

Green Climate Fund

Work Plan of the Board for 2014

GCF/B.05/20

4 October 2013

Meeting of the Board

8-10 October 2013

Paris, France

Agenda item 13

Recommended action by the Board

It is recommended that the Board:

- (a) Takes note of the information presented in document GCF/B.05/20 *Work Plan of the Board for 2014*; and
- (b) Adopts the draft decision contained in Annex I to this document.

Work Plan of the Board for 2014

I. Introduction

1. This document sets out the Board's work plan until the end of 2014. The work plan provides clarity and transparency about the timing of Board decisions on strategic and policy matters that need to be addressed to further develop the organization and enhance the effectiveness of the Fund.
2. This work plan was drafted in accordance with the draft decisions of the Board prepared for the October 2013 meeting. The Interim Secretariat will update the work plan to reflect the discussions and final decisions of the Board after the October 2013 meeting.
3. This document focuses solely on the Board's work plan and does not discuss the operational work of the Secretariat. The work plan responds to the needs of the Fund as a whole, while building on the provisions contained in the Governing Instrument, relevant guidance from the Conference of the Parties (COP) and decisions adopted by the Board in its meetings.
4. The implementation of this work plan would enable the Fund to finalize the details of its institutional structure and operational policies, and set the stage for the Fund to become the main global fund for climate finance.
5. The proposed work plan refers to the Secretariat as fully operational to reflect the establishment of the independent Secretariat pending a decision of the Board at its October 2013 meeting to this effect.

II. Secretariat and other activities

6. This document corresponds to the work plan of the Board only and does not include the operational activities of the Secretariat.
7. To date, the Interim Secretariat has focused on supporting the work of the Board. For the Fund to become fully operational, the independent Secretariat will be required to take on the day-to-day operations of the Fund. To this end, the Secretariat's role will shift from being solely a supportive unit to the Board towards becoming the operational centre of the Fund.
8. To support the Fund's operations, the Secretariat will have to be staffed and structured adequately, as discussed in document GCF/B.05/10, which also includes the responsibilities of the Secretariat.

III. Elements of the Board's work plan until the end of 2014

9. The Board considered the Fund's business model framework in 2013, including the Fund's objectives, results and performance indicators, country ownership, access modalities, Private Sector Facility, financial instruments, structure and organization, allocation of resources, financial inputs, and results management framework.
10. The current shift towards operational modalities may result in shorter Board meetings, from 4–5 days to 3 days, and later to 2 days, as outlined in Annex III.

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11. The Board will be able to draw on the expertise and leadership of the Executive Director and the new management of the Secretariat.
 12. The elements of the work plan are grouped as follows and are elaborated in detail in Annex II. As work progresses, this work plan may be updated, based on Board decisions and proposals from the Executive Director in consultation with the Co-Chairs.
 - (a) Institutional and strategic matters;
 - (b) Access modalities and country ownership;
 - (c) Programming modalities;
 - (d) Private Sector Facility;
 - (e) Accountability mechanisms, standards, results and evaluation; and
 - (f) Resource mobilization.

IV. Indicative work plan timeline

13. Three Board meetings are proposed for 2014. The timeline presented in Annex III provides an indicative list of matters to be considered by the Board at its meetings in 2014, for approval by the Board. All items presented in the list are expected to lead to decisions by the Board.
14. In preparing Board documents, the Secretariat will ensure that all relevant views are taken into account and brought to the attention of the Board. This will be done through, inter alia, technical workshops and expert consultations by the Secretariat.
15. Before agreeing on this indicative timeline, the Board may wish to note that a definitive list of matters to be considered will be decided by the Board during preceding meetings. In addition, the work plan may be updated, based on proposals from the Executive Director, in consultation with the Co-Chairs. A preliminary list of documents to be considered at the first Board meeting in 2014 is presented in Annex IV.

