Approved
GCF Project Preparation Facility application

PPF117 | Funding

Funding Proposal	Sarona Climate Action Incubator (SCAI)
Accredited Entity	Sarona Asset Management Inc.
Countries	Fiji, Indonesia, Malaysia, Papua New Guinea, the Philippines, Thailand
Approval Date	7 July 2026

Project Preparation Facility (PPF) Application

Concept note title	Sarona Climate Action Incubator (SCAI)
Accredited Entity	Sarona Asset Management Inc.
Country(ies)	Fiji, Indonesia, Malaysia, Papua New Guinea, the Philippines, Thailand
First submission	6 March 2026
Current submission	26 June 2026 Version 4

Please submit the completed PPF application and the PPF no-objection letter to ppf@gcfund.org. Refer to the PPF Guidelines for further information on completing the PPF application.

A. Executive Summary				
A.1	Accredited Entity (AE)	Sarona Asset Management Inc.		
A.2	Title of concept note submitted with PPF application	Sarona Climate Action Incubator (SCAI)		
A.3	PPF no-objection letter issued by NDA	Please indicate country(ies) and date of letter(s). Fiji – 16 April 2026 Indonesia – 28 February 2026 Malaysia – 29 January 2026 Papua New Guinea – 13 February 2026 The Philippines – 25 June 2026 Thailand – 29 January 2026		
A.4	PPF support requested	PPF Funding - AE will receive grant funding from GCF & directly acquire the services of international or local consultants or sub-grantees for Funding Proposal Development		
A.5	Support from Readiness	Has the AE accessed Readiness support for preparing the CN or PPF application?	☐ Yes [indicate relevant modality] ☒ No	
A.6	Cost of PPF activities	Amount requested from GCF Only applicable to PPF Funding	☐ Grant	USD amount
			☒ Repayable grant	USD 592,661
			☐ Equity	USD amount
		Co-financing from AE	USD 96,632 (Cash: $65,000; In-kind: $31,632)	
		Co-financing from other sources	USD 20,000 (in-kind contribution from OnePointFive)	
		Total project preparation cost	USD 709,293	
A.7	Implementation period	11 months		
A.8	Summary of PPF request			

Please provide a brief description of the project preparation activities.

Through the PPF Funding modality, Sarona Asset Management Inc. (Sarona) shall procure independent consultancy firms to deliver a coordinated, multi-country package of project-preparation activities for the Sarona Climate Action Incubator (SCAI) across Fiji, Indonesia, Malaysia, Papua New Guinea, the Philippines, and Thailand. While SCAI's Concept Note is scoped for seven countries, this PPF Funding request is submitted for six countries (excluding Vietnam) because Vietnam has confirmed that it will not be able to issue a PPF no-objection letter. Sarona will therefore use its own resources, including two permanent members of its investment team in Vietnam, to complete

Vietnam-specific annex inputs and integrate them into the Funding Proposal. Sarona will continue to coordinate with the Vietnam NDA to reconsider an NOL for SCAI at the Funding Proposal stage. The consultant(s) will support Sarona in preparing the full set of annexes required for Funding Proposal development: Annex 2 (Feasibility Study) - country diagnostics, pipeline validation, economic/financial analysis, and inputs to Theory of Change; Annex 6 (programme-level E&S documentation) - development of programme-level screening/ categorisation approaches and a programme-level ESMS package aligned to Sarona's ESMS, and, as relevant, an Indigenous Peoples Planning Framework (IPPF) and IPP template/guidance and grievance-redress frameworks consistent with GCF policy; Annex 7 (summary of consultations and Stakeholder Engagement Plan) based on national and local consultations; Annex 8 (gender assessment and project/programme-level Gender Action Plan) with SEAH-sensitive measures; Annex 9 (Legal due diligence); Annex 11 (Monitoring & Evaluation plan) aligned to the IRMF, with indicators, baselines and targets; and Annex 22 (GHG reductions and MRV) covering mitigation calculations and adaptation beneficiary estimates with monitoring protocols. The FP package elements under Annexes 6 and 8, and related consultation processes, will be prepared in line with the GCF Revised Environmental and Social Policy, GCF Indigenous Peoples Policy, GCF Gender Policy, and applicable GCF SEAH policy/requirement tools.

Activities will combine desktop research and data collection, consultations with NDAs and regulators and prospective executing partners, and will adapt GCF templates for Annexes 2, 6, 8 and 11 to each country context. Given SCAI's intermediation structure, PPF work will focus on programme level frameworks, tools and procedures that will be applied during implementation as the pipeline and underlying investments are confirmed. The work will follow the PPF Funding process, reflect the scope and depth required for multi-country PPFs. The implementation approach assumes an intensive drafting phase during the first three months to prepare the initial Funding Proposal and annex package, followed by an extended review and revision period within the overall 11-month implementation window to address comments from NDAs, national stakeholders, the GCF Secretariat, iTAP and, if required, Board-related questions.

Stakeholder consultations will be undertaken separately in each of the six project countries to ensure country ownership and to inform country-specific elements of the feasibility, environmental and social, gender and stakeholder engagement deliverables.

Consultations will be designed and implemented in accordance with the GCF Revised Environmental and Social Policy, GCF Indigenous Peoples Policy (where applicable), GCF Gender Policy, applicable GCF SEAH policy/requirement tools, and Sarona's IFC Performance Standards-aligned ESMS. The process will ensure meaningful consultation that is:

- Early and iterative;
- Inclusive and gender-responsive;
- Culturally appropriate and accessible;
- Conducted in relevant local languages as needed;
- Documented with clear feedback integration mechanisms.

In-country consultations will take place in each project country to the extent feasible, prioritising in-person engagement particularly where consultations are required to assess E&S risks, Indigenous Peoples considerations, gender gaps, institutional arrangements, and potential community-level impacts. Where in-country consultations are not feasible due to timing, access, cost, security or other constraints, Sarona will implement virtual or hybrid formats while ensuring that accessibility, informed participation and documentation standards are maintained.

In countries where Indigenous Peoples are present and may be affected by potential underlying investments, consultations will be conducted in a manner consistent with Free, Prior and Informed Consent (FPIC) principles. While site-specific FPIC processes would be undertaken at implementation stage if required, the PPF stage will include early engagement with relevant Indigenous representatives to inform the programme-level Indigenous Peoples Planning Framework (IPPF).

