



**GREEN
CLIMATE
FUND**

Meeting of the Board
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GCF/B.20/Inf.09/Add.01

21 June 2018

Reports from committees, panels and group of the Board of the Green Climate Fund – Addendum

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 mid-January to mid-May 2018:

- (a) Accreditation Committee;
- (b) Accreditation Panel;
- (c) Ethics and Audit Committee;
- (d) Independent Technical Advisory Panel; and
- (e) Ad hoc Trustee Selection Committee.

I. Introduction

1. This report covers the reporting period of March to May 2018, and also indicates activities planned to be carried out by the committees and panels of the Board of the Green Climate Fund in advance of its twentieth meeting (B.20).

II. Report on activities of the Accreditation Committee

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

2.1 Activities during the reporting period

3. Mr. Karma Tshering, Head of Policy and Programming Services of the National Environment Commission Secretariat (Bhutan), replaced Mr. Paul Oquist as a member of the AC as of 3 May 2018.

4. In line with decisions B.18/04, paragraphs (a) and (b), and B.19/13, Moore Stephens LLP, an independent consulting firm that supported the Secretariat in a review of the accreditation framework, sought feedback and views from the AC members for the review through interviews. The review of the accreditation framework and proposal for the project-specific assessment approach as a complementary modality to accreditation is contained in the document titled “Accreditation framework review, including the project specific framework approach” (GCF/B.20/17).

5. In accordance with decision B.07/02, paragraph (h), the Accreditation Panel (AP) has developed a draft code of conduct and operational practices of the AP. The AC noted the ongoing progress regarding the status of the work and will provide feedback once the draft is finalized by the AP. This document will be presented for the Board’s consideration at a future meeting.

2.2 Next steps

6. During B.20, the AC will continue its work based on the “Workplan of the Board for 2018” as contained in annex I to decision B.18/01. The draft workplan of the AC is presented in annex I to this document.

III. Report on activities of the Accreditation Panel

3.1 Activities during the reporting period

7. In decision B.BM-2018/02 dated 19 February 2018, the Board appointed six senior experts to the AP, three of which were reappointed to a second term.

8. Upon appointment of its members, the AP participated in the nineteenth meeting of the Board from 26 February to 1 March 2018 and in a one-day onboarding meeting of the AP on 2 March 2018 at GCF Headquarters in Songdo.

3.1.1 Review of accreditation applications

9. During the reporting period, the AP also held numerous telephone calls with applicant entities during the Stage II (Step 1) accreditation review to gain better knowledge of each applicant and to clarify and discuss Stage II questions raised by the AP.

10. The AP, supported by the external technical experts and in line with decision B.14/08 on the prioritization of certain types of entities, continued to work on its in-depth assessment of applications for accreditation that have successfully completed Stage I, as conducted by the Secretariat. The AP met at GCF Headquarters from 22 to 24 May 2018 to finalize its review of applications for consideration at B.20. The AP completed the review of nine applications to recommend for accreditation at B.20, as contained in the “Consideration of accreditation proposals” (GCF/B.20/13).

3.1.2 Review of accreditation conditions for accredited entities

11. The AP has also reviewed evidence provided by accredited entities (AEs) pertaining to conditions adopted by the Board at the time of their respective accreditation. Further information on accreditation conditions that the AP has found to be closed and fulfilled, and those that are in progress, are contained in annex IV of the “Consideration of accreditation proposals” (GCF/B.20/13).

3.1.3 Technical inputs to policies related to accreditation matters

12. In line with its terms of reference adopted in decision B.07/02, paragraph (h), and based on the past three years of experience, the AP is developing a code of conduct and operational practices of the AP. The code of conduct has been shared with the AC and will be presented for the Board’s consideration at a future meeting.

13. In line with decision B.14/08, paragraph (e)(iii), the AP, supported by the Secretariat, undertook an assessment, including a gap analysis, of the Environmental and Social Policy of the Adaptation Fund (approved in November 2013 and amended in March 2016) and the Adaptation Fund’s Gender Policy (approved in March 2016) in relation to the GCF interim environmental and social safeguards and the GCF Gender Policy with a view to provide further recommendations on potential fast-tracking. The document containing findings of this analysis and recommendations for potential fast-tracking is under development, to be presented for the Board’s consideration at a future meeting.