Annex I: Draft decision of the Board

The Board having considered document GCF.B.05/20 *Work plan of the Board for 2014*:

- (a) Approves the Board's work plan until the end of 2014, as set out in Annex II to document GCF/B.05/20;
- (b) Approves the indicative timeline for the Board's work plan until the end of 2014, as set out in Annex III to document GCF/B.05/20, noting that the Board will manage the timeline on a meeting-by-meeting basis; and
- (c) Requests the Secretariat to prepare documents listed in Annex IV to document GCF/B.05/20 for the first Board meeting in 2014.

Annex II: Elements of the Board's work plan until the end of 2014

I. Institutional and strategic matters

- (a) Administrative policies;
- (b) Legal relationships, including securing privileges and immunities for the Fund and its staff;
- (c) Trustee arrangement, including review of the Interim Trustee;
- (d) Reporting to the Conference of the Parties (COP);
- (e) Commencement of annual reporting and external auditing process;
- (f) Information disclosure policy;
- (g) Relationship with other climate finance entities and external bodies, including corporate and foundational partnerships;
- (h) Establishment of committees and panels of the Board;
- (i) Structure of the Fund, including the structure of the Private Sector Facility; and
- (j) Communications strategy.

II. Access modalities and country ownership

- (a) Additional modalities that further enhance direct access, including through funding entities with a view to enhancing country ownership of projects and programmes;
- (b) Developing the Fund's guiding framework for accreditation, including accreditation policies and procedures, legal and formal arrangements, fiduciary principles and standards and social and environmental safeguards, and including terms of reference for an Independent Technical Advisory Function;
- (c) Adoption of best practices for the establishment and composition of National Designated Authorities (NDAs) and focal points;
- (d) Simplified procedures and eligibility criteria for certain activities, particularly for small-scale activities; and
- (e) Best-practice options for country coordination and multi-stakeholder engagement, including in the context of the development of funding proposals.

III. Programming modalities

- (a) Risk management policy for the Fund, including funding and financial instruments;
- (b) Initial proposal approval process, including programme and project funding cycle;
- (c) Detailed resource allocation system, including results-based allocation that links evaluated performance to individual allocations;
- (d) Modalities for attracting alternative sources of financial inputs;
- (e) Financial terms and conditions for grants and concessional loans;
- (f) Use of other financial instruments, including guarantees and equity investment;
- (g) Detailed programme of work on readiness and preparatory support; and

- (h) Mechanisms to draw on expert and technical advice.

IV. Private Sector Facility

- (a) Modalities for the PSF, including linkages with other Fund activities; and
- (b) Potential approaches to mobilize funds at scale.

V. Accountability mechanisms, standards, results and evaluation

- (a) Role and expected impacts of the Fund in the initial result areas;
- (b) Structure of the results management framework of the Fund, including modalities to ensure flexibility and continuous learning;
- (c) Detailed results management framework, including any documents such as toolkits and templates;
- (d) Monitoring and evaluation policy, including draft methodology for portfolio evaluation;
- (e) Terms of reference for the Independent Evaluation and Integrity Units; and
- (f) Terms of reference for the independent redress mechanism.

VI. Resource mobilization

- (a) Policies and procedures for contributions, including from alternative sources; and
- (b) Preparations for the ad hoc replenishment process.

Annex III: Indicative timeline for the Board's work plan until the end of 2014¹

I. Sixth Board meeting, 19–21 February 2014

- (a) Adoption of best practices for the establishment and composition of NDAs and focal points;
- (b) Best-practice options for country coordination and multi-stakeholder engagement, including in the context of the development of funding proposals;
- (c) Additional modalities that further enhance direct access, including through funding entities with a view to enhancing country ownership of projects and programmes;
- (d) Modalities for the PSF, including linkages with other Fund activities;
- (e) Mechanisms to draw on expert and technical advice;
- (f) Terms of reference for the Independent Evaluation and Integrity Units;
- (g) Terms of reference for the independent redress mechanism;
- (h) Detailed programme of work on readiness and preparatory support;
- (i) Allocation of resources for readiness and preparatory support;
- (j) Establishment of committees and panels of the Board;
- (k) Discussion of role and expected impacts of the Fund in the initial result areas;
- (l) Financial terms and conditions for grants and concessional loans;
- (m) Legal relationships, including securing privileges and immunities for the Fund and its staff;
- (n) Structure of the results management framework of the Fund, including modalities to ensure flexibility and continuous learning; and
- (o) Communications strategy.

