

Green Climate Fund

Roles and responsibilities of the Board

Information document

GCF/B.01-12/Inf. 02

3 August 2012

Meeting of the Board

23-25 August 2012

Geneva, Switzerland



Table of contents

I.	Background	1
II.	Objectives	1
III.	Rules of procedure	1
IV.	Accountability of the Fund to the Conference of the Parties	1
V.	Arrangements with the Secretariat	2
VI.	Appointments	2
VII.	Legal and administrative arrangements for hosting the Fund	2
VIII.	Trustee	2
IX.	Complementarity and coherence	3
X.	Thematic windows	3
XI.	Private sector	3
XII.	Replenishment process	3
XIII.	Access modalities and accreditation	3
XIV.	Funding and allocation of resources	4
XV.	Programming and approval processes	4
XVI.	Financial instruments	4
XVII.	Environmental and social safeguards	4
XVIII.	Fiduciary principles and standards	5
XIX.	Risk management	5
XX.	Administrative budget and audits	5
XXI.	Monitoring	5
XXII.	Evaluation	5
XXIII.	Accountability mechanisms	5
XXIV.	Subcommittees and panels	6
XXV.	Expert and technical advice	6
XXVI.	Stakeholder input and participation	6
XXVII.	Arrangements with other conventions and institutions	6
XXVIII.	Termination of the Fund	6

Roles and responsibilities of the Board

I. Background

1. The Conference of the Parties (COP) to the United Nations Framework Convention on Climate Change (UNFCCC) at its seventeenth session, through its decision 3/CP.17¹, approved the Governing Instrument for the Green Climate Fund (annexed to that decision), which describes the role and the functions of the Board and designates the Fund as an operating entity of its financial mechanism.
2. This document lays out the provisions of decision 3/CP.17 and the Governing Instrument that establish the role and functions (or responsibilities) of the Board.
3. The roles and responsibilities of the Board are listed below.

II. Objectives

4. Govern and supervise the Fund and have full responsibility for funding decisions;²
5. Operationalize the Fund in an expedited manner;³
6. Oversee the operation of all relevant components of the Fund;⁴
7. Exercise such other functions as may be appropriate to fulfil the objectives of the Fund;⁵

III. Rules of procedure

8. Elect its two Co-Chairs from among its members, with one being from a developed country Party and the other being from a developing country Party;⁶
9. Adopt rules of procedure, additional to those in the Governing Instrument and consistent with them;⁷

IV. Accountability of the Fund to the Conference of the Parties

10. Receive guidance from the COP, including on matters related to policies, programme priorities and eligibility criteria and matters related thereto;⁸
11. Take appropriate action in response to the guidance received;⁹
12. Report on its activities at each session of the COP and receive further guidance;¹⁰

¹ <http://unfccc.int/resource/docs/2011/cop17/eng/09a01.pdf>.

² Paragraph 5 of the Governing Instrument.

³ Paragraph 6 of decision 3/CP.17.

⁴ Paragraph 18(a) of the Governing Instrument.

⁵ Paragraph 18(p) of the Governing Instrument.

⁶ Paragraph 13 of the Governing Instrument.

⁷ Paragraph 17 of the Governing Instrument.

⁸ Paragraph 6(a) of the Governing Instrument.

⁹ Paragraph 6(b) of the Governing Instrument.

¹⁰ Paragraph 6(c) of the Governing Instrument.

V. Arrangements with the Secretariat

13. Establish in the host country, no later than the nineteenth session of the COP, the independent Secretariat of the Fund,¹¹ that will be accountable to the Board and function under its guidance, and whose head will report to the Board;
14. Periodically review the day-to-day operations performed by the Secretariat;¹²
15. Approve the budget of the Secretariat;¹³
16. Assign specific functions to the Secretariat;¹⁴

VI. Appointments

17. Appoint the head of the Interim Secretariat¹⁵ and Executive Director of the independent Secretariat,¹⁶ including approving the job description and qualifications for the head and the Executive Director and arranging for the selection to take place through a merit-based, open and transparent process;
18. Appoint the head of the evaluation unit and the heads of all accountability units;¹⁷

VII. Legal and administrative arrangements for hosting the Fund

19. Following the receipt of expressions of interest, conduct an open and transparent process for the selection of the host country, and decide on a host country for endorsement by the COP at its eighteenth session;¹⁸
20. In conjunction with the host country of the Fund, develop the legal and administrative arrangements for hosting the Fund, and ensure that juridical personality and legal capacity are conferred on the Fund, and privileges and immunities, as necessary, are granted to the Fund and its officials in an expedited manner;¹⁹

VIII. Trustee

21. Select, appoint and enter into legal and administrative arrangements with the Trustee;²⁰
22. Select the Trustee through an open, transparent and competitive bidding process in a timely manner to ensure there is no discontinuity in trustee service;²¹
23. Request from the Trustee financial records, financial statements and other reports, as appropriate, aimed at ensuring that the Trustee administers the assets of the Fund only for the purpose of, and in accordance with, the decisions of the Board;²²

¹¹ Paragraph 15 of decision 3/CP.17.

