



**GREEN
CLIMATE
FUND**

Meeting of the Board
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Songdo, Incheon, Republic of Korea
Provisional agenda item 7

GCF/B.35/Inf.09

21 February 2023

Reports from committees, panels and groups of the Board of the Green Climate Fund

Summary

This document contains the reports on activities that have already been conducted or are planned to be undertaken by the following committees and panels of the Board of the Green Climate Fund during the reporting period from October 2022 to February 2023:

- (a) Accreditation Committee
- (b) Investment Committee
- (c) Accreditation Panel
- (d) Independent Technical Advisory Panel

I. Introduction

1. This report covers the reporting period of 31 September 2022 to 31 January 2023, and also indicates activities planned to be carried out by the committees and panels of the Board of the GCF in advance of its thirty-fifth meeting (B.35).

II. Report on activities of the Accreditation Committee

2.1 Activities during the reporting period

2. The report of the Accreditation Committee (AC) addresses the mandate given to the AC, in annex IV to decision B.07/02, to provide policy guidance to the Board on accreditation-related matters.

3. At the thirty-first meeting of the Board (B.31), the membership of the AC was constituted. Five members of the AC were appointed by the Board for a term starting on 1 January 2022. It is to be noted that the Latin American and Caribbean States have not yet selected their members for the fourth term of the GCF Board membership, hence one seat is left vacant to be filled in by the members from the Latin American and Caribbean States, once they are selected and appointed to the AC. However, the vacancy does not affect the quorum. To constitute a quorum, two-thirds of the AC members (i.e., four members) must be present at a committee meeting.

4. On 17 October 2022, the AC held a meeting in parallel with the thirty-fourth meeting of the Board (B.34) to discuss AC report and other accreditation-related matters.

5. On 17 October 2022, the AC also held a meeting jointly with members of the independent Accreditation Panel (AP) to discuss accreditation matters.

6. During the reporting period, Ms. Nino Tandilashvili, Deputy Minister of Environmental Protection and Agriculture of Georgia, has replaced Ms. Ornela Çuçi, as a member of the GCF Board and as a member of the AC, effective as of 1 January 2023. H.R.H Jaime de Bourbon de Parme, Climate Envoy, Netherlands' Ministry of Foreign Affairs, has replaced Tobias von Platen-Hallermund, as a member of the GCF Board and as a member of the AC, effective as of 23 January 2023.

7. In decision B.31/06, paragraph (f), the Board requested the AC, in consultation with the Secretariat and AP, to update the draft working modalities of the Accreditation Panel set out in annex I to document GCF/B.21/Inf.10 titled "Reports from committees, panels and groups of the Board of the Green Climate Fund" to reflect the updates to the Accreditation Framework adopted in paragraph (d) of and annex IV to the same decision, which will become effective by 1 April 2023, with a view to presenting such working modalities to the Board for its consideration no later than at its first meeting in 2023. Upon receiving notification from the AP on a need to continue working on the modalities, the AC plans to continue discussions with the AP on this topic, including during its joint meeting with the AP prior to B.35. The AC will present said modalities to the Board for its consideration once ready.

8. In decision B.23/15, the Board requested the AC, in consultation with the Head of the Independent Integrity Unit (IIU), to consider the best way to integrate the Anti-Money Laundering and Countering the Financing of Terrorism Policy (AML/CFT) into the interim fiduciary standards of GCF that were adopted in decision B.07/02. The AC was also mandated to bring a proposal for integration of these policies to the Board for consideration. The draft update of the fiduciary standards is under preparation by the IIU, with discussion between the AC and the IIU pending. Annex I to this report contains the annual workplan of the AC pursuant to B.32/09.

III. Report on activities of the Investment Committee

3.1 Organizational activities

9. The Investment Committee (“Committee”) held two meetings on the margins of B.34 in Songdo, South Korea during the reporting period and virtually advanced some of the key items that the board has mandated.

