



GREEN
CLIMATE
FUND

Additional Modalities that Further Enhance Direct Access: Terms of Reference for a Pilot Phase

GCF/B.10/05

21 June 2015

Meeting of the Board

6-9 July 2015

Songdo, Republic of Korea

Provisional Agenda item 10*

* The agenda item number may change as the final sequence of items in the provisional agenda is confirmed by the Co-Chairs.

Recommended action by the Board

It is recommended that the Board:

- (a) *Take note* of the information presented in document GCF/B.10/05 *Additional Modalities that Further Enhance Direct Access: Terms of Reference for a Pilot Phase*; and
- (b) *Adopt* the draft decision presented in Annex I to this document.

Additional Modalities that Further Enhance Direct Access: Terms of Reference for a Pilot Phase

I. General mandate

1. The Board, by decision B.08/09:
 - (a) Requested the Secretariat, under the guidance of the Accreditation Committee and in consultation with relevant stakeholders, to prepare terms of reference (ToR) for modalities for the operationalization of a pilot phase that further enhances direct access, which would include relevant readiness support if requested by subnational, national and regional entities, for approval by the Board at its ninth meeting; these ToR will launch the pilot phase; and
 - (b) Clarified that the ToR will specify, inter alia:
 - (i) The objective of the pilot phase;
 - (ii) The type of entities to be involved;
 - (iii) The specialized fiduciary standards required;
 - (iv) The type of activities to be undertaken;
 - (v) The time frame of the pilot phase; and
 - (vi) The financial volume of the pilot phase.

II. Background

2. The Governing Instrument for the Green Climate Fund (the Fund) established the direct access modality for recipient countries to access the Fund.¹ It states that access to the Fund resources will be through sub-national, national, regional and international implementing entities (IEs) accredited by the Board (accredited entities [AEs]). Each country is free to determine the mode of access and these options may be used simultaneously.² Access is therefore categorized on the basis of the type of entity used, as follows:
 - (a) Direct access: through subnational, national and regional entities.³ The Board will consider additional modalities that further enhance direct access, including funding entities with a view to enhancing country ownership of projects and programmes; or
 - (b) International access: through international entities such as United Nations agencies, multilateral development banks, international financial institutions and regional institutions.⁴
3. Decision B.05/08 introduced the concept of financial intermediaries in the context of the private sector facility, referring to local financial intermediaries that should be accredited to intermediate the funds of the facility.⁵

¹ Governing Instrument, paragraph 47.

² Governing Instrument, paragraphs 45, 47 and 48.

³ Governing Instrument, paragraph 47.

⁴ Governing Instrument, paragraph 48.

⁵ Governing Instrument, paragraph 43.

4. The modalities referred to in paragraph 1 above are intended to accommodate a broad range of country conditions and circumstances, balanced with oversight mechanisms to ensure the effective delivery of funding, with a view to enhancing country ownership of projects and programmes.

5. This document is a follow-up to documents GCF/B.08/09 and GCF/B.09/05 and has been prepared with guidance received from the Board at its eighth and ninth meetings.

6. A small group was set up at the ninth meeting of the Board to oversee the revision of the document following the Board discussion. The small group and the Accreditation Committee have found the present document to sufficiently capture comments and inputs received during the Board discussion.

III. Linkages with other documents

7. This document has linkages with the following documents:

- (a) *Guiding Framework and Procedures for Accrediting National, Regional and International Implementing Entities and Intermediaries, Including the Fund's Fiduciary Principles and Standards and Environmental and Social Safeguards* (GCF/B.07/02);
- (b) *Guidelines for the Operationalization of the Fit-for-purpose Accreditation Approach* (GCF/B.08/02);
- (c) *Investment Framework* (GCF/B.07/06);
- (d) *Further Development of the Initial Investment Framework: Sub-Criteria and Methodology* (GCF/B.09/07);
- (e) *Initial Results Management Framework of the Fund* (GCF/B.07/04);
- (f) *Further Development of the Initial Results Management Framework* (GCF/B.08/07);
- (g) *Use of Other Financial Instruments* (GCF/B.08/12);
- (h) *Private Sector Facility: Working with Local Private Entities, Including Small and Medium-sized Enterprises* (GCF/B.09/12); and
- (i) *Legal and Formal Arrangements with Accredited Entities* (GCF/B.09/03).

