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

Summary

This document presents options to enhance the structure and operations of the independent Technical Advisory Panel to respond to the opportunities and challenges in the GCF First Replenishment period, with a focus on its overall capacity.

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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 independent TAP.

2. The review of the structure and effectiveness of the independent TAP was presented to the Board at its nineteenth meeting (B.19). The review identified several areas of action related to the composition, processes and outputs of the independent TAP to bring it up to date in the face of changes associated with the upscaling of GCF operations, updates to GCF policies and processes, and the need to improve quality based on experience gained by GCF in its operations.

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

- (a) Develop a proposal, in consultation with the independent TAP, to accommodate the increase in funding proposals that use the simplified approval process (SAP), including through the use of the roster of experts and a SAP-specific timeline;
- (b) Present an analysis of options, in consultation with the independent TAP and Budget Committee, to accommodate the increased workload resulting from the higher number of funding proposals being processed;
- (c) Support, jointly with the Investment Committee, the independent 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 independent 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. At the behest of the Investment Committee, a consultancy was commissioned to provide an analysis of the current operations of the independent TAP in the funding proposal review process and propose options that address the above-mentioned requests from the Board. The final report of the consultancy is presented in annex II in a document entitled “Revision of the structure and operations of the independent Technical Advisory Panel”.

II. Current operational procedure of the independent Technical Advisory Panel

5. The independent TAP, as per its terms of reference established by 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 of funding proposals takes place over 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 (AE) to address. If 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 independent TAP. While the reviewers assess the funding proposals, the Secretariat assessment findings are provided to the independent TAP approximately one week prior to the TAP decision meeting at the GCF Headquarters. Following its discussion with the Secretariat and AEs at the GCF 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 for the Board.

8. In 2017, the independent TAP contract was revised to include a fixed monthly amount rather than a per diem-based timesheet. The conversion aimed to ease the Secretariat’s administrative workload and enhance the predictability of the TAP budget and costs in the GCF budget. In 2019, remuneration was increased while SAP proposals were brought under the coverage of the updated terms of reference.

9. The total annual cost of the independent TAP, including remuneration based on the monthly fee and travel expenses, was approximately USD 1 million during the initial resource mobilization period.

10. The current structure and operational modality allow for continuity in the delivery of the assessments. The TAP decision meeting at the GCF Headquarters allows the independent TAP to discuss and establish common understanding about funding proposals with the Secretariat and subsequently provide feedback to AEs before the TAP assessments are finalized. This process also requires a physical meeting before the finalization of assessments.

11. The independent TAP also has access to a roster of experts with broad sectoral expertise. These experts assist the independent TAP, in a consulting role, by providing subject matter reviews on specific technical matters in the funding proposals. TAP members make use of the inputs from the experts in the roster to better understand the funding proposals and assess their expected performance against the GCF investment criteria. The experts on the roster are subject to GCF policies on confidentiality and conflict of interest.

III. Assessment of workload and emerging modalities

12. The number of funding proposals that have been assessed by the independent TAP is presented in the table.

Table 1: Number of Funding Proposals assessed by the independent TAP prior to each Board meeting

Board	B.11	B.13	B.15	B.16	B.17*	B.18	B.19	B.20	B.21	B.22	B.23	B.24
First assessment	5	10	10	10	9	11	19	11	12	8	7	12
Re-assessment							2	2	4	2	3	
SAP							1	1	3	2	2	4
Total	5	10	10	10	9	11	22	14	19	12	12	16

Abbreviations: SAP = simplified approval process.

*Reviewed by the independent Technical Advisory Panel but not considered at the seventeenth meeting of the Board; presented to the Board at the eighteenth meeting of the Board.

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

14. The total amount of resources available for GCF-1 indicates that the average number of funding proposals per year may be in the range of between 50 and 65, which translates to averages of 17 to 22 funding proposals per Board meeting. This average is based on a higher range of workload experienced during the initial resource mobilization, on par with B.19 and B.21. It also represents up to a 35 per cent increase from the average number of funding proposals reviewed per Board meeting in the last two years. These figures do not take into account the need for some proposals to be reviewed more than once.

15. Responding to the above-mentioned guidance, recommendations and developments, the consultancy firm has identified options to increase the capacity of the independent TAP by enhancing their structure and operation modalities. The full report is contained in annex II.