3.2 Activities during the reporting period

10. During the reporting period, the Committee finalized the workplan for 2023 and progressed its deliberations on the following matters:

- (a) Review of the terms of conditions of GCF Financial Instruments;
- (b) Recruitment of vacant iTAP positions; and
- (c) iTAP group evaluation.

11. Following the decision B.33/14, the Secretariat had initiated the procurement process to conduct the review of the terms of conditions of GCF Financial Instrument. More specifically, the three items under the abovementioned decision include: 1) the development of a local currency financing pilot programme that addresses current barriers and risks associated with currency fluctuations at the programme/project level; 2) an approach in which GCF can more efficiently deploy its current financial instruments; and 3) the review of the financial terms and conditions of the Green Climate Fund financial instruments. The Secretariat developed the terms of reference (TOR) for these items with guidance from the Committee, and the procurement process is being finalized in early 2023.

12. On the matter related to the recruitment for the iTAP positions as per decision B.BM-2021/10, the Committee, with support from the Secretariat, advanced this item during the reporting period. The expression of interests for the iTAP positions ran from early November 2022 to 31 December 2022, and a total of 164 applications were submitted. The Secretariat created a longlist of 27 candidates, using the criteria based on the terms of reference. The remaining process including shortlisting and panel interviews is expected to take place in due course.

13. On the iTAP group review, the Committee cleared the final TOR, and the Secretariat has been undertaking the procurement process to select an independent firm to conduct the review.

3.3 Next steps

14. The Committee will continue its work on the matters described above and update the workplan based on the final board workplan for 2023. Annex II to this report contains the annual workplan of the IC pursuant to decision B.32/09.

IV. Report on activities of the Accreditation Panel

15. This report addresses the mandate given to the Accreditation Panel (AP) in decision B.07/02, paragraph (g), to serve as an independent technical panel to advise the Board on matters related to the accreditation of entities to GCF. The AP is responsible for conducting the accreditation process in accordance with its terms of reference, as adopted by the Board through decision B.07/02, paragraph (h).

4.1 Activities during the reporting period

4.1.1. Review of re-accreditation and accreditation applications

16. The AP is continuing to prioritize re-accreditation applications over other deliverables, such as upgrade applications for AEs and new applications, in order to manage the growing workload and to minimize the risk of lapses in AEs' accreditation terms. The AP anticipates that the work on re-accreditation applications will continue to absorb a significant part of the AP's resources during 2023.

17. The AP continued to work in Stage II (Step 1) on its in-depth assessment of seven applications for re-accreditation that have completed the Stage I institutional assessment completeness check by the Secretariat. Two of these are presented for the Board's consideration at B.35. The remaining re-accreditation applications are under the AP's review. Further details are contained in the document GCF/B.35/XX titled "Consideration of accreditation proposals" (pending publication).

18. The AP continues to apply, in its assessment of re-accreditation applications, the GCF methodology for establishing a baseline of greenhouse gases emissions and climate resilience for the portfolio of AEs. This methodology is contained in document GCF/B.28/11/Add.02. It seeks to assess the extent to which an AE's overall portfolio of activities, beyond those funded by GCF, has evolved in the direction of the paradigm shift towards low-emission and climate-resilient development pathways in the context of sustainable development during the accreditation period.

19. The AP continued to review 16 applications for new accreditations, of which one is being presented for the Board's consideration at B.35 and the remaining are at different points of review in Stage II (Step 1).

20. During the reporting period, the AP held conference calls with re-accreditation, upgrade and new accreditation applicants during the Stage II (Step 1) re-accreditation review to gain better knowledge of each applicant and to clarify and discuss Stage II (Step 1) questions raised by the AP. In person site visits have been postponed until further notice, however the AP continues to use online channels to advance the review of accreditation applications. The AP, in cooperation with the Secretariat, also continues to further support operationalization and refinement of the Digital Accreditation Platform (DAP). During the reporting period, the AP utilized the DAP for the review of re-accreditation and new accreditation applications, reports submitted by AEs in line with requirements under the GCF monitoring and accountability framework. The AP will continue to provide inputs into the development of subsequent DAP modules (such as on upgrade applications and conditions) and make improvements to the modules that are already operational.

