

## **Annex II: Terms of reference of the independent external HR firm**

### **I. Introduction**

1. The Board of the Green Climate Fund would like to implement a scheme of performance oversight for its Heads of Independent Units – Independent Integrity Unit, Independent Evaluation Unit and Independent Redress Mechanism. The three IUs were formed in 2016 since when the Heads have been working under the guidance of the GCF Board and committees. Recently, the Performance Oversight Committee (Committee) has been specifically created to oversee the performance of the Heads of the IUs and other bodies in the GCF, however it needs specialist support to undertake the performance evaluation of the Heads of IUs.

### **II. Objective of the assignment**

2. The firm will be expected to guide and support the Committee through the entire performance evaluation process, and also to set up the methodology for future evaluations. The process is to include a 360 degree evaluation by subordinates, peers, Board members and other stakeholders.

### **III. Activities to be undertaken by the firm**

- (a) Confirm the criteria for the performance evaluation. Various relevant documents have already been approved by the Board, including a list of competencies for Board appointed officials and a term of reference for each Head of IU, which is attached to their individual Letter of Appointment;
- (b) In consultation with the Heads, and under the guidance of the Committee, create the methodology for the performance evaluation, including a 360 degree evaluation as described above. The methodology should follow that commonly practiced in similar situations e.g. Heads of Independent Units within MDBs. A key principle is that the methodology of the evaluation process should not undermine the independence of the Heads of IUs, or create a conflict of interest with their work. The methodology should normally allow for self-assessment by the Head, assessment by the Committee and an overall decision with a rating of performance. The methodology must be suitable for use in the current situation and also for ongoing use in future years;
- (c) Support the Committee to undertake the evaluation, including managing the requests and receiving the feedback for the 360 degree process;
- (d) Act as Secretariat for the Committee, organizing meetings, taking minutes/creating reports as required;
- (e) Under the guidance of the Committee, summarise the overall results of the performance evaluations and give the Committee advice on how to manage any issues arising from the evaluations; and
- (f) In the context of the performance evaluations, give advice to the Committee on performance-based salary increments.

### **IV. Expected outputs**

- (a) A set of confirmed performance criteria for each Head of IU;

- 
- (b) A performance evaluation methodology on which the Heads of IUs have been fully consulted, and which has been approved by the Committee. The methodology will be suitable for immediate use and for ongoing use on a yearly basis;
  - (c) A comprehensive set of evaluations for each Head IU, that reports against the performance criteria and has been created following the agreed methodology;
  - (d) Written evaluation reports that will enable the Committee to give the Heads IUs comprehensive feedback;
  - (e) Advice to the Committee on any performance issues arising from the evaluations;
  - (f) Recommendations to the Board regarding performance-based increment increases in salaries; and
  - (g) All logistical arrangements and documentation as and when required by the Committee.

## **V. Confidentiality**

- 3. This is a personal and confidential exercise, so the highest standards of confidentiality will be required.

## **VI. Duration of the consultancy**

- 4. The activities and the consultancy are expected to conclude within 3 months of the signing of the contract with the firm, or the latest by the Board meeting B.23.