



GREEN
CLIMATE
FUND

Terms of Reference of the Technical Advisory Panel

GCF/B.09/09

18 February 2015

Meeting of the Board

24–26 March 2015

Songdo, Republic of Korea

Agenda item 18

Recommended action by the Board

It is recommended that the Board:

- (a) Take note of the information presented in document GCF/B.09/09 *Terms of Reference of the Technical Advisory Panel*; and
- (b) Adopt the draft decision presented in Annex I to this document.

Terms of Reference of the Technical Advisory Panel

I. Introduction

1. The Board, through its decision B.07/03, agreed to establish a Technical Advisory Panel (the Panel) composed of experts in order to provide an independent technical assessment of, and advice on, funding proposals. The Board also requested the Secretariat to present draft terms of reference (TOR) of the Panel for the Board's consideration at its next meeting.
2. Furthermore, through decision B.07/06, the Board requested the Secretariat to prepare a document, for review by the Board, which considers the additional support, expert advice and/or additional structures that are required in order to facilitate the work of the Secretariat in the assessment of proposals against the activity-specific criteria and the work of the Investment Committee.
3. The TOR of the Panel presented in this document are submitted in response to these two requests by the Board.

II. Experience gained and lessons learned from other funds

4. Recent independent reviews of similar technical proposal review functions at other funds are useful as the Fund establishes the Panel's mandate.
5. The Scientific and Technical Advisory Panel (STAP) of the Global Environment Facility (GEF) has project-level review and screening responsibilities for GEF project proposals. The 2013 *Evaluation of the Scientific and Technical Advisory Panel (STAP) of the GEF*¹ found that "systematic evidence on STAP contributions through project reviews to ensuring scientific soundness and technical quality is lacking". While the STAP was praised for its strategic contributions, the review further found that GEF stakeholders would need to take a collective decision on "whether 'screening' is the most effective use of the STAP". One of the main recommendations was therefore to reorganize the functions of STAP away from its current mandate of reviewing all project proposals and towards a more strategic level of engagement.
6. A 2014 review of the Climate Investment Funds (CIF) reached similar conclusions, noting that "requirements for formal external review of projects have added little value to Multilateral Development Bank procedures",² Specifically for the Clean Technology Fund, the CIF report cited a lack of evidence that external project reviews enhanced project quality above and beyond the standard review procedures usually employed.

III. Scope of the mandate

7. Decision B.07/03, paragraph (f), states that the Panel will provide an independent technical assessment of, and advice on, funding proposals for the Board.
8. Stage IV, 'Analysis and recommendations to the Board', of the project and programme activity cycle (see Annex VII to document GCF/B.07/11), also adopted by the Board through decision B.07/03, indicates that the Panel will assess project or programme performance against the activity-specific criteria.
9. Stage IV of the project and programme activity cycle comprises the following activities:

¹ Uma Lele, "OPS5 Technical Document # 15: OPS5 Technical Document #15 Evaluation of the Scientific and Technical Advisory Panel (STAP) of the GEF" (Washington, D.C., GEF, 2013).

² ICF International, "Independent Evaluation of the Climate Investment Funds" (Washington, D.C, World Bank, 2014).

- (a) The Secretariat carries out necessary and appropriate second-level due diligence;
- (b) The Secretariat assesses compliance with the Fund's interim environmental and social safeguards, gender policy, financial policies and any other policies promulgated by the Board, in addition to assessing the performance of the project or programme against activity-specific criteria (as contained in the investment framework);
- (c) The Panel assesses the performance of the project or programme independently against activity-specific criteria; and
- (d) The Secretariat submits the full funding proposal documentation package to the Board or approving authority for a funding decision.

10. In recognition of the lessons learned from the experience of other climate funds, the Panel should be engaged more strategically. The change to a strategic model of Panel engagement would enable a more efficient proposal approval process and a more efficient use of Fund resources. It is therefore recommended that the Panel be engaged only for medium and large funding proposals (defined as US\$ 10 million and above for the Fund's portion of the project/programme funding).

