

Annex II: List of proposed conditions and recommendations

1. The approval of the funding proposals approved by the Board pursuant to decision B.39/06 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
SAP038 (BTFEC Bhutan)	<i>None</i>
SAP039 (WFP Pakistan)	<i>None</i>
SAP040 (LuxDev Viet Nam)	<i>None</i>
SAP041 (GIZ Albania)	<p><i>iTAP conditions</i></p> <p>Condition precedent to third disbursement of GCF proceeds under the funded activity agreement:</p> <ul style="list-style-type: none"> (a) Delivery to GCF by the AE, in a form and substance satisfactory to the Secretariat, of a detailed operations and maintenance plan for hydro-meteorological measuring and information technology equipment purchased under the project.

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

² For FP239 (AfDB BREFOL), the period shall be 180 days.



SAP042 (SCA Mozambique)	<i>None</i>
SAP043 (CSE Senegal)	<i>iTAP condition, as modified by the Board</i> Covenant under the FAA: (a) The Accredited Entity shall deliver to the GCF Secretariat, no later than the deadline for delivery of the Interim Independent Evaluation Report, a strategy for ensuring the participation in the Naatangué farms of women who do not own land.
FP232 (UNEP Jordan)	<i>None</i>
FP233 (IFAD Tajikistan)	<i>None</i>
FP234 (UNDP Tonga)	<i>None</i>
FP235 (CI Ecuador)	<i>None</i>
FP236 (IFAD Mexico)	<i>None</i>
FP237 (AFD E- Motion)	<i>None</i>
FP238 (FAO Malawi)	<i>None</i>
FP239 (AfDB BREFOL)	<i>iTAP conditions, as modified by the Board</i> Conditions precedent to the first disbursement of GCF proceeds: (a) The Accredited Entity shall, in form and substance satisfactory to the Secretariat, update the funding proposal to strengthen the consistency between the logical framework and the theory of change. Conditions precedent to second disbursement of GCF Proceeds: (a) The Accredited Entity shall, in form and substance satisfactory to the GCF Secretariat, develop and submit a monitoring, evaluation and learning plan for each country of the Programme. Covenants to be included in the FAA: (a) The Accredited Entity shall develop country specific methodologies in alignment with each gender action plan with a view to achieve the stated goal of 50 per cent female and 50 per cent male split among direct and



	<p>indirect beneficiaries of the Programme, and shall report against such methodologies in the APR; and</p> <p>(b) The Accredited Entity shall, where appropriate, prepare strategies for managing fragility matters relating to relevant projects in an adaptive manner during project implementation in the Host Countries.</p>
<p>FP240 (KDB multiple countries)</p>	<p><i>iTAP conditions</i></p> <p>Condition to be met prior to the first Disbursement of GCF Non-Reimbursable Funds in respect of Component 1:</p> <p>(i) Delivery to GCF by the Accredited Entity, in form and substance satisfactory to the GCF Secretariat, of evidence that the amount of disbursement requested is not more than one third (1/3) of the total GCF Non-Reimbursable Funds budgeted for Component 1 of the Funded Activity;</p> <p>Condition to be met prior to the second Disbursement of GCF Non-Reimbursable Funds in respect of Component 1:</p> <p>(i) Delivery to GCF by the Accredited Entity, in form and substance satisfactory to the GCF Secretariat, of evidence that the amount of disbursement requested is not more than one third (1/3) of the total GCF Non-Reimbursable Funds budgeted for Component 1 of the Funded Activity;</p> <p>(ii) Delivery to GCF by the Accredited Entity, in form and substance satisfactory to the GCF Secretariat, of evidence that 30% of the beneficiaries under Component 1 meet the investment criteria of the CTF Fund and assessed through Components 1 and 2 as having high potential to make the CTF Fund investment pipeline;</p> <p>Condition to be met prior to the third Disbursement of GCF Non-Reimbursable Funds in respect of Component 1:</p> <p>(i) Delivery to GCF by the Accredited Entity, in form and substance satisfactory to the GCF Secretariat, of evidence that 30% of the beneficiaries under Component 1 (excluding those beneficiaries counted to meet the condition for the second Disbursement) meet the investment criteria of the CTF Fund and assessed through Components 1 and 2 as having high potential to make the CTF Fund investment pipeline;</p> <p>Include the following covenant in the Funded Activity Agreement:</p> <p>If the Accredited Entity has not satisfied the conditions for second or third Disbursement of GCF Non-Reimbursable Funds in respect of Component 1, respectively, within two (2) years of the date of the previous disbursement of GCF Non-Reimbursable Funds in respect of Component 1, it shall consult with the GCF Secretariat and submit a restructuring proposal in respect of Component 1.</p>
<p>FP241 (SIDBI India)</p>	<p><i>None</i></p>

