



GREEN  
CLIMATE  
FUND

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# Report from Committees and Panels – Addendum\*

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**GCF/B.10/Inf.04/Add.01**

4 July 2015

**Meeting of the Board**

6-9 July 2015

Songdo, Republic of Korea

Agenda item 6

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\* This addendum contains the Report from the Ethics and Audit Committee received on 4 July 2015.

# Report from the Ethics and Audit Committee

## I. Introduction

1. The Ethics and Audit Committee continued its task, during the April-June 2015 reporting period, to provide guidance on issues of conflict of interest, confidentiality, ethics, financial management, procurement and other audit functions as they relate to the Board of the Fund. In particular, the Committee considered draft policies on ethics and conflicts of interest, as requested by the Board in Decision B.09/03 and issues related to implementation of the policy on ethics and conflicts of interest for the Board. In addition, the Committee held initial exchange of views on the draft information disclosure policy for the Fund.

## II. Activities during the reporting period

### 2.1 Organizational activities

2. The Committee held 5 teleconferences between 9<sup>th</sup> and 10<sup>th</sup> Board meetings: on 30 April, 13 May, 4 June, 16 June and 25 June 2015.
3. Meetings were attended by Committee Members, Advisors, and Secretariat. Two of those meetings were deemed informal due to lack of quorum. Absent Members were represented most of times by Advisors.

### 2.2 Activities addressing implementation of Board decisions by the EAC

4. In Decision B.09/03 the Board requested the Secretariat to draft a policy on ethics and conflicts of interest for the Executive Director, other Board appointed officials, active observers and external members of panels established by the Board for consideration by the Ethics and Audit Committee. It further requested the EAC to make recommendations on these matters for the consideration of the Board at its 10<sup>th</sup> meeting.
5. The Committee considered a draft policy on ethics and conflicts of interest for the Executive Director and other Board appointed officials. The Secretariat conducted considerable research regarding how other entities handle these categories of staff, and how the existing staff code of conduct and the policy on ethics and conflicts of interest of the Board could both be referred to for the Executive Director and other Board appointed officials. The Committee decided that two separate approaches were required: one for the Executive Director and one for other Board appointed officials. Work progressed on the policy for the Executive Director but was not concluded as of this writing. A first draft of the policy for other Board appointed officials, which will draw heavily upon the existing staff code of conduct, will be prepared by the Secretariat after the 10<sup>th</sup> meeting of the Board.
6. The Secretariat was not able to present a draft policy on ethics and conflict of interests for active observers before the 10<sup>th</sup> meeting of the Board. The Committee decided to return to this matter before the 11<sup>th</sup> meeting of the Board.
7. The Committee considered a draft policy on ethics and conflicts of interest for external members of panels established by the Board. The Committee agreed on a draft policy which will be presented to the Board for its consideration.
8. In Decision B.05/13 the Board mandated the Committee in its Terms of Reference to provide guidance on the development and review implementation of, and compliance with, the Fund's comprehensive information disclosure policy. The Board, in decision B.05/15, also

requested the Secretariat to develop in 2014 a comprehensive draft information disclosure policy, to replace the interim information disclosure policy, approved in document GCF/B.04/10.

9. The Committee held initial exchange of views on the draft information disclosure policy prepared by the Secretariat, which used the interim draft information policy as a basis. All agreed that this was a critical document that was urgently needed, but that also required considerable consultation and reflection. The Committee committed to conclude on a draft of the policy by 31 July 2015, which would form the basis of broader consultation. The Secretariat is to conduct broad consultation between the 10<sup>th</sup> and 11<sup>th</sup> Board meetings and based on that consultation, the Committee wishes to send a draft policy to the Board for consideration at its 11<sup>th</sup> Board meeting. The Committee encourages all Board members to submit any comments it has on the current interim policy to the Secretariat and the Committee Chair by 31 July 2015.

### 2.3 Other activities of relevance

10. The Committee received one request for waiver under para. 33 of the policy on ethics and conflict of interest for the Board of the Green Climate Fund and initial discussion took place.

11. No other issues, in particular related to implementation of the policy on ethics and conflict of interest for the Board of the Green Climate Fund or audit activities in the Fund, arose since the last report of the Committee.

## III. Future work and final remarks

### 3.1 Future work

12. The Committee will continue its work on the draft policy on ethics and conflicts of interest for the Executive Director with a view to recommend the text for Board consideration at its 11<sup>th</sup> meeting.

13. The Committee will consider a draft policy on ethics and conflicts of interest for other Board appointed officials with a view to recommend the text for Board consideration at its 11<sup>th</sup> meeting.

14. The Committee will consider a draft policy on ethics and conflict of interests for active observers with a view to recommend the text for Board consideration at its 11<sup>th</sup> meeting.

15. The Committee will continue its work on draft information disclosure policy with a view to recommend the text to the Board for decision-making by the Board at its 11<sup>th</sup> meeting. In particular, the Committee will conduct public consultation on the draft policy, as outlined in para. 9 above.

### 3.2 Final remarks

16. The Committee will meet again in person on 5 July 2015 in Songdo and will continue its practice of organizing teleconferences between the 10<sup>th</sup> and 11<sup>th</sup> Board meetings.

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