



**GREEN  
CLIMATE  
FUND**

**Meeting of the Board**  
26 – 28 February 2019  
Songdo, Incheon, Republic of Korea  
Provisional agenda item 6

**GCF/B.22/Inf.11**

1 February 2019

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

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## **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 during the reporting period from mid-September to 31 December 2018, with the exception of Accreditation Panel and independent Technical Advisory Panel, whose reporting period concluded mid-January:

- (a) Accreditation Committee;
- (b) Accreditation Panel;
- (c) Independent Technical Advisory Panel; and
- (d) Investment Committee; and
- (e) Risk Management Committee.

## I. Introduction

1. Due to the change in term of Board membership between 2018 and 2019, this report covers the reporting period of mid-September to 31 December 2018, with the exception of the Accreditation Panel (AP) and independent Technical Advisory Panel (TAP), whose reporting period concluded mid-January. This report also indicates activities planned to be carried out by the committees, panels and group of the Board in advance of its twenty-second meeting (B.22).
2. As of 1 February 2019, the publication date of this document, the appointment of members to the committees and group is in progress. Annex I to this document contains the list of members of the committees and group of the Board as of 31 December 2018.

## II. Report on activities of the Accreditation Committee

3. 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

4. The AC members were in regular communication and held one informal meeting jointly with the AP during the reporting period. The AC was not able to convene a formal meeting due to lack of quorum.
5. In line with decision B.12/30, paragraph (d), the AP has been working towards establishing a baseline methodology on the overall portfolio of accredited entities (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. The AC noted the three options for approaches to baseline development as presented by the AP at the twenty-first meeting of the Board (B.21). The AC, during the reporting period, held an informal meeting jointly with the AP and provided further guidance on potential options for approaches to developing the baseline. The AC also provided feedback on the draft version of the document prepared by the AP for B.22. Further details are contained in the report of the AP in this document.
6. The agenda item on the review of the accreditation framework, including the project specific framework approach, was not opened at B.21. The AC members noted the Secretariat's document for the accreditation review presented in GCF/B.22/14 for the Board's consideration at B.22.

### 2.2 Next steps

7. In the period after B.22, the AC will continue its work based on the "Workplan of the Board for 2019" as contained in the annex III to decision B.21/04 regarding accreditation matters. The draft workplan of the AC is presented in annex II to this document.

## III. Report on activities of the Accreditation Panel

8. The 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 the 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).

## 3.1 Activities during the reporting period

### 3.1.1. Review of accreditation applications

9. During the reporting period, the AP 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. In the case of one applicant (a direct access entity), the AP also undertook a site visit to the applicant's headquarters to fully understand the applicant's operations and controls.

10. The AP 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 completed the review of nine new applications and one upgrade application of an accredited entity, to recommend for accreditation at B.22. Further details are contained in document GCF/B.22/02 titled "Consideration of accreditation proposals".

### 3.1.2. Review of accreditation conditions for accredited entities

11. The AP has also reviewed evidence provided by 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 III of the "Consideration of accreditation proposals" (document GCF/B.22/02).

### 3.1.3. Technical inputs to policies related to accreditation matters

12. In line with decision B.12/30, paragraph (d), the AP members, in consultation with the Accreditation Committee and 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. Further details are contained in a document titled "Baseline on the overall portfolio of accredited entities" (under preparation).

## 3.2 Next steps

13. The accreditation process is ongoing, and 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. In 2019, given that the first entities accredited to the GCF were accredited in 2015, the AP expects that its work related to implementing the re-accreditation process and reviewing re-accreditation applications will begin. In addition, the AP will continue to review annual self-assessment reports as well as conduct the mid-term review of AEs.

14. As a factor of re-accreditation as per the GCF monitoring and accountability framework adopted in decision B.11/10, the AP expects to implement a pilot phase of a baseline study applying the aggregated approach (based on the proposed GCF indicator tool), as well as further investigate on disaggregated approach (based on existing entities' reporting frameworks) for the overall portfolio of AEs and develop guidance on the implementation of both approaches.

15. AP members will 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.

16. The draft work plan of the AP for 2019 is presented in the annex III to this document, which is based on the “Work plan of the Board for 2019” as contained in annex III to decision B.21/04.