¹² Paragraph 19 of the Governing Instrument.

¹³ Paragraph 23(e) of the Governing Instrument.

¹⁴ Paragraph 23(m) of the Governing Instrument.

¹⁵ Paragraph 21 of decision 3/CP.17.

¹⁶ Paragraph 18(k) of the Governing Instrument.

¹⁷ Paragraph 18(l) of the Governing Instrument.

¹⁸ Paragraph 13 of decision 3/CP.17.

¹⁹ Paragraph 14 of decision, 3/CP.17.

²⁰ Paragraph 18(o) of the Governing Instrument.

²¹ Paragraph 16 of decision 3/CP.17.

²² Paragraphs 24 and 25 of the Governing Instrument.

IX. Complementarity and coherence

24. Develop appropriate arrangements between the Fund and other existing funds under the Convention, and between Fund and other funds, entities, and channels of climate change financing outside the Fund;²³
25. Develop methods to enhance complementarity between the activities of the Fund and the activities of other relevant bilateral, regional and global funding mechanisms and institutions, to better mobilize the full range of financial and technical capacities;²⁴
26. Develop appropriate mechanisms to promote coherence in programming at the national level;²⁵
27. Initiate discussions on coherence in climate finance delivery with other relevant multilateral entities;²⁶

X. Thematic windows

28. Consider the need for additional windows to the ones initially established, i.e. adaptation and mitigation;²⁷
29. Add, modify or remove thematic windows and/or substructures or facilities to address specific activities, as appropriate;²⁸
30. Ensure adequate resources for capacity-building and technology development and transfer;²⁹

XI. Private sector

31. Develop the necessary arrangements, including access modalities, to operationalize a private sector facility, consistent with a country-driven approach, that enables the Fund to finance to directly and indirectly private sector mitigation and adaptation activities at the national, regional and international levels;³⁰

XII. Replenishment process

32. Establish policies and procedures enabling an early and adequate replenishment process;³¹

XIII. Access modalities and accreditation

33. Approve operational modalities, access modalities and funding structures;³²
34. Develop criteria and application processes for the accreditation of implementing entities of the Fund and accredit implementing entities and withdraw such accreditation;³³

²³ Paragraph 33 of the Governing Instrument.

²⁴ Paragraph 34 of the Governing Instrument.

²⁵ Paragraph 34 of the Governing Instrument.

²⁶ Paragraph 34 of the Governing Instrument.

²⁷ Paragraph 39 of the Governing Instrument.

²⁸ Paragraph 39 of the Governing Instrument.

²⁹ Paragraph 38 of the Governing Instrument.

³⁰ Paragraph 40 of the Governing Instrument.

³¹ Paragraph 9 of decision 3/CP.17.

³² Paragraph 18(b) of the Governing Instrument.

³³ Paragraph 18(f) of the Governing Instrument.

35. Consider additional modalities that further enhance direct access, including through funding entities with a view to enhancing country ownership of projects and programmes;³⁴

36. Develop a transparent no-objection procedure to be conducted through national designated authorities to ensure consistency with national climate strategies and plans and a country-driven approach and to provide for effective public and private sector financing by the Fund; and adopt this procedure prior to approval of funding proposals by the Fund;³⁵

XIV. Funding and allocation of resources

37. Approve funding in accordance with the Fund's principles, criteria, modalities, policies and programmes;³⁶

38. Balance the allocation of resources between adaptation and mitigation activities under the Fund and ensure appropriate allocation of resources for other activities. A results-based approach will be an important criterion for allocating resources. In allocating resources for adaptation, the Board will take into account the urgent and immediate needs of developing countries that are particularly vulnerable to the adverse effects of climate change, including least developed countries, small island developing States and Africa, using minimum allocation floors for these countries as appropriate, when allocating resources for adaptation. The Board will aim for appropriate geographical balance;³⁷

XV. Programming and approval processes

39. Approve specific operational policies and guidelines, including for streamlined programming and approval process, project cycle, administration, and financial management;³⁸

40. Develop simplified processes for the approval of proposals for certain activities, in particular small-scale activities;³⁹

XVI. Financial instruments

41. Approve financial instruments for grants and concessional lending and other modalities, instruments or facilities;⁴⁰

XVII. Environmental and social safeguards

42. Develop and adopt best practice environmental and social safeguards, which will be applied to all programmes and projects financed with Fund resources;⁴¹

43. Establish modalities to support the strengthening of capacities in recipient countries, where needed, to meet the Fund's environmental and social safeguards;⁴²

³⁴ Paragraph 47 of the Governing Instrument.

