



**GREEN  
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**GCF/B.20/20**

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# Revision of the structure and operations of the independent Technical Advisory Panel

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## **Summary**

This document presents various options to revise the structure of the independent Technical Advisory Panel to respond to new modalities for funding proposal assessment adopted by the Board after the terms of reference for the independent Technical Advisory Panel were established, and to fluctuations in the pipeline of funding proposals, both in terms of volume and thematic expertise areas.

## I. Introduction

1. In decision B.09/10, the Board approved the terms of reference of the independent Technical Advisory Panel (TAP), which define its composition and structure, its operation as an independent body, and its mandate to engage on the review of funding proposals. In decision B.10/09, the Board decided that the Secretariat, in consultation with the Investment Committee, will conduct a review of the effectiveness of the TAP.

2. The review of the structure and effectiveness of the TAP was presented to the Board at its nineteenth meeting. The review identified several areas of action related to the TAP's composition, processes and outputs, in order to bring the TAP up-to-date in the face of changes associated with GCF's operations scale-up, the updates of the GCF's policies and processes, and the need to improve quality on the basis of the experience gained by GCF in its operations.

3. In its decision B.19/08, the Board requested the Secretariat to propose various improvements in the process of review of funding proposals, *inter alia*:

(a) to develop a proposal, in consultation with the TAP, *to accommodate the increase in funding proposals from the simplified approval process (SAP)*, including through the use of a roster of experts and a process-specific time-line;

(b) to present an analysis of options, in consultation with the TAP and the Budget Committee, *to accommodate the increased workload resulting from the higher number of funding proposals being processed*;

(c) to, jointly with the Investment Committee, support the TAP *to improve its internal structures and processes to ensure more coherence, the establishment of formal procedures, and the efficient use of time and resources*; and

(d) to agree with the TAP, and jointly implement on a pilot basis, *a new review cycle that allows for longer review times by the independent TAP and the provision of its inputs at an earlier stage in the approval process*.

4. This paper provides an analysis of the current operations of the TAP in the funding proposal review process and proposes a few options that each address the above-mentioned requests from the Board.

## II. Current operational procedure of the TAP

5. The TAP, as per its terms of reference established in decision B.09/10, reviews and assesses funding proposals against the six investment criteria adopted in decision B.07/06 and its sub-criteria and indicative assessment factors adopted in decision B.09/05.

6. The schedule of the TAP review of funding proposals has so far followed the schedule of Board meetings.

7. The review is generally concentrated in approximately four weeks. A two-person team, composed of a lead and secondary reviewer, is provided with the final draft of the funding proposal, which results in comments for the accredited entity to address. In case the number of funding proposals is considered large, the Secretariat endeavours to forward the working draft of the funding proposals earlier in consultation with the TAP. While the reviewers assess the funding proposals, the Secretariat Assessment findings are provided to TAP approximately one week prior to TAP decision meeting at the Fund's headquarters. Following its discussion with the Secretariat and AEs at the Fund's headquarters, the TAP members jointly discuss and reach consensus on each of the funding proposals. Each of the two-person teams then prepares the TAP assessment findings and recommendations to the Board.

8. The current operational procedures of the TAP have departed from the terms of reference to the extent that (i) the review takes approximately four weeks from receipt of the funding proposal to delivery of the assessment findings to the Secretariat, versus the *aim to not exceed two weeks*. It is due to increased number of funding proposals required to assess but not perceived at the time that the terms of reference were prepared; and (ii) the TAP organizes as per the Secretariat's request at B.11, a TAP decision meeting of around one week at the Fund's headquarters rather than only when *exceptional circumstances necessitate physical meetings*. The meeting is found efficient and useful for the TAP and Secretariat to establish common understanding and for the TAP to liaise with AEs as per the Board guidance. It is also a norm as per the Board request that the TAP attends a board meeting to respond queries that the Board may have about funding proposals.

9. In 2017, the TAP contract was converted from a per-diem basis timesheet to a fixed monthly amount based on the projected number of funding proposals to be assessed. The conversion aimed to ease the Secretariat's administrative workload, and enhance predictability of TAP budget and costs in the GCF's budget. The TAP contract of 2017 was extended to 2018 with a similar remuneration.

10. The total annual cost of TAP, including remuneration at the monthly fee basis and travel, is approximately USD 1 million.