IV. Consultations

8. The Secretariat carried out consultations with the Accreditation Committee during the development of the draft ToR as contained in Annex II to this document.

9. The Secretariat also carried out consultations on the approach to take regarding the ToR with a number of key stakeholders, including prospective IEs or intermediaries, the Fund's active observers (civil society organizations and private-sector organizations), other non-governmental organizations and private-sector entities and relevant stakeholders.

V. Approach to the terms of reference for the pilot phase to enhance direct access

5.1 Need to enhance direct access and increase country ownership

10. Enhanced direct access is needed mainly because the decision-making on the specific projects and programmes to be funded will be made at the country/entity level,⁶ and such direct access is a means to increase the level of country ownership⁷ over those projects and programmes. This implies that the screening, assessment and selection of specific pilot activities would be made at the national or subnational level. At the same time, mechanisms will be set up to increase oversight and multi-stakeholder engagement at the country level. For that purpose, the preferred approach will be to use existing country systems and institutions.

11. The main differences between the traditional direct access and the enhanced direct access are as follows. In the traditional direct access track, the steps in the process are:

- (a) Nomination of a prospective accredited entity by the national designated authority (NDA) or focal point under the direct access modality;
- (b) Application of the entity for accreditation; and
- (c) Submission by the accredited entity of individual projects or programmes for financing by the Fund.

12. In the enhanced direct access track, the following steps will be conducted:

- (a) Selection of a prospective accredited entity through a consultative process by the NDA or focal point under the direct access modality;
- (b) Application of the selected entity for accreditation (if not already accredited);
- (c) Submission of a proposal developed by the selected entity in consultation with the NDA. Unlike the traditional direct access track, there will be no submission of individual projects or programmes because decision-making for the funding of specific pilot activities will be devolved at the country level.

The proposal will describe:

- (i) The scope of activities that will be considered for financing in conformity with the Fund's eight result areas;
- (ii) The country/entity level approval process of specific pilot activities set up in conformity with the Fund's investment framework and results management framework; and
- (iii) The institutional arrangements set up to ensure oversight and multi-stakeholder engagement.

5.2 Pilot approach

13. In this document, a "pilot" will designate the framework of activities and institutional arrangements approved by the Fund under the enhancing direct access track in each

⁶ United Nations Development Programme/Overseas Development Institute, 2011, Direct Access to Climate Finance: Experiences and Lessons Learned.

⁷ Müller B, 2014, Enhancing Direct Access and Country Ownership.

participating country. Entities undertaking the pilots have to be accredited to the Fund and can be public or private, subnational or national.

14. The review of the pilot proposals will follow the initial approval process. The implementation of the pilot will include devolved decision-making for funding specific activities at the country level, an oversight body with NDA involvement and multi-stakeholder engagement. Readiness and preparatory support can be requested to assist in these aspects. This aims to both support the pilot and enhance the robustness of existing institutions and processes in a sustainable manner, thereby contributing to increased country ownership.

15. The success and lessons learnt from the pilot will lead to the potential scaling up of this approach in potential subsequent phases.

5.3 Other experiences of enhanced direct access

16. There is existing experience with enhancing direct access to international climate finance from the Adaptation Fund, the Climate Investment Funds, the Agence Française de Développement, the Amazon Fund, etc. The range of activities includes afforestation, clean energy and adaptation. The financial instruments being used include grants, loans, quantity performance instruments⁸ and credit lines.

17. There has also been experience with enhancing direct access beyond international climate finance in health and general development aid programmes using loans and grants, such as those of the Global Fund to Fight AIDS, Tuberculosis and Malaria, the European Commission, the World Bank and others which offer valuable lessons.

5.4 Decision-making on pilot proposals devolved to the country level

18. As decision-making on pilot proposals will be devolved from the Fund to the country level, the NDA or focal point will play a crucial role in ensuring that the pilot proposals meet the Fund's objectives.

