



**GREEN  
CLIMATE  
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**GCF/B.19/20**  
5 February 2018

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# Terms of reference for the review of the committees and group established at the fifth meeting of the Board

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## **Summary**

This document proposes terms of reference to review the committees and group of the Board established at the fifth meeting of the Board by decision B.05/13.

The proposed terms of reference for the review and of ad hoc Review Committee, that will be conducting the review, are included respectively in annex II and III to this document.

## I. Introduction

1. The Risk Management Committee (“RMC”), the Investment Committee (“IC”) and the Private Sector Advisory Group (“PSAG”) were established by decision B.05/13 in October 2013. In accordance with their respective terms of reference (“TORs”) adopted by the same decision, the Board has the mandate to:

- (a) For the RMC, “three years following its establishment, [...] evaluate the usefulness and continued necessity of the Committee”;<sup>1</sup>
- (b) For the IC, “three years following its establishment, [...] evaluate the usefulness and continued necessity of the Committee”;<sup>2</sup> and
- (c) For the PSAG, “evaluate the usefulness and continued necessity of the Group, including amending its membership and the Terms of reference, as considered necessary”.<sup>3</sup>

2. The purpose of this document is to propose a terms of reference for the review of the usefulness and continued necessity of such committees and groups and to establish an ad hoc committee of the Board to conduct such review.

3. The Board, also by decision B.05/13, established the Ethics and Audit Committee of the Board (“EAC”). Although the terms of reference of EAC<sup>4</sup> do not mandate a review by the Board after three years, in keeping with principles of good governance, it is proposed that the EAC is also subject to the review referred to in paragraph 2 above.

4. The terms of reference of the Accreditation Committee adopted pursuant to decision B.07/02<sup>5</sup> also provides that the Board will, three years following its establishment, evaluate the usefulness and continued necessity of the Accreditation Committee. Such evaluation shall be undertaken in the context of the broader review of the accreditation framework and therefore is excluded from the terms of reference presented in Annex II to this document.

## II. Recommended action by the Board

5. It is recommended that the Board adopt the draft decision set out in Annex I to this document.

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<sup>1</sup> Paragraph 8 of the terms of reference of the Risk Management Committee, Annex XVI to decision B.05/13.

<sup>2</sup> Paragraph 8 of the terms of reference of the Investment Committee, Annex XVII to decision B.05/13.

<sup>3</sup> Paragraph 13 of the terms of reference of the Private Sector Advisory Group, Annex XIX to decision B.05/13.

<sup>4</sup> Annex XVIII to decision B.05/13.

<sup>5</sup> Annex IV to decision B.07/02.

## Annex I: Draft decision by the Board

The Board, having considered document GCF/B.19/20 titled “Terms of reference for the review of the committees and group established at the fifth meeting of the Board”:

- (a) Adopts the terms of reference for the review of the committees and group established at the fifth meeting of the Board, as set out in Annex II to this document;
- (b) Agrees that the review shall be conducted by the ad hoc Review Committee referred to in paragraph (c) below;
- (c) Establishes the Review Committee as an ad hoc committee of the Board in accordance with paragraphs 2(g) and 30 of the Rules of Procedure of the Board;
- (d) Adopts the terms of reference of the ad hoc Review Committee as set out in annex III to this decision;
- (e) Appoints the following Board members/alternate members as members of the Review Committee:
  - (i) [insert names of three developing country Board members or alternate Board members]; and
  - (ii) [insert names of three developed country Board members or alternate Board members]; and
- (f) Requests the ad hoc Review Committee to present the outcomes of its review and its recommendations for the Board’s consideration as soon as possible and no later than the twenty-first meeting of the Board.

## **Annex II: Terms of Reference for the review of the Committees and Group established at the fifth meeting of the Board**

### **I. Objective**

1. The overall objective of the review is to evaluate the usefulness and continued necessity of the Board's Risk Management Committee ("RMC"), the Investment Committee ("IC"), the Private Sector Advisory Group ("PSAG") and the Ethics and Audit Committee ("EAC") and make recommendations to the Board in this regard.

### **II. Scope**

2. The scope of the review shall include:

- (a) An assessment of the performance of the relevant committee or group in light of its terms of reference and other mandates delegated to it by the Board, taking into account for this purpose:
  - (i) The modality and frequency of its meetings;
  - (ii) Its historic workload;
  - (iii) Its responsiveness to mandates delegated to it by the Board; and
  - (iv) The quality and usefulness of its recommendations to the Board;
- (b) The projected workload of the relevant committee or group in light of the full operationalization of the GCF, the ongoing implementation of the Strategic Plan for the GCF and the Board's workplan for 2018, any ongoing mandates delegated to it by the Board and the expected long term need for such committee or group;
- (c) The committee or group's composition, including in terms of gender balance, geographic representation and technical expertise, as well as the frequency of changes in membership;
- (d) The quality and adequacy of minutes or records of the committee's or group's meetings; and
- (e) The current and potential role of the committee or group to add value to the institutional or operational activities of the Fund.

### **III. Deliverables**

3. The outcome of the review shall take the form of a recommendation to the Board detailing, *inter alia*:

- (a) An assessment of the usefulness and continued necessity of the relevant committee or group; and
- (b) If the continued necessity of the committee or group is recommended, any recommendations to increase the usefulness or effectiveness of such committee or group, including in relation to the practices of such committee or group, its composition or activities which it should or should not be responsible for in the future. Such recommendation may include a recommendation to amend the terms of reference of the relevant committee or group.

## IV. Methodology

4. In order to make the recommendations referred to in paragraph 3 above, the ad hoc Review Committee shall:

- (a) Review the following documentation:
  - (i) The committee's or group's current terms of reference;
  - (ii) Any relevant Board decisions mandating activities to the relevant committee or group;
  - (iii) Reports of the relevant committee or group to the Board;
  - (iv) And decisions adopted by the Board following a recommendation by a relevant committee or group; and
  - (v) Minutes or records of any meetings of the relevant committee or group.
- (b) Conduct interviews with or take written or oral input from the following persons:
  - (i) Members of the relevant committees, including their advisers;
  - (ii) Other members or alternate members of the Board;
  - (iii) The Secretariat's liaison for each relevant committee or group;
  - (iv) Staff of the Secretariat or Independent Units who engage with the relevant committee or group on matters of substance; and
  - (v) Any other relevant source.

## V. Reporting

5. The ad hoc Review Committee shall present its final report to the Board upon conclusion of its work, but no later than the twenty-first meeting of the Board.

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## **Annex III: Terms of Reference of the ad hoc Review Committee**

### **I. Role and functions**

1. The role of the ad hoc Review Committee is to conduct the review of the committees and group established by the Board at its fifth meeting in accordance with the terms of reference of the review provided in annex II to this document.

### **II. Membership**

2. The ad hoc Review Committee shall comprise:

- (a) Three developing country Board members or alternate Board members; and
- (b) Three developed country Board members or alternate Board members.

3. Members of the ad hoc Review Committee will serve for the its duration as per paragraph 5 below.

4. The Committee will be assisted by the Secretariat.

### **III. Duration**

5. The ad hoc Review Committee will be an ad hoc committee of the Board and shall function until the earlier of:

- (a) The submission by the ad hoc Review Committee of recommendations to the Board resulting from the review of the committees and group established by the Board at its fifth meeting in accordance with the terms of reference referred to in paragraph 1 above; or
- (b) The Board having decided to terminate the Review Committee.

### **IV. Guidelines for operation**

6. Provisions will be put in place to manage actual and potential conflicts of interest.

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