14. In line with decision B.12/30, paragraph (d), the AP members, with the support of external technical experts and the administrative support of the Secretariat, continued to work towards establishing a baseline methodology on the overall portfolio of AEs, including those already accredited at an earlier stage, that allows for an assessment of the extent to which the overall portfolios of activities by AEs (beyond those projects/programmes funded by GCF) have evolved during the accreditation period. In particular, due to the nature of the assignment, which requires specific technical expertise and skills in a number of areas, the terms of reference had been revised to recruit a consultancy firm consisting of a team of experts instead of an individual consultant. The Secretariat and the AP launched the call for proposals, undertook the selection process and procured a consultancy firm. The contract was signed at the end of May 2018. A series of webinar-based consultations with relevant stakeholders is expected to take place in July 2018. The AP will continue to work with the external technical experts and the Secretariat on the baseline methodology assignment with the aim, if finalized, of presenting it to the Board at its twenty-first meeting (B.21).

15. The AP members were interviewed by the consulting firm procured by the Secretariat to conduct the review of the accreditation framework and they provided comments and

recommendations, in line with decisions B.18/04, paragraphs (a) and (b), and B.19/13. The review of the accreditation framework and proposal for the project-specific assessment approach as a complementary modality to accreditation is contained in the “Accreditation framework review, including the project specific framework approach” (GCF/B.20/17).

16. The AP also advanced the following documents and tools related to improvement of the accreditation process, taking the lead role on some and providing inputs on others:

- (a) Consolidating the Stage I and Stage II Checklists for accreditation and developing accreditation guidance notes;
- (b) Defining the minimum requirements on meeting the accreditation standards within the fit-for-purpose approach: this may apply to direct access entities, private sector entities or entities that intend to undertake micro or small projects/programme activities and lower environmental and social risk projects/programmes;
- (c) Providing inputs to the revised GCF Gender Policy and Action Plan 2018-2020, to be presented for the Board’s consideration at B.20; and
- (d) Providing inputs to the Secretariat’s development of the template for the annual self-assessment to monitor the compliance of the AEs with the standards of GCF, as per the GCF monitoring and accountability framework for accredited entities (decision B.11/10).

3.2 The work programme of the Accreditation Panel

17. The accreditation process is ongoing, and the AP members are continuing the review of accreditation applications that have completed Stage I, with the aim of providing recommendations on accreditation at subsequent meetings of the Board. AP members are also continuing to develop documents and tools related to improvement of the accreditation process.

18. AP members continue to work on reviewing evidence provided by AEs pertaining to conditions adopted by the Board at the time of their respective accreditation, with the aim of providing recommendations on accreditation conditions at subsequent meetings of the Board.

19. The Secretariat and AP members, as needed, will commence reviewing self-assessment reports from AEs for the reporting period of calendar year 2017 in the second half of 2018.

20. The draft workplan of the AP is presented in annex II to this document and is based on the “Workplan of the Board for 2018” as contained in annex I to decision B.18/01.

IV. Report on activities of the Ethic and Audit Committee

21. The current composition of the Ethics and Audit Committee (EAC) is: Mr. Ayman Shasly (Chair), Mr. Geoffrey Okamoto, Dr. Omar El-Arini, Ms. Ludovica Soderini, Mr. Nauman Bhatti and Ms. Esther Gonzalez-Sanz.

22. The EAC, a standing Committee of the Board, continues its task in accordance with its Terms of Reference (decision B.05/13, annex XVIII), to provide guidance on issues of conflicts of interest, confidentiality, ethics, financial management, procurement and other audit functions as they relate to the Board.

23. This report covers the period of 31 January to 11 June 2018, and also indicates activities planned to be carried out by the EAC of the Board.

4.1 Activities during the reporting period

4.1.1 Organizational activities

24. Following the nineteenth meeting of the Board, the EAC held three virtual teleconferences on 17 May, 6 June and 11 June 2018 to discuss and provide guidance to the Secretariat and the Independent Integrity Unit on the key mandates given by the Board. The agendas of the meetings included, inter alia, the review of the 2017 Financial Statements of the Green Climate Fund (GCF), policies developed by the Independent Integrity Unit (IIU) and conflicts of interest matters under the Policy on ethics and conflicts of interest for the Board of the Green Climate Fund.

25. The following items were the main issues considered by the EAC during the reporting period:

- (a) Review of the draft 2017 audited Financial Statements;
- (b) Review of the draft Whistle Blower and Witness Protection Policy;
- (c) Review of the draft Policy on Prohibited Practices;
- (d) Consideration of requests for waiver under the Policy on ethics and conflicts of interest of the Board;
- (e) Developing a process for reviewing waiver requests received under the Policy on ethics and conflicts of interest of the Board;
- (f) Review of a financial interest disclosure form for Board Appointed Officials;
- (g) Potential conflicts of interest of persons engaged with the GCF;
- (h) Quarterly report of the Independent Redress Mechanism (IRM) (January to March 2018);
- (i) Policy on ethics and conflicts of interest for active observers of the Green Climate Fund;
- (j) Review of the draft Standards for the implementation of the Anti-Money Laundering and Countering the Financing of Terrorism Policy (AML/CFT Standard);
- (k) Confirmation of contracts of the heads of the Independent Units; and
- (l) Potential conflict of interest of a former Board member.