4.1.2. Review of accreditation conditions for Accredited Entities

21. The AP continued to provide guidance to AEs related to ongoing conditions adopted by the Board at the time of their respective accreditation, upgrade or re-accreditation. Following the review of the evidence submitted by nine AEs during the reporting period, the AP considered either all or some of their accreditation conditions fulfilled and closed. Further information on the status of accreditation conditions is contained in the "Status of the fulfilment of accreditation conditions" (document GCF/B.35/XX/Add.01)(pending publication). The AP also reviewed submissions and considered some of the conditions closed for three AE after the reporting period; the AP's assessment will be provided in the report to the Board for its thirty-sixth meeting.

4.1.3. Modalities of work of the Accreditation Panel

22. As requested by the Board through decision B.31/06, paragraph (f), the Accreditation Committee, in consultation with the Secretariat and the Accreditation Panel, is requested to update the draft working modalities of the AP set out in annex I to document GCF/B.21/Inf.10 titled “Reports from committees, panels and groups of the Board of the Green Climate Fund” to reflect the use of external consultants and/or consultancy firms in the context of reviews of entities in Stage II (Step I). The AP is working on updates to the draft modalities and will present them to the AC when ready.

23. As requested by the Board through decision B.31/06, paragraph (e), the Accreditation Panel, with the support of the Secretariat, is requested to establish a roster of competent external consultants and consultancy firms in accordance with the Administrative Guidelines on Procurement. The AP is engaged in the recruitment process with the aim of completing the process before the updates to the accreditation framework of the GCF are due to become affective on 1 April 2023.

4.2 Next steps

24. The accreditation process is ongoing and the AP is continuing its review of re-accreditation, upgrade and new accreditation applications that have completed Stage I, with the aim of providing recommendations at subsequent meetings of the Board.

25. The AP will continue to work on reviewing evidence provided by AEs pertaining to conditions adopted by the Board at the time of their respective accreditations or re-accreditations, with the aim of providing recommendations on accreditation conditions at subsequent meetings of the Board.

V. Report on the activities of the independent Technical Advisory Panel

5.1 Activities during the reporting period

5.1.1. Review of funding proposals

26. During the reporting period, the independent Technical Advisory Panel (TAP) continued to assess funding proposals based on the initial investment framework and guidelines provided through various decisions of the Board since the adoption of the initial investment framework in decision B.07/06.

27. Starting from the thirtieth meeting of the Board (B.30), the independent TAP has stood ready to review funding proposals on a fortnightly basis under the Board’s newly adopted operational modality (usually referred to as “rolling basis”), as approved by the Board at B.28 (decision B.28/03).

28. For B.35 the independent TAP received advance notification for eight funding proposals, of which seven were submitted by the Secretariat to the independent TAP for assessment. All seven funding proposals were submitted as a batch on the last possible date.

29. In carrying out the funding proposal assessments, the independent TAP engaged virtually with the AEs. Written question and answer exchanges as well as video interviews with the AEs and the Secretariat were carried out to get a better understanding of the funding proposals and to put additional questions to the AEs. Following decision B.28/03, the interviews were carried out with the AEs (not with people identified as consultants or representatives of

executing entities). Whenever necessary, discussions with the Secretariat's lawyers from the Office of the General Counsel took place before finalizing the assessments.

30. Of the seven funding proposals assessed in this round, the independent TAP endorsed five for consideration by the Board at B.35 (two of which were endorsed with conditions). The remaining two funding proposals were not endorsed.

5.1.2. Other matters

31. A new member, Ms Carmenza Robledo, joined the independent TAP in January 2023. The contracts of three independent TAP members ended on 8 February 2023 (Mr Daniel Nolasco, Mr Felix Dayo and Ms Marina Shvangiradze), and the contracts of two other independent TAP members will end on 28 February 2023 (Mr Ahsan Uddin Ahmed and Ms Claudia Martinez). The independent TAP organized a virtual farewell meeting to thank them for their services to GCF. Following the departure of Mr Daniel Nolasco, the outgoing Chair of the independent TAP, the independent TAP elected Ms Caroline Petersen as the new Chair.

