



GREEN
CLIMATE
FUND

Report from Committees and Panels*

GCF/B.10/Inf.04

26 June 2015

Meeting of the Board

6-9 July 2015

Songdo, Republic of Korea

Provisional Agenda item 6**

* The reports herein are those received from some Committees and Panels. Other Committees and Panels will report orally to the Board during its tenth meeting.

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

Report from Committees and Panels

A. Report from the Accreditation Committee

I. Introduction

1. According to decision B.07/02, paragraphs (e) and (h), the Board established the Green Climate Fund's (the Fund's) Accreditation Committee (AC) to provide policy guidance to the Board on the Fund's evolving guiding framework for the accreditation process.
2. The AC is comprised of four Board members, including its Chair, with balanced representation between developing and developed countries. Members of the AC are H.E. Amb. Jan Cedergren (Sweden) (Chair), Mr. David Kaluba (Zambia), Mr. Patrick McCaskie (Barbados) and Mr. Arnaud Buisse (France).
3. The AC is consulted by the Secretariat on accreditation-related policy matters.
4. The mandate of the members of the AC has been extended until the end of the year or until new members of the Board have been elected.

II. Activities during the reporting period

2.1 Organizational activities

5. The AC has held four virtual meetings between the ninth and tenth meetings of the Board for the purpose of discussing outstanding issues related to accreditation policy and procedures. It took the opportunity to discuss and provide comments on accreditation-related draft Board documents that will be considered by the Board at its tenth meeting, including the:
 - (a) *Consideration of Accreditation Proposals;*
 - (b) *Additional Modalities that Further Enhance Direct Access: Terms of Reference for a Pilot Phase;*
 - (c) *Recommendations for Further Accrediting National, Regional and Private Sector Entities;*
 - (d) *Report on the Implementation of Legal and Formal Arrangements with Accredited Entities;* and the
 - (e) *Initial Monitoring and Accountability Framework for Accredited Entities.*

III. Future work and final remarks

3.1 Future work

6. The AC will continue to be engaged in policy matters related to the Fund's accreditation process.

B. Accreditation Panel

I. Introduction

7. According to decision B.07/02, paragraph (g), the Board established the Green Climate Fund's (the Fund's) Accreditation Panel (AP) as an independent technical panel to advise the Board on matters related to the accreditation of implementing entities and intermediaries to the Fund.

8. The AP is comprised of six expert members, including its Chair, with balanced representation between developing and developed countries, and an appropriate range of expertise, and gender balance, nominated by the Accreditation Committee and endorsed by the Board. The AP is in charge of conducting the accreditation process in accordance with its terms of reference adopted by the Board as per decision B.07/02, paragraph (h).

9. The AP, coordinated and represented by its Chair, works in consultation with the Secretariat on accreditation-related matters.

II. Activities during the reporting period

2.1 Organizational activities

10. Members of the AP are located remotely in relation to the Fund's headquarters, and as such, utilize a variety of methods in order to undertake the work of the Panel. The AP members are in regular communication in the form of both virtual and in-person meetings. Such communications and meetings are usually held jointly with the Secretariat. In addition, the members of the AP hold its own virtual meetings independently.

11. During the reporting period (between the Board's ninth and tenth meetings), the AP held six virtual meetings. Additionally, it had 21 virtual interviews with applicants (by telephone) during the Stage II (Step 1) accreditation review. The AP took the opportunity to virtually meet applicants and to clarify/discuss Stage II questions and requests issued to the latter for clarification. In order to finalize its review of accreditation applications and to prepare recommendations on accreditation for consideration by the Board at its tenth meeting, the AP met in person at the Fund's headquarters in Songdo, Republic of Korea, from 26 to 30 May 2015.

12. The majority of the day-to-day operational work of the AP, however, is conducted through e-mail and the Online Accreditation System (OAS)¹ the portal through which applicants submit their applications for accreditation.

2.2 Activities addressing the mandate of the AP and requests from Board decisions

13. The mandate of the AP as per decision B.07/02, paragraph (g), is to serve as an independent technical panel to advise the Board on matters related to the accreditation of implementing entities and intermediaries to the Fund. Furthermore, the AP is responsible for conducting the accreditation process in accordance with its terms of reference, as adopted per decision B.07/02, paragraph (h).

