

Annex V: List of conditions and recommendations

1. The approval of the funding proposals approved by the Board pursuant to decision B.35/05 shall be conditional upon the satisfaction of the conditions set out in tables 1 and 2.

Table 1. General conditions applicable to all funding proposals

FP number	Conditions
All proposals	<p>(a) Signature of the funded activity agreement (“FAA”) in a form and substance satisfactory to the GCF Secretariat within 180 days¹ from the date of Board approval, or the date the accredited entity has provided a certificate or legal opinion set out in paragraph (ii) below, or the date of effectiveness of the accreditation master agreement (“AMA”) entered into with the relevant accredited entity, whichever is later.</p> <p><u>Satisfaction of the following conditions prior to the signing of the FAA:</u></p> <p>(i) Completion of the legal due diligence to the GCF Secretariat’s satisfaction; and</p> <p>(ii) Submission of a certificate or a legal opinion in a form and substance that is satisfactory to the GCF Secretariat, within 120 days after Board approval, or the date of effectiveness of the AMA entered into with the relevant accredited entity, whichever is later, confirming that the accredited entity has obtained all final internal approvals needed by it and has the capacity and authority to implement the proposed project/programme.</p>

Table 2. Conditions specific to individual funding proposals

FP number	Conditions
<p>FP199 (FAO Cambodia)</p>	<p><i>Independent TAP conditions</i></p> <p>The independent TAP recommends this funding proposal for approval by the GCF subject to the following conditions precedent to the second disbursement to the AE under the funded activity agreement (“FAA”).</p> <p>(a) Delivery to the Fund by the AE, in a form and substance satisfactory to the Fund, of a final version of a revised climate change study, clearly providing an evidence base for the climate rationale, including trend analyses, on (a) heat stress due to increasing number of days above indicative upper thresholds relevant for mango, cashew, rice and vegetables in the NTSB; (b) floods in the NTSB; (c) droughts using climate epochs in the NTSB; and (d) ambient temperature beyond thresholds indicating where cold chains need to be ensured for each of the major premium products (vegetables and mangos). Such analyses should take into consideration available observation data from official hydro-</p>

¹ The GCF can only execute a funded activity agreement with an Accredited Entity that has an executed and effective AMA (including an amended and restated AMA).

	<p>meteorological data depositories as well as projection data based on application of validated climate models;</p> <p>(b) The delivery to the Fund by the AE, of an in-depth agro-financial and insurance market baseline assessment including consideration of potential challenges from both the supply and the demand sides, in a form and substance satisfactory to the Fund; and</p> <p>(c) The delivery to the Fund by the AE, in a form and substance satisfactory to the Fund, of a revised, single eligibility criteria applicable for beneficiaries under both Outcome 1 and Outcome 2 which ensures that the agricultural cooperatives, farmer associations, farmer organizations, producer groups, community protected areas, community forests and agricultural unions targeted under Outcome 2 are comprised of, and selected from, the eligible smallholder farmers targeted under Outcome 1 (as such beneficiaries are identified in the funding proposal), such that the same farmers and farmer group beneficiaries eligible under Outcome 1 are also the eligible and direct beneficiaries participating under Outcome 2.</p>
<p>FP200 (GIZ Lao PDR II)</p>	<p><i>Independent TAP conditions</i></p> <p>The independent TAP recommends this funding proposal for approval by the GCF subject to:</p> <p>(a) The following condition being met prior to the execution of the funded activity agreement. Delivery by the AE to GCF, in a form and substance satisfactory to the GCF Secretariat of:</p> <ul style="list-style-type: none"> (i) The latest performance report demonstrating implementation progress for Components 2 and 3 of Project 1; (ii) Updated monitoring logical framework where baseline and target values are provided for all indicators (e.g. livelihood options should be specified for supplementary indicator 2.1 in monetary or other units; either change in tC/per ha or other ecosystem-specific additional indicators for demonstrating improvements of the ecosystem resiliency should be provided for supplementary indicator 4.1); and (iii) A plan containing enhanced risk mitigation measures to address risk factors related to the implementation of Components 2 and 3 of Projects 1 and 2, reported in the APR (2021), to ensure the efficiency and effectiveness of financial flows to the final beneficiaries, involvement of local private and banking sector actors, and the monitoring of mitigation and adaptation results (“Enhanced Risk Mitigation Plan”); and <p>(b) The inclusion of the following covenant in the funded activity agreement:</p> <ul style="list-style-type: none"> (i) The Accredited Entity shall maintain and implement, at all times during the implementation of the programme, the Enhanced Risk Mitigation Plan.