11. The present TAP fixed amount contract does not cover SAP proposals that are introduced at B.19 after the contract was fixed. In 2018, the TAP assessment of SAP proposals is therefore covered under an additional contract between the GCF and the TAP members.

12. The advantage of the current structure and operational modality is that it delivers continuity in the delivery of the assessments. The TAP decision meeting at the GCF headquarters enable the TAP to discuss and establish common understanding about funding proposals with the Secretariat and subsequently provide feedback to AEs before TAP assessment report is finalized.

13. The TAP has access to a roster of experts with broad sectorial expertise which assist them, in a consulting role, by providing subject matter reviews on specific technical matters in the Funding Proposal. TAP members make use of the inputs from the experts in the roster to better understand the funding proposal and assess its performance against investment criteria. The experts in the roster are subject to the Fund's policies on confidentiality and conflict of interest.

### III. Assessment of workload and emerging modalities

14. The number of funding proposals assessed by TAP is given in the table below:

	B.11	B.13	B.15	B.16	B.17*	B.18	B.19	B.20
First assessment	5	10	10	10	9	11	19	11
Re-assessment							2	2
SAP							1	1
Total	5	10	10	10	9	11	22	14

\* Reviewed by TAP but not considered at B.17; presented to the Board at B.18.

15. The fluctuation in the number of funding proposals reviewed by TAP is a direct result of the business model of the GCF, with the pipeline of funding proposals being driven by the countries through the accredited entities.

16. The Board has adopted several decisions that relate to the operational procedures of the TAP since its establishment, which have relevance in the context of the operational modalities of the TAP. The most relevant of these are:

- (a) establishment of a dedicated roster of experts in major mitigation and adaptation areas, decision B.10/09, paragraph (e) (ii), which is being expedited in response to decision B.19/08, paragraph (b);
- (b) simplified approval process pilot scheme, decision B.18/06, whose Annex X, paragraph 21, establishes that the TAP review will take place on a rolling basis; and
- (c) decision B.19/08, paragraph (i), which requests the Secretariat and the TAP *to agree on and implement, on a pilot basis, a new review cycle that allows for longer review times [...] and the provision of [TAP] inputs at an earlier stage in the approval process.*
17. Decisions under the consideration of the Board at this meeting could have a further impact on the procedures and modalities of the review of funding proposals, in particular the *Policy matters related to funding proposals.*
18. The *Review of the structure and effectiveness of the independent TAP*<sup>1</sup> identified the following recommendations, *inter alia*:
- (a) expand the TAP in a way that broadens the technical and regional expertise;
- (b) the internal processes of the TAP will need to evolve as the volume increases;
- (c) the Board should review which category of funding proposals are most important for the TAP to review; and
- (d) the TAP inputs should be shifted earlier in the proposal process to increase value and overall efficiency.
19. Responding to the above-mentioned guidance, recommendations and developments, the Secretariat, in consultation with the TAP, the Investment Committee and the Budget Committee, has developed some options for consideration by the Board.

## IV. Analysis of options to accommodate increased workload

### A. TAP review cycle starts earlier and engages at various stages in the funding proposal assessment

20. This enables TAP assessments to be undertaken early on in the proposal review stage, allowing the AE to incorporate TAP recommendations in a meaningful way in their funding proposal. It is expected to lead to a reduced number of conditions and covenants attached to the funding proposal.
21. The TAP continues to endorse funding proposals in a cycle that is aligned with the Board meetings, but the TAP assessments take place immediately after the funding proposal is made available by the Secretariat. This option will distribute the review over time and allows the TAP to assess more funding proposals. Prior to every Board meeting, a TAP decision meeting can be organized at the GCF headquarters where TAP discusses and takes a decision on each funding proposal.
22. The Secretariat and the TAP will develop an operational modality to achieve optimal efficiency in the engagement of the TAP in assessing funding proposals throughout the review cycle, while maintaining the independence of the assessments of the TAP.
23. This option requires the implementation of a predictable and organised assessment schedule as TAP members are retained on a part-time basis and it is challenging for them to be available on-call and mobilized on an ad-hoc basis.

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<sup>1</sup> Document GCF/B.19/03 contains the Executive Summary with key findings and recommendations of the review.