16. Based on the findings in the report, the Secretariat, in consultation with the independent TAP, the Investment Committee and the Budget Committee, has developed some options for consideration by the Board (see section IV).

IV. Key recommendations

4.1 Increasing size of the independent Technical Advisory Panel

17. One of the key constraints in the capacity of the independent TAP to review funding proposals stems from its limited size. An increase in the size of the independent TAP would increase the number of funding proposals that can be reviewed linearly. As noted in the report, a larger independent TAP could also have greater technical coverage, provide greater diversity in its approaches and assessments, and provide more capacity for developing internal or external guidance and quality assurance. More members can provide for more specialized review teams and other forms of flexibility in both assigning TAP members and in designing efficient internal processes.

18. Depending on how the internal processes are restructured, more members could also add more complexity to certain stages, such as the consensus-building and assessment finalization phase, which the independent TAP currently conducts by committee among all members in physical meetings at GCF Headquarters. However, the benefits of this increase are anticipated to outweigh this added complexity.

19. Increasing the size of the independent TAP is relatively easy to implement and does not necessitate adjustments to the way the roster of experts is being used to complement TAP expertise in specialized knowledge areas that are not covered by the regular TAP members. However, as the review highlights, for a larger independent TAP to reach its full potential to increase review capacity cost-efficiently, this increase should be paired with the adjustment of internal processes.

20. Increasing the size of the independent TAP would require a roughly proportional increase in the cost of its operations, including both the remuneration of its members and other costs associated with its operation, such as travel during the Board meeting or the physical meetings at GCF Headquarters if that is maintained. *Ceteris paribus*, this would imply:

- (a) A 33 per cent increase (approx. USD 1.3 million) for an increase in the size of the independent TAP from six to eight members; or
- (b) a 67 per cent increase (approx. USD 1.7 million) for an increase in the size of the independent TAP from six to ten members.

21. Under the current remuneration system, this cost increase would be incurred regardless of the actual number of funding proposals being reviewed. In the case that the increase in the number of funding proposals envisaged in the Strategic Plan for the GCF: 2020–2023 does not immediately materialize, the cost-efficiency of the TAP review process would be affected. A gradual increase in the size of the independent TAP, to eight members by the end of 2020, would provide the independent TAP with a 33 per cent increase in capacity and cost in a manner consistent with the projected increase in the number of funding proposals processed in GCF-1.

22. In addition to the cost, considerations for the operational efficiency of the independent TAP are also necessary. The staggering of contract periods in several groups enables the replacement of some candidates while minimizing the loss of institutional memory. At the same

time, excessive fragmentation in the terms of TAP members can create a large burden for the Secretariat, Investment Committee and Board to evaluate the performance of the TAP members and consider their re-appointment and replacement.

23. The current independent TAP members have served for a full three-year term and are currently serving a two-year term, bringing their total tenure to five years. Their contracts run through August 2020 for three of the members (2020 cohort), and April 2021 for the remaining three (2021 cohort). Taking that into consideration, options for staggering TAP members are identified:

- (a) Adding two members after B.25, synchronizing their contracts with the August 2020 cohort; and adding two additional members in 2021, synchronizing their contracts with the April 2021 cohort. It would be optimal to slightly increase the gap between the two groups to at least a year, even if it may require extending the contracts of the current 2021 cohort slightly more than three years. This first option would allow cohorts to be composed of more experienced members and newer members, making transitions more gradual as TAP membership changes over time; and

Figure 1: Contract staggering in two groups, adding two new independent TAP members



- (b) Synchronizing the contracts of all existing members by extending their contracts through late 2021/early 2022, while inducting new members at B.26. This option would work best if 4 new members are inducted at B.26 by increasing the size of the independent TAP to 10 members.

Figure 2: Contract staggering in two groups, adding four new independent TAP members



24. Other options are not considered due to the fragmentation and administrative burden that they would create.

25. The Investment Committee proposes that the Board consider an increase in the size of the independent TAP to ten members by the end of 2020, and decide to follow the contracting cycle as per figure (2), with possible consideration of a further increase in capacity in 2021. This approach would provide the independent TAP with an increase in capacity and cost consistent with the projected increase in number of funding proposals processed in GCF-1, smooth out the future turnaround of TAP members, and help maintain its institutional knowledge.

