

Annex I: List of conditions and recommendations

1. The approval of the funding proposals approved by the Board pursuant to decision B.38/01 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> <ul style="list-style-type: none"> (i) Completion of the legal due diligence to the GCF Secretariat’s satisfaction; and (ii) Submission of a certificate or a legal opinion in a form and substance that is satisfactory to the GCF Secretariat, within 120 days² 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.

Table 2. Conditions specific to individual funding proposals

FP number	Conditions
SAP034 (MFEM_CO K Cook Islands)	<i>None</i>
SAP035 (CCCCC Belize)	<i>None</i>
SAP036 (SCA Sierra Leone)	<i>None</i>
SAP037 (SIDBI Avaana Sustainabili ty Fund)	<i>None</i>
FP225 (ADB E- mobility)	<p><i>iTAP conditions</i></p> <p>I. <u>Covenants to be included in the FAA</u></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).

² For FP225 (ADB E-mobility), the period shall be 180 days.



	<p>(a) A design phase and an implementation phase must be developed for each Sub-project under the programme.</p> <p>II. <u>Condition precedent to the first disbursement for each Sub-Project under Components 1-3</u></p> <p>(a) In order to ensure that the funding for each Sub-project implementation (Components 1–3 under the programme) to be disbursed only once there is a clear and up-to-date understanding of the country-specific constraints to (i) an integrated e-mobility sector with sustainable transport measures (including public transport and non-motorized transport), (ii) the commercial viability of deploying Electronic Vehicle bus fleets in each country, on the basis of which, and (iii) the Accredited Entity to agree with relevant government entities a project-specific and implementation plan, the Accredited Entity shall:</p> <p>(i) furnish to the Secretariat evidence of the Transport Sector Assessment, Strategic Procurement Plan and Feasibility studies for each sub-project covering Component 1, 2 and 3 for the selected country/ies, with updated expected climate mitigation impact indicators; and</p> <p>(ii) for Component 3 projects only (Deploying Electronic Bus Fleets), such evidence to include a business model design for each country, specifying whether it will be (i) public sector-led, public-private sector-led or anything in between, (ii) arguments for the chosen business model in terms of country context and how it will enable paradigm shift, and (iii) institutional capacity assessment of the chosen Executing Entities to successfully implement a component 3 project - with any gaps identified and mitigations measures recommended.</p>
<p>FP226 (GIZ Peru)</p>	<p><i>None</i></p>
<p>FP227 (IFAD Madagascar)</p>	<p><i>iTAP conditions</i></p> <p>I. <u>Condition precedent to the effectiveness of the funded activity agreement:</u></p> <p>(a) Delivery to the GCF by the AE of written confirmation of the completion of the financial management and technical competence assessment of the EEs, in line with the AE’s own policies and procedures, in a form and substance satisfactory to the GCF Secretariat and consistent with the requirements of clause 10.02(a)(i) of the accreditation master agreement, as well as a copy of such capacity assessment if requested by the GCF Secretariat;</p> <p>II. <u>Condition precedent to first disbursement of GCF proceeds under the funded activity agreement:</u></p> <p>(a) Delivery to GCF by the accredited entity, in a form and substance satisfactory to the GCF Secretariat, of a copy of the final version of the Project Implementation Manual, which shall include:</p> <p>(i) The definition of sub-activities, targets and means of verification aimed at contributing to improve land tenure and land-use rights for small-scale farmers in the two project regions with special attention paid to women and youth;</p>