To minimise duplication while preserving depth of engagement, consultation requirements across Annexes 2, 6, 7, 8, 11 and 22 will be coordinated within each country through shared stakeholder mapping and integrated consultation scheduling. This coordination will not reduce consultation scope but will ensure efficient, coherent and policy-compliant engagement, culminating in a consolidated, country-differentiated Annex 7 Stakeholder Engagement Plan.

Where stakeholders have regional mandates (e.g., regional fund managers or development finance actors), complementary regional consultations may be conducted; however, these will not replace country-level consultations,

and country-specific perspectives will be documented and reflected in Annex 7 and the programme-level Stakeholder Engagement Plan.

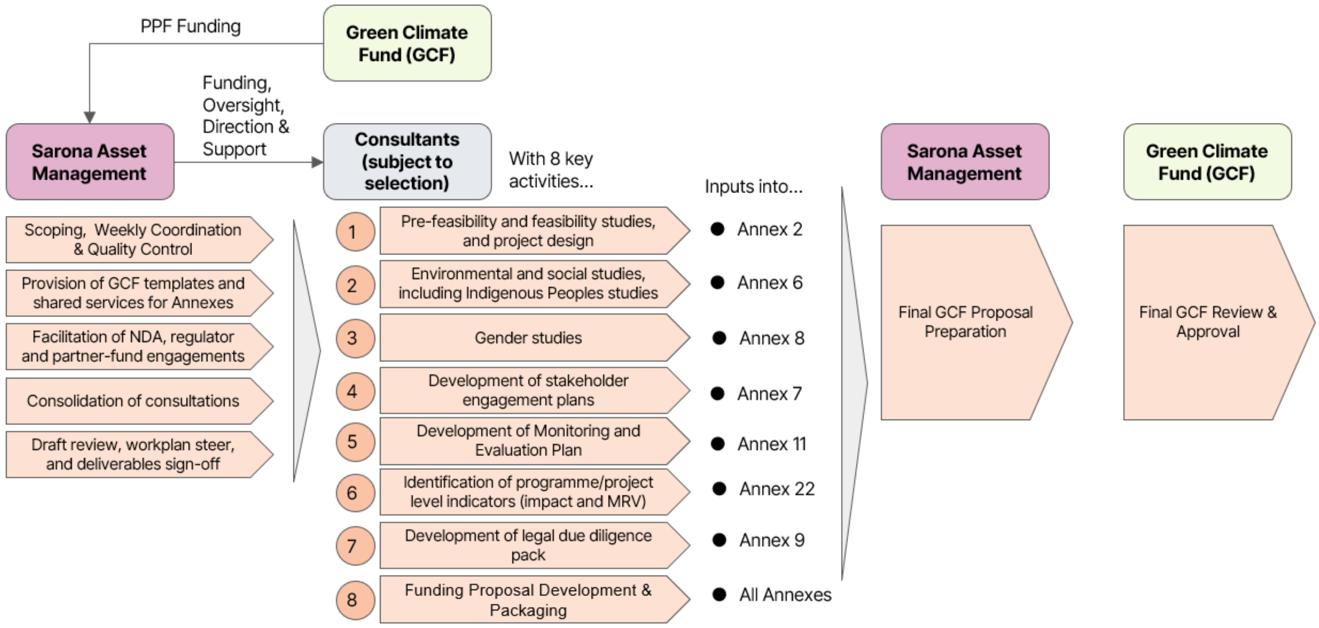
B. Justification for Project Preparation Support

Please explain the AEs' need for project preparation funding from GCF, including any cash or in kind resources from the AE and co-financing for funding proposal development.

Sarona seeks PPF Funding support because this is Sarona's first GCF full funding proposal and developing a robust, multi-country Funding Proposal for SCAI requires specialised, resource-intensive studies and stakeholder processes that exceed Sarona's in-house capacity and budget for the proposal stage.

SCAI is a GP-of-GPs platform across seven countries (Fiji, Indonesia, Malaysia, Papua New Guinea, the Philippines, Thailand and Vietnam) that aims to seed locally managed climate funds addressing mitigation and adaptation gaps for climate-smart SMEs, an innovative structure that heightens the need for rigorous country diagnostics (including NDC and NAP plans and alignment), feasibility analysis, safeguards and measurement, reporting and verification (MRV) design before submission. This PPF Funding request covers six countries (excluding Vietnam); Sarona will cover Vietnam specific proposal preparation inputs using its own resources including local Sarona staff in Vietnam for integration into the Funding Proposal. The Concept Note defines the cross-country scope, target climate mitigation and adaptation sectors (e.g. Clean Energy, Sustainable Agriculture, Forestry and Biodiversity, Water Resource Management, Urban Climate Infrastructure) and expected impacts (c.4.7 MtCO_2e avoided; c.1 million resilience beneficiaries), aligned to country and regional priorities, underscoring the breadth of technical work needed to credibly translate the concept into a full Funding Proposal aligned with GCF standards. At present, these are concept-stage, portfolio-level estimates. Because SCAI will invest through multiple underlying funds and sectors, PPF support is required to strengthen the robustness of programme design and climate impact modelling by: (i) establishing sector-specific baseline scenarios and counterfactuals; (ii) defining methodologies for estimating GHG reductions across heterogeneous downstream investments; (iii) developing adaptation beneficiary and resilience estimation frameworks; and (iv) designing MRV systems capable of aggregating results across multiple partner funds and portfolio companies in line with the GCF IRMF. This is particularly important for adaptation, as climate hazards affecting water, agriculture, energy access and climate-resilient infrastructure already constrain SMEs and local economies across the target countries; the PPF will convert these diagnostics into measurable resilience outcomes and beneficiary metrics for the Funding Proposal. In addition, SCAI's FP will require integrated packaging and post submission support to address Secretariat/ CIC /iTAP comments. Such support will be provided by the PPF-funded consultant(s), under Sarona's direction and quality assurance, and will comprise written responses, clarification notes, and revisions to the FP and annexes following Secretariat/ CIC /iTAP comments.

