



## MITIGATION & ADAPTATION

Mr. Pradeep Kurukulasuriya  
Director- Nature, Climate and Energy  
Executive Coordinator – Environmental Finance  
Bureau for Policy and Programme Support (BPPS)/  
Global Policy Network  
United Nations Development Programme  
One United Nations Plaza  
New York, NY 10017, United States of America

Date : 21 October 2020  
Reference : DMA/2020/100  
Page : 1 of 3

**Subject: Notice of Default - FP033: “Accelerating the transformational shift to a low-carbon economy in the Republic of Mauritius”**

Dear Sir,

1. We refer to the Funded Activity Agreement between United Nations Development Programme (the "**Accredited Entity**") and the Green Climate Fund (the "**Fund**"), signed on 8 June 2017 (the "**FAA**") in relation to the UNDP project FP033 titled: "Accelerating the transformational shift to a low-carbon economy in the Republic of Mauritius", and to your letter dated 12 October 2020 requesting an extension on the deadline for completion of Phase 1, and submission of the interim evaluation report for FP033 (the "**Request Letter**"). Terms used in this letter shall have the meaning given to them in the FAA or the accreditation master agreement between the Accredited Entity and the Fund dated 5 August 2016 ("**AMA**").

### ***Relevant FAA Obligations leading to an Event of Default***

2. Pursuant to Clause 1.03(p) of the FAA, the Accredited Entity is required, in respect of the Funded Activity, to complete Phase 1 at the end of a period of three (3) years, starting as of the Effective Date. Pursuant to Clause 10.01 and Part B of Schedule 4 of the FAA, the Accredited Entity is required, in respect of the Funded Activity, to submit the first interim evaluation report to the Secretariat "Within three (3) months after Year three (3)".

The Effective date is 11 July 2017. The interim evaluation report for the Funded Activity was due to be submitted by the Accredited Entity to the Fund within three months after end of the third year after the Effective Date (i.e. Reporting Obligation). Therefore, the Reporting Obligation was due no later than 11 October 2020.

./..

---

#### GREEN CLIMATE FUND

Songdo International Business District  
175 Art Center-daero  
Yeonsu-gu, Incheon 22004  
Republic of Korea

#### Division of Mitigation & Adaptation

T +82 32 458 6205  
F +82 32 458 6098  
fundingproposal@gcfund.org  
greenclimate.fund

3. In accordance with Clause 10.01 of the FAA, this is to notify you that the Reporting Obligation has not been fulfilled pursuant to the FAA by the due date and as of the date of this notice.

***Event of Default***

4. Clause 10.01(a) of the FAA provides that: *"In addition to Clause 19 of the AMA, the following events shall constitute an event of default of the AMA and this Agreement: (a) The Accredited Entity has failed to comply, in any material respect with, or shall have failed to perform in any material respects, any of its obligations under this Agreement (emphasis added)".*

Furthermore, Clause 10.02 of the FAA provides that: *"If there is an event of default under this Agreement, Clause 20 of the AMA shall apply to this Agreement mutatis mutandis..."* (emphasis added).

5. Clause 10.01 (a) provides in effect that the Accredited Entity's failure to comply in any material respect with and to perform in any material respects any of its obligations under the FAA shall constitute an event of default. As stated above, the Reporting Obligation has not been fulfilled by the Accredited Entity pursuant to the FAA. Accordingly, the Accredited Entity's failure to comply with the Reporting Obligation within the required timeframe set out in the FAA constitutes an Event of Default.

***Cure Period to Remedy Event of Default***

6. Pursuant to Clause 10.02 of the FAA, and in consideration of the extension of time requested, as set forth in the Accredited Entity's Request Letter, the Fund hereby requires that the default be cured by the Accredited Entity, in form and substance satisfactory to the Fund, within [twelve] (12) months of this notice, that is, by 20 October 2021 (the "**Cure Period**").

7. In light of the foregoing, and pursuant to Clause 10.02 of the FAA, the Fund hereby notifies and requires the Accredited Entity to remedy the abovementioned Event of Default within the Cure Period set out in paragraph 6 above.

8. In this regard, please submit the interim evaluation report for the Funded Activity, which shall be in a form and substance satisfactory to the Fund, by no later than **20 October 2021**.

9. Should the interim evaluation report not be provided in a form and substance satisfactory to the Fund by 20 October 2021, the Fund may exercise its remedies under Clause 20.01(b) of the AMA, as incorporated into the FAA.

./..

This letter is without prejudice to the rights of the Fund under the FAA, all of which are specifically reserved.

Please do not hesitate to contact the OPM Focal Point at [OPM@gcfund.org](mailto:OPM@gcfund.org) in case of any queries.

Yours sincerely,



German Velasquez  
Director