19. Countries will be invited to submit proposals of pilots to the Fund, as indicated in Annex II to this document. Countries can choose a variety of entities for the implementation of the pilot, such as public-sector institutions (development banks, national funds, etc.) and private-sector entities (commercial banks, investment funds, leasing companies, etc.), operating at the national or subnational level.

20. Selected entities will first need to be accredited through the Fund's accreditation process by demonstrating compliance with the Fund's basic fiduciary standards, as well as relevant specialized fiduciary standards for project management, grant award and allocation mechanisms, and on-lending or blending.⁹

21. Decision-making bodies will be hosted and managed by entities. In this process, selected entities are invited to work with different types of local actors, especially those that address the needs of vulnerable communities: public institutions, subnational government bodies, non-governmental organizations, community-based organizations and private enterprises. Access to finance is also one of the two major obstacles¹⁰ to businesses in developing countries.

⁸ Used for payments ex post or on delivery through a forward contract for quantities of greenhouse gas emission mitigation, clean energy generation, forest area coverage, etc. Examples include REDD-plus and feed-in-tariff payments.

⁹ The Fund's basic and specialized fiduciary standards were adopted by decision B.07/02.

¹⁰ The other one being access to electricity.

22. It should be noted that, once accredited, an entity selected to implement a pilot under the enhanced direct access approach is also eligible to submit individual projects or programmes for financing by the Fund under the traditional direct access track.

5.5 Instruments and activities under the pilot

23. Depending on the type of accreditation of the selected entity and its capacity, Fund resources may be deployed in the form of the following financial instruments in the pilot: grants, loans, equity and guarantees.¹¹

24. The approval process and selection criteria used by the country in the pilot will have to be consistent with the broad requirements specified in the ToR (refer to Annex II to this document), including the Fund's Investment Framework and Results Management Framework.

25. Countries participating in the pilot are invited to establish or use an existing oversight body with the involvement of the NDA to ensure that governance standards, including accountability standards, are met and to ensure transparency and multi-stakeholder engagement in the decision-making process. Participating institutions will follow the Board guidance on best practice options for country coordination and stakeholder engagement.¹² Readiness funding could be provided to support the strengthening of these aspects.

5.6 Mechanism for reviewing the outcomes of the pilot

26. The perceived strengths of enhancing direct access are considered to be a higher level of country ownership, a reduction in management costs, increased local human and institutional capacity and potentially higher levels of financial leverage. The challenges are considered to be implementation risks from limited institutional capacity and track-record, weak public finance management systems and insufficient inclusion of stakeholders.

27. It is considered important that the pilot be accompanied by institutional capacity-building assistance and a review of its outcomes and components. The institutional capacity-building component should focus on strengthening risk management and financial management systems, environmental and social management systems, gender consideration and the exchange of global best practices, including South-South exchange. At the country level, this may cover governance standards and project management and oversight capacity by the accredited entities.

28. Additionally, the Secretariat will provide guidance on the set up and operations of these processes.

29. The review, which will be carried out after the implementation of the first pilot phase, should assess the pilot phase design and implementation as well as identify lessons learned and consider changes.

¹¹ The Board, by decision B.08/12, decided that the Fund will work through accredited entities, who may deploy the resources in approved projects and programmes, by using financial instruments, focusing on grants, concessional loans, equity and guarantees.

¹² Decision B.08/10, paragraph (d), and Annex XIV.

5.7 Call for enhancing direct access pilot proposals

30. A call for enhancing direct access pilot proposals may be launched by the Fund following the approval by the Board of the ToR as contained in Annex II to this document. NDAs may select, through a consultative or competitive process, entities and proposals to be submitted.

31. The selected entity will seek accreditation if not already accredited. Proposals will follow the Fund's initial approval process. Following Board approval, the Fund will formalize the pilot proposal within the context of the legal arrangement with the accredited entity as considered in document GCF/B.09/03, *Legal and Formal Arrangements with Accredited Entities*.

32. It is proposed initially to select ten (10) pilots with a total of US\$200 million, and to have at least 4 of the pilots in small island developing States, the least developed countries and African States. The call for proposals will conclude once the budgetary allocations have been utilized. Each of the pilots will be implemented over 5 years following approval by the Board.