The PPF Funding modality is the most appropriate route given the project's novelty, scale and multi-jurisdictional complexity. It will enable Sarona, using its own procurement processes consistent with GCF requirements, to competitively procure and manage the required international and local consultants to deliver the full set of project-preparation activities (see Diagram 1.1 below) at the needed quality and pace. This includes the preparation of Annexes 2, 6, 7, 8, 9, 11 and 22, as well as the preparation and packaging of the Funding Proposal (Activity 8) and targeted post-submission support. For a GP-of-GPs platform, PPF support is also needed to prepare programme-level safeguards frameworks, downstream screening procedures, governance arrangements and monitoring systems for multiple underlying investment managers, which go beyond the requirements of a conventional single-project or single-fund preparation exercise.



From a capacity perspective, Sarona brings investment, ESG and impact expertise, but proposal-stage needs span across 8 activity areas: (i) multi-country climate/sector diagnostics and economic-financial analysis; (ii) I-2 programme-level E&S documentation with SEAH and Indigenous Peoples protocols; (iii) gender assessment and GAP; (iv) structured national and local consultations culminating in a Stakeholder Engagement Plan; (v) clear monitoring & evaluation planning; (vi) quantified mitigation/adaptation impact and MRV architecture consistent with the IRMF, (vii) Legal due diligence and (viii) Funding Proposal development & packaging, including post submission support to address Secretariat/ CIC/ iTAP comments, all of which require specialist, on-the-ground effort across six jurisdictions. These requirements are reflected particularly in Activity 2 (ESMS and downstream screening), Activity 5 (M&E architecture), and Activity 6 (climate impact modelling and MRV system), which together provide the methodological and governance backbone needed for a credible fund-of-funds Funding Proposal.

Co-financing: The OnePointFive support is expected to contribute to the drafting, review and quality assurance of the Funding Proposal and relevant annexes where additional climate-specific expertise is required. The in-kind contributions will be used to complement the PPF funding: senior investment staff's time for scoping, weekly coordination and quality control; provision of GCF templates and shared services for Annexes 6, 8 and 11 to ensure consistency across countries; facilitation of NDA and other local stakeholders, regulators and partner-fund engagements already underway. No other third-party co-financing is being claimed at this stage; any additional sources secured during implementation will be disclosed to the GCF and reflected in Section F.

Under the Funding modality, Sarona will competitively procure and contract the consultants, manage the grant, supervise delivery, and lead quality assurance, reviewing all drafts, steering the workplan and signing off on deliverables. Activity 8 will ensure the integrated Funding Proposal is compiled on the latest GCF template, internally consistent with all annexes, and supported post-submission through targeted responses and minor revisions as required.

As a small, lean impact investment manager, Sarona lacks the internal capacity to execute this work without international & local consultants involving detailed multi-country analysis and effort required to deliver a Funding Proposal and annex package that meets GCF's policies, safeguards, and IRMF thresholds for a first-of-its-kind regional GP-of-GPs platform. Therefore, PPF Funding support will be catalytic and essential, enabling a complete, coherent, and country-owned submission that can crowd-in private and public capital at scale once approved.

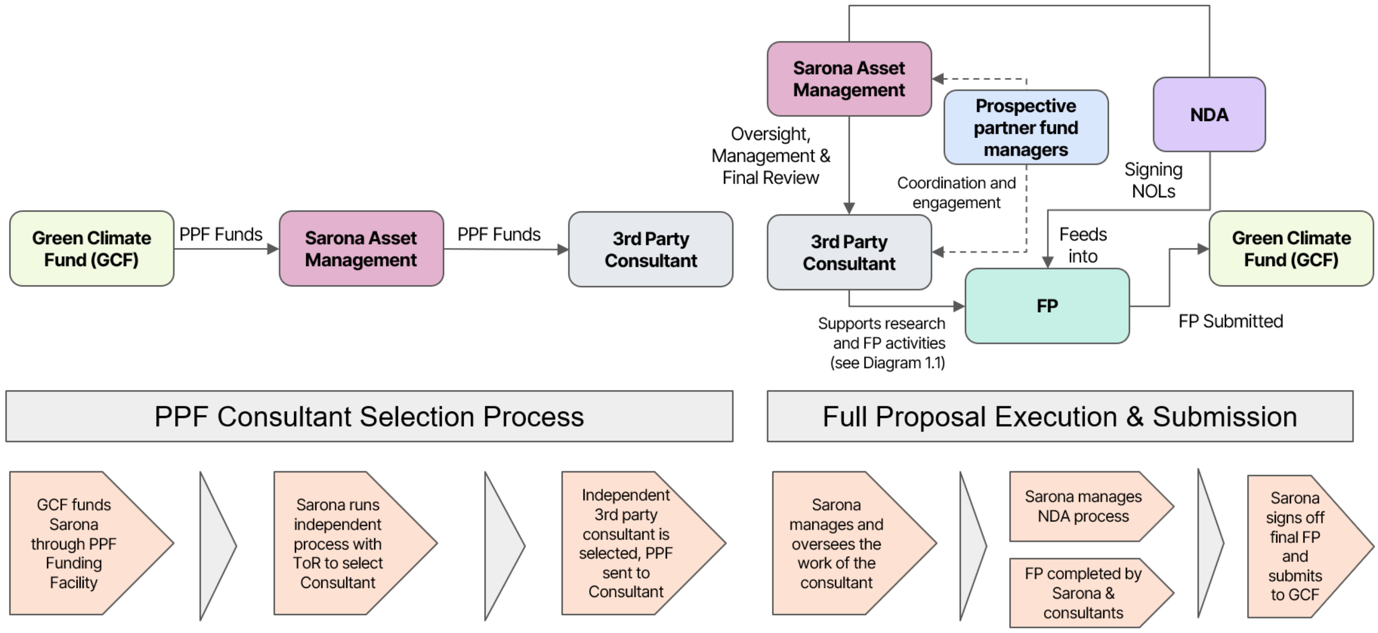
C. Implementation Arrangement, Risks & Mitigants

Please describe implementation arrangements for project preparation activities, including a diagram and narrative description of the roles and responsibilities of the entities involved (NDA, AE, executing entities, procured parties, sub-grantees, as applicable), legal relationships between entities, flow of funds (not applicable to PPF Service), steering committees, and AE staff and consultant contribution arrangements. If seeking PPF Funding with procurement of international or local consultants by the AE, please provide the AE's procurement plan. Also identify any risks and mitigants to implementation.