¹ See <<http://www.gcfund.org/operations/accreditation/applications.html>>.

14. Following the opening of the call for accreditation applications by the Secretariat on 17 November 2014² and the receipt of applications for accreditation, the AP continues to assess applications that have satisfied the Stage I institutional assessment and completeness check conducted by the Secretariat, in relation to Stage II (Step 1), accreditation review, of the accreditation process according to its mandate and terms of reference.
15. The AP submitted its first recommendations on accreditation to the Board at its ninth meeting. The Board adopted the recommendations of the AP, approving seven entities for accreditation to the Fund through decision B.09/07.
16. Since then, guided by the OAS application form and the Stage I and II checklists, the AP has continued to focus on the assessment of entities that have applied for accreditation to the Fund and that have successfully completed Stage I as conducted by the Secretariat. External technical experts, in the form of independent and recognized professionals and a specialized consultancy firm, contracted by the Fund, have assisted the Panel in the in-depth review of individual applications for accreditation.
17. The findings of the accreditation review of applications and recommendations on accreditation from the AP for the Board's consideration at its tenth meeting are contained in document GCF/B.10/03.
18. The AP has also provided input on accreditation-related policy documents that will be considered by the Board at its tenth meeting.

III. Future work and final remarks

3.1 Future work

19. The accreditation process is an ongoing one, and in this context the AP is continuing its review of accreditation applications that have completed Stage I, with the aim of having recommendations on accreditation for consideration by the Board at its subsequent meetings.
20. Following the first two cycles of the accreditation assessment and review process, the AP, the Secretariat and the external technical experts are continuing to discuss the lessons learned from the accreditation process to date with a view to improving and refining the operation of the accreditation framework in future accreditation cycles. Consideration will be given to improving the efficiency and effectiveness of the accreditation process, including the scope for using a variety of alternative routes to those currently being used in order to improve the process. The AP is also discussing with the Secretariat other technical matters (for example the use of third-party information) and the need of additional human resources.

3.2 Final remarks

21. The reporting period has remained a formative one for the AP. Across multiple time zones and at a distance, the AP members continue to learn to work together, and to develop, test and effectively and efficiently implement new working practices.

² Press release, 'Green Climate Fund opens Online Accreditation System for implementing entities and intermediaries', 17 November 2014, available at <http://www.gcfund.org/fileadmin/00_customer/documents/Press/GCF_Press_Release_2014_11_17_accreditation.pdf>.

C. Report from the Investment Committee

I. Introduction

22. According to decision B.05/13, paragraph (c), the Board established the Green Climate Fund's (the Fund's) Investment Committee (IC) to provide guidance on the investment framework, investment strategies and periodic portfolio assessments.

23. IC is comprised of six Board members, including its coordinator, with balanced representation between developing and developed countries. Members of the IC are Mr. Dipak Dasgupta (India) (Coordinator), Mr. Henrik Harboe (Norway), Ms. Kate Hughes (United Kingdom), Mr. Cristián Salas (Chile), Ms. Clare Walsh (Australia) and Mr. Yingming Yang (China).

24. The IC is consulted by the Secretariat on investment framework-related policy matters.

25. The mandate of the members of the IC has been extended until the end of the year or until new members of the Board have been elected.

II. Activities during the reporting period

26. At the ninth meeting of the Board in Songdo, the Board adopted decision B.09/05, by which the Board decided to use a scale of low/medium/high to assess the performance of a subset of proposals, and requested the IC to make a recommendation to the Board to which subset of proposals it would apply.

27. The Board, through decision B.09/10, paragraph (b), requested the IC, with support from the Secretariat and as soon as possible, to nominate six experts to the independent Technical Advisory Panel (TAP), for endorsement by the Board.

28. In response to the Board's requests, the IC has held three virtual meetings since the ninth meeting of the Board. At the first meeting in early May 2015, the IC members held an initial discussion on the scaling pilot and requested the Secretariat to prepare a note on the options to determine the subset of proposals. Following the meeting, the IC provided written comments to the Secretariat on this issue. The IC also received a brief status update from the Secretariat on the selection process of the TAP.