33. Their implementation will be monitored by the Secretariat and regularly reported back to the Board. Following completion of the ten pilots, a specific report with lessons learned and recommendations for the scale-up phase will be submitted to the Board.

5.8 Mitigation of potential risks

34. In order to mitigate potential risks during the pilot phase:

- (a) The entity, in consultation with the NDA or focal point, will periodically report to the Fund on activities approved under the pilot and implementation of such activities;
- (b) Readiness support will be provided to enable the NDA or focal point to fulfil their role in the pilot phase;
- (c) Selected entities will be required to undergo the accreditation process to ensure they meet the Fund's standards;
- (d) The decision-making body of the individual activities in the pilot will be at the level of the accredited entity and will include civil society, private sector, and other relevant stakeholders. It should be sensitive to gender considerations; and
- (e) Pilot activities will be under the oversight of a national oversight body separate from the accredited entity. Regular reporting will be undertaken, and site visits, as needed.

5.9 Readiness support

35. Readiness support can be provided to ensure accountability and transparency, as well as multi-stakeholder engagement. This support will aim at not only supporting the pilot phase, but also increasing the robustness of existing institutions and processes at the country level, thereby contributing to increased country ownership.

36. South-south exchanges will be encouraged for capacity building activities targeting NDAs or focal points, accredited entities and national oversight bodies.

Annex I: Draft decision of the Board

The Board, having considered document GCF/B.10/05 *Additional Modalities that Further Enhance Direct Access: Terms of Reference for a Pilot Phase*:

- (a) Approves the terms of reference for a pilot phase enhancing direct access to the Green Climate Fund (the Fund) as contained in Annex II to this document;
- (b) Requests the Secretariat, under the guidance and oversight of the Accreditation Committee and in consultation with relevant stakeholders, to prepare and launch a request for proposal to countries, in accordance with Annex II hereto (Request for Proposal), through their NDAs or focal point and public media;
- (c) Recalls that access to Fund resources will be through accredited entities. As such, nominated entities must be accredited by the Fund prior to the review by the Board of their Pilot Proposals;
- (d) Requests the Secretariat and the Technical Advisory Panel to undertake the assessment of pilot proposals received in response to a Request for Proposal from countries in accordance with the Fund's Initial Proposal Approval Process¹, and to provide recommendations on pilots to be approved with the initial aim of providing US\$ 200 million for at least ten (10) pilots, including at least four (4) pilots to be implemented in small island developing States, the least developed countries and African States; and
- (e) Requests the Secretariat to report back to the Board on the progress of this Request for Proposal at the fourteenth meeting of the Board.

¹ Decision B.07/03.

Annex II: Terms of reference for a pilot phase enhancing direct access to the Green Climate Fund

I. Objective of the pilot phase

1. The objective of the pilot phase for enhancing direct access is to allow for an effective operationalization of modalities with the potential to enhance access by sub-national, national and regional, public and private entities to the Fund. This will include devolved decision-making to such entities, once accredited, and stronger local multi-stakeholder engagement. The pilot phase will offer the Fund an opportunity to gain experience and additional insights through such an approach.
2. In addition, the pilot phase can also be used to draw up lessons learned with regard to:
 - (a) Promoting the paradigm shift towards low-emission and climate-resilient development pathways;
 - (b) Country coordination and multi-stakeholder engagement, replication and sustainability;
 - (c) Governance standards; and
 - (d) Targeted readiness support.

Learning processes will be supported by a specific monitoring and evaluation (M&E) plan for each pilot at the country level, where key performance indicators will be specifically designed for their purpose. A final evaluation at the country level and over all pilots will consolidate the lessons learnt, allowing scalability and mainstreaming.

3. The pilot phase will be evaluated and lessons learned will lead to potential scaling up. The evaluation timing will be set for assessing mid-term outcomes (2-3 years) and longer term impacts and lessons to be learned (5 years or more).