4.2 Updating operational modalities to accommodate increased workload

26. The expected increase in the workload and the size of the independent TAP present both challenges and opportunities for the efficiency of TAP operations. The report contained in annex II identifies a number of interconnected options to increase the efficiency of TAP operations and its capacity to review funding proposals in the GCF-1 scenario, including:

- (a) Shifting to reviewing all funding proposals on a rolling basis, in line with the Secretariat's review, which would allow for a better distribution of the TAP members'

workload during the year and a reduction in peak load periods, which limit their overall capacity;

- (b) Shifting to a virtual process for the finalization of assessments, which enables the full implementation of reviews on a rolling basis and reduces the operational costs of the independent TAP; and
- (c) Prioritizing the involvement of members with relevant expertise in the discussion and finalization of assessments, instead of the current mechanism of consensus-building among the full independent TAP. The increase in the size of the independent TAP and members' expertise in the different GCF results areas would allow for the creation of sub-sets of TAP members, which would reduce overall requirements in terms of TAP members' time and coordination while keeping the benefits of consultation among peer experts.

27. The implementation of the recommendations for TAP operations requires further consultation and coordination between the Secretariat and the independent TAP to ensure that all necessary changes can be robustly applied and to understand the implications of the changes to the effectiveness of the process. The Investment Committee recommends that the Secretariat and the independent TAP continue to engage on this matter, in consultation with the Investment Committee, with a view to revising the overall process by B.26.

28. Finally, with regard to the involvement of the independent TAP in the SAP cycle, it is proposed that the matter be considered during the upcoming review of the SAP.

4.3 Administrative staff

29. Currently, the independent TAP handles its own coordination and relies heavily on the Secretariat for logistical and coordination support, for example in arranging travel and meetings with the Secretariat and AEs. TAP members are contracted for their technical expertise in their respective fields; administrative responsibilities compete for their limited time and can constitute a bottleneck for the independent TAP to deliver on their core function.

30. The Investment Committee, in line with the findings of the report, recommends that an administrative consultant be hired to support administrative functions, including those related to the use of the roster of experts. The consultant could also contribute to maintaining the independence of the TAP; assisting with quality assurance frameworks, guidance and checklists; and liaising with and tracking requests from the Investment Committee.

V. Recommendations

31. The Secretariat, in consultation with the Investment Committee, recommends that the Board adopt the draft decision presented in annex I.

Annex I: Draft decision of the Board

The Board, having considered document GCF/B.25/10 titled “Revision of the structure and operations of the independent Technical Advisory Panel”:

- (a) Takes note of the independent consultant’s report of the same title as presented in annex II;
- (b) 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 1.5-year term starting on the date of the expiration of their current term:
 - (i) Mr. Ahsan Ahmed;
 - (ii) Ms. Claudia Martinez; and
 - (iii) Mr. Joe Yamagata;
- (c) Also decides to amend the terms of reference of the independent Technical Advisory Panel to increase the size of the Panel from 6 members to 10 members by the end of 2020;
- (d) Requests the Secretariat to launch a call for experts immediately in order to identify suitable candidates to join the independent Technical Advisory Panel as members;
- (e) Also requests the Secretariat to recruit one administrative support consultant to report to and work directly with the Chair of independent Technical Advisory Panel, but shall be hosted by and located in the Secretariat for administrative purposes;
- (f) Further requests the Investment Committee to nominate additional experts as members of the independent Technical Advisory Panel by the twenty-sixth meeting of the Board, with due consideration given to the geographic and specialty coverage in accordance with the updated terms of reference of the independent Technical Advisory Panel;
- (g) Requests the Secretariat to improve the contracting modality for the roster of experts for use by the independent Technical Advisory Panel to ensure quick deployment and utilization;
- (h) Approves an additional administrative budget for the Board for the year 2020 in the amount of USD 338,800, to cover the additional four members of the independent Technical Advisory Panel, the administrative support consultant, and the operationalization of the roster of experts. This approval is in addition to the USD 3,673,720 approved via decision B.24/05, paragraph (f), thus bringing the total administrative budget for the Board for the year 2020 to USD 4,012,520; and
- (i) Requests the Secretariat, in consultation with the Investment Committee and the independent Technical Advisory Panel, to propose updates to the operational modalities of the independent Technical Advisory Panel to accommodate the increased workload by the twenty-sixth meeting of the Board.