<p>FP201 (FAO Philippines)</p>	<p><i>None</i></p>
<p>FP202 (FAO Bolivia)</p>	<p><i>None</i></p>
<p>FP203 (WWF Colombia)</p>	<p><i>Independent TAP conditions</i></p> <p><u>Condition precedent to first disbursement</u></p> <p>(a) Delivery by the Accredited Entity to the GCF, in a form and substance satisfactory to the GCF Secretariat, of a plan for the operation and maintenance of all the infrastructure and equipment to be purchased with financing from GCF and co-financiers as part of the Funded Activity (the “Operations and Maintenance Plan”).</p>
<p>FP204 (WB SRMI II)</p>	<p><i>Independent TAP conditions</i></p> <p>The independent TAP further recommends that Board approval be subject to the following conditions and covenant to be reflected in the funded activity agreement (FAA) between the GCF and the World Bank:</p> <p><u>Condition precedent to effectiveness of FAA</u></p> <p>(a) Delivery by the Accredited Entity of an updated logical framework which includes an additional set of indicators to measure the resilience and increased adaptive capacity of beneficiaries under Outcome 2 and Outcome 3 of the logical framework. For the avoidance of doubt, such additional set of indicators will be developed, in consultation with the Fund, to the extent practicable and possible based on the readily available information at the time of its update, and shall be agreed between the Fund and the Accredited Entity.</p> <p><u>Condition precedent to 1st disbursement for each project in a Host Country:</u></p> <p>(a) Delivery to the Fund by the Accredited Entity the revised methodology for the estimation of adaptation beneficiaries by identifying the adaptation benefit in each of the two adaptation result areas and how beneficiaries are identified against those particular adaptation benefits. For the avoidance of doubt, such revised methodology will be developed, in consultation with the Fund, to the extent practicable and possible based on the readily available information at the time of its revision, and shall be agreed between the Fund and the Accredited Entity.</p> <p><u>Covenant</u></p>

	<p>(a) Under each APR, a programme monitoring report at the Funded Activity level, also covering Project-level activities information for Project(s) under implementation, covering the following:</p> <ul style="list-style-type: none"> (i) GHG emission reductions achieved in a form of a GHG calculation spreadsheet; and (ii) Information on the number of adaptation beneficiaries reached.
FP205 (AFC ICRF)	<i>None</i>

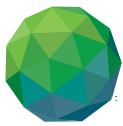
2. In addition, it is recommended that, for all approved funding proposals, disbursements by the GCF should be made only after the GCF has obtained satisfactory protection against litigation and expropriation in the country where the project/programme will be implemented, or has been provided with appropriate privileges and immunities in that country.

3. It is also recommended that the accredited entity implements the following recommendations during the implementation of the relevant project or programme.

Table 3. Project-specific recommendations

FP number	Recommendations
FP199 (FAO Cambodia)	<p><i>Independent TAP recommendations</i></p> <p>The independent TAP has little hesitation to inform the Board that the project ideas deserved a better formulation. There are weaknesses that are explained in the assessment. In order to strengthen the project and to ameliorate risk of further reduction of effectiveness, corrective measures need to be in place on specific major weaknesses, as articulated in the following paragraphs:</p> <ul style="list-style-type: none"> (a) Paragraphs #7 through to #10 on lack of climate understanding and contextualization; (b) Paragraphs #31 and #62 on lack of analyses on agro-financing and agro-insurance market baseline assessment, and (c) Paragraphs #14, #16, #17, #31, #36, #62 and #65 on establishing explicit connections between Outcome 1 and Outcome 2, so that direct impacts through addressing exposure and sensitivity to climate change induced hazards and risks could be promoted and the mobilization of finance through FARM mechanism could be made increasingly responsive to climate change (rather than placing primary focus on value chains) as well as creating better response options for non-participating farmers; and (d) Paragraph #62 on strengthening eligibility criteria for selecting farmers and farmer organizations.
FP200	(a) <i>None</i>