Sarona will use the PPF Funding route: Sarona (as PSAA applicant) will competitively procure and contract the required international and local consultants in line with its procurement policy and the PPF Grant Agreement. GCF will disburse grant funds to Sarona against agreed tranches; Sarona will manage fiduciary, procurement and contract administration, provide technical direction and quality control over deliverables, and ensure reporting and audit obligations are met. PPF implementation will be managed centrally from Sarona's Canada office/back office. Sarona does not rely on a dedicated beneficiary-country implementation office for the PPF; rather, in-country activities (including stakeholder consultations and data collection) will be carried out by competitively procured consultants/local experts in the relevant countries, under Sarona's management and quality assurance. Sarona also has staff presence in the Philippines, Vietnam and in Indonesia that may support coordination where relevant, but fiduciary management and major implementation decisions will remain centralized in Canada.

Roles & responsibilities.

- **GCF:** Enters into the PPF Grant Agreement with Sarona; disburses tranches per Section G; reviews required reports (Interim/Completion, Certified Financials, audit) and provides oversight in line with the Grant Agreement. GCF does not manage consultant procurement under the Funding modality.
- **Sarona (PSAA Applicant):** Conducts competitive procurement and contracts the consultants; manages fiduciary and contract administration; issues instructions and provides method notes/ templates for E&S (Annex 6), Gender (Annex 8), MRV/M&E (Annex 22/11); convenes/coordinates NDAs and regulators; chairs the PPF Steering Committee; performs quality assurance and signs off on deliverables; and leads Activity 8 (Funding Proposal Development & Packaging, incl. post-submission support).
- **Consultant(s):** Deliver Annex 2 (Feasibility Study), Annex 6 (programme-level E&S documentation), Annex 7 (summary of consultations & SEP), Annex 8 (Gender Assessment & GAP), Annex 9 (Legal due diligence), Annex 11 (M&E plan aligned to IRMF), and Annex 22 (GHG/beneficiary assessment & MRV), combining desk research, fieldwork and structured multi-country consultations, and prepare the Funding Proposal main document and submission package under Activity 8, including post-submission support to address Secretariat/ CIC/ iTAP comments.
- **Prospective partner fund managers:** As referenced in the Concept Note, Sarona is in early-stage discussions with a number of potential fund managers and partners. These entities are not finalised and will not be contracted parties under the PPF Grant. During PPF implementation, as relevant, they may be engaged as stakeholders to provide indicative inputs to pipeline validation and programme design and to potentially participate in structured consultations that inform Annex 2 (Feasibility Study), Annex 7 (Stakeholder Engagement Plan) and related design elements. Any eventual role as executing entities/fund managers during programme implementation would be determined in the later stages.



Governance & cadence: The key stakeholders will meet at inception (to approve the consultant's workplan/inception report), midterm, and prefinal to validate annexes. A PPF Steering Committee will provide strategic guidance and validation. Sarona's team will hold regular check-ins with the consultant; monthly progress notes and a comment-resolution log will track deliverables. Activity 8 establishes milestones for the draft FP, the submission-ready package, and post-submission responses through the Secretariat / CIC / iTAP review process and, if required, Board-related clarification rounds within the 11-month implementation period.

A preliminary implementation risk assessment has been conducted for the PPF activities. On balance, overall implementation risk is assessed as low-to-moderate, reflecting the novelty and multi-country complexity of the GP-of-GPs structure, balanced against the fact that PPF funds will be used only for AE-managed procurement and supervision of consultants, legal advisers and audit services, with no downstream transfers to partner funds or portfolio companies during PPF implementation. In this context, the climate-methodology and consultation/security risks are assessed as low likelihood / medium-to-high impact, while AML/CFT, sanctions and prohibited practices risks are assessed as low likelihood / high impact if they were to occur.

Financial integrity, AML/CFT and prohibited practices controls will include: (i) competitive procurement under Sarona's procurement policy; (ii) segregation of duties across procurement, technical review, approval and payment; (iii) due diligence and screening of contracted counterparties prior to award and payment; (iv) contractual compliance clauses covering AML/CFT, sanctions, fraud, corruption and other prohibited practices; (v) invoice and deliverable verification before payment; and (vi) record retention. Sarona will make available mechanisms for third parties, including anonymous reporting, to raise allegations of wrongdoing or suspected prohibited practices, and any such allegations will be logged, reviewed and escalated as appropriate.

Based on a review of the current United Nations Security Council sanctions regimes, none of the six beneficiary countries is itself subject to a country-specific UNSC sanctions regime. Nevertheless, Sarona will screen relevant counterparties against the UN Security Council Consolidated List and monitor for any changes in applicable sanctions measures throughout PPF implementation.

Key Risks & Mitigants:

(i) Climate data and methodological uncertainty (including limited baseline emissions data, challenges in estimating adaptation beneficiaries, and difficulties aggregating climate impacts across heterogeneous investment portfolios) → combine desktop review with consultant-led primary data collection, use conservative assumptions and sensitivity testing, build a baseline/parameter library under Annex 22, and subject Annex 2/22 outputs to staged technical reviews with alignment to Annex 11.
(ii) Consultation logistics, NDA coordination and stakeholder availability (including NDA coordination timelines, language/translation needs, and availability of relevant private sector stakeholders) → prepare

an early consultation calendar with NDAs, use clustered sessions and shared stakeholder lists, deploy local experts/associates and interpretation support where needed, and maintain hybrid/virtual fallback options.

(iii) Security and access risks for physical consultations / field missions → use local consultants where possible, undertake pre-travel security and access checks, coordinate closely with NDAs/local counterparts on venues and participant safety, and pivot to virtual or hybrid engagement where conditions are not suitable for in-person consultations.

(iv) AML/CFT, sanctions and prohibited practices risk → apply counterparty due diligence and sanctions screening, contractual compliance clauses, segregation of duties, payment verification controls, and whistleblowing / anonymous reporting channels.

(v) Procurement outcome risk (preferred firm not selected) → scope, team profiles and method embedded in the terms of reference (ToR) so any selected firm must meet the same standards; Sarona maintains direction and QC under the Funding modality, with clear deliverable acceptance criteria.

(vi) Schedule slippage across six jurisdictions → integrated workplan with critical-path tracking, country focal points, and escalation protocols via the Steering Committee.

(vii) Budget pressure from unforeseen travel/ workshops → cluster consultations, prioritise hybrid formats, and apply contingency controls aligned to Section F.