	<ul style="list-style-type: none"> (ii) The description of the participatory processes for designing the site-specific climate smart agriculture (CSA) practices and the techniques and management activities regarding the application of the Green Roads for Water (GR4W) approach; (iii) An outline of intended engagements with the relevant national and regional government agencies for applying the lessons learned on climate smart agriculture (CSA) and Green Roads for Water (GR4W) approach, including on investment in maintenance of new infrastructure, through relevant policymaking and budgeting; and (iv) Clarification of the activities aimed at collaborating with micro-finance institutions with special consideration of how such collaboration will assist beneficiaries.
<p>FP228 (KDB Cambodian Climate Finance Facility)</p>	<p><i>None</i></p>
<p>FP229 (Acumen Climate Action Pakistan Fund)</p>	<p><i>None</i></p>
<p>FP230 (COFIDES/ Kuali Fund- GCF)</p>	<p><i>iTAP conditions</i></p> <ul style="list-style-type: none"> (a) Condition to be met prior to the effectiveness of the funded activity agreement (FAA): Delivery by the Accredited Entity to the GCF, in a form and substance satisfactory to the GCF Secretariat, of the disbursement schedule under the FAA for the GCF Reimbursable Funds and the GCF Non-Reimbursable Funds, with the amount and schedule for each disbursement tied to milestones in securing private capital for the Kuali Fund-GCF, such disbursement schedule to set out the breakdown in terms of amount per disbursement and the equity/grant split as agreed between the Accredited Entity and the GCF Secretariat (the “Disbursement Schedule”). (b) Condition to be met prior to the effectiveness of the FAA: Delivery by the Accredited Entity to the GCF, in a form and substance satisfactory to the GCF Secretariat, that GAWA has contracted a senior climate expert (acceptable to the GCF Secretariat) with specialisation, preferably in adaptation and agriculture and experience in Latin America, whose role is to provide approval authority on the climate validity of Kuali Fund-GCF investments (the “Senior Climate Expert”). (c) Condition to be met prior to the effectiveness of the FAA: Delivery by the Accredited Entity to the GCF, in a form and substance satisfactory to the GCF Secretariat, of evidence that GAWA has subscribed for shares in the Kuali Fund-GCF in an amount of not less than EUR 1 million. (d) Condition to be met prior to the effectiveness of the FAA: Delivery by the Accredited Entity to the GCF, in a form and substance satisfactory to the GCF Secretariat, of evidence that the Accredited Entity has subscribed for shares in the Kuali Fund-GCF in an amount of not less than EUR 1 million .



	<p>(e) Condition to be met prior to each disbursement under the FAA: Unless otherwise agreed by the GCF Secretariat, delivery by the Accredited Entity to the GCF, in a form and substance satisfactory to the GCF Secretariat, of evidence that the amounts requested by the Accredited Entity in the Request for Disbursement are consistent with the Disbursement Schedule.</p> <p>(f) Condition to be met prior to the first disbursement under the FAA: Delivery by the Accredited Entity to the GCF, in form and substance satisfactory to the GCF Secretariat, of a stakeholder review report, setting out the outcome of a formal stakeholder review conducted by the Accredited Entity, such review to include, at minimum, FSP providers of the different Host Countries, government entities (at minimum from the agricultural, industry, environmental and finance ministries), SME and farmers associations.</p> <p>(g) Covenant to be included in the FAA: The Accredited Entity shall ensure that the GCF proceeds and the Co-financing are used exclusively in the Host Countries.</p> <p>(h) Covenant to be included in the FAA: The Accredited Entity shall ensure that the Kualu Fund-GCF (i) invests at least 80% of its capital into FSPs; and (ii) invests no more than 20% of its capital in innovative companies. For the avoidance of doubt, the “capital” of the Kualu Fund-GCF means the aggregate of the commitments of the Class E Shares and the relevant Co-financing.</p> <p>(i) Covenant to be included in the FAA: The Accredited Entity shall ensure that the Kualu Fund-GCF ensures that (i) each FSP builds a balanced investment portfolio in adaptation and mitigation; and (ii) if an FSP’s combined adaptation and mitigation investments fall below 30% or the ramp up period target as set by Kualu Fund for that FSP, whichever is higher, of total invested monies by the Kualu Fund-GCF in that FSP, no further disbursements are made by the Kualu Fund-GCF to that FSP until that FSP meets the threshold of 30%. The threshold value is set at the level of the FSP’s aggregate portfolio.</p> <p>(j) Covenant to be included in the FAA: The Accredited Entity shall ensure that the Kualu Fund-GCF does not invest more than 30% of its capital into any single country.</p> <p>(k) Covenant to be included in the FAA: The Accredited Entity shall ensure that (i) a Senior Climate Expert is engaged by GAWA/Kualu Fund-GCF at all times; and (ii) the Senior Climate Expert is a member of the Kualu Fund-GCF’s investment committee with the same decision rights as other investment committee members.</p>
<p>FP231 (Accelerating Solar Action Programme (ASAP))</p>	<p><i>None</i></p>