26. The meetings were attended by EAC members, advisers, the staff and Heads of the Independent Redress Mechanism and Independent Integrity Unit and the Secretariat.

4.2 Activities addressing mandates from the Board

4.2.1 Review of the Financial Statements of the Green Climate Fund

27. The EAC as per its mandate considered the audited 2017 Financial Statements of the Fund for the year ended 31 December 2017. The EAC reviewed and discussed the Financial Statements prepared according to the International Financial Reporting Standards (IFRS), audited by Daemyung Grant Thornton, the independent auditor of the Fund. They also noted, the information provided by the Secretariat, that the firm of Daemyung Grant Thornton will issue an unqualified audit opinion in the financial statements. The EAC requested that additional detailed information on the funding for the Readiness and Preparatory Support Programme, Project Preparation Facility and National Adaptation Plans, as well as information on maturity of loans and interest accrued is included in the Financial Statements. On confirmation from the Secretariat that the Financial Statements will be revised to include the information requested,

the EAC endorsed the audited financial statements for the year ended 31 December 2017 and decided to recommend their approval to the Board at B.20. The EAC's recommendation to the Board is presented in document GCF/B.20/02.

4.2.2 Report of the Office of the Internal Auditor

28. The EAC received a report from the Office of the Internal Auditor (OIA), on the work it had performed in 2017 and the results thereof. The OIA also provided the EAC its work plan for 2018-20, focusing on 2018. The EAC will discuss these documents at a future meeting.

4.2.3 Matters concerning the Independent Integrity Unit

29. The EAC considered the draft Policy on the Protection of Whistle-blowers and Witnesses and the Policy on Prohibited Practices, developed by the Head of the Independent Integrity Unit (IIU), pursuant to decision B.14/01, paragraph (e) and its workplan. The Committee reviewed and provided inputs to draft versions of the policies at its virtual meetings in addition to numerous bilateral exchanges with the Head of the IIU. The EAC also held discussions with, and sought the views of the IIU and the Secretariat on issues in the draft policies that were still a matter of disagreement between them. In this regard, the Committee called on the Head of the IIU to conduct further consultation with the Staff Council and accredited entities on the policies.

30. The EAC also received a draft document on the Standards for the implementation of the Anti-Money Laundering and Countering the Financing of Terrorism Policy (AML/CFT Standard) developed by the IIU, which is based on the requirement set under the Anti-Money Laundering and Countering the Financing of Terrorism Policy.

4.2.4 Matters addressing conflicts of interest

31. The EAC discussed the possible conflict of interest of a former Board member and requested further information from the Secretariat to determine whether the conflict had influenced any Board or committee decisions.

32. The EAC continued its discussion on the circumstances that could lead to granting a waiver, and developed a process for reviewing requests for waivers to the requirement that a one and a half year cooling-off period applies before a person who has served as a member or alternate member of the Board or an adviser to a member of the Board becomes eligible for employment within the Secretariat. This procedure will help the EAC to ensure consistent assessments of waiver requests that it receives pursuant to paragraph 33 of the Policy on Ethics and Conflicts of Interest for the Board of the Green Climate Fund (the "COI Policy"). The procedure is contained in the document "Process for Waivers – Secretariat Employment" presented in Annex III.

33. The EAC, as per its mandate, received two requests for a waiver to the requirement, set out in Paragraph 33 of the COI Policy. The EAC considered the requests but there was no consensus to recommend the waivers to the Board for its consideration.

34. The EAC considered a matter regarding a potential conflict of interest related to a nominated active observer. The EAC determined that a potential conflict of interest would arise if the individual would serve as an active observer to the Board.

35. The COI Policy requires Covered Individuals to submit a list of their functions and roles outside the Fund and update the information provided on it wherever required to reflect amendments.¹ The Covered Individual means a member or alternate member of the Board of

¹ Paragraph 19 of the Policy on ethics and conflicts of interest for the Board of the Green Climate Fund states that "In order to avoid conflicts of interest and to strengthen the proper, transparent and

the Fund and advisors. The Committee has overseen the process of filing declarations of outside roles and functions by the Covered Individuals under the COI Policy.