#### **IV. Report on activities of the independent Technical Advisory Panel**

17. The independent TAP continued to review funding proposals and conducted assessments based on the initial investment framework and guidelines provided through various subsequent decisions. Since the previous reporting period, the independent TAP received 11 new funding proposals in total for assessment, including two simplified approval process proposals and one REDD-plus proposal. Out of the two simplified approval process proposals, one is a resubmission since B.21, where TAP requested the AE to resubmit taking into account comments from TAP.

18. The independent TAP met in Songdo, Republic of Korea from 9 to 15 January 2019 and finalized the assessments of the 11 funding proposals. In its assessment of the funding proposals, TAP continued to engage with AEs. This was done by sending written questions and receiving written responses as well as through a virtual call to present the assessment of the TAP and discuss possible conditions and recommendations.

19. Out of the 11 funding proposals, the independent TAP endorsed nine for Board consideration. Two remaining funding proposals are likely to require further refinement before the Board can consider them.

20. While in Songdo, the independent TAP held discussions with the Independent Evaluation Unit to share the lessons it had learned from assisting AEs prepare funding proposals.

#### **V. Report on activities of the Investment Committee**

21. Since B.21, the Investment Committee (IC) has progressed on several Board mandates, including:

- (a) Revision of the structure and operations of the independent Technical Advisory Panel (decision B.19/08 and previous decisions, including B.10/09);
- (b) Development of investment criteria indicators (decision B.19/07 and previous decisions on indicative minimum benchmarks, including decisions B.07/06 and B.09/05);
- (c) Review of financial terms and conditions of GCF financial instruments (decision B.09/04 and subsequent decisions B.12/15, B.15/05 and B.17/08);
- (d) Updates from the Secretariat on the status of the portfolio of approved projects.

##### **5.1 Activities during the reporting period**

22. The IC held one virtual meeting on 20 November 2018. During this meeting, the IC was briefed on the GCF pipeline of projects, including those under consideration for B.22. The IC also discussed its current mandate and options for adapting its workplan to allow it greater strategic engagement (further discussed in paragraph 26 below).

23. The IC progressed on the following matters related to the independent TAP:

- (a) Extension of three contracts for TAP members that were set to expire in April 2019. A decision proposed between Board meetings to extend the contracts of the three members was approved by the Board on 4 December 2018; and
- (b) Revision of the structure and operations of the TAP. The IC further discussed the revisions and decided the document could be further refined and brought to the Board at its twenty-third meeting (B.23).
24. The IC continued its work on the investment criteria indicators. It further discussed and updated the document during the reporting period. The IC endorsed the document to be presented to the Board for consideration at B.22.
25. The IC also continued its discussions on the review of the financial terms and conditions. During discussions, the IC concluded the first review and proposed new TOR for subsequent reviews. The IC came to an agreement that their proposed revised TOR for the review should be brought to the Board for discussion and decision as soon as possible, with members discussing the possibility of it as a decision proposed between Board meetings.
26. At its meeting on 15 October 2018, the IC requested the Secretariat to present a document on options for its future strategic engagement based on the TOR and mandate of the IC. The Secretariat developed a document outlining two new options for how the IC could focus and organize its future work, including providing greater strategic direction in relation to the matters under its existing TOR and mandates, or by seeking agreement to alter its TOR.
27. This document was presented to the IC for its consideration in November 2018. The IC welcomed the opportunity to take stock of its areas of focus and agreed that this was a good point in time at which to be considering these questions, given the current review of committees, panels and groups and changes to Board membership. The IC had an initial discussion on the options presented at its virtual meeting on 20 November. It agreed that there were a range of ideas in the Secretariat's document that warranted further discussion. It also agreed that additional time would be needed to review and consider this matter, noting the change of membership in 2019. The IC members recommended that the new IC take the opportunity to meet in person for half a day to further discuss this document and the workplan of the IC going forward.

## **VI. Report on activities of the Risk Management Committee**

28. Through decision B.17/11, the Board adopted the first set of components for the risk management framework (RMF), which included the revised risk register, risk appetite statement, risk dashboard and risk guidelines for funding proposals. The Board also requested the Secretariat to further develop the risk dashboard and the underlying methodologies for consideration by the Board at its eighteenth meeting. In addition, the Board requested the Secretariat to continue with the development of appropriate risk rating models with support from an external professional service provider and in consultation with the Risk Management Committee (RMC), and present the risk rating models for consideration by the Board at its nineteenth meeting.
29. At its eighteenth meeting, the Board took note of document GCF/B.18/05 titled "GCF risk management framework – Proposal by the Risk Management Committee"; however, no decision was taken under this item.
30. Through decision B.18/01, the Board approved the workplan of the Board for 2018 and decided to postpone the presentation of the risk rating methodologies for consideration by the Board to its twentieth meeting (B.20).
31. The Board, through decision B.19/04, adopted the second set of components of the RMF, which included three risk policies governing investment, non-financial and funding risks,

respectively. Through the same decision, the Board also decided to update the risk dashboard with the revised approach to reporting on concentration and requested the Secretariat to publish the updated risk dashboard every quarter thereafter.