29. At its second virtual meeting in the beginning of June 2015, the IC considered a draft note on options for the scaling pilot and a briefing note on the six candidates recommended by the Secretariat for nomination to the TAP, along with their curricula vitae and cover letters.

30. In the meeting, the IC requested the Secretariat to prepare a more detailed note on the scaling pilot for the IC's consideration. The IC will meet in Songdo in advance of the Board meeting to discuss the revised note and put forward a recommendation for Board consideration.

31. The IC also requested the Secretariat to provide an expanded list of TAP candidates for the IC's consideration and nomination. It received the requested list shortly afterwards.

32. After its third virtual meeting in the middle of June 2015, the IC agreed to further discussions on the day before the tenth Board meeting begins with the aim of finalizing the nomination of six TAP candidates.

D. Report from the Risk Management Committee

I. Introduction

33. At its fifth meeting, the Board established the Risk Management Committee (RMC) to oversee the development and implementation by the Secretariat of the Fund's financial risk management framework (decision B.05/13). The RMC will also review and provide recommendations to the Board on risk management reporting and evaluation periodically.

34. The RMC consists of six members of the Board, including a chair of the RMC, with a balanced representation by three developing and three developed countries. Members of the RMC are Mr. Irfa Ampri (Chair), Mr. Jacob Waslander (Vice-Chair) Mr. Arnaud Buisse, Mr. David Kaluba, Mr. Tosi Mpanu Mpanu, and Mr. Shuichi Hosoda.

II. Activities during the reporting period

35. In decision B.07/05, the Secretariat, in consultation with the RMC, was requested to prepare an analysis of the Fund's potential risk appetite under different key assumptions as part of its financial risk management framework.

36. The Board further decided to consider at the tenth meeting of the Board a proposal regarding the cases in which the high level concessional terms and the low level concessional terms for the public sector proposals will apply.

37. Following the ninth meeting of the Board, the RMC members convened two virtual meetings to discuss and provide guidance to the Secretariat on the agenda items: Level of concessional terms for the Public Sector and Initial Risk Management Framework: Methodology for determining the initial risk appetite of the Fund. The Secretariat finalized the documents using the initial guidance on both agenda items.

38. The RMC suggested to convene an in-person meeting prior to the tenth meeting of the Board to further discuss and finalize its recommendations to the Board.

39. At the tenth meeting of the Board, the RMC will present its recommendations to the Board on the following agenda items: Levels of Concessional Terms for the Public Sector and Initial Risk Management Framework: Methodology for determining the initial risk appetite of the Fund.

E. Report from the Private Sector Advisory Group

I. Introduction

40. The Private Sector Advisory Group (PSAG) has the mandate to make recommendations to the Board on Fund-wide engagement with the private sector and modalities to that end (decision B.04/08, paragraph (i)). It is composed of four private sector experts from developing countries, four private sector experts from developed countries, and two civil society experts, and four Board members/alternate members (for more details see Annex I to this document).

II. Activities during the reporting period

2.1 Organizational activities

41. Board members/alternate members in the PSAG informed the other members and observers of the PSAG of the outcome of the ninth Board meeting, in particular on PSAG related matters. They also prepared a draft work plan for 2015 and beyond (contained in Annex II to this document).

42. The work plan and a draft agenda for the third in-person PSAG meeting were discussed at a two hour virtual meeting (teleconference) of the PSAG on 17 April 2015.

43. The PSAG held its third meeting on 18 and 19 May 2015 in Paris, France. The date and venue were selected to allow for the largest possible attendance of PSAG experts and possible synergies with related meetings. Seven PSAG experts and three Board members/alternate members were present as well as two colleagues from the Secretariat's Private Sector Facility unit (one attending only part of the meeting). Observers from civil society and the private sector also attended.

2.2 Activities addressing the mandate of the Panel and requests from Board decisions

44. Reflecting the mandate provided by the Board, at its third meeting – in plenary as well as in break out group format – the PSAG discussed the following items, with the first three being the main focus:

- (a) Mobilizing resources at scale;
- (b) Engaging with the local private sector;
- (c) The process for generating proposals, especially those relating to paragraph 4 (a) and (b) above;
- (d) Accreditation;
- (e) Readiness; and
- (f) Possible ways for the PSAG to interact with the Risk Management Committee in order to help to refine the risk appetite process.