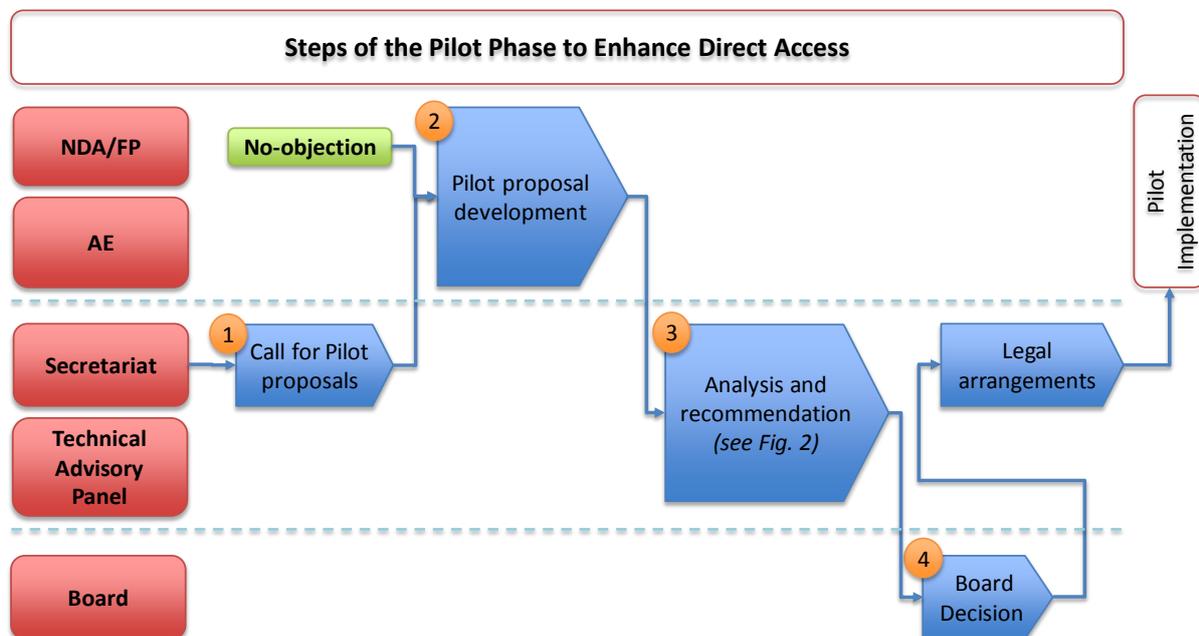
II. Steps of the pilot phase

4. Enhancing direct access is necessary mainly because decision-making on the specific projects and programmes to be funded will be made at the national or subnational level,¹ and such direct access is a means to increase the level of country ownership² over those projects and programmes. This implies that the screening, assessment and selection of specific pilot activities would be made at the regional, national or subnational level. At the same time, mechanisms will be set up to increase national oversight and multi-stakeholder engagement at the country level. For that purpose, the preferred approach will be to use existing country systems and institutions.
5. The following steps will be conducted in the pilot phase:
 - (a) A call for pilot proposals by the Secretariat;
 - (b) The selection and nomination of a prospective accredited entity (e.g., subnational, national or regional entity) through a consultative process by the national designated authority (NDA) or focal point under the direct access modality;
 - (c) If not already accredited, application of the prospective entity for accreditation. Access to Fund resources will be through accredited entities (AEs). As such, nominated entities

¹ United Nations Development Programme/Overseas Development Institute, 2011: Direct Access to Climate Finance: Experiences and Lessons Learned.

² Müller B, 2014: Enhancing Direct Access and Country Ownership.