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

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

Table 3. Project-specific recommendations

FP number	Recommendations
<p>SAP034 (MFEM_CO K Cook Islands)</p>	<p><i>iTAP recommendations</i></p> <p>The iTAP recommends that the AE undertake the following in the inception phase:</p> <ul style="list-style-type: none"> (a) With reference to paragraph 18 above³, report back to the Secretariat on any changes in baselines or revisions in logical framework targets, including new data emerging from the work of the Cook Islands Statistics Office to ensure that the level of ambition as articulated in the funding proposal remains in line with GCF funding and anticipated results; (b) With reference to paragraph 38 above, consider mapping the alignment of the indicators of the GAP with the project logical framework; and bolster gender resources beyond year 2 to ensure the ongoing quality of gender reporting; and, (c) With reference to paragraphs 60 and 61 above, identify any potential duplications with previous or ongoing GCF funding so that these are minimized or avoided, and identify opportunities for harmonization with other donor funding.
<p>SAP035 (CCCCC Belize)</p>	<p><i>iTAP recommendations</i></p> <p>In order to improve the project, including its impacts, the iTAP recommends the following:</p> <ul style="list-style-type: none"> (a) As part of the vulnerability assessment process for the allocation of project resources, it will be important to identify the most vulnerable small sugarcane farmers in the target region in order to address their specific needs. (b) There should be a better integration of sugarcane production activities with other types of agricultural or extra-agricultural activities in the region. (c) There should be a better definition of the roles and responsibilities of the EEs, notably for activities with shared responsibilities. (d) The M&E plan will have to be refined to better define the roles and responsibilities as well as the financial needs for its various components. (e) Partners from the academic community of the region should be included to ensure better use of the modelling tools in the knowledge management system of the proposed project. <p>These recommendations can be addressed during the first year of the proposed project.</p>
<p>SAP036 (SCA Sierra Leone)</p>	<p><i>iTAP recommendations</i></p>

³ Please refer to the independent Technical Advisory Panel's assessment as contained in document "GCF/B.38/02/Add.01".



	<p>The iTAP recommends that the AE should:</p> <ul style="list-style-type: none"> (a) Work with AfDB to develop a clear plan for coordination and synergy between the SLCRP and SAP033 “Enhancing Climate Information Systems for Resilient Development in Sierra Leone”; (b) Include in the project’s logical framework the criteria for determining when an area of mangroves has been conserved; (c) Develop an Operations and Maintenance Plan, to be managed by SCI SL, with sub-plans for all relevant institutions, for infrastructure and equipment installed through the project, including cold storage, rainwater harvesting, rooftop solar-photovoltaic electricity, solar pumps and water filters, treadle pumps, improved fish-smoking kilns, and solar driers; and (d) Consider physically locating the SCI SL-managed Project Implementation Unit in the offices of the Environment Protection Agency’s Climate Change Secretariat, to help build capacity, embed results in government, and support sustainability.
SAP037 (SIDBI Avaana Sustainability Fund)	<i>None</i>
FP225 (ADB E-mobility)	<i>None</i>
FP226 (GIZ Peru)	<p><i>iTAP recommendations</i></p> <p>The iTAP recommends to the AE that they undertake the following actions to strengthen the sustainability of project results:</p> <ul style="list-style-type: none"> (a) Include youth who are present in the target regions, whilst not necessarily being active in farming, in the entrepreneurial training (including financial literacy) through the technical assistance facility for the Puna Facility (sub-activity 1.1.3.1); (b) Consider carefully the balance between pure grants and repayable grants offered through the Puna Facility, and apply the principle of minimum concessionality when supporting profit-making activities (sub-activity 2.1.1.1); and (c) Develop a full business plan for the Puna Facility, explicitly targeting long-term agreements with private sector partners, and long-term sources of revenue, including from national environmental taxes and payments (sub-activity 2.1.1.2).
FP227 (IFAD Madagascar)	<p><i>iTAP recommendations</i></p> <p>The iTAP makes the following recommendation to be considered during the implementation of the project:</p> <ul style="list-style-type: none"> (a) IFAD and the EEs are recommended to participate in a dedicated learning and exchange platform that facilitates sharing the lessons regarding the GR4W and long-term financial viability of the road maintenance actions with the actors responsible for road building and maintenance in Madagascar, especially with the Ministry of Public Works and Transport, the Ministry of