45. At the meeting and in two subsequent written consultations, the PSAG developed and endorsed recommendations on mobilizing resources at scale and on the establishment of a small and medium-sized enterprise programme as contained in document GCF/B.10/16.

2.3 Other activities of relevance

46. The PSAG Co-Chairs informed the PSAG of the ongoing discussions on the term of office for Board members and PSAG experts. They took note of the readiness of most current PSAG members to continue to serve on the PSAG – in view of assuring continuity in the early phase of operationalization of the Fund. Board members who are part of the will address this matter under the provisional agenda item on the initial term of Board membership.

III. Future work and final remarks

3.1 Future work

47. Following the tenth Board meeting, the PSAG will deal with all requests on PSAG related matters from the Board. To this end, the PSAG will work intersessionally through written procedure, conference calls and in one in-person meeting. It envisages holding its fourth meeting in September 2015 in order to, among other issues, address how the private sector can better support adaptation activities.

3.2 Final remarks

48. The PSAG Co-Chairs wish to thank the PSAG experts and observers for their continued dedicated engagement in the PSAG. They also wish to thank the Secretariat for its support.

Annex I: Terms of reference of the Private Sector Advisory Group

Role and functions

1. The role of the Private Sector Advisory Group is to make recommendations to the Board on the Fund-wide engagement with the private sector and modalities to that end.
2. In fulfilling this role, the Private Sector Advisory Group will:
 - (a) Make recommendations to the Board on how the Fund, including its Private Sector Facility, should engage the private sector in order to catalyse, mobilize and leverage flows of private climate finance in developing countries, and to make best use of the knowledge on the best available technologies;
 - (b) Make recommendations to the Board on the design and application of the Fund's policies, procedures and financial instruments as they relate to engagement with the private sector;
 - (c) Make recommendations to the Board on engaging the private sector in climate-resilient development, particularly in Africa, and in adaptation activities at national, regional and international levels;
 - (d) Make recommendations to the Board on promoting the participation of private sector actors in low-emission and climate-resilient development in developing countries, in particular local actors, including small- and medium-sized enterprises and local financial intermediaries;
 - (e) Make recommendations to the Board on activities to enable private sector engagement in low-emission and climate-resilient development in small island developing States and least developed countries; and
 - (f) Respond to other matters on which its advice is sought by the Executive Director or the Board.
3. The Risk Management Committee and the Investment Committee will consider recommendations and advice provided to them by the Private Sector Advisory Group.

Annex II: Draft Private Sector Advisory Group work plan for 2015

Table 1: Tentative schedule of meetings

PSAG action		Dates	Document deadline	Board meeting
Draft work plan circulated		By 7 April	n/a	n/a
Virtual meeting (post-GCF 9; preparation for PSAG meeting)		13-17 April (week of)	n/a	n/a
Formal meeting	Option 1: May, first half Venue: New York City, U.S.A. (OR Switzerland; Cape Town, South Africa)	4-8 May (week of) 11-15 May (week of)	15 June	6-9 July
	Option 2: Mid-May Venue: Paris, France (Climate Business Summit, 20-21 May)	18 May (Mon.)-19 (Tues.)		
	Option 3: May, end of Venue: Barcelona, Spain (Carbon Expo, 26-28 May)	29 May (Fri.)-30 May (Sat.)*		
Virtual meeting (pre-GCF 10)		June (3rd week of)	15 June	6-9 July
Virtual meeting (post-GCF 10; preparation for PSAG meeting)		July (3rd week of)	n/a	n/a
Formal meeting		August (end of) OR September (early)	5 October	26-29 October
Virtual meeting (pre-GCF 11)		September (end of)	5 October	26-29 October