32. Starting from the pre-B.32 assessment period, the independent TAP has received the funding proposal packages via the newly developed independent TAP Project Review and Tracking Platform (iTAP-PRTP). The platform should enable the independent TAP to store all its assessments and interactions with the Secretariat and AEs to enhance consistency and efficiency in its operations. The iTAP-PRTP platform is up and running, but requires additional adjustments by the Secretariat to optimize its utility to independent TAP members.

Annex I: Draft workplan of the Accreditation Committee 2020–2023 updated after B.34

B.35	B.36	B.37	B.38 (2024)
<ul style="list-style-type: none"> In consultation with the Secretariat and Accreditation Panel, update the draft working modalities of the Accreditation Panel set out in annex I to document GCF/B.21/Inf.10 titled “Reports from committees, panels and groups of the Board of the Green Climate Fund” to reflect the use of external consultants and/or consultancy firms in the context of reviews of entities in Stage II (Step I), with a view to presenting such working modalities to the Board for its consideration no later than at its first meeting in 2023 (as per decision B.31/06, paragraph (f))¹. 	<ul style="list-style-type: none"> Discussion with the Secretariat for it to present for Board consideration at its 36th meeting a draft decision requesting to launch the AP performance review, including budget implications for such review (as per decision B.BM-2017/03, paragraph (a)) 	<ul style="list-style-type: none"> In consultation with the Head of the Independent Integrity Unit, to consider the best way to integrate the Anti-Money Laundering and Countering the Financing of Terrorism Policy in the interim fiduciary standards and present to the Board a proposal for its consideration in 2019 as a matter of urgency (as per decision B.23/15, paragraph (b))² 	<ul style="list-style-type: none"> Discussion with the Secretariat for it to present for Board consideration the results of the performance review of AP members (in line with decision B.BM-2017/03, paragraph (a)) Nominate members of the Accreditation Panel for the consideration and endorsement by the Board <p>(as per decision B.07/02, paragraph 8 of annex V)</p>

¹ Upon receiving notification from the Accreditation Panel on a need to continue working on the modalities, the Accreditation Committee (AC) plans to continue discussions with the AP including during its joint meeting with the AP prior to B.35. The AC will present the said working modalities to the Board for its consideration once ready.

² The AC will continue working on integrating the Anti-Money Laundering and Countering the Financing of Terrorism Policy (AML/CFT) into interim fiduciary standards of GCF. The draft update of the fiduciary standards is under preparation by the IIU, with discussion between the AC and the IIU pending.

Annex II: Draft workplan of the Investment Committee 2020–2023 updated after B.34

Prior to B.35	B.35	B.36	B.37	B.38 (2024)
<ul style="list-style-type: none"> • Discussion with the Secretariat for it to shortlist the candidates for the vacant iTAP positions (<i>as per decision B.BM-2022/01 (c)</i>). • Constitute a selection panel and conduct the interviews for the vacant iTAP positions (<i>as per decision B.BM-2022/01 (c)</i>). 	<ul style="list-style-type: none"> • Nominate members of the iTAP for the consideration and endorsement by the Board (<i>as per decision B.BM-2022/01 (c)</i>). 	<ul style="list-style-type: none"> • Review a local currency financing pilot programme as well as an approach to more efficiently deploy financial instruments and make a recommendation to the Board (<i>as per decision B.33/14 paragraph (c) and (d)</i>). 	<ul style="list-style-type: none"> • Review a review of financial terms and conditions and make a recommendation to the Board (<i>as per decision B.33/14 paragraph (e)</i>). 	<ul style="list-style-type: none"> • Discussion with the Secretariat for it to present the results of the iTAP group evaluation and make a recommendation for the board (<i>as per decision B.28/03 (d)</i>).