32. At B.20, the agenda item “Risk management framework: compliance risk policy” was not opened by the Board, and therefore no decision was taken under this item. At the same meeting, through decision B.20/03, the Board took note of the updated workplan of the Board for 2018 and decided to defer consideration of the risk rating models, inter alia, and requested the Secretariat, in consultation with the Co-Chairs and relevant committees, panels and groups of the Board, to progress its work on the matter and present it for consideration by the Board at the earliest possible opportunity.

33. At B.21, the agenda item “Risk management framework: compliance risk policy” was not opened and therefore no decision was taken under this item. At the same meeting, through decision B.21/04, the Board approved the workplan of the Board for 2019 and decided to defer the consideration of the remaining components of the risk management framework, inter alia, and requested the Secretariat, in consultation with the Co-Chairs and relevant committees, panels and groups of the Board, to progress its work on the matter and present it for consideration by the Board at the earliest possible opportunity.

34. In decision B.12/31, paragraph (d), the Board requested the Executive Director to regard the template accreditation master agreement (AMA) as the basis for negotiations with AEs. The Executive Director will determine, in consultation with the Secretariat’s Office of Risk Management and Compliance and Office of the General Counsel as well as the Risk Management Committee, whether any change is considered substantive on a case-by-case basis and would require Board approval.

## 6.1 Activities during the reporting period

35. In the reporting period from mid-September to the end of December 2018, the RMC held one formal meeting and four informal meetings, and also conducted activities via email. The RMC discussed and provided guidance to the Secretariat on the mandates related to risk and compliance given by the Board, including: (i) development of the RMF and its underlying policies, guidelines and tools; and (ii) AMA consultation.

36. Subsequent to the adoption of the second set of components of the RMF through decision B.19/04, the RMC reviewed the compliance risk policy, which is an important element within the RMF. As the agenda item was not opened by the Board at B.20 or B.21, the compliance risk policy was deferred to B.22.

37. The Secretariat provided updates to the RMC on the development of the legal risk policy, which is another component of the RMF. Due to an unforeseen delay in finalizing the contract with the external law firm procured to support the development of the policy, the RMC agreed with the Secretariat’s recommendation to defer the presentation of the legal risk policy to B.23.

38. The RMC was also kept up to date by the Secretariat on the ongoing development of the risk rating/scoring models. However, due to the heavy agenda for B.22, the RMC agreed with the Secretariat’s suggestion to defer the presentation of the risk/scoring models to B.23.

39. The Secretariat also consulted with the RMC on the third quarter publication of the four-page summary of the risk dashboard for 2018, which was published on the GCF website on 22 November 2018.

40. Furthermore, the Secretariat consulted with the RMC on the following AMAs during the reporting period:

- (a) First amendment to the AMA with the Ministry of Finance and Economic Cooperation of the Federal Democratic Republic of Ethiopia;
- (b) AMA with the World Food Programme;
- (c) AMA with the China Clean Development Mechanism Fund Management Center;
- (d) AMA with the Caribbean Development Bank;
- (e) AMA with the Palli Karma-Sahayak Foundation; and
- (f) AMA with the CDG Capital S.A.

41. Following the review of the AMAs, the RMC agreed with the Secretariat in its assessment that the changes made to the AMAs were not substantive and therefore did not require Board approval.

42. As the RMC requested to extend their review period for AMAs from 7 calendar days to 10 calendar days in order to manage the workload, all AMAs that were sent to the RMC for review after B.21 had a 10-day review period.

43. At the end of this reporting period, the Board membership of Mr. Mamadou Honadia ended. As Mr. Honadia was also a member of the RMC, RMC members expressed their gratitude to Mr. Honadia for his contributions to the Committee and GCF.