36. The EAC discussed the potential conflicts of interest relating to the persons engaged with the GCF, as requested by the Board at the sixteenth meeting.²

37. The EAC also received a draft financial interest disclosure form and Declaration of Interest Statement, as required under the Policy on Ethics and Conflicts of Interest for the Executive Director of the Green Climate Fund Secretariat³ and for Board-appointed officials of the Green Climate Fund.⁴ The two policies require Covered Individuals to file annually until separation from the Fund a financial interest disclosure in a form and manner to be proposed by the Chief Financial Officer and approved by the Ethics and Audit Committee.

4.2.5 Matters concerning the Independent Redress Mechanism

38. The EAC received the quarterly report on the activities of the Independent Redress Mechanism (IRM) which covered the period from January to March 2018. The report provided updates on the progress made by the IRM based on its work plan and budget.

39. The EAC received a final draft of the Procedures and Guidelines of the IRM. The EAC had discussed and provided feedback to the Head of the IRM on this document prior to B.19. The Head of the IRM will conduct public consultations on the revised document, after which it will be presented to the EAC first and then to the Board.

4.3 Next steps

40. In the period after B.20, the EAC plans to continue discussions on the AML/CFT Standard with a view to present an approved text for the Board's consideration at B.21. The EAC will also continue to address other items still outstanding from the meetings during the reporting period and will update this report to the Board accordingly.

41. The EAC will hold a meeting in Songdo, Republic of Korea, before the B.20 meeting.

V. Report on activities of the independent Technical Advisory Panel

5.1 Activities during the reporting period

42. The independent Technical Advisory Panel (TAP) continued to review funding proposals and conducted its assessments based on the initial investment framework and guidelines provided through various subsequent decisions. Since the previous reporting period, the TAP received 14 funding proposals in total for assessment. Among 14 funding proposals, twelve are first-time submissions, including a proposal under the simplified approval process, while two

independent governance of the Fund and its governing bodies, Covered Individuals shall submit to the Ethics and Audit Committee a list of their functions and roles outside the Fund that would have relevance or potential relevance to the business of the Fund and shall update such a list if and when required to reflect amendments. The Ethics and Audit Committee shall not make this list publicly available, unless it needs to disclose it to the full Board, the Executive Director and relevant government with regard to a specific case in the context of procedures when a conflict of interest arises".

² B.16, Agenda item 7: Reports from committees, panels and groups, Paragraph 8.

³ Decision B.10/13, annex XXVII, paragraph (c).

⁴ Decision B.13/27, annex V, paragraph (a).

are submissions that have been revised since the nineteenth meeting of the Board. The TAP met in Songdo from 13-18 May 2018 and finalized the assessments of the 14 funding proposals.

43. In its assessment of the funding proposals, the TAP continued to engage with the accredited entities. This was done by sending written questions and receiving written responses as well as through a virtual call, or face-to-face meeting, to present the assessment of the TAP and hold a discussion on possible conditions and recommendations. The TAP also held one session with the Office of the General Counsel to discuss the conditions on the approval of the proposals suggested in the TAP assessments. The TAP further held bilateral discussions with the Office of Risk Management and the Independent Evaluation Unit to understand any relevant issues identified by the two offices that can be addressed through TAP project assessment exercises.

44. The TAP has engaged with the Secretariat in the development of the document titled “Revision of the structure and operations of the independent Technical Advisory Panel” (GCF/B.20/20) through virtual and on-site consultations at different stages of its development. The TAP provided inputs and comments on the document’s assumptions and findings, and proposed options with respect to quality assurance of the TAP assessments, as mandated by the Board in decision B.19/08 (h).

45. TAP members also contributed to the 360-degree review of their performance, conducted by a consulting firm, SRI Executive, by assessing their own and their fellow TAP members’ performance across a number of dimensions. The review took place in May 2018, during which TAP members provided timely responses to the online questionnaire.

5.2 Matters where specific guidance from the Board is sought

46. The TAP welcomes the Board’s guidance on its proposed quality assurance mechanisms, as laid out in the decision text in the document GCF/B.20/20, relative to the revision of the structure and operations of the TAP. As elaborated in the document, the TAP considers that the quality of its assessments could be further enhanced by opening channels through which the Board and the TAP can exchange feedback on issues related to funding proposals and their assessments.

VI. Report on activities of the ad hoc Trustee Selection Committee

47. This report covers the activities of the ad hoc Trustee Selection Committee (hereinafter “Selection Committee”) from mid-March to mid-June 2018. It should be noted that the Selection Committee conducted its work via e-mail exchange during the reporting period.