(GIZ Lao PDR II)	
<p>FP201</p> <p>(FAO Philippines)</p>	<p><i>Independent TAP recommendations</i></p> <p>The independent TAP recommends that the AE undertake the following in the project inception phase:</p> <ul style="list-style-type: none"> (a) Ensure that an agreement is in place that the parallel financing of USD 10.63 million to be provided by the DA for support to vulnerable households to apply CRA practices, which remains a key contributor to the project’s theory of change, is reported on in the project’s annual performance reports to the GCF, along with the official co-financing; (b) Develop or customize a monitoring tool capturing all the necessary information to make an assessment on land-use change and implications for emission reductions, enabling clear reporting to the GCF on the extent to which the anticipated mitigation benefits are met; (c) Refine the project results framework after completing the baseline assessment, so that all the baselines and targets are detailed and specific, to enable effective monitoring of results and transformational impact over time; (d) Include in the technical assistance package to be delivered to CRA enterprises practical support on strengthening both upstream and downstream linkages in value chains for CRA products; (e) Ensure that disaggregated beneficiary targets contained in the gender action plan, including targets for participation by indigenous peoples, are also included in the project results framework; and (f) Establish a system for partner financial institutions to tag all loans to APA-CRA enterprise borrowers, so that the portfolio’s performance can be tracked by the institutions, with a view to potential improvement of borrowing terms over time, and to enable accurate reporting back to the GCF on leveraged co-finance.
<p>FP202</p> <p>(FAO Bolivia)</p>	<p><i>None</i></p>
<p>FP203</p> <p>(WWF Colombia)</p>	<p><i>Independent TAP recommendations</i></p> <p>The independent TAP believes this public sector project from the Government of Colombia, supported by WWF as the AE, is an important one that makes significant strides towards effective management and sustainable financing of protected area landscapes that play a vital role in climate change adaptation and</p>



	<p>mitigation. The independent TAP recommends to the AE that they undertake the following in the project inception phase:</p> <p>(a) Seek clarity on the planned relationship between the new FONSUREC fund, established in terms of the recently passed Tax Reform Law (Law 2277 of 13 December 2022) to receive the national carbon tax proceeds, and the flow and tracking of funds for the HECO PFP initiative, including the government co-finance to the GCF project; and</p> <p>(b) Put in place agreements between IDEAM, the National Parks Agency, relevant research institutes and local communities for monitoring, reporting and verification of reduced and avoided emissions as a result of project interventions, clarifying roles as band responsibilities, as well as systems and methods for data collection and reporting.</p>
<p>FP204 (WB SRMI II)</p>	<p><i>None</i></p>
<p>FP205 (AFC ICRF)</p>	<p><i>Independent TAP recommendations</i></p> <p>The independent TAP, acknowledging that this is an adaptation programme, recommends that an assessment of the GHG emissions of its subprojects during the whole 20-year lifespan of the GCF programme (not just during the construction and development stages) also be conducted. This assessment will promote transparency and address the risk of increase in GHG emissions arising from infrastructure projects such as roads and ports once fully operational. The assessment should form part of the project risks to be mitigated so as to (i) prevent a carbon lock-up or stranded assets in the future, (ii) align the infrastructure projects with the Paris Agreement objectives of the NOL countries, thus enabling NOL countries to meet their NDCs; and (iii) attract potential investors that seek projects that are aligned to the Paris Agreement, thus increasing the attractiveness of the ICRF.</p>