D. Description of project preparation activities																									
Summary of activities and Outputs Please select *PPF activity* and add rows as needed. Submit detailed terms of reference outlining scope of work and deliverables as a separate annex. Please also complete the "PPF Application and Deliverables Completeness Self-Check" and include it with your application.		**Implementation Period** Please shade the expected duration, up to 24 months. Indicate completion target with an 'X.'																							
		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24
Activity 0	**Inception phase activities**	X																							
Activity 1	**Pre-feasibility and feasibility studies, and project design** Activity 1.1: Climate, market and enabling environment diagnostics (6 countries). Undertake country-level analyses of climate risks, mitigation opportunities and adaptation needs; analyse climate hazards, exposure and vulnerability affecting SMEs, local economies and target sectors; map sectoral gaps and barriers for climate-smart SMEs and climate funds; review policies, NDCs/ NAPs, regulatory frameworks, and investment constraints; and identify priority subsectors (e.g., Clean Energy, Sustainable Agriculture, Forestry and Biodiversity, Water Resource Management, Urban Climate Infrastructure). For the Philippines, this activity will explicitly assess alignment not only with the NDC and NAP, but also with the country's broader whole-of-nation and whole-of-economy climate response, including relevant NCCAP/NDCP priorities, sectoral strategies, existing public and donor-financed programmes, and LGU-linked priorities where relevant. The analysis will identify where SCAI can provide additional private-sector capital and technical support without duplicating existing initiatives. Outputs include a harmonised diagnostic framework with comparable metrics across countries. This work will also produce FP ready "B.1 Climate Context" inputs for each country (hazards/trends, sectoral baselines, vulnerability profiles, citations and data tables) Activity 1.2: Institutional design and Theory of Change alignment. Define SCAI's operating model and risk management across		X																						

	intermediation levels; confirm roles and decision rights; and align the programme logic with GCF investment criteria and paradigm-shift pathways, feeding the FP narrative and log frame. This activity will also define the programme-level investment eligibility and appraisal framework, including climate risk screening procedures (hazard-exposure-vulnerability), minimum climate-resilient design expectations where relevant, and exclusion criteria for maladaptive investments, to be applied by partner funds through investment screening templates and fund guidelines. For the Philippines, the investment eligibility and appraisal framework will include a country-specific SME project selection framework aligned with the Philippines' whole-of-country and whole-of-economy climate response. This framework will define eligible investment archetypes, priority subsectors, screening criteria, exclusion criteria, safeguards and gender requirements, and indicative socioeconomic co-benefit and risk indicators. Output 1: Integrated Feasibility Study (Annex 2) with: six country diagnostics; regulatory and institutional mapping; economic/financial prefeasibility pack; and a cross-country synthesis that anchors the FP's climate rationale and implementation model. Output 1 will also produce the draft investment eligibility and appraisal framework, including climate risk screening procedures, maladaptation exclusions and partner fund screening guidance. The output would also be used to draft parts of the FP, including: (i) B.1 Climate Context (per country) with referenced data tables; (ii) B.2 Theory of Change (diagram + narrative, risks/assumptions, linkage to GCF investment criteria); and (iii) Section E Logical Framework (IRMFaligned outcomes/outputs, indicators, baselines and targets), consistent with Annex 11 and Annex 22.																								
Activity 2	**Environmental and social studies, including Indigenous Peoples studies** Sarona has an existing Environmental and Social Management System (ESMS) which references the IFC Performance Standards. This ESMS will serve as the baseline for the SCAI programme level E&S framework; PPF resources will be used to tailor Sarona's existing tools and procedures to the Asia/ Pacific fund of funds context and the SCAI climate sectors, and to develop any missing fund manager templates required by GCF (including for Indigenous Peoples). The tailored framework and related outputs under Annex 6 will be developed in line with the GCF Revised Environmental and		X																						

	Social Policy, GCF Indigenous Peoples Policy, and applicable GCF SEAH policy/requirement tools. Moreover, the PPF will not create a new standalone corporate ESMS; rather, it will develop a SCAI-specific programme-level ESMS package, nested within Sarona's existing ESMS, to operationalise E&S requirements for partner funds and downstream investments. Activity 2.1: Programme level E&S screening and categorisation. Develop the programme-level E&S screening methodology and categorisation approach for an intermediation operation (expected I-2), including an indicative risk register based on SCAI's target sectors and country contexts, recognising that specific underlying investments will be confirmed during implementation. Define the screening flow and decision-points for fund and sub-project levels to be applied by partner funds/investees as pipeline investments are identified. Document SEAH risk considerations, Indigenous Peoples engagement triggers and exclusion criteria consistent with GCF policy and FPIC expectations. The methodology will also address associated facilities, portfolio concentration and cumulative risk, land and livelihood due diligence where relevant, security risk screening where relevant, and escalation/oversight requirements across investee, partner fund and Sarona levels. Building on Sarona's IFC Performance Standards-aligned ESMS, the approach will be tailored for application across all six countries and embedded in the programme risk register and oversight arrangements. Activity 2.2: Environmental and Social Management System (ESMS). Develop an ESMS aligned to Sarona's ESMS and GCF standards, including the GCF Revised Environmental and Social Policy, GCF Indigenous Peoples Policy, and applicable GCF SEAH policy/requirement tools: due diligence procedures, labour/working conditions, community health and safety, biodiversity and resource efficiency, supply chain requirements, SEAH mitigation, Indigenous Peoples' engagement and project level GRM; include fund manager templates and supervision/reporting protocols. This will include a proportionate SEAH screening methodology for partner funds and downstream investments, minimum contractual clauses and codes of conduct, and complaint uptake/referral arrangements integrated with the GRM. The GRM design will also reflect GCF expectations for intermediary operations by being accessible, equitable, predictable, transparent, and survivor-centred and gender-responsive in cases of SEAH. Activity-level grievance mechanisms will be required for downstream investments/partner funds where applicable and																								