## 6.2 Next Steps

44. The next RMC meeting is expected to be held in Songdo during B.22.

## Annex I: Members of the committees and group of the Board as of 31 December 2018

Committee/Group	Members	Appointment date (Board decision) Replacement date	Membership expiry date (Board decision)
<b>Accreditation Committee</b> (Established by decision B.07/02 (e); 18-21 May 2014)  Standing committee	Mr. Hans Olav Ibrenk	18 November 2015 (B.11/14 (e)) 2 June 2017	31 December 2018 (B.12/36 (d))
	Mr. Mathew Haarsager	18 November 2015 (B.11/14 (e)) 19 September 2018	
	Mr. Richard Muyungi	18 November 2015 (B.BM-2016/04 (d))	
	Mr. Wenxing Pan	18 November 2015 (B.BM-2016/01 (a)) 4 September 2018	
	Mr. Lars Roth	18 November 2015 (B.11/14 (e)) 7 October 2016	
	Mr. Jeremiah Garwo Sokan	20 October 2018 (B.21/02)	
<b>Budget Committee</b> (Established by decision B.12/37; 8 - 10 March 2017)  Standing committee	Mr. Jose Delgado	8 March 2016 (B.12/37 (c))	31 December 2018 (B.12/36 (d))
	Mr. Teimuraz Murgulia		
	Mr. Paul Oquist	8 March 2016 (B.12/37 (c)) 1 January 2018	
	Ms. Paola Pettinari	8 March 2016 (B.12/37 (c)) 1 August 2018	
	Ms. Sue Szabo	8 March 2016 (B.12/37 (c)) 8 May 2018	
	Mr. Karma Tshering	16 May 2017 (B.BM-2017/04)	
<b>Ethics and Audit Committee</b> (Established by decision B.05/13; 8-10 October 2013)  Standing committee	Mr. Nauman Bhatti	7 October 2016 (B.BM-2016/15)	31 December 2018 (B.12/36 (d))
	Mr. Omar El-Arini	8 October 2013 (B.05/13 (g))	
	Mr. Mathew Haarsager	8 October 2013 (B.05/13 (g)) 19 September 2018	
	Ms. Esther Gonzalez Sanz	8 October 2013 (B.05/13 (g)) 7 October 2016	
	Ms. Paola Pettinari	2 November 2015 (B.11/14 (c)) 1 August 2018	
	Mr. Ayman M. Shasly	8 October 2013 (B.05/13 (g))	



Committee/Group	Members	Appointment date (Board decision) Replacement date	Membership expiry date (Board decision)
<b>Investment Committee</b> (Established by decision B.05/13; 8-10 October 2013)	Mr. Amjad Abdulla	8 July 2015	31 December 2018 (B.12/36 (d))
	Mr. Nagmeldin Elhassan	(B.BM-2016/04 (c))	
	Mr. Norbert Gorißen	8 July 2015 (B.11/14 (a)) 3 August 2018	
	Ms. Kate Hughes	8 July 2015 (B.11/14 (a))	
	Mr. Ignacio Lorenzo	8 July 2015 (B.BM-2016/04 (c)) 6 April 2018	
	Mr. Chris Tinning	19 June 2018 (B.BM-2018/11)	
<b>Private Sector Advisory Group</b> (Established by decision B.05/13; 8-10 October 2013)	Mr. Nauman Bhatti	12 December 2016 (B.BM-2016/18)	31 December 2018 (B.12/36 (d))
	Mr. Stefan Denzler	(B.BM-2016/04 (b)) 13 July 2017	
	Mr. Ignacio Lorenzo	4 December 2017 (B.BM-2017/11)	
	Mr. Tobias Von Platen-Hallermund	(B.11/14 (d)) 11 September 2018	
<b>Risk Management Committee</b> (Established by decision B.05/13; 8-10 October 2013)	Ms. Cyril Rousseau	8 July 2015 (B.11/14 (b)) 24 December 2015	31 December 2018 (B.12/36 (d))
	Mr. Roelof Buffinga	8 July 2015 (B.11/14 (b)) 11 July 2016	
	Mr. Mamadou Honadia	16 May 2017 (B.BM-2017/04)	
	Mr. Munenari Nomura	8 July 2015 (B.11/14 (b)) 3 April 2018	
	Mr. Wenxing Pan	8 March 2016 (B.12/02) 4 September 2018	
	VACANT - developing		

## Annex II: Draft workplan for the Accreditation Committee of the Green Climate Fund in 2019

1. This draft workplan of the Accreditation Committee for 2019 is based on the “Workplan of the Board for 2019” as contained in annex III to decision B.21/04.

