Annex XIII: Board-approved enabling mechanisms

1. Other Source Inputs shall be identified, received, administered, and used in alignment with applicable Board-approved conditions and allocation parameters and, where feasible, through the Fund's existing legal, financial, administrative, and institutional arrangements. Where authorized by the Board, special terms, structures, mechanisms, or other arrangements may be adopted to enable or facilitate Other Source Inputs that are expected to provide meaningful additional resources or other material strategic value to the Fund ("Enabling Mechanisms").

(a) Enabling Mechanisms may include, as defined below, Targeted Allocations, Dedicated Legal Structures, Advisory Structures, or other Board-approved tailored mechanisms, as appropriate.

(b) Enabling Mechanisms may be considered and approved:

(i) In connection with a specific proposal to provide an Other Source Input to the Fund ("Input Proposal"), subject to the process and requirements set out in Section V below; or

(ii) Independently of any specific Input Proposal, including to facilitate the future identification, receipt, administration, or use of Other Source Inputs from one or more sources eligible under this Policy.

(c) The relevant Board decision will determine the scope and parameters of any Enabling Mechanism, including any conditions and Secretariat authority applicable to inputs covered by that mechanism.

(d) Any Enabling Mechanism shall be consistent with the requirements applicable to the identification, receipt, administration, and use of Other Source Inputs, including the guiding principles and minimum conditions and safeguards set out above.

2. **Targeted Allocations:** An Enabling Mechanism may be adopted to give effect to Board-approved conditions on the allocation or use of an Other Source Input ("Targeted Allocation"). A Targeted Allocation may relate to thematic or results areas; programmes; existing or additional funding windows, substructures, or facilities; specific categories of eligible activities; or another purpose determined by the Board.

(a) The relevant Board decision will determine, as applicable, the scope, duration, and implementation parameters of a Targeted Allocation, including its eligibility and access arrangements; relationship to GCF's strategy, programming, and allocation processes; reporting requirements; and treatment of uncommitted resources.

(b) Targeted Allocations shall not designate an individual funding proposal or confer upon a contributor or third party authority over the identification, selection, appraisal, approval, or implementation of individual GCF-funded activities.

3. **Dedicated Legal Structures:** Enabling Mechanisms may include the use of a dedicated legal structure where appropriate to facilitate Other Source Inputs, subject to applicable legal arrangements (a "Dedicated Legal Structure").

(a) The relevant Board decision will determine, as applicable, the governance, financial, legal, and operational arrangements for the Dedicated Legal Structure, including its relationship to GCF and the Trustee.

(b) A Dedicated Legal Structure shall be structured to preserve the distinct legal and institutional identity of GCF; safeguard the role, functions, and authority of the Board; and protect GCF and the funds held in the GCF Trust Fund, as far as reasonably feasible, from exposure to obligations and liabilities arising from the Dedicated Legal Structure.

4. **Advisory Structures:** Consistent with the Governing Instrument and applicable Rules of Procedure, the Board may establish an advisory structure, such as a technical or expert panel with advisory functions only, in connection with the receipt of Other Source Inputs ("Advisory Structure"), whether as a standalone Enabling Mechanism or in connection with a Targeted Allocation, Dedicated Legal Structure, or other Enabling Mechanism.

(a) The relevant Board decision will determine, as applicable, the Advisory Structure's mandate, composition, duration, and working arrangements.

(b) Participation in an Advisory Structure shall not confer upon any contributor or third party governance rights, preferential treatment, or any other rights or advantages prohibited under this Policy or applicable Board decisions.

5. **Other tailored mechanisms:** Subject to the requirements set out in this Policy, other types of Enabling Mechanisms may be approved as standalone arrangements or in connection with a Targeted Allocation, Dedicated Legal Structure, or Advisory Structure.