<p>FP242 (IDB Invest multiple countries)</p>	<p><i>iTAP conditions</i></p> <p>Condition precedent to the execution of the Funded Activity Agreement:</p> <p>(a) Submission to the Fund by the Accredited Entity, in a form and substance satisfactory to the GCF Secretariat, of a report setting out specific guidance explaining the process that the Accredited Entity will use for securing the fulfilment of the principles for demonstrating mitigation impact potential as approved by the GCF Board in its decision B.33/12. The report shall identify person(s) who shall conduct the assessment with regard to any particular investment considered by the Trust Fund, as well as the relevant timeline, and shall include:</p> <p>(i) The process for selecting methodologies for quantifying mitigation impact potential of the proposed investments as well as for assessing the assumptions, system boundaries and additionality;</p> <p>(ii) The requirements for securing the establishment of measurement, reporting and verification (MRV) system of a proposed investment and the alignment with the national system of the corresponding Host Country;</p> <p>(iii) Examples of how (a) and (b) referred to above will be implemented, using sample investments from the pipeline that are sufficiently well advanced; and</p> <p>(iv) Clarification of how the assessment of the mitigation impact potential will affect decisions regarding whether or not a sub-project will be included in the Programme.</p>
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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. Non-binding project-specific recommendations

FP number	Recommendations
<p>SAP038 (BT FEC Bhutan)</p>	<p><i>iTAP recommendations</i></p> <p>The iTAP recommends that the AE undertake the following in the inception phase:</p> <p>(a) With regard to the use of climate information³, consider developing a system to track the main pathways for how information is used in decision-making, and report this through the mid-term and final evaluations.</p> <p>(b) With regard to reporting on the annual capital grants⁴, develop and agree on a monitoring and evaluation framework that enables the project to adopt a consistent approach to tracking results across the selected gewogs and</p>

³ Refer to paragraphs 28(d) and 29 of the Independent Technical Advisory Panel's assessment in document GCF/B.39/02/Add. 01.

⁴ Refer to paragraph 57 of the Independent Technical Advisory Panel's assessment in document GCF/B.39/02/Add. 01.