³⁵ Paragraph 7 of decision 3/CP.17.

³⁶ Paragraph 18(d) of the Governing Instrument.

³⁷ Paragraphs 50, 51 and 52 of the Governing Instrument.

³⁸ Paragraph 18(c) of the Governing Instrument.

³⁹ Paragraph 53 of the Governing Instrument.

⁴⁰ Paragraph 54 of the Governing Instrument.

⁴¹ Paragraph 65 of the Governing Instrument.

⁴² Paragraph 66 of the Governing Instrument.

XVIII. Fiduciary principles and standards

44. Develop, adopt, and ensure the application of best practice fiduciary principles and standards to the Fund's entities, the Trustee's function related to the Fund, and to all operations, projects and programmes financed by the Fund, including the implementing entities;⁴³

45. Establish modalities to support the strengthening of capacities in recipient countries, where needed, to meet the Fund's fiduciary principles and standards;⁴⁴

XIX. Risk management

46. Develop an appropriate risk management policy for funding and financial instruments;⁴⁵

XX. Administrative budget and audits

47. Review and approve the administrative budget of the Fund and arrange for performance reviews and audits;⁴⁶

XXI. Monitoring

48. Establish a framework for the monitoring and evaluation of performance and the financial accountability of activities supported by the Fund and any necessary external audits;⁴⁷

49. Establish rules and procedures monitoring the impact, efficiency and effectiveness of programmes and projects, as well as other activities, funded by the Fund;⁴⁸

50. Approve a results measurement framework with guidelines and appropriate performance indicators;⁴⁹

XXII. Evaluation

51. Establish an operationally independent evaluation unit as part of the core structure of the Fund;⁵⁰

52. Coordinate with the evaluation unit the frequency and types of evaluation;⁵¹

XXIII. Accountability mechanisms

53. Develop information disclosure policy for the Fund's operations;⁵²

54. Establish an independent integrity unit, to work with the Secretariat and report to the Board, to investigate allegations of fraud and corruption in coordination with relevant counterpart authorities;⁵³

⁴³ Paragraph 63 of the Governing Instrument.

⁴⁴ Paragraph 64 of the Governing Instrument.

⁴⁵ Paragraph 56 of the Governing Instrument.

⁴⁶ Paragraph 18(j) of the Governing Instrument.

⁴⁷ Paragraph 18(i) of the Governing Instrument.

⁴⁸ Paragraph 57 of the Governing Instrument.

⁴⁹ Paragraph 58 of the Governing Instrument.

⁵⁰ Paragraph 60 of the Governing Instrument.

⁵¹ Paragraph 60 of the Governing Instrument.

⁵² Paragraph 67 of the Governing Instrument.

⁵³ Paragraph 68 of the Governing Instrument.

55. Establish an independent redress mechanism receiving and evaluating complaints related to the operation of the Fund and making recommendations to the Board;⁵⁴

XXIV. Subcommittees and panels

56. Establish subcommittees and panels and define their terms of reference, as appropriate;⁵⁵

XXV. Expert and technical advice

57. Develop mechanisms to draw on appropriate expert and technical advice, including from the relevant thematic bodies established under the Convention, as appropriate;⁵⁶

XXVI. Stakeholder input and participation

58. Develop mechanisms to promote the input and participation of stakeholders, including private-sector actors, civil society organizations, vulnerable groups, women and indigenous peoples, in the design, development and implementation of the strategies and activities to be financed by the Fund;⁵⁷

XXVII. Arrangements with other conventions and institutions

59. Develop working and coordination arrangements with other relevant bodies under the UNFCCC and other international institutions;⁵⁸

60. Initiate a process to collaborate with the Adaptation Committee and the Technology Executive Committee, as well as other relevant thematic bodies under the UNFCCC, to define linkages between the Fund and these bodies, as appropriate;⁵⁹

XXVIII. Termination of the Fund

61. Recommend to the COP the termination of the Fund.⁶⁰

⁵⁴ Paragraph 69 of the Governing Instrument.

⁵⁵ Paragraph 18(g) of the Governing Instrument.

⁵⁶ Paragraph 70 of the Governing Instrument.

⁵⁷ Paragraph 71 of the Governing Instrument.

⁵⁸ Paragraph 18(n) of the Governing Instrument.

⁵⁹ Paragraph 17 of decision 3/CP.17.

⁶⁰ Paragraph 72 of the Governing Instrument.