Annex I: Draft decision of the Board

The Board, having reviewed document GCF/B.09/09 *Terms of Reference of the Technical Advisory Panel*:

- (a) Approves the terms of reference of the Technical Advisory Panel (the Panel) contained in Annex II hereto; and
- (b) Requests the Investment Committee, with support from the Secretariat and as soon as possible, to nominate four expert members as members of the Panel, for endorsement by the Board through a decision to be taken between meetings.

Annex II: Terms of reference of the Technical Advisory Panel

I. Role and mandate

1. The Technical Advisory Panel (the Panel) will provide independent technical assessment of, and advice on, funding proposals for the Board.
2. The Panel will conduct technical assessments of funding proposals submitted through the Secretariat by accredited entities of the Fund at the analysis and recommendations to the Board stage of the Fund's project and programme activity cycle. This will be done in accordance with the Fund's initial proposal approval process, and in order to provide objective technical advice on funding proposals for the Board.
3. The Secretariat will engage the Panel on all medium and large funding proposals (defined as funding proposals larger than US\$ 10 million for the Fund's portion of the project/programme funding).
4. The Panel will operate as an independent technical advisory body of the Fund. The Panel and its members will be bound by these terms of reference (TOR) as well as by any relevant policies and procedures of the Fund, including the policy on ethics and conflict of interest for external members serving on panels, sub-committees and working groups of the Board. The rules of procedures of the Board, as well as any other relevant rules and guidelines to be adopted by the Board, will apply *mutatis mutandis* to the Panel.
5. The Panel will independently assess the performance of the funding proposals submitted to the Fund against the Fund's activity-specific criteria.
6. The Panel, in the conduct of its technical assessment of funding proposals, will be provided with the final funding proposal; the Secretariat's assessment of compliance with safeguards, policies and performance of the project or programme against activity-specific criteria; and other necessary information that may reasonably be requested from the Secretariat.

II. Reporting

7. Pursuant to this mandate, and in accordance with stage IV of the Fund's project and programme activity cycle (Annex VII to decision B.07/03, *Initial Proposal Approval Process*), the Panel's advice will be submitted to the Board by the Secretariat as part of the documentation pertaining to the funding proposal. The advice provided by the Panel will consist of the outcome of its independent technical assessment and its recommendation on each funding proposal that it considers.

III. Composition and structure

8. The Panel will comprise four members: two from developing countries and two from developed countries. On a case-by-case basis, members of the Panel may call additional experts if the need for specialized knowledge arises, as deemed necessary and in consultation with the Secretariat. When this occurs, the required expert will be procured and selected by the Secretariat in consultation with the Panel and will be contracted by the Secretariat on behalf of the Fund as an external consultant.
9. The Panel's collective expertise will cover a range of specialities and subspecialties related to mitigation, adaptation, the private sector and the financing of projects in developing countries.

10. Panel members and expert members will, therefore, demonstrate recognized capacity and expertise in their fields of competency as it pertains to the Fund's initial result areas, supported by a successful career track record. Familiarity with guidance stemming from the United Nations Framework Convention on Climate Change process, the Intergovernmental Panel on Climate Change and other relevant processes is desirable.
11. Each Panel member and expert member will have to have demonstrated unquestionable personal reputation, integrity and ethical behaviour throughout his or her professional career.
12. Members of the Panel will be procured, selected and nominated by the Investment Committee, with the support of the Secretariat, for endorsement by the Board soon thereafter.
13. The endorsed Panel members will enter into a consultancy contract with the Fund for a term of three years, with the possibility of renewal. The Executive Director of the Fund may , terminate the consultancy contract with a Panel member in cases of unethical behaviour, negligence of duties, or any other breach of his or her obligations thereunder, whereupon his or her term as Panel member will terminate automatically.