6.1 Activities during the reporting period

6.1.1 Selection of the Permanent Trustee

48. The Board, by decision B.16/05, adopted the terms of reference for the Selection Committee, which stated that the ad hoc committee shall “Approve the announcement of the open, transparent and competitive process” for the selection of a Permanent Trustee. In accordance with this mandate, the Selection Committee approved the text of the advertisement for the selection process, as contained annex IV.

49. In accordance with decision B.19/03, the approved advertisement was published in the 21–27 April 2018 edition of *The Economist*, including its digital editions, with an application

deadline of 14 May 2018. The total cost of this advertisement was USD 21,736, well within the approved budget of USD 25,000.

50. In line with the approved advertisement, the request for expression of interest, including the terms of reference (TOR) for the Permanent Trustee, was also posted on the GCF website with an application deadline of 14 May 2018.

51. The Secretariat did not receive any expression of interest answerable to the TOR by the 14 May 2018 deadline. Upon consideration of this result, and to make every effort to fulfil the task of selecting a Permanent Trustee through this process, the Selection Committee decided to extend the deadline for the expression of interest on the GCF website through 18 June 2018.

52. As no response was received by the Secretariat during this extension period, the Selection Committee requested the Secretariat to implement the limited tender process, in accordance with the GCF procurement procedure (in line with decision B.19/03, annex II, para. 5). The Selection Committee has, therefore, instructed the Secretariat to invite the 11 international multilateral financial institutions⁵ to tender for/express interest in becoming the Permanent Trustee of GCF.

6.1.2 **Extension of the contract of Interim Trustee**

53. In accordance with decision B.19/03, the Amended and Restated Agreement on the Terms and Conditions for the Administration of the Green Climate Fund Trust Fund with the World Bank and dated 22 April 2015 was finalized and extended on 27 April 2018, with terms and conditions remaining the same, for an additional period of one year (ending 30 April 2019), or the date on which the successor Trustee takes up the role, whichever occurs earlier. Please refer to annex V, Amendment to the Amended and Restated Agreement on the Terms and Conditions for the Administration of the Green Climate Fund Trust Fund.

6.2 Next steps

54. The Selection Committee will report any progress on the results of the implementation of the limited tender process to the Board.

⁵ The 11 institutions include the following: International Monetary Fund, International Bank for Reconstruction and Development, International Development Association, Asian Development Bank, African Development Bank, African Development Fund, Inter-American Development Bank, International Fund for Agricultural Development, International Finance Corporation, Multilateral Investment Guarantee Agency, and European Bank for Reconstruction and Development.

Annex I: Draft workplan for the Accreditation Committee of the Green Climate Fund in 2018

This draft workplan of the Accreditation Committee in 2018 is based on the “Workplan of the Board for 2018” as contained in annex I to [decision B.18/01](#).

Issue	B.19	B.20	B.21
Governance – committees, panels and group			
Committees, panels and groups (Annexes XVI-XIX to decision B.05/13)	Presentation of terms of reference for the review of committees, panels and groups (Co-Chairs)		Presentation of findings of the review of committees, panels and group
Code of conduct for the Accreditation Panel (Decision B.07/02, annex V, para. 14)		Approval of code of conduct for the Accreditation Panel (Co-Chairs)	
Review of Board processes and policies – GCF policies			
Information Disclosure Policy (Decision B.12/35 (b) and (g), annex XXIX, para. 28)			Presentation of recommendations on the review of the relevant disclosure requirements once the environmental and social management system is developed (Decision B.12/35 (b))
GCF Gender Policy (Decisions B.09/11, B.12/16, B.14/01 (g), B.BM-2017/02)		Adoption of updated Gender Policy and Action Plan 2018-2020 (Secretariat)	
Indigenous Peoples Policy (Decisions B.15/01, and B.17/01 (b), (ix))	Adoption of Indigenous Peoples Policy (Secretariat)		
Review of Board processes and policies – investment framework			
Policy on fees for accredited entities (Decisions B.11/10 (f), B.BM-2017/02)	Revised policy on fees for accredited entities (Accreditation Committee)		