Issue	B.22	B.23	B.24
<b>1. BOARD MATTERS</b>			
<b>a. Committees, panels and groups</b>			
Review of committees and panels (Annexes XVI–XIX to decision B.05/13, and decision B.20/04, para. (b))	Presentation of findings of the review of committees and panel		
<b>2. FUND POLICIES</b>			
<b>a. Fund-wide policies</b>			
Information disclosure policy (Decisions B.12/35, paras. (b) and (g); annex XXIX, para. 28; B.17/01, para. (b) (xvii); and B.18/01, para. (g))		Review of the live webcasting service for formal meetings of the Board (Decision B.BM-2018/07, para. (b))	Presentation of recommendations on the review of the relevant disclosure requirements once the environmental and social management system is developed (Decision B.12/35, para. (b))
GCF Gender and Social Inclusion Policy (Decisions B.09/11; B.12/16; B.14/01, para. (g); and B.BM-2017/02)	Adoption of an updated Gender Policy		
<b>3. ACCREDITATION FRAMEWORK</b>			
Initial fiduciary standards and integrity policies (Decisions B.07/02; B.12/31, para. (i); B.14/01, paras. (e) and (f); B.14/08, para. (f); and B.20/03, para. (b)(i))	Adoption of fiduciary compliance and integrity policies/policies relating to prohibited practices, money-laundering and countering the financing of terrorism <small>Error! Bookmark not defined.</small> (Decisions B.12/31, para. (i); B.14/01, para. (e); and B.15/13)		Integration of policies relating to prohibited practices, money-laundering and countering the financing of terrorism in the interim fiduciary standards (Decision B.14/01, para. (f))
Environmental and social management system <sup>a</sup> (Decisions B.07/02, para. (n); and B.19/10)	Consideration of a proposed approach to developing the GCF environmental and social safeguards standards (Decision B.19/10, para. (c))		

<sup>a</sup> Accreditation Committee.

## Annex III: Draft Work Plan for the Accreditation Panel of the Green Climate Fund in 2019

1. This draft work plan of the Accreditation Panel in 2019 is based on the “Work plan of the Board for 2019” as contained in annex III to decision B.21/04.

Issue	B.22	B.23	B.24
<b>1. BOARD MATTERS</b>			
<b>a. Committees, panels and groups</b>			
Review of committees and panels (Annexes XVI–XIX to decision B.05/13, and decision B.20/04, para. (b))	Presentation of findings of the review of committees and panel		
<b>2. FUND POLICIES</b>			
<b>a. Fund-wide policies</b>			
Information disclosure policy (Decisions B.12/35, paras. (b) and (g); annex XXIX, para. 28; B.17/01, para. (b) (xvii); and B.18/01, para. (g))		Review of the live webcasting service for formal meetings of the Board (Decision B.BM-2018/07, para. (b))	Presentation of recommendations on the review of the relevant disclosure requirements once the environmental and social management system is developed (Decision B.12/35, para. (b))
GCF Gender and Social Inclusion Policy (Decisions B.09/11; B.12/16; B.14/01, para. (g); and B.BM-2017/02)	Adoption of an updated Gender Policy		
<b>3. ACCREDITATION FRAMEWORK</b>			
Initial fiduciary standards and integrity policies (Decisions B.07/02; B.12/31, para. (i); B.14/01, paras. (e) and (f); B.14/08, para. (f); and B.20/03, para. (b)(i))	Adoption of fiduciary compliance and integrity policies/policies relating to prohibited practices, anti-money laundering and countering the financing of terrorism <sup>Error! Bookmark not defined.</sup> (Decisions B.12/31, para. (i); B.14/01, para. (e); and B.15/13)		Integration of policies relating to prohibited practices, anti-money laundering and countering the financing of terrorism in the interim fiduciary standards <sup>Error! Bookmark not defined.</sup> (Decision B.14/01, para. (f))
Environmental and social management system <sup>a</sup> (Decisions B.07/02, para. (n); and B.19/10)	Consideration of a proposed approach to developing the GCF environmental and social safeguards standards (Decision B.19/10, para. (c))		

<sup>a</sup> Accreditation Committee.