IV. Modalities of work

14. The Panel will conduct its review of funding proposals remotely, unless exceptional circumstances necessitate physical meetings. The dates and timelines for reviews will be determined by the Secretariat in accordance with the initial proposal approval process, and shall not exceed two weeks. A summary of each completed technical assessment will be made available on the Fund's website, subject to the Fund's information disclosure policy.
15. The Secretariat will provide the necessary operational and administrative support to the Panel.

V. Compensation

16. A fee will be paid to Panel members and expert members in accordance with the Fund's rules and regulations, subject to the terms of their consultancy contracts. The time required per month for review of funding proposals will be determined in consultation with the Secretariat.

VI. Conflict of interest¹ and confidentiality

17. A conflict of interest arises when a Panel member has an interest, which may include but is not limited to a financial interest that could, or could be deemed to, improperly influence the performance of his or her official duties or responsibilities as a Panel member. A conflict of interest applies to, among others, Panel members who hold positions in government or non-governmental organizations, or who are working in, or have any contractual arrangement as consultants or otherwise with, an accredited entity of the Fund or an executing entity.
18. All actual or potential conflicts of interest, or the appearance thereof, shall be immediately disclosed in writing to the Fund's Integrity Unit.
19. It is the duty of the Integrity Unit to review these disclosures promptly and to decide whether an actual or potential conflict of interest exists and, if so, whether to issue a waiver defining the extent to which the Panel member in question may participate in any discussion of the issue that has given rise to the conflict.

¹ Conflict of interest provisions reflect the draft Policy on Ethics and Conflict of Interest for external members serving on Panels, Sub-Committees and Working Groups of the Board which will also apply to members of the Panel.

20. When the Integrity Unit determines that an actual or potential conflict of interest exists, the Panel member shall not participate in the matter that has given rise to the conflict absent a waiver from the Integrity Unit. The waiver may be designed to allow for any level of participation that the Integrity Unit deems appropriate.
21. Furthermore, at the time of appointment, all Panel members will sign the oath contained in the Appendix to the TOR.
22. Panel members shall adhere to the Policy on Ethics and Conflict of Interest for external members serving on Panels, Sub-Committees and Working Groups of the Board, as may be amended from time to time.
23. Panel members shall adhere to the Fund's information disclosure policy, as may be amended from time to time, including in respect of the treatment of confidential information.

VII. Revision and termination of the terms of reference of the Panel

24. The Board may revise these TOR as necessary, and upon the advice of the Investment Committee, in order to incorporate lessons learned and to reflect the evolving technical needs of the Fund.
25. The mandate of the Panel may be revised or terminated by the Board, if deemed necessary.

Appendix: Oath to be taken by the members of the Technical Advisory Panel²

"I solemnly declare that I shall perform my duties as a member of the Technical Advisory Panel (the Panel) of the Green Climate Fund (the Fund), honourably, faithfully, impartially and conscientiously.

I further solemnly declare and promise that I shall disclose any financial interest or any other real or perceived conflict of interest in the review and consideration of funding proposals submitted to the Panel and, in general, in any other matter in connection with the fulfilment of the mandate of the Panel.

I shall refrain from participating in the consideration of funding proposals or policy discussions where any financial interest or any other real or perceived conflict of interest may arise, or where any personal circumstance might be incompatible with the requirements of integrity and impartiality expected from a member of the Panel.

I solemnly declare that I accept and will be bound by the Policy on Ethics and Conflict of Interest for external members serving on Panels, Sub-Committees and Working Groups of the Board.

Subject to my responsibilities to the Panel, I shall not disclose, even after the termination of my functions, any confidential or proprietary information which is transferred to the Board, the Investment Committee, the Panel or the Secretariat, or any other confidential information coming to my knowledge by reason of my duties for the Panel."

Full name: _____

Date: _____

Signature: _____

² This oath is meant to reflect the oath attached to the draft Policy on Ethics and Conflict of Interest for external members serving on Panels, Sub-Committees and Working Groups of the Board .