Issue	B.19	B.20	B.21
Accreditation matters			
<p>Further development of the accreditation framework Fast-tracking - decisions B.14/08 (d) (ii); B.17/01 (b) (xi), B.17/06 (e), B.14/08 (f) (ii) Prioritization – decisions B.14/08 (d) (ii), and B.17/01 (b) (xi) Use of third-party evidence – decisions B.14/08 (e) (i), B.17/01 (b) (xiii) Adaptation Fund environmental and social policy and gender policy – decisions B.14/08 (e) (iii)</p>	<p>Further development of the accreditation framework (decision B.19/13) (Secretariat)</p>	<p>Further development of the accreditation framework (Secretariat)</p>	
<p>Initial fiduciary standards (Decisions B.07/02, B.12/31 (i), B.14/01 (e) and (f), and B.14/08 (f))</p>	<p>Adoption of fiduciary compliance and integrity policies/policies relating to prohibited practices, anti-money laundering and countering the financing of terrorism (Decisions B.12/31 (i), B.14/01 (e), and B.15/13)</p>	<p>Integration of policies relating to prohibited practices, anti-money laundering and countering the financing of terrorism in the interim fiduciary standards (Decision B.14/01 (f)) (Accreditation Committee and Independent Integrity Unit)</p>	
<p>Environmental and social management system (Decision B.07/02 (n))</p>	<ul style="list-style-type: none"> • Presentation of the environmental and social management system; (Secretariat in consultation with the Accreditation Committee and Accreditation Panel) • Adoption of the Environmental and Social Policy 	<p>Presentation of approach to developing the environmental and social safeguards standards (Secretariat in consultation with the Accreditation Committee and Accreditation Panel)</p>	

Annex II: Draft workplan for the Accreditation Panel of the Green Climate Fund in 2018

This draft workplan of the Accreditation Panel in 2018 is based on the “Workplan of the Board for 2018” as contained in Annex I to [decision B.18/01](#).

Issue	B.19	B.20	B.21
Committees, panels and group			
Committees, panels and groups (Annexes XVI-XIX to decision B.05/13)	Presentation of terms of reference for the review of committees, panels and group (Co-Chairs)		Presentation of findings of the review of committees, panels and group
Code of conduct for the Accreditation Panel (Decision B.07/02, annex V, para. 14)		Approval of code of conduct for the Accreditation Panel (Co-Chairs)	
Review of Board processes and policies – GCF policies			
Information Disclosure Policy (Decision B.12/35 (b) and (g), annex XXIX, para. 28)			Presentation of recommendations on the review of the relevant disclosure requirements once the environmental and social management system is developed (Decision B.12/35 (b))
Gender Policy and Action Plan 2018-2020 (Decisions B.09/11, B.12/16, B.14/01 (g), B.BM-2017/02)		Adoption of Gender Policy and Action Plan (Secretariat)	
Indigenous Peoples Policy (Decisions B.15/01, and B.17/01 (b) (ix))	Adoption of Indigenous Peoples Policy (Secretariat)		
Accreditation matters			
Accreditation of entities		Consideration of proposals to accredit entities (Secretariat and Accreditation Panel)	Consideration of proposals to accredit entities (Secretariat and Accreditation Panel)

Issue	B.19	B.20	B.21
<p>Further development of the accreditation framework Fast-tracking – decisions B.14/08 (d) (ii); B.17/01 (b) (xi), B.17/06 (e), B.14/08 (f) (ii) Prioritization – decisions B.14/08 (d) (ii), and B.17/01 (b) (xi) Use of third-party evidence – decisions B.14/08 (e) (i) and B.17/01 (b) (xiii) Fast-tracking – Adaptation Fund’s environmental and social policy and gender policy – Decision B.14/08 (e) (iii)</p>	<p>Further development of the accreditation framework (decision B.19/13) (Secretariat)</p>	<p>Further development of the accreditation framework (Secretariat)</p>	
<p>Initial fiduciary standards (Decisions B.07/02, B.12/31 (i), B.14/01 (e) and (f), and B.14/08 (f))</p>	<p>Adoption of fiduciary compliance and integrity policies/policies relating to prohibited practices, anti-money laundering and countering the financing of terrorism (Decisions B.12/31 (i), B.14/01 (e), and B.15/13)</p>	<p>Integration of policies relating to prohibited practices, anti-money laundering and countering the financing of terrorism in the interim fiduciary standards (Decision B.14/01 (f)) (Accreditation Committee and Independent Integrity Unit)</p>	
<p>Environmental and social management system (Decision B.07/02 (n))</p>	<ul style="list-style-type: none"> • Presentation of the environmental and social management system (Secretariat in consultation with the Accreditation Committee and Accreditation Panel) • Adoption of the Environmental and Social Policy 		<p>Presentation of approach to developing the Environmental and Social Safeguards standards (Secretariat in consultation with the Accreditation Committee and Accreditation Panel)</p>

1. In Decision B.12/30, paragraph (d), the Board requested the Accreditation Panel, with the support of the Secretariat as necessary, to establish a baseline on the overall portfolio of accredited entities, including those already accredited at an earlier stage, that allows for an

assessment of the extent to which the accredited entities' overall portfolios of activities, beyond those funded by GCF, have evolved in this direction during the accreditation period. Current status of this work has been provided in the report of the Accreditation Panel.