II. Seventh Board meeting, 21–23 May 2014

- (a) Administrative policies;
- (b) Role and expected impacts of the Fund in the initial result areas;
- (c) The Fund's guiding framework for accreditation, including accreditation policies and procedures, legal and formal arrangements, fiduciary principles and standards and social and environmental safeguards, and including terms of reference for an Independent Technical Advisory Function;
- (d) Simplified procedures and eligibility criteria for certain activities, particularly for small-scale activities;
- (e) Information disclosure policy;
- (f) Modalities for attracting alternative sources of financial inputs;
- (g) Preparations for the ad hoc replenishment process;
- (h) Structure of the Fund, including the structure of the Private Sector Facility;
- (i) Policies and procedures for contributions, including from alternative sources;
- (j) Risk management policy for the Fund, including funding and financial instruments;

¹ The Governments of Indonesia, Namibia and the Philippines have offered to host a meeting of the Board in 2014.

- (k) Detailed results management framework, including any documents such as toolkits and templates;
- (l) Initial proposal approval process, including programme and project funding cycle;
- (m) Detailed resource allocation system, including results-based allocation that links evaluated performance to individual allocations; and
- (n) Relationship with other climate finance entities and external bodies, including corporate and foundational partnerships.

III. Eighth Board meeting, 11-12 September 2014

- (a) Report to the COP;
- (b) Commencement of annual reporting and external auditing process;
- (c) Use of other financial instruments, including guarantees and equity investment;
- (d) Private Sector Facility: Potential approaches to mobilize funds at scale;
- (e) Monitoring and evaluation policy, including methodology for portfolio evaluation; and
- (f) Trustee arrangement, including review of the Interim Trustee.

Annex IV: List of Board documents to be prepared for the first Board meeting in 2014**I. Best practices for the establishment and composition of NDAs and focal points**

1. The document will include the following matters:
 - (a) Best practices for establishment and composition of NDAs and focal points;
 - (b) Options for the establishment and composition of NDAs that enhance country ownership of Fund activities; and
 - (c) Linkages between no-objection procedure, NDAs or focal points, and the funding cycle of projects and programmes of the Fund.

II. Best practice options for country coordination and multi-stakeholder engagement, including in the context of the development of funding proposals

2. The document will address the following matters:
 - (a) Best practices for country coordination and multi-stakeholder engagement, including in the context of the development of funding proposals;
 - (b) Options to facilitate, enhance and ensure country coordination and multi-stakeholder engagement in Fund activities, including national mechanisms for enhanced country ownership;
 - (c) Country programming; and
 - (d) Linkages between country coordination, multi-stakeholder engagement, no-objection procedure, NDAs or focal points, and the funding cycle of projects and programmes of the Fund.

III. Additional modalities that further enhance direct access

3. The document will address the following matters:
 - (a) Best practices for direct access; and
 - (b) Options to integrate additional modalities that further enhance direct access, including through funding entities, with a view to enhancing country ownership of projects and programmes.

IV. Modalities for the Private Sector Facility, including linkages with other Fund activities**V. Mechanisms to draw on expert and technical advice****VI. Terms of reference for the Independent Evaluation and Integrity Units**

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- VII. Terms of reference for the independent redress mechanism**
 - VIII. Detailed Programme of work on readiness and preparatory support**
 - IX. Allocation of resources for readiness and preparatory support**
 - X. Establishment of committees and panels of the Board**
 - XI. Working document on the role and expected impact of the Fund in the initial result areas**
 - XII. Financial terms and conditions for grants and concessional loans**
 - XIII. Legal relationships, including securing privileges and immunities for the Fund and its staff**
 - XIV. Structure of the results management framework of the Fund, including modalities to ensure flexibility and continuous learning**
 - XV. Communications strategy**
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