	Agriculture and other key players. If such a platform is not yet in place in Madagascar the iTAP recommends that IFAD consider facilitating such exchange.
FP228 (KDB Cambodian Climate Finance Facility)	<i>None</i>
FP229 (Acumen Climate Action Pakistan Fund)	<i>None</i>
FP230 (COFIDES Kuali Fund- GCF)	<i>None</i>
FP231 (Accelerati ng Solar Action Programm e (ASAP))	<p><i>iTAP recommendations</i></p> <p>The iTAP makes the following recommendations for the AE:</p> <ul style="list-style-type: none"> (a) The iTAP recommends that annex 21 to the funding proposal on O&M arrangements is amended prior to the conclusion of an FAA between GCF and the AE/EE to reflect the specific O&M regime that will be in place for solar installations financed under ASAP, and that the AE/EE also share with GCF (also prior to conclusion of the FAA) a sample agreement highlighting the O&M requirements that it will impose, as lender, on participating solar PV vendors and their clients; (b) To avoid negative environmental impacts through overextraction of groundwater as a result of support to the irrigation cooperatives to replace diesel pumps with solar PV pumps, the iTAP recommends that the AE includes as conditions for such loans, the installation of piezometers for ongoing monitoring of the level of the water table, and the establishment of governance mechanisms to control extraction rates. This could be reflected in the sample template agreement between the AE/EE and its clients; and (c) The iTAP further recommends that the AE/EE, prior to programme launch, conduct additional consultations with relevant stakeholders – including the regulator (e.g. to discuss potential negative impact of grid defection on tariffs), representatives of beneficiary districts and civil society organizations, etc. – to ensure the programme design is reflective of today’s solar PV financing environment in Ghana and the power sector as it is clearly understood, and that is also reflective of the needs of targeted client groups. The AE/EE should submit a summary of the outcomes to the Secretariat prior to programme launch; (d) To prepare for market scale-up, and thus to help facilitate a paradigm shift, the iTAP recommends to the Board to include the following conditions in its approval of the programme: (e) Within a year of effectiveness of the FAA, submission of a technical study to be conducted jointly by Ecobank, ECG and NEDCO, in form and substance satisfactory to GCF, on investment requirements and associated financing



	<p>and implementation modalities (related to grid capacity, voltage regulation, power quality improvement, energy storage systems, and the implementation of smart grid technologies);</p> <p>(f) Within two years following effectiveness of the FAA, a report in form and substance satisfactory to GCF, summarizing the results of a structured dialogue held by the AE/EE with the distribution utilities, the Energy Commission of Ghana and the Ministry of Finance of Ghana on the learnings from ASAP, particularly on the investment implications of the need to ensure stability and reliability of the grid while integrating a growing share of variable renewable energy.</p>
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