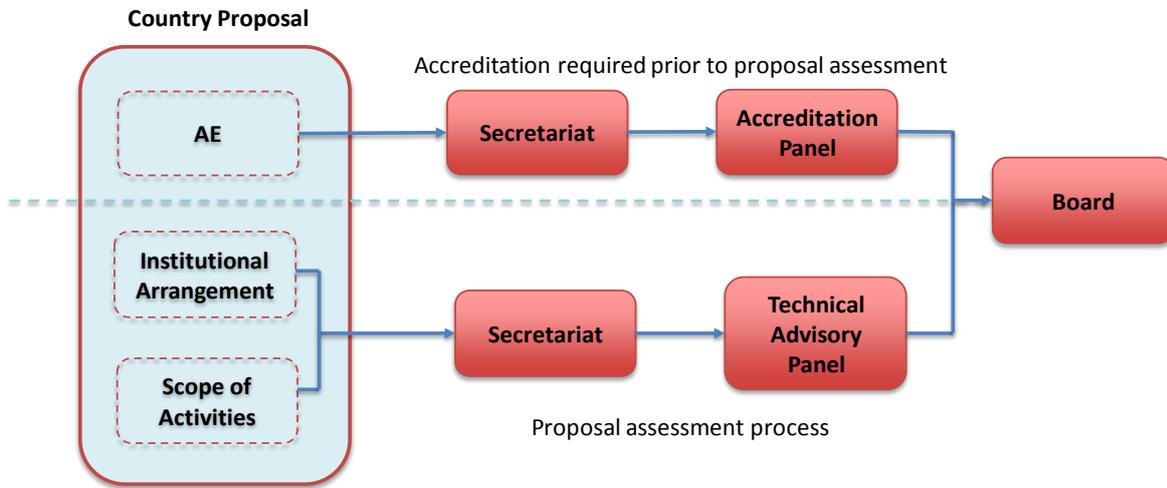
- must be accredited by the Fund prior to the submission of their Pilot Proposals to the Board;
- (d) Submission of a proposal developed by the accredited entity (or by the prospective accredited entity), in consultation with the NDA or focal point, to the Fund for approval. Unlike the traditional direct access modality, there will be no submission of individual projects or programmes to the Fund because decision-making for the funding of specific pilot activities will be devolved to the country level;
 - (e) Legal arrangements between the Fund and the accredited entity for the Fund-approved pilot; and
 - (f) Decision-making by the entity on the specific pilot activities under the Fund-approved pilot, in consultation with the NDA or focal point, oversight body, and various stakeholders in the multi-stakeholder engagement process.
6. The pilot proposal, approval and implementation processes are set out in the figures below:



^a Abbreviations: AE = accredited entity, FP = focal point, NDA = national designated authority

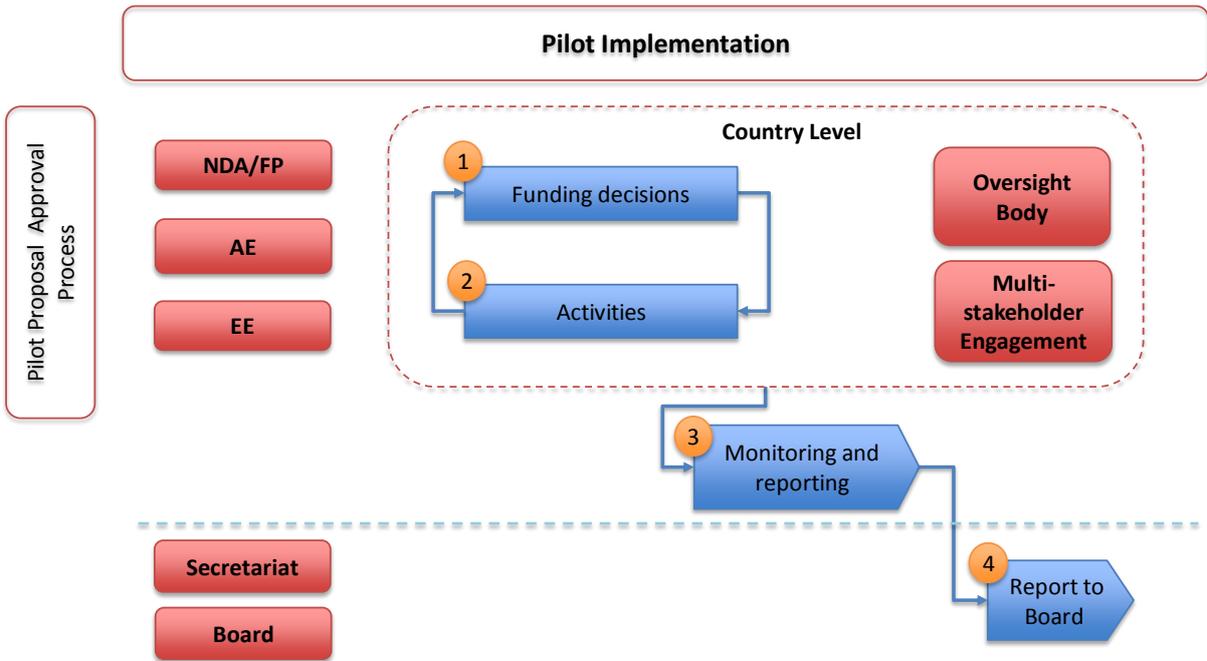
Figure 1: Steps of the pilot phase to enhance direct access

