



GREEN  
CLIMATE  
FUND

---

# Report of the Investment Committee to the Board

---

**GCF/B.08/Inf.07**  
14 October 2014

**Meeting of the Board**  
14-17 October 2014  
Bridgetown, Barbados  
Agenda item 5

## Report of the Investment Committee to the Board

1. This document has been prepared to inform the Board of the activities of the Investment Committee since the seventh meeting of the Board.
2. At the seventh meeting of the Board in Songdo, the Board adopted decision B.07/06 on the investment framework. The decision in part requested the Investment Committee, with technical support of the Secretariat and other stakeholders and taking into consideration recommendations from the Private Sector Advisory Group (PSAG), to undertake further work on the development of the Fund's initial investment framework. The Committee has therefore responded to the Board's request with this document, which addresses the following items in line with decision B.07/06, paragraph (c):
  - (a) Definitions for activity-specific sub-criteria and a set of activity-specific indicators;
  - (b) Minimum benchmarks for each criterion, taking into account the best practices of other institutions; and
  - (c) Identification and comparison of methodologies that enable the Secretariat to assess the relative quality and innovativeness of comparable proposals in comparable circumstances.
3. The Investment Committee has held virtual meetings twice since the seventh meeting of the Board. At its first meeting in August 2014, the Committee provided guidance on how to address the request the Board made at its seventh meeting to further elaborate the initial investment framework by defining activity-specific sub-criteria and indicators. Committee members emphasized the need for the Fund, and specifically its investment framework, to send clear signals to countries on the types of projects in which it could invest.
4. There was broad agreement among the Committee members that the investment framework would therefore need to be more operationally relevant for the eighth meeting of the Board. In parallel, the Committee also noted that the investment framework would need continued development past the eighth meeting of the Board.
5. The key outcomes from the August 2014 virtual meeting were as follows:
  - (a) A call for public input was published and circulated to seek inputs and feedback on activity-specific sub-criteria; and
  - (b) A virtual meeting of technical experts and practitioners was held to discuss activity-specific sub-criteria.
6. A call was also held to take input from civil society observers (CSOs) and private sector observers (PSOs) following the August 2014 meeting to seek their input on the decisions mentioned in paragraph 2 above.
7. The Committee held a second virtual meeting in September 2014 to provide feedback and further guidance on an initial draft of the investment framework document. The Committee considered the proposed activity-specific sub-criteria and illustrative assessment factors, and also discussed the further research and analysis needed for the finalization of the draft document. The PSAG was consulted for input and feedback from the private sector perspective.
8. Issues discussed included the extent to which the investment framework should incorporate qualitative and quantitative indicators and benchmarks. Also discussed were issues related to the extent to which the Fund should assess proposals on a project level and incorporate broader country-level considerations. Consensus was not reached then, and further discussions were needed.

9. In addition to the work on the initial investment framework, the Committee provided feedback and input on documents GCF/B.08/21 *Initial Approval Process –Draft Terms of Reference of the Independent Technical Advisory Panel* and GCF/B.08/22 *Simplified Processes for the Approval of Proposals for Certain Activities, in Particular Small-scale Activities*.

10. The Committee met immediately before the start of the eighth meeting of the Board and further discussed document GCF/B.08/20 *Further Development of the Initial Investment Framework*.

---