## B. Increase the size of TAP, with efficiency improvements

24. Increasing the size of the TAP would enable the TAP to cover a larger breadth of thematic expertise and to review a larger volume of funding proposals with a quicker response/processing period and also responding to SAP proposals. An increased number of TAP members would also assist the TAP with greater diversity in its approaches and assessments. The larger TAP also helps maintain continuity and consistency in its assessment if TAP members are to rotate in the future.
25. This option would require optimization of the TAP's review and deliberation processes to increase efficiency. The greater diversity of assessments resulting from an increased number of TAP members may also need to be managed.
26. The budget required for TAP would increase proportionally with every member added to TAP.

## V. Mechanisms for quality assurance of the assessment

27. The following three options have resulted from the dialogue between the TAP and the Secretariat. Any combination of the three can be utilized.
28. **Option 1: Establish a forum where the TAP can be given guidance periodically from the Board and relevant GCF units.** With the Secretariat and Investment Committee support, the TAP will hold an informal briefing prior to a Board meeting to share Board members and advisors with its general findings and issues of the latest assessment round and to receive the Board's guidance. The TAP can also enhance dialogue with IEU, PMU and RMU with the purpose of proactively addressing findings of the respective unit in TAP assessment to the extent applicable for TAP mandate.
29. **Option 2: Introduce an internal procedure of the TAP to enhance coherence in its assessment.** The TAP develops basic assessment guidelines and template for its assessments. The basic assessment criteria serve as guiding principle for TAP assessments and for TAP internal consumption. However, a part of criteria will be reflected into the guidance notes prepared in collaboration with the Secretariat. Each TAP assessment report and scaling will be examined during the TAP decision meeting. The report will have a page limit.
30. The TAP could have an assistant to consolidate each TAP member comments and prepare basic assessment guidelines and guiding note. A TAP database, a depository of TAP assessments and records of discussions could be established to maintain consistency and continuity of TAP assessment in the future.
31. **Option 3: Periodic quality assurance by a third party such as Independent Evaluation Unit.** This third-party evaluation would consist of reviews of recent TAP assessments to ensure the investment criteria and assessment guidelines are sufficiently clear and applied consistently. The review could also identify ways to make the outputs more relevant and user-friendly for the Board. The Independent Evaluation Unit, due to its independence and direct reporting to the Board, would be well placed to conduct such evaluation. Considering the need for a sufficient sample size of assessments, a biennial evaluation is recommended.

## VI. Recommendations

32. The Secretariat recommends the Board to adopt the draft decision noted in Annex I.

## Annex I: Draft decision of the Board

The Board, having considered document GCF/B.20/20 titled “Revision of the structure and operations of the independent Technical Advisory Panel”:

- (a) Takes note of the analysis and recommendations presented in the document;
- (b) Takes note of summary report on the performance assessment of each member of the independent Technical Advisory Panel as presented in Annex II, and the detailed report on the performance assessment of each member of the independent Technical Advisory Panel as presented in GCF/B.20/XX/Add.01 (*Limited Distribution*);
- (c) Considers that the performance of each member of the independent Technical Advisory Panel during their current term of membership has been satisfactory;
- (d) Decides to re-appoint, as an exception to paragraph 12 of annex I to decision B.BM-2018/09, the following members of the independent Technical Advisory Panel for a two-year term starting on the date of the expiration of their current term:
  - (i) Mr. Joe Yamagata;
  - (ii) Ms. Claudia Martinez; and
  - (iii) Mr. Ahsan Ahmed;
- (e) Decides to maintain the present structure of the independent Technical Advisory Panel;
- (f) Requests the Secretariat and the independent Technical Advisory Panel to align their respective procedures for the funding proposal assessment process, including assessment of funding proposals submitted under the simplified approvals process, and to report back to the Board on progress after one year;
- (g) Requests the Investment Committee to review and if appropriate provide recommendations by B.22 on ways to further strengthen the independence and impartiality of the independent Technical Advisory Panel and the roster of experts that supports it;
- (h) Also requests the Secretariat, in consultation with the independent Technical Advisory Panel, to consider the projected future increase in the volume of funding proposals and to make a recommendation to the Board on options to increase the capacity of the independent Technical Advisory Panel within one year from the date of this decision;
- (i) Requests the Investment Committee to arrange a regular debrief with the independent Technical Advisory Panel, and any interested Board members, alternate Board members and advisors, immediately prior to and/or after Board meetings, to discuss general findings and issues with the latest funding proposal assessment round, and to provide feedback after each Board meeting to the independent Technical Advisory Panel;
- (j) Decides to conduct a biennial evaluation of independent Technical Advisory Panel assessments, incorporating views from Board members, alternate Board members, and advisors; the Secretariat; accredited entities, and national designated authorities/focal points, to ensure clarity and consistency in the use of investment criteria and the review template referred to in decision B.19/08, paragraph (h), and make the assessments more relevant and user-friendly for the Board; and
- (k) Requests the independent Technical Advisory Panel to develop its internal quality assurance procedures, including internal assessment guidelines, a database of independent Technical Advisory Panel assessments, and records of discussions.