Analysis and Recommendation Process (Step 3 of Figure 1)



^a Abbreviations: AE = accredited entity

Figure 2: Analysis and recommendation process



^a Abbreviations: AE = accredited entity, EE = executing entity, FP = focal point, NDA = national designated authority

Figure 3: Pilot Implementation

III. Role of NDAs and focal points

7. The NDA or focal point will have a strong role in the pilot, in consultation with relevant national stakeholders, by:
- (a) Communicating the country's strategic frameworks within which prospective entities will develop pilot proposals;
 - (b) Inviting and selecting subnational, national and regional entities, from the public and private sector, to propose pilot proposals for consideration by the Fund;
 - (c) Nominating the selected entities for accreditation by the Fund; and
 - (d) Participating in the monitoring and evaluation of the country pilot in accordance with the Fund's relevant guidelines.

IV. National oversight bodies and multi-stakeholder engagement

8. Countries participating in the enhancing direct access pilot phase will exercise oversight of the activities to ensure transparency and accountability. For this purpose, they may identify an existing body or establish a national oversight body.
9. Oversight activities may include:
- (a) Review of reporting by the accredited entity;
 - (b) Periodic field visits; and
 - (c) Regular communication with relevant stakeholders and the Fund.
10. The oversight body may include the NDA or focal point and representatives of relevant stakeholders, such as government, private sector, academia or civil society, as appropriate to national circumstances.
11. In the elaboration and implementation of the country pilot, it is recommended that countries consider criteria included in the Fund's initial best practice options for country coordination and multi-stakeholder engagement, set out in Annex XIV of document GCF/B.08/45.
12. Readiness funding could be provided to support the strengthening or establishment of such processes.
13. The Secretariat will provide guidance on the set up and operations of these processes.

V. Type of entities to be involved in implementation

14. NDAs or focal points can nominate an entity for the implementation of the country pilot, such as a public-sector institution (development bank, national fund, etc.) or private-sector entity (commercial bank, investment fund, leasing company, etc.) operating at the regional, national or subnational level.
15. To ensure the inclusion of a wide range of stakeholders, the selected entity will work with various types of local actors, especially those addressing the needs of vulnerable communities and gender aspects, which may include local actors such as public institutions, local bodies, non-governmental organizations, community-based organizations and private enterprises.

16. Interested countries can include a request for readiness support in their pilot proposals, particularly to provide support in multi-stakeholder engagement and the strengthening of oversight mechanisms to enhance accountability and transparency.

VI. Accreditation and the Fund's standards

17. Entities will have to be accredited before being able to fund activities with the Fund's resources. They will have to demonstrate compliance with the Fund's standards in the accreditation process, which includes the assessment of entities' capabilities, competencies, and track records in having and undertaking financial, environmental and social risk mitigation measures. These include the basic fiduciary standards and relevant specialized fiduciary standards for project management, grant award and/or funding allocation mechanisms, on-lending and/or blending (for loans, equity, and/or guarantees)³ through the Fund's accreditation process, and the Fund's environmental and social safeguards (ESS)⁴ and Gender Policy.⁵

18. Compliance with the Fund's specialized fiduciary standards on grant award and/or funding allocation mechanisms, and on-lending and/or blending⁶ may be required depending on the nature of the activities to be undertaken.