Annex III: Process for Waivers – Secretariat Employment

I. Background

1. The Secretariat is mandated to hire the most competent professionals for its staff, and it may be that its advertisements, for regular staff, consultancies or internships attract the attention of talented individuals who have served, or are serving, in some capacity in relation to the Board of the Green Climate Fund. However, and in order to protect the Secretariat and the individuals against the potential of a conflict of interest, paragraph 33 in the policy on ethics and conflict of interest for the Board stipulates that:

“Any Covered Individual and Immediate Family Member shall not be eligible for employment by the Secretariat, including as a consultant, until one and a half years following the last date of service of the Covered Individual in the relevant position. The Board may waive this provision upon recommendation from the Ethics and Audit Committee. A request for such a waiver must be submitted by the individual concerned to the Ethics and Audit Committee before he/she applies for employment by the Secretariat. The Secretariat shall not take action on or accept an application for employment from such an individual unless a waiver has been granted by the Board.”

2. Since the approval of this policy, several current and former Board affiliated individuals have applied to the Ethics and Audit Committee (EAC) for granting of waivers. In every case, the EAC could not arrive at a consensus. In an effort to enable EAC members to establish a better common understanding of the critical elements in a waiver request, the EAC engaged the Secretariat to develop a process to consider the circumstances under which waivers could be granted.

3. It is worth noting that the Policy was adopted at B.09 (early 2015) when the total number of Secretariat staff amounted to around 50 members, and its structure was still evolving. The Secretariat is nearly fully staffed now and its current structure was approved at B.18. The Secretariat has reported on different occasions that several staff members have left the Secretariat either due to lack of employment for their spouses or because of the location, or for both reasons.

4. These changes in the evolution of the Secretariat, coupled with familiarization of potential waiver applicants with the Secretariat work, and their appreciation of the living environment in Songdo, has led the EAC to consider the circumstances under which waivers could be granted to those individuals referred to in paragraph one above.

5. Consideration of a request for waiver requires taking into account the many nuances and details of each case. This document therefore, sets out the process whereby the EAC may establish a common understanding of the circumstances related to the waiver request and thereby facilitate an appropriate recommendation to the Board, on whether to grant a waiver to an individual.

II. Process

6. The Ethics and Audit Committee will receive, and acknowledge receipt of, the request for waiver from the Covered Individual or Immediate Family Member.

7. The request will be passed on as soon as possible (preferably same day) to the Head HR in the Secretariat. He/she will acknowledge receipt of the request to the Committee and will suggest a reasonable timeframe for the decision-making process, taking into account the

timeline of the relevant selection process. Current recruitment processes in the Secretariat extend to 2-3 months from the advertisement of the vacancy to acceptance of an offer, the process to fill a consultancy position may be much quicker depending on the circumstances.

8. The Head HR will gather all available information about the request and carry out an analysis, taking the following factors into account.

- (a) Has the requester satisfied any of the “cooling off” period? If so, what portion of it?
- (b) How urgent for the Secretariat, is filling this position?
- (c) Regarding the scope of the requester’s involvement with the Board, how much influence does the requester’s current position confer?
- (d) Regarding the scale of the requester’s involvement with the Board, how frequently has the requester attended Board meetings or committees? What is the scale of their involvement with the Board?
- (e) Has the position previously failed to attract sufficient qualified candidates, or have there been frequent departures of hired staff from the position?
- (f) How common are the skills required for this position?
- (g) Does the requester have a unique skill set relevant to the position?
- (h) Has the Secretariat itself identified a compelling reason why the requester should be considered in the candidate pool?

9. Other factors may also be included as appropriate and relevant to the case in question, and the requester may be asked to provide additional information.

10. The Head of HR will write a short report summarizing the findings and the analysis, and with prior endorsement of the Director of Support Services and the Executive Director, present the report to the Committee. This should be done within two weeks of receiving the request. For the sake of clarity, the analysis carried out is not a recommendation, but additional information to assist the Committee’s decision-making.

11. The Committee will consider the analysis and any other relevant matters, it may also utilize other forms of analysis to further inform its deliberations. In the case of a positive recommendation for waiver, the Committee will convey its recommendation to the Board for decision.

12. The Chair of the Ethics and Audit Committee will inform the requester of the decision of the Board.

13. Where the Ethics and Audit Committee does not agree to recommend a waiver to the Board, the Chair of the Ethics and Audit Committee shall inform the waiver requestor of its decision.

Annex IV: The advertisement

The Green Climate Fund is seeking to select and appoint its Permanent Trustee



The Green Climate Fund (GCF) is inviting proposals from eligible public international financial institutions to become its permanent trustee. The selected institution will establish the GCF Trust Fund in accordance with the Terms of Reference of the Permanent Trustee.