	<p>across the project as a whole. The monitoring and evaluation plan could also consider tracking of co-benefits.</p> <p>(c) With regard to lessons from the LoCAL project's phase 1 and 2 which the CARE LG builds on⁵, compile lessons learned so that these can be used for adaptive management, and for sharing best practices more widely.</p>
SAP039 (WFP Pakistan)	<i>None</i>
SAP040 (LuxDev Viet Nam)	<p><i>iTAP recommendations</i></p> <p>The iTAP makes the following recommendations:</p> <p>(a) Improve the main document of the funding proposal before the signature of the FAA to ensure that:</p> <ul style="list-style-type: none"> (i) All activities mentioned in the logical framework (annex 2a), in the budget (annex 3) and in the feasibility study (annex 2) are included in the main document; and (ii) The co-funding ratio is correct; and <p>(b) Establish the Technical Assistance Office (TAO) within the TT Hue province before starting implementation of the project.</p>
SAP041 (GIZ Albania)	<p><i>iTAP recommendations</i></p> <p>In order to enhance the quality of the proposed project and promote the achievement of its results and objectives, the iTAP recommends that the AE:</p> <p>(a) Consider modifying the relevant activities in components 2 and 3 to encourage state institutions to work towards strengthening the response capacities of the most vulnerable groups;</p> <p>(b) Update the monitoring and evaluation plan to include: (i) more specific metrics for evaluating the success of early warning systems and climate services in enhancing adaptive capacities, notably among the most vulnerable groups; and (ii) a metric for evaluating the effectiveness of gender-focused actions and ongoing engagement with women's groups;</p> <p>(c) Improve the strategy considered for the new financing window within the Albanian Development Fund; and</p> <p>(d) Conduct a more in-depth market study on the long-term capacity and appetite of stakeholders to purchase climate services provided by the private sector.</p>
SAP042 (SCA Mozambique)	<i>None</i>
SAP043 (CSE Senegal)	<p><i>iTAP recommendations</i></p> <p>Based on its assessment, the iTAP makes the following recommendations to the AE:</p>

⁵ Refer to paragraph 59 of the Independent Technical Advisory Panel's assessment in document GCF/B.39/02/Add. 01.



	<p>(a) To link the activities in the eight regions with the climate information systems already available in Senegal</p> <p>(b) To improve the impact statement in the theory of change including improvement in capacity-building in the conditions (if statement).</p> <p><i>Board recommendations</i> The Accredited Entity is recommended to prepare a monitoring, evaluation and learning plan that includes:</p> <p>(a) The definition of data and the data gathering methods for assessing climate vulnerability of productive practices (e.g., drip irrigation, poultry or agroforestry), as well as the identification of the actors who will be responsible for gathering and measuring such data;</p> <p>(b) The methods for analysing and interpreting the data collected in paragraph (a) above; and</p> <p>(c) The process for integrating the data and analyses produced pursuant to paragraphs (a) and (b) above to contribute to the reporting system of the Republic of Senegal.</p>
<p>FP232 (UNEP Jordan)</p>	<p><i>None</i></p>
<p>FP233 (IFAD Tajikistan)</p>	<p><i>iTAP recommendations</i> To strengthen further the submitted funding proposal, the following recommendations are presented:</p> <p>(a) Develop a plan to incorporate the potential future distribution of species into a revised version of the biodiversity management plan;</p> <p>(b) The iTAP recommends further that the following be made part of the Project Implementation Manual, specifically:</p> <p>(i) a plan by which to transfer to the community or district level government at the end of the implementation phase, and provide budget for the monitoring – reporting and verification plan for the CO2 sequestered from the forest management components, and GHGs from livestock and pastureland management; and</p> <p>(ii) a disclosure statement for the target farmer beneficiaries covering (i) the potential risks associated with the adoption of new agricultural and livestock management methods (e.g. risks or potential adverse effects from changing the genetic pool, knock-on effects of the transition from natural pastures to fodder feeding); (ii) a caveat that the proposed interventions need to be undertaken as a whole programme to ensure higher chances of improving their livelihoods and incomes; (iii) an indication that selecting interventions according to the farmers’ preference will not guarantee expected changes; and (iv) provision of a safety net for farmers that do not become better off even after following the programme in its totality.</p>
<p>FP234</p>	<p><i>iTAP recommendations</i></p>



