

Annex II: Terms of reference of the review of the structure and effectiveness of the independent Technical Advisory Panel

I. Objective of the review

1. The overall objective of the review is to ensure that the composition and capacity of the TAP allows it to perform the review of funding proposals in a timely way and with high quality delivery. The review will assess the structure and effectiveness of the Panel, and its ability to review funding proposals that have undergone the Secretariat's second level due diligence. It will also assess the TAP's role in the revised proposal approval process and in other potential functions where its expertise can provide value for the Fund and its stakeholders such as the accredited entities and the national designated authorities.

II. Scope

2. In particular, the review will focus on the following aspects:

- (a) Projected demands on the TAP and its associated capacity to assess funding proposals in terms of time commitment and range of technical expertise;
- (b) Panel composition, including balance in terms of geographic and technical expertise coverage;
- (c) Any specific gaps in the Panel's technical expertise that should be filled through the appointment of additional Panel members rather than ad hoc technical support;
- (d) Costings for the recruitment and employment of such additional Panel members;
- (e) Cost-effectiveness of the current modus operandi of the Panel;
- (f) The usage of the roster of experts established to support the work of ITAP and the adequateness of its budget allocation;
- (g) The current and potential roles of the Panel in the Fund's proposal approval process (including simplified processes for certain activities and concept notes), pipeline development strategies, and knowledge and learning functions, as well as the division of labour between the TAP and the Secretariat;
- (h) Working practices, including the timing of the Panel's reception of funding proposals and delivery of its assessment findings, the use of experts from the roster of experts available to ITAP, and the details and procedures of the feedback process with the Accredited Entities and the Secretariat;
- (i) The quality and usefulness of the TAP's recommendations to the Board; and
- (j) The potential effectiveness of extending the review of the Panel to other aspects that concern investments' appraisal such as the technical, economic and financial aspects which are detailed in the funding proposals' annexes.

3. The review will take into account the relevant decisions of the Board and the terms of reference of the independent Technical Advisory Panel, as well as inputs from the Secretariat regarding the current and projected funding proposal pipelines. It will also take into account the limitations due to the short timeframe in which the Fund, and the Panel in particular, has been operational.

4. The review will provide recommendations on how the quality and effectiveness of the Panel's advice to the Board can be enhanced, through consideration of, inter alia:

- (a) Additional capacity to fill gaps in technical expertise in areas where the current or foreseen level of demand so requires, as well as to meet the time demands for the review of the funding proposals;
 - (b) Possible redundancies in terms of geographic and technical expertise coverage, with respect to the observed needs related to the composition of the funding proposal pipeline;
 - (c) Areas in which the need for specialized knowledge is likely to arise, requiring the procurement of experts as external consultants;
 - (d) Ways to address the imbalances in the geographic balance noted by the Board in decision B.12/05, as well as any other imbalances that may be observed;
 - (e) Improvements and cost effectiveness in the operation of the Panel, including virtual and in-person discussions, standardization, clarity and quality of feedback, conditions and recommendations, and the individual or collective nature of the TAP review outcomes;
 - (f) Enhanced clarity of the role of ITAP and improvements in the way in which the Panel interacts with the AEs, the GCF Secretariat and the Board, drawing on the experience of the GCF and other similar funds, and regarding its roles and responsibilities, timing of interactions, provision of deliverables, etc.;
 - (g) Additional roles that the Panel may take to improve the operation of the Fund and its ability to generate a high-quality pipeline, such as providing strategic insight and lessons learned, or early feedback on concept notes;
 - (h) Changes in the role of the TAP in the Proposal Approval Process, including interaction with accredited entities at an early stage of project design and during the TAP's funding proposal review; and
 - (i) Additional capacity and budget needed to undertake those functions.
5. In addition, the review will compare the current business model (Panel composed by individual part time consultants) with other possible solutions that can provide cost-effectiveness maintaining the same type of representation standards (geographical balance, gender balance, etc.). This may draw on experiences from other funds that have a similar technical panel function.

III. Methodology

6. The review of the TAP's structure and effectiveness will be conducted by an independent third party (the consultant/firm) in collaboration with the Secretariat, and in consultation with the Investment Committee.
7. The consultant/firm will review, inter alia, the following documentation:
 - (a) The proposal approval process and the respective roles of the TAP and Secretariat in the review and assessment of funding proposals;
 - (b) The Terms of Reference of the Panel;
 - (c) The list of proposals submitted to the Panel;
 - (d) The work assigned to and conducted by each TAP expert;
 - (e) The TAP assessments for the funding proposals considered so far;
 - (f) Records of the amount of days worked by each TAP expert;
 - (g) Records of the discussions in TAP meetings; and

- (h) The composition of the expected future pipeline, to be provided by the Secretariat.
- 8. The consultant will conduct interviews with the Panel's members to record potential gaps, recommendations and good practices that the Panel may have identified in the course of its operations.
- 9. The consultant will also conduct interviews with other stakeholders, including the Secretariat, members of the Investment Committee, Board members, Accredited Entities and other stakeholders to identify potential issues, needs and opportunities for improvement in the aspects under review.
- 10. The consultant will provide, in consultation with the Investment Committee, specific recommendations to improve the structure and effectiveness of the TAP, focusing on the aspects discussed in section II.

IV. Deliverables

- 11. An interim update on the status of the review report will be provided to the Investment Committee prior to the final report. The final report will be presented to the Board at its 17th Meeting.