one of the treaties listed in the annex; or (b) Any other act intended to cause death or serious bodily injury to a civilian, or to any other person not taking an active part in

IV. Action to be taken by Counterparties to Combat Prohibited Practices in relation to Fund-related Activities

6. All Counterparties shall take timely and appropriate measures to:
 - a. ensure that Fund-related Activities are carried out in accordance with this Policy;
 - b. disclose and address conflicts of interest in a Fund-related Activity. If a conflict of interest or deemed conflict of interest arises, the Counterparty will promptly inform the Fund thereof and shall follow the instructions of the Fund on how to address such conflict or deemed conflict;
 - c. prevent Prohibited Practices from occurring in relation to a Fund-related Activity, including adopting, implementing, and enforcing appropriate fiduciary and administrative practices and institutional arrangements to ensure that the Fund proceeds in the form of a grant, loan, contract award, or other forms of financing or support are used only for the purposes for which such financing or support was granted;
 - d. promptly inform the Fund of allegations of Prohibited Practices found, suspected or alleged in connection with a Fund-related Activity;
 - e. investigate allegations of Prohibited Practices and report preliminary and final findings of investigations to the Fund;
 - f. respond to, mitigate, and remedy Prohibited Practices that are found to have occurred in a Fund-related Activity and prevent their occurrence;
 - g. cooperate fully with the Fund in any Fund investigation into allegations of Prohibited Practices related to a Fund-related Activity, and take all appropriate measures to ensure the full cooperation of relevant persons and entities subject to such investigation, including, in each case, allowing the Fund to meet with relevant persons and to inspect all of their relevant accounts, records and other documents and have them audited by or on behalf of the Fund; and
 - h. ensure that individuals or entities sanctioned by the Fund do not participate in Fund-related Activities in violation of their sanction.

V. Actions to be taken by the Fund in cases of Prohibited Practices in relation to Fund-related Activities

7. The Fund, through the Integrity Unit or any office of the Fund duly authorized to receive reports, investigate, and address allegations or suspicions of Prohibited Practices prior to the establishment of the Integrity Unit, shall:
 - a. inform a Counterparty of credible and material allegations or other indications of Prohibited Practices related to a Fund-related Activity;
 - b. have the right to investigate allegations independently or in collaboration with competent authorities and/or the Counterparty;
 - c. inform the Counterparty of the outcome of any investigation;
 - d. have the right to reject or disqualify a proposal for a Fund-related Activity if it determines that the Counterparty has directly or indirectly engaged in any Prohibited Practices;
 - e. have the right to sanction any Counterparty for engaging in Prohibited Practices in accordance with the Fund's policies, guidelines and procedures, as may be adopted and amended from time to time; sanctions may result in that

the hostilities in a situation of armed conflict, when the purpose of such act, by its nature or context, is to intimidate a population, or to compel a government or an international organization to do or to abstain from doing any act.

Counterparty's exclusion from participating in a Fund-related Activity indefinitely or for a stated period of time;

- f. without limiting the generality of the foregoing, have the right to impose one or more of the following measures on a Counterparty for engaging in Prohibited Practices in connection with a Fund-related Activity:
 - i. Reprimand – the Fund may send a formal letter of reprimand of the Counterparty's behaviour;
 - ii. Cancellation or suspension – the Fund may cancel or suspend a portion of Fund proceeds allocated to a Counterparty but not yet disbursed under a financing agreement or contract for goods or services;
 - iii. Debarment – the Fund may declare a Counterparty, either indefinitely or for a specified period of time, ineligible:
 - 1) To be awarded future financing from the Fund;
 - 2) To be awarded a contract financed by the Fund;
 - 3) To benefit from a contract financed by the Fund, financially or otherwise, for example as a subcontractor; and
 - 4) To otherwise participate in Fund-related Activity, in whole or in part;
 - iv. Conditional Non-Debarment – the Fund may require the Counterparty to comply, within specified time periods, with certain remedial, preventative or other measures as a condition to avoid debarment. In the event the Counterparty fails to demonstrate its compliance with the prescribed conditions within the time periods established, a debarment may automatically become effective for a period of time;
 - v. Restitution of funds – the Fund may require restitution of improperly used or diverted Fund proceeds; and
- g. have the right to (i) share information on sanctions imposed pursuant to subparagraphs e and f with other international organizations, multilateral institutions and competent authorities, and (ii) recognize sanctions determined by other international organizations, multilateral institutions and competent authorities, if appropriate.