	overseen by Sarona as intermediary AE. The programme-level ESMS package will also define procedures for review of associated facilities; concentration and cumulative-risk management; land and livelihood due diligence where relevant; security risk screening where relevant; proportionate SEAH screening and response arrangements; and escalation/oversight responsibilities across investee, partner fund and Sarona levels. The ESMS will be developed by tailoring Sarona's existing ESMS (IFC Performance Standards based) into an SCAI specific, programme level framework and "fund manager toolkit" (screening checklists, due diligence templates, E&S clauses for legal agreements, incident reporting, and E&S monitoring/reporting templates). This programme-level ESMS package will comprise the exclusion list, project-level GRM approach, screening checklists, due diligence templates, fund-manager guidance, and supervision/reporting protocols to be applied under Sarona's overarching ESMS. While Sarona's existing GP relationships are typically sector agnostic and therefore do not include a dedicated fund manager template for Indigenous Peoples studies, the PPF will be used to develop an IP screening and planning package (e.g., IPPF/ IPP template and guidance) to guide partner funds on culturally appropriate engagement and FPIC-consistent requirements where future pipeline investments may involve Indigenous Peoples or affect their rights, lands/resources or cultural heritage. This package will operationalise compliance with the GCF Indigenous Peoples Policy, including criteria and procedures for identifying Indigenous Peoples in line with the policy, screening and consultation requirements, benefit-sharing considerations, FPIC-related triggers where applicable, and guidance for preparation of site-specific IPPs during implementation. Activity 2.3: Country E&S profiles and capacity plan. Prepare concise legal/ regulatory profiles for each country (gaps vs. GCF standards), identify priority risks by sector, and propose capacity building and supervision arrangements for Sarona and partner funds. Profiles will also identify country specific requirements relevant to IFC Performance Standards application and GCF policy compliance, including the legal recognition of Indigenous Peoples/ethnic minorities and any specific consultation norms. The capacity plan will include targeted training for Sarona and partner funds on applying the tailored ESMS and the new Indigenous Peoples screening/planning templates. Output 2: Annex 6 package comprising the screening/ categorisation note, programme level ESMS with exclusion list and GRM, six																								

	country E&S profiles, and a capacity and supervision plan for implementation. Annex 6 will therefore constitute the SCAI programme-level ESMS package under Sarona's existing ESMS, rather than a new standalone ESMS. The Annex 6 package will explicitly document which elements are adapted from Sarona's existing IFC Performance Standards aligned ESMS and which are newly developed for SCAI (including IP screening/planning templates), with clear procedures for how partner funds will implement these requirements and report compliance. Annex 6 will include a programme-level IPPF (and IPP template/guidance) as part of the ESMS to guide any site-specific IPPs that may be required later during implementation once underlying investments are identified. The package will therefore set out how compliance with the GCF Indigenous Peoples Policy will be operationalised at partner fund and sub-project level. Output 2 will also include escalation and oversight procedures across investee, partner fund and Sarona levels, and related templates/guidance for partner fund implementation.																								
Activity 3	**Gender studies & gender action plan (GAP)** Sarona applies the GCF Gender Policy as the overarching policy basis for the gender workstream, using the 2X Criteria as the primary operational lens for gender gap assessment and investment screening and requires the adoption of six gender inclusive workplace policies as a minimum expectation for gender management within its investment approach. PPF resources will be used to tailor these existing tools and requirements to the SCAI Asia/ Pacific fund of funds context and embed them into partner fund selection criteria and portfolio management processes. The gender assessment, GAP, and related measures will be developed in line with the GCF Gender Policy and applicable GCF SEAH policy/requirement tools. Activity 3.1: Gender baseline and gap analysis (multi-country). Undertake gender diagnostics per country and target sector, including intersectional risks and linkages with SEAH; assess barriers to women's participation in fund teams, investment decision making and SME operations; and synthesise findings into a regional baseline. The gap assessment will apply the 2X Criteria as the core analytical framework to identify baseline conditions, opportunities and binding constraints, and to inform the definition of gender targets and eligibility/selection thresholds for partner funds and portfolio		X																						

	companies within the overall policy framework of the GCF Gender Policy. Activity 3.2: Gender Action Plan (GAP) and integration into investment processes. Draft a budgeted GAP with objectives, actions, roles/timelines, and indicators; embed gender responsive criteria in fund selection, investment screening and post investment value creation; and align reporting with IRMF and Sarona templates. The GAP will also be aligned with the GCF Gender Policy and relevant GCF SEAH policy/requirement tools. The GAP will operationalise Sarona's existing gender approach in the SCAI context, including (i) a 2X-aligned screening and monitoring approach and (ii) minimum expectations for partner funds and investees regarding adoption and implementation of six gender inclusive workplace policies, with clear responsibilities, timelines and reporting requirements. Activity 3.3: Capacity and governance measures. Recommend measures for Sarona and partner funds (e.g., IC composition targets, training, inclusive recruitment, codes of conduct, grievance/ whistleblowing and safeguarding linkages). This will include practical guidance and training for partner funds on applying the 2X Criteria in fund selection and portfolio management, and on supporting investees to adopt and implement the required gender inclusive workplace policies and monitor compliance. This will also include SEAH training and supervision expectations for partner funds and, where relevant, portfolio companies/investees. Output 3: Annex 8 comprising a multi-country Gender Assessment and a costed Gender Action Plan with indicators and implementation arrangements integrated into SCAI's governance and fund selection toolkits. Output 3 will also include a 2X-aligned gap assessment/scoring tool and a standardised set of minimum workplace policy requirements (six gender inclusive workplace policies) and monitoring guidance, adapted for SCAI partner funds.																								
Activity 4	**Development of stakeholder engagement plans** Activity 4.1: Stakeholder mapping and consultation design. Map NDAs, regulators, DFIs, partner funds, SME associations, CSOs, women's organisations and Indigenous representatives; design inclusive consultation protocols (languages, accessibility, safeguards) and an information disclosure plan; and sequence clustered national/local sessions to minimise stakeholder fatigue.			X																					

	Stakeholder engagement will be undertaken in accordance with GCF ESS requirements, ensuring meaningful, inclusive and culturally appropriate consultation, with particular attention to Indigenous Peoples, women, vulnerable groups and sector-affected communities, and aligned with the programme-level ESMS and IPPF to be developed under Activity 2. Activity 4.2: Country consultations and documentation. Conduct two iterative rounds per country (virtual/ in person as feasible), including, where feasible, a one-week in-country field mission per country led by a locally based expert/associate consultant to convene and/ or facilitate stakeholder meetings/workshops and document feedback. Where budget permits, a two-person facilitation team (and/ or Sarona participation) may be deployed to improve efficiency and workshop delivery. Maintain issues logs and attendance records and produce targeted materials to support NDA processes. Consultations will be documented through attendance records, issues logs and feedback matrices that demonstrate how stakeholder inputs have informed programme design. Standardised templates will be used across countries to distinguish participants/participant groups, issues raised, responses provided, and how feedback has informed programme design and annex preparation. Where Indigenous Peoples may be affected, engagement during the PPF stage will be consistent with FPIC principles and will inform the development of the programme-level IPPF and associated guidance for partner funds. Activity 4.3: Programme level SEP and project level GRM linkage. Consolidate consultation findings into a programme SEP with country annexes, disclosure milestones, feedback loops, roles/responsibilities, and monitoring indicators; ensure alignment with the GRM defined under Annex 6. The SEP and GRM design will be consistent with programme-level screening outcomes, IPPF procedures, SEAH-safe complaint handling, and disclosure requirements. Output 4: Annex 7 consisting of a consolidated consultation report (six country summaries and issues log) and a Stakeholder Engagement Plan with disclosure schedule, responsibilities, and GRM interface; supporting NOL documentation as needed.																								
Activity 5	**Other project preparation activities, where necessary, and with sufficient justification**			X																					