* Clashes with weekend

Table 2: Tentative work plan

Meeting (month)	Topics
Virtual meeting (April)	<ul style="list-style-type: none"> Outcomes of GCF 9 PSAG 2015 work plan Planning for the PSAG formal meeting in May
Formal meeting (May)	<ul style="list-style-type: none"> Mobilizing resources at scale Engaging local private sector actors (particularly MSMEs) Readiness Accreditation Second PSAG term
Virtual meeting (June)	<ul style="list-style-type: none"> Final preparation for GCF 10
Virtual meeting (July)	<ul style="list-style-type: none"> Outcomes of GCF10 Planning for a PSAG formal meeting in August/September
Formal meeting (August)	<ul style="list-style-type: none"> Adaptation and the private sector [Operational topics as needed]
Virtual meeting (September)	<ul style="list-style-type: none"> Final preparation for GCF 11

Table 3: Background: Work plan against mandates

Mandates	Agenda item/Decision	Status/Completeness (to be completed)	Future input/Board meetings
Mandates from PSAG ToR	Recommendations on engaging the private sector in order to catalyse, mobilize and leverage flows of private climate finance in developing countries and make best use of the knowledge on best available technologies (Annex XIX to document GCF/B.05/23, paragraph 2(a))		Check with GCFB work plan
	Recommendations on the design and application of the Fund's policies, procedures and financial instruments as they relate to engagement with the private sector (Annex XIX to document GCF/B.05/23, paragraph 2(b))		Check with GCFB work plan
	Recommendations on engaging the private sector in climate-resilient development , particularly in Africa, and in adaptation activities at national, regional and international levels (Annex XIX to document GCF/B.05/23, paragraph 2(c))		Check with GCFB work plan
	Recommendations on promoting the participation of private sector actors in low-emission and climate-resilient development in developing countries, in particular local actors , including SMEs and local financial intermediaries (Annex XIX to document GCF/B.05/23, paragraph 2(d))		Possible input into GCFB11/12
	Recommendations on activities to enable private sector engagement in low-emission and climate-resilient development in SIDS and LDCs (Annex XIX to document GCF/B.05/23, paragraph 2(e))		Possible input into GCFB11/12
Mandates emerging from GCF 9 (March)	PSF: Mobilizing resources at scale – additional mandates that may emerge from the Board decision		Input into GCFB10
	PSF: Engaging local private sector actors -- additional mandates that may emerge from the Board decision		Input into GCFB10
	Other Board decisions where additional mandates may emerge from the Board decision		

Mandates	Agenda item/Decision	Status/Completeness (to be completed)	Future input/Board meetings
Possible inputs/issues for GCF 10 (June)	Fast-tracking of private sector accreditation (decision B.08/05, paragraph (d))		Input into GCFB10
	Work plan on coherence and coordination of accreditation processes (decision B.07/02, paragraphs (k) and (ii))		
	Recommendations on private sector readiness activities (decision B.08/11, paragraph (n)).		Input into GCFB10
	Understanding and defining the alternative sources of financial inputs to the Fund (decision B.05/04, paragraph (f))		Check with GCFB work plan
	Policies and procedures for contributions from philanthropic foundations, and other non-public and alternative sources (decision B.08/13 and Annex XIX to document GCF/B.08/45)		Check with GCFB work plan
	Election of Board members to the PSAG (B.04/08 Annex XIX, (9))		
	Report of the Fund to the COP (decision 7/CP.20, paragraph 9)		Input into GCFB10
Possible inputs/issues for GCF 11 (October)	Election of nominations of experts to sit on the PSAG for adoption by the Board (Annex XIX to document GCF/B.05/23)		Make recommendations to the Board on the next PSAG term
	Consideration of the Board's phased approach to working directly with the private sector adaptation and mitigation actors at the national, regional and international levels (decision B.04/08)		Check with GCFB work plan

Note: Topics suggested for discussion at PSAG meeting in May are highlighted **BLUE**.

Abbreviations: COP = Conference of the Parties, GCF10 = Tenth meeting of the Board of the Green Climate Fund, GCF11 = Eleventh meeting of the Board of the Green Climate Fund, GCFB = Board of the Green Climate Fund, GCFB10 = Tenth meeting of the Board of the Green Climate Fund, GCFB11/12 = Eleventh/Twelve meeting of the Board of the Green Climate Fund, LDCs = least developed countries, PSAG = Private Sector Advisory Group, PSF = Private Sector Facility, SIDS = small island developing States, SMMEs = small, medium-sized and micro enterprises, ToR = terms of reference.