19. Readiness support can be provided to assist entities through the accreditation process.

VII. Type of activities to be considered

20. The country pilots can include both adaptation and mitigation activities that will contribute to one or more of the Fund's result areas. A significant share of small-scale activities should directly support communities.

21. The entities nominated by the NDA or focal point for accreditation will work through various types of local actors in the development of potential projects and programmes, particularly local intermediaries and those addressing the needs of vulnerable communities, which may include public institutions, non-governmental organizations and private enterprises.

VIII. Indicative content of proposals

22. The proposals should contain the following contents at a minimum:

- (a) Background and contact information (including the name of institution or organization proposing the activities, contact information of key person(s), etc.);
- (b) A description of the consultation and selection process facilitated by the NDA or focal point of the nominated direct access accredited entity;
- (c) A description of the proposed scope of activities, including objectives, type, sectors, size and geographic locations. The pilot's specific objectives and goals should be aligned with the Fund's Results Management Framework;⁷

³ Document GCF/B.07/11, Annex II.

⁴ Document GCF/B.07/11, Annex III.

⁵ Document GCF/B.09/23, Annex XIII.

⁶ Document GCF/B.07/11, Annex II.

⁷ Document GCF/B.07/04.

- (d) A description of the approval process and selection criteria for the activities, which should be consistent with the Fund's Investment Framework and proposal approval process;⁸
 - (e) A composition of the decision-making body that will be housed and managed by the entity. The decision-making body should include civil society, private sector, and other relevant stakeholders, and should be sensitive to gender considerations;
 - (f) A composition of the oversight body, which may include representatives from organizations such as those indicated in section IV of these terms of reference (TOR);
 - (g) A composition of those with involvement in the multi-stakeholder engagement process. Guidance provided in section IV of this TOR may be referenced;
 - (h) A timeframe of implementation, including start date and duration;
 - (i) The funding amount to be requested, including the financial instrument (e.g. grant, loan, equity, guarantee);
 - (j) Risk assessment and management, including assumptions, factors, ratings, and mitigation measures;
 - (k) Monitoring and evaluation, including logical frameworks, methods, criteria, information to be reported, frequency, responsibilities, means of verification and evaluation plans.
23. Accredited entities are encouraged in the development of their pilot proposals to adopt gender-sensitive and participatory approaches in planning, monitoring and evaluation.

IX. Monitoring, evaluation and timeline of the pilot phase

24. Each of the pilots will report to the Secretariat on the progress of the implementation on a biannual basis and when specifically requested.
25. The Secretariat will report to the Board on an annual basis, detailing the progress of the Pilot Phase based on the reports provided by the accredited entity and NDA or focal point.⁹ This will follow the guidance on monitoring, reporting and evaluation initially described in section 6.2 of the Fund's Results Management Framework.¹⁰ The monitoring will also follow the Initial Monitoring and Accountability Framework for Accredited Entities of the Fund.¹¹
26. Each country pilot will be reviewed by the Fund three years after approval, and will be evaluated after five years to assess its impact, effectiveness and potential scalability.
27. The overall Pilot Phase will be evaluated after five years.
28. The monitoring, reporting and evaluation system for the overall Pilot Phase will be aligned with the standards of the Fund's Results Management Framework and will be regularly reviewed for improvement once lessons from the implementation are made available. This is aligned with the decisions of the fifth meeting of the Board¹² that recognize that the Fund is a continuously learning institution and will maintain the flexibility to refine its Results Management Framework and indicators.

⁸ Document GCF/B.07/06.

⁹ As indicated in document GCF/B.08/45, Annex XIII, Chapter II.

¹⁰ Document GCF/B.07/04.

¹¹ Progress report provided in document GCF/B.10/Inf.10.

¹² Decision B.05/03, paragraph (h).

X. Financial volume of the pilot phase

29. The Pilot Phase will initially aim to provide US\$ 200 million for at least ten pilots, including at least four pilots to be implemented in Small Island developing States, the least developed countries and African States. The proposals will be selected on the basis of the Fund's Initial Proposal Approval Process, Investment Framework and Results Management Framework and will be approved by the Board.