The GCF was established in 2010 by the Parties to the United Nations Framework Convention on Climate Change (UNFCCC) and was designated as an operating entity of the Financial Mechanism of the UNFCCC in 2011. The Financial Mechanism of the UNFCCC also serves the Paris Agreement, and in 2015 the Parties to the UNFCCC decided that the GCF, as an operating entity of the Financial Mechanism of the UNFCCC, shall also serve the Paris Agreement.

The objective of the GCF is to promote the paradigm shift towards low-emission and climate-resilient development pathways by providing support to developing countries to limit or reduce their greenhouse gas emissions and to adapt to the impacts of climate change.

The GCF is governed by a Board, comprising 24 members equally divided between developed and developing country parties to the UNFCCC. It is served by an independent secretariat located in Songdo, Republic of South Korea. The World Bank serves as the interim Trustee of the GCF.

The GCF became fully operational in 2015, and now has agreements with 59 international and national entities to implement projects and programmes. It has committed more than USD 3 billion for mitigation and adaptation activities in 79 developing countries. It has received over USD 5.5 billion in contributions to date from more than USD 10 billion in pledges for its initial resource mobilization period (2015 - 2018).

The selected public international financial institution will be appointed as the permanent Trustee of the GCF. The Trustee *inter alia*, will receive, hold in trust, and invest the financial contributions from contributors, as well as transfer of such resources to beneficiaries, pursuant to GCF instruction. The Trustee will submit periodic financial reports to the GCF.

Potential applicants are invited to consider the Terms of Reference of the Permanent Trustee at www.greenclimate.fund/trustee-selection, and to gain more information on the GCF at www.greenclimate.fund.

Applications / letters of intent along with associated questions should be sent to procurement@gcfund.org before the application deadline of 17:00 hours 14th May 2018 Korean Standard Time (Seoul Time).



Annex V: Amendment to the Amended and Restated Agreement on the Terms and Conditions for the Administration of the Green Climate Fund Trust Fund

AMENDMENT TO THE AMENDED AND RESTATED AGREEMENT ON THE TERMS AND CONDITIONS FOR THE ADMINISTRATION OF THE GREEN CLIMATE FUND TRUST FUND (MTO NO. 069022)

1. Reference is made to the Amended and Restated Agreement on the Terms and Conditions for the Administration of the Green Climate Fund Trust Fund dated April 22, 2015 (the “Agreement”) between the Green Climate Fund (the “Fund”) and the International Bank for Reconstruction and Development (the “Bank”), serving as the interim trustee (the “Trustee”) of the Green Climate Fund Trust Fund (MTO No. 069022) (the “Trust Fund”).
2. Unless the context requires otherwise, the capitalized terms used in this Amendment shall have the meanings ascribed to them in the Agreement.
3. Following decision B.19/03 of the Board to invite the Bank to continue serving as the interim trustee, the Parties hereby agree to amend paragraph 8.4 of the Agreement to read in its entirety as follows:

“8.4. Unless otherwise agreed between the Board and the Bank, the Bank’s role as the interim trustee of the Trust Fund shall terminate on 30 April 2019 or on such date on which the successor trustee takes up the role, whichever occurs earlier, except as set forth in paragraphs 8.3 and 8.5. In the event that a successor trustee takes up the role, the Fund shall provide written notice to the Bank thirty (30) days prior to the date on which the successor trustee will take up such role. For the avoidance of doubt, the term “take up the role” shall mean the date on which the legal agreement between the Fund and the successor trustee takes effect.”
4. All other terms of the Agreement shall remain the same.
5. The Trustee and the Fund will disclose this Amendment in accordance with their respective policies and procedures with respect to the disclosure of information, in effect at the time of such disclosure. By entering into this Amendment, the Parties consent to such disclosure.

[remainder of page intentionally left blank]



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6. Each of the Parties represents, by confirming its agreement below, that it is authorized to enter into this Amendment and act in accordance with these terms and conditions. The Parties are requested to sign and date this Amendment, and upon possession by the Trustee of this fully signed Amendment, which may be executed in counterparts, this Amendment shall become effective as of the date of the last signature.

GREEN CLIMATE FUND

By: Howard Bamsey
Howard Bamsey
Executive Director

Date: 27 April 2018

**INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
SERVING AS THE INTERIM TRUSTEE OF THE GREEN CLIMATE FUND TRUST FUND**

By: Dirk Reinermann
Dirk Reinermann
Director
Trust Funds and Partner Relations
Development Finance

Date: April 19, 2018