	Development of monitoring and evaluation plan Activity 5.1: IRMF-aligned results framework and indicator dictionary. Define mitigation, adaptation, and crosscutting indicators with baselines, targets and means of verification; integrate gender/ SEAH relevant indicators; and ensure vertical aggregation from investees → partner funds → Sarona. This will include identifying the relevant GCF IRMF core and supplementary indicators applicable to SCAI and defining the aggregation logic across partner funds and portfolio companies. Activity 5.2: Data architecture, MIS templates and QA/ QC. Design the data flow, reporting templates, sampling plans and QA/ QC procedures; outline dashboard wireframes, roles/ responsibilities, and budget for M&E; and prepare third party review/ verification ToR outlines. Activity 5.3: Learning and evaluation plan. Set learning questions, periodic evaluation windows and adaptive management triggers, and specify dissemination and feedback mechanisms to inform investment decisions. Output 5: Annex 11 including a programme Results Framework & Indicator Dictionary, an M&E Plan (governance, data flow, QA/ QC, evaluation calendar and budget) and editable MIS templates for partner funds/investees. Output 5 will also specify the selected GCF IRMF indicators and the portfolio-level aggregation and compliance-tracking approach across partner funds.																								
Activity 6	**Assessment of climate impact potential for mitigation and adaptation activities** **PPF activity area: Identification of programme/project level indicators (impact and MRV)** Activity 6.1: Mitigation methodology and impact model. Develop ex-ante GHG methodologies by subsector (baselines, grid and emission factors, counterfactuals, additionality, uncertainty, and double counting safeguards); build an impact model to aggregate emission reductions/ avoidance with sensitivity tests. For each country, the mitigation model will replace concept-stage proportional estimates with country-specific estimates based on refined sectoral allocations, locally appropriate baselines and sensitivity analysis. The methodology will specify how mitigation results from different sectors and partner funds will be aggregated at portfolio level and how double counting will be identified and avoided. Where relevant, the			X																					

	methodology will also assess fit-for-purpose digital tools/software and associated data rules and controls that could support climate risk screening, climate measurement, portfolio aggregation and prevention of double counting during implementation. Activity 6.2: Adaptation methodology and beneficiary estimation. Define country/ sector-appropriate approaches for estimating direct/indirect beneficiaries and resilience outcomes consistent with the IRMF; link qualitative change pathways to quantitative proxies and data collection plans. The methodology will also consider the time dimension of climate hazards and resilience outcomes over the fund life cycle, including when adaptation benefits and beneficiary reach are expected to accrue. The adaptation methodology will draw on the programme-level climate risk screening framework to link identified hazards, exposure and vulnerability to resilience outcomes and beneficiary estimation. Activity 6.3: MRV protocols and integration with M&E. Prepare activity-level data sheets, monitoring frequencies, roles, and third-party assurance approaches; align protocols with Annex 11 to ensure consistent reporting by partner funds and investees. This will include standard reporting templates and responsibilities for partner funds, recommended reporting cadence, compliance tracking for climate screening requirements, and portfolio-level consolidation procedures at Sarona level. Output 6: Annex 22 comprising a methodology paper (mitigation & adaptation), a baseline/ parameter library, a multi-country impact model, and a MRV manual with templates and SOPs. The Annex 22 package will explicitly set out cross-sector aggregation methods, double-counting safeguards, and partner-fund reporting and roll-up procedures.																								
Activity 7	**Legal and Tax Due Diligence** Activity 7.1: AE level legal structuring & contractual framework. Define the upstream/midstream/ downstream legal arrangements required for SCAI as a GP of GPs and for Sarona in its role as AE Cover: (i) the FAA instrument between GCF and AE and any implications for tax/regulatory treatment; (ii) midstream subsidiary/ covered agreements (e.g., fund documents, subscription/side letters) needed to pass down FAA obligations; (iii) downstream agreements; (iv) separation of assets and avoidance of co-mingling; (v) limitations of			X																					

	GCF liability and committee participation; and (vi) any securitization or similar rules that could be triggered. Activity 7.2: Approvals, licences and permits (by country). Map all corporate and regulatory approvals needed to receive/disburse GCF funds in holding currency, and maintain legality through the programme life; Activity 7.3: Tax analysis for GCF and mitigants. Provide a general tax overview per country, highlighting (i) any indirect taxes on goods/services procured with GCF funds, (ii) any direct tax implications for GCF across fund flow legs, and (iii) for equity structures, taxes related to payments to/ from any feeder/fund vehicle and transfers of interests. Identify legal measures to mitigate tax risk and note the expectation that reflows to GCF are free and clear or grossed up, with any taxes budgeted explicitly. Activity 7.4: Foreign law & enforceability. Assess recognition and enforceability risks for foreign arbitral awards in each host country, and propose mitigants (choice of law/seat, acknowledgment clauses, consents). If no material risk is identified, state this explicitly. Activity 7.5: Government channelling of funds & exemptions. Where host country law requires international funds to pass through a government body, analyse status, statutory requirements and any available exemptions to allow AE/EE to receive GCF funds directly; describe lawful flow of funds where channelling is mandatory. Output 7: Annex 9 Legal Due Diligence pack comprising: (i) SCAI legal DD report with reliance language for GCF; (ii) country legal matrices on corporate status, licences/permits and FX; (iii) tax memos (including gross up expectations and budgeting notes); (iv) government channelling analysis and recommended exemptions; and (v) a consolidated legal risk register with mitigants. These outputs provide FP ready material for Sections C (implementation arrangements), D.3 (financial structure) and Annex 9.																								
Activity 8	**Funding Proposal Development & Packaging** Activity 8.1: Draft Funding Proposal (FP) preparation. Compile a complete Funding Proposal on the latest GCF template, drawing on Activity 1 (Feasibility & FP-ready B.1/B.2/ Log frame inputs) and Activities 2-7 (Annexes 6, 7, 8, 9, 11, 22). Activity 8.2: Internal reviews and revisions. Run an iterative QA process with Sarona (and, as applicable, NDA focal points), resolving										X														