(UNDP Tonga)	<p>The iTAP recommends that the AE undertake the following:</p> <ul style="list-style-type: none"> (a) By project mid-term, clarify what additional avenues for funding could become available to finance the climate and disaster risk activities that will be integrated within CDPs to ensure that these activities are supported and taken up (see para. 19 above⁶); (b) During project inception, clarify the roles, entry points and involvement of the different government ministries across implementation of all outputs (see para. 21 above⁷); (c) Consider whether the Project Board could potentially be chaired by a senior official from MEIDECC to ensure that a joined-up strategic vision is realized through project implementation (see para. 51 above⁸); and (d) Strengthen and review the overall M&E plan during the project inception period, including the establishment of the baseline and target value for core indicator 3 by mid-term (see paras. 57 and 58 above⁹).
<p>FP235 (CI Ecuador)</p>	<p><i>iTAP recommendations</i></p> <p>The proposed project is well-structured with a solid theory of change to ensure long-term results and impact. In order to improve it, the iTAP suggests that the AE takes into account the following aspects:</p> <ul style="list-style-type: none"> (a) Diversification of financial strategies for long-term sustainability: While the project’s dependence on grant funding is understandable given its focus, it is crucial to develop a more diversified financial approach. This could involve establishing partnerships with private-sector investors, and exploring other sustainable financing mechanisms. Providing clearer metrics on expected investment amounts and sources will strengthen financial planning and ensure the project’s viability beyond its initial funding period; (b) Promotion of economic diversification to enhance long-term resilience and mitigation impact: To further enhance the project’s impact and financial viability, it is essential to promote economic diversification within the targeted regions. This can be accomplished by developing and supporting alternative livelihood opportunities beyond fisheries and shrimp farming. By fostering a more diversified local economy, the proposed project can reduce communities’ dependence on climate-sensitive sectors and increase their resilience to adverse climatic conditions. Additionally, providing training and resources for these alternative economic activities can help create more stable and sustainable income sources for local populations; and (c) Integration of comprehensive monitoring, evaluation and learning plans: Establishing a clear and fit-for-purpose feedback mechanism within the M&E framework will help capture lessons learned and disseminate them

⁶ Refer to paragraph 19 of the Independent Technical Advisory Panel’s assessment in document GCF/B.39/02/Add.09/Rev.01.

⁷ Refer to paragraph 21 of the Independent Technical Advisory Panel’s assessment in document GCF/B.39/02/Add.09/Rev.01.

⁸ Refer to paragraph 51 of the Independent Technical Advisory Panel’s assessment in document GCF/B.39/02/Add.09/Rev.01.

⁹ Refer to paragraphs 57 and 58 of the Independent Technical Advisory Panel’s assessment in document GCF/B.39/02/Add.09/Rev.01.



	effectively. This will promote adaptive management, enabling the project to adjust strategies as needed and enhance replicability in other regions and sectors.
FP236 (IFAD Mexico)	<i>None</i>
FP237 (AFD E- Motion)	<i>iTAP recommendations</i> AFD, Proparco and GIZ to co-Design with local stakeholders of an investment strategy to attract local investors in this space either through, inter alia, co-investment, exits, refinancing, or as sole investors in follow-on opportunities. We strongly recommend that they allocate a significant portion of the technical assistance AND the GCF capital to enable, design, co-pilot and implement co-investments into the target projects with local capital – the iTAP suggests for the private sector investments of this programme, that e.g., inter alia, local financial institutions are crowded in by being allowed to invest in more risk averse senior positions in the capital stack – in order to ensure that after the AFD programme is over, the local financial markets take up the baton of financing and scaling up this important sector for their economies, the health of their people, and the planet.
FP238 (FAO Malawi)	<i>None</i>
FP239 (AfDB BREFOL)	<i>None</i>
FP240 (KDB multiple countries)	<i>None</i>
FP241 (SIDBI India)	<i>None</i>
FP242 (IDB Invest multiple countries)	<i>iTAP recommendations</i> The iTAP makes the following additional recommendation: That a mechanism be included in the FAA between the GCF and the AE that allows the GCF to reduce its committed amount to the trust fund programme if the AE is unable to deploy resources with specific timeframes. Specifically, that mechanism could allow the GCF to reduce its overall funding commitment to the AE by up to 50 per cent if the AE has not contractually committed at least 25 per cent of GCF funds by the second anniversary of signing the FAA. In addition, the mechanism could allow the GCF to reduce its funding commitment by up to 25 per cent if the AE has contractually committed more than 25 per cent but less than 50 per cent of GCF funds by the third anniversary of signing the FAA.