## **Annex II: Executive Summary of the Performance Assessment of members of the of the independent Technical Advisory Panel**

*The executive summary on the performance assessment of the members of the independent  
Technical Advisory Panel is contained below.*

**Report: iTAP assessment for GCF**

**Presented by:**

**SRI Executive Strategy**

**May 2018**







## Introduction

This report has been compiled for the Green Climate Fund (GCF) by SRI Executive Strategy.

The Board of the GCF directed that a performance review and capacity analysis of the independent Technical Advisory Panel (TAP) be undertaken. It was decided that a 360 evaluation of individual members would be carried out by an independent body. SRI Executive Strategy was appointed through a competitive process to carry out the analysis and produce this report.

## Methodology

A bespoke questionnaire was produced in collaboration with GCF staff members. Questions were devised under six main categories:

- General information
- Technical Expertise
- Communication Skills
- Problem Solving Abilities
- Ethical Behavior and Teamwork
- Personal Effectiveness

Raters were selected to complete this questionnaire and were allocated to TAP members through a process independent of GCF. TAP members themselves were asked to be raters of all others. There were four categories for each question with additional space for free text:

- Exceeding expectations of the role
- Meeting expectations of the role
- Working towards expectations of the role
- Below expectations of the role

TAP members were also invited to complete the questionnaire as a self-evaluation to allow their responses to be compared with those of others.

Members and Alternate Members of the Board were invited to submit comments and these have been incorporated.

The GCF endeavors to nurture and develop talent in order to promote the most effective use of their expertise, to determine the quality of their service, to recognize their achievements and to identify their training and development needs. Each TAP member will receive their own individual report which demonstrates where strengths are seen and where development areas might exist.

The full list of TAP members is:

Ahmed Uddin Ahsan

Claudia Martinez

Daniel Nolasco

Felix Dayo

Joe Yamagata

Marina Shvangiradze

## Summary

The results of the review show that the iTAP is relatively new and has undergone a steep learning curve. This learning continues and adjustments are made to continuously improve recommendations made and ensure that the Board receives expert technical assessments. This was reflected in a comment from a Board member about the increase in quality of assessments over time. Similarly, the increased confidence in recommending rejection of proposals of insufficient quality was appreciated.

There is a general consensus that TAP have the right levels and range of technical expertise to provide a useful service. There were some comments that members would benefit from ensuring that their reference points were up-to-date and reflected recent developments across the sector. A response from a Board member demonstrated satisfaction with individual members and the way that TAP works as a group.

Members of the panel are seen to be reactive and responsive when needed although there was one concern raised about an unwillingness to remain in Songdo when a large number of proposals needed to be assessed.

Interactions with AEs were seen to be limited and there might be the opportunity to consider whether more touch points might be helpful. A comment from a Board member indicated that more time should be allowed for assessments. Another aspect included giving iTAP a greater role in highlighting comparisons and areas of overlap in different proposals. There was also a comment that it might be more appropriate for the TAP to finalize their assessment before seeing what has been produced by the secretariat in order to maintain an unbiased approach. It was suggested that the Board might find ways of hearing the views of iTAP members on a broader perspective than is currently used.

There may be an opportunity to review the process as a whole to respond to these points.

Other recommendations included using iTAP to identify particularly strong proposals and to have clear views about where a proposal is paradigm shifting. This also refers to the review of financial terms relating to proposals to ensure that budgets have been calculated effectively.

## Conclusions

The iTAP is working well as a team and continues to improve over time. There appears to be a good mix of technical skills and personal attributes which allows effective team discussion.

There were many strengths across the individual assessments and no areas, or any specific questions, where the vast majority of iTAP members were not exhibiting strengths. No areas of weakness within the team were found and no individual was operating at a level which overall did not meet expectations.

It might be useful to review the process that is followed and look at additional ways that iTAP can add value to GCF.

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