	a consolidated comments log and updating the FP and annex pack accordingly. Activity 8.3: Submission packaging. Prepare the final FP, annexes and supporting documentation (version control, citations, data tables, figures); complete any required forms for portal submission; Activity 8.4: Post-submission support. Provide targeted support to address GCF Secretariat, CIC and iTAP comments (written responses, minor revisions to narrative/annexes, and clarifications) on a rolling basis during the review period and, if required, through Board-related clarification rounds. Output 8: Funding Proposal package (submission-ready draft) comprising: (i) FP main document A–G; (ii) integrated annex set (2, 6, 7, 8, 9, 11, 22 and other standard annexes as applicable); (iii) consistency check memo; and (iv) editable source files and a structured data room; plus a post-submission responses pack (comment matrix and revised extracts).																								
Submission of funding proposal					X																				
Additional period for review by GCF Secretariat and Independent Technical Advisory Panel											X														

E. Terms of Reference for Project Preparation Activities
Please provide detailed terms of reference for each project preparation activity, including expected scope of work, planned deliverables, no. of days per deliverable, technical qualifications of consultants of consultancy firms expected to undertake specific activities. A separate word file may be provided.

	F. Budget Summary (applicable to PPF Funding applications only)				
Outputs or Activities level budget summary Please fill out the detailed budget template and submit it along with this application. Add rows as needed.		**USD from GCF**	**USD from AE**	**USD from co-finance**	**Total cost, USD**
Activity 1	Pre-feasibility and feasibility studies, and project design	90,990			
Activity 2	Environmental and social studies, including Indigenous Peoples studies	38,038			
Activity 3	Gender studies	27,324			
Activity 4	Development of stakeholder engagement plans	145,686			
Activity 5	Other project preparation activities, where necessary, and with sufficient justification	32,268			
Activity 6	Assessment of climate impact potential for mitigation and adaptation activities	32,758			
Activity 7	Legal and Tax Due Diligence	100,000			
Activity 8	Funding Proposal Development & Packaging	69,500			
Total activity-level costs		**536,564**			
	Additional costs and fees				
Contingency (up to 3% of total activity-level costs)		16,096.92			
Project Management Cost (up to 7.5% of total cost + contingency)		10,000.08			
Sub-total of project preparation costs		562,661			
Accredited Entity Fee (up to 8.5% of sub-total)		30,000			
Total GCF PPF funding requested (sub-total + AE fee)		**592,661**			

G. Budget Summary (applicable to PPF Funding applications only)		
G.1 For AEs without framework readiness and preparatory support grant agreement with GCF		
For PPF Funding requests of 12 months or less	1st tranche	90% of total grant, equating to USD 533,394, to be disbursed upon or after effectiveness of the Grant Agreement and fulfilment of conditions in Grant Agreement Standard Conditions.
	Final tranche	10% of total grant, equating to USD 59,267, will be disbursed upon submission of a completion report and final audit report.
For PPF Funding requests of 12 months or more	1st tranche	50% of total grant, equating to USD amount, will be disbursed upon or after effectiveness of the Grant Agreement and fulfilment of the conditions specified in Grant Agreement and Standard Conditions.
	2nd tranche	40% of total grant, equating to USD amount, will be disbursed (provided that at least 70% of the 1st Tranche has been committed) upon submission of an interim progress report and Certified Financial Report from CFO/Head of

	Finance or designated official and upon fulfilment of conditions in Grant Agreement and Standard Conditions.
Final tranche	10% of total grant, equating to USD amount, will be disbursed upon submission of completion report and final audit report.

G.2 For AEs with framework readiness and preparatory support grant agreement with GCF
The following paragraph to be completed by the AE: *Disbursements will be made in accordance to [Clause xx] "Disbursement of Grants" and [Clause xx] "Use of Grant Proceeds by the Delivery Partner" of the Framework Readiness and Preparatory Support Grant Agreement entered into between GCF and Sarona Asset Management Inc. on [date].*

H. Reporting Obligations & Acknowledgements by AE		
H.1	The AE will submit a Funding Proposal to the GCF that is supported by the PPF resources within 2 years of approval of this application, as per GCF Board Decision B.37/22.	☒ Agree
H.2	All outputs as approved in the PPF application together with a draft Funding Proposal should be provided no later than 24 months from approval of this PPF application. If PPF grant duration is over 12 months, an Interim Progress Report, and for all grants, a Completion Report, and Certified Financial Reports will be submitted by the AE. Templates can be found on the GCF PPF website.	☒ Agree
H.3	If requesting project preparation support via **PPF Funding**, the AE will be responsible for [and accountable to the GCF under terms of the Grant Agreement to be entered into between GCF and the AE in case of direct grants, or between United Nations Office of Project Services (UNOPS) and the AE in case of grants administered by UNOPS] the overall design, development, management, implementation and supervision of activities financed through the PPF. The AE will be responsible for determining that any sub-grantee(s) have the ability to successfully perform the activities under its overall guidance, management, or supervision, according to the terms and conditions of the agreement between the GCF and the AE.	☒ Agree
H.4	If requesting project preparation support via PPF Service, the AE will be responsible for managing the independent consultancy firm selected to provide PPF Services; providing instructions to the independent consultancy firm selected to provide PPF Services; and the quality control of the final products of the independent consulting firm. The AE shall provide to the GCF written confirmation that the deliverables by the PPF Services firm are satisfactory and meet the requirements of the AE within thirty [30] days from the date of completion of services by the consultancy firm. The GCF shall have no liability for the performance or quality of the services provided by the independent consultancy firm. To the maximum extent permitted by law, the AE agrees to release the GCF, and its employees, agents and representatives from any and all liability related to damage, loss, cost, expense incurred or injury suffered by the AE or any other party as a result of the project preparation services.	☐ Agree