Annex II: Full report: Revision of the structure and operations of the independent Technical Advisory Panel

The full report of the “Revision of the structure and operations of the independent Technical Advisory Panel” is contained below.

**Green Climate Fund:
Consultancy to support the revision of the structure
and operations of the independent Technical Advisory
Panel (iTAP)**

Final Report

Contract No. GCF/2019/C/042

SQ Consult B.V.

19 September 2019

Registered under project number [CC/2019/USE/021](#)

Executive summary

Anticipating a potential increase in the volume ready for consideration for each board meeting in future years, the Green Climate Fund (GCF) Investment Committee has asked the GCF Secretariat for an elaboration of options for the improvements in the independent Technical Advisory Panel's (iTAP) process of reviewing funding proposals (FPs). (Board decision B.19/08)

The Secretariat produced "Revision of the structure and operations of the independent Technical Advisory Panel" under guidance from the Investment Committee, which was published for the 20th and 21st meetings of the Board, but was not opened for discussion. (See for example GCF/B.21/04). This report will support the Secretariat in preparing a revised and updated version for the 25th board meeting.

Scope of the Assignment

As per the Terms of Reference for this "Consultancy to support the revision of the structure and operations of the iTAP," the objective is to:

"provide support to the Secretariat for the revision of the paper requested by the Board in decision B.19/08, the revision of the structure and operations of the iTAP."

This assignment focused on the logistics and structure of the iTAP's role in the review process. For example, authors examined options for:

- (A) Increasing capacity/flexibility for reviews to keep pace with any increased volume (i.e. ensuring availability) such as through changes in iTAP's structure/size, efficiency of internal processes, and increased use of a roster of experts.
- (B) Ensure the quality of reviews through strategies to promote ongoing quality assurance as well as to cover the necessary knowledge/skillsets for all proposal types and modalities.

Context

The iTAP is tasked with providing independent assessments of the expected performance of each FP regarding six Investment Criteria established by the Board after the Secretariat has deemed the FP ready for submission to the Board for consideration. The iTAP consists of six part-time independent consultants on a fixed monthly remuneration based upon previous assumptions regarding the annual review volume.^{1,2} It reports directly to the Investment Committee of the Board.

In addition to reviewing FPs following the standard funding proposal approval process, the Board has also requested the iTAP review FPs under the Simplified Approval Process (SAP). The iTAP also reviews FPs received through any special calls for proposals, e.g. targeting specific sectors or measures.

The iTAP's review takes place over approximately four weeks, currently in a pattern tied to the board cycle. The review begins with a remote document review phase by the two iTAP members assigned by its chair and culminates in an in-person consensus-seeking meeting with all iTAP members at the GCF

¹ The iTAP also are expected to travel as necessary one month leading up to and including each board meeting.

² The average cost per iTAP review represents approximately 0.1% of the average FP request

Headquarters in Songdo. The iTAP also coordinates with the Secretariat and the Accredited Entities (AEs) during their time in Songdo.

Past reviews have indicated that the composition of the iTAP is perceived as a reasonable reflection in terms of both geography and technical experience, given that there are only six people to represent a wide range of topics and expertise areas. Nevertheless, gaps are inevitable with so few to cover the diversity and complexity desired.

The iTAP can seek additional support from a roster of experts, such as to provide subject matter reviews on specific technical matters in the FPs. To date, this resource has only been used rarely, in large part due to the tight schedule currently in place for iTAP assessments.

The iTAP and the Secretariat have worked on several of the issues identified in the previous review of the iTAP. (GCF/B19/03 rev. 1) For example, the Secretariat has helped create the administrative foundation by issuing a call for experts and signing ad-hoc contracts with 10 experts selected by the iTAP. The iTAP can now quickly draw upon these resources, assuming they are available and the lack of any conflict of interest can be confirmed in the narrow timeframe needed.³ There are numerous other expertise areas that may be useful to support the iTAP as well.

To date, the iTAP has not developed detailed guidance on how to interpret the investment criteria in different contexts, relying primarily on experiences from prior employment and institutional memory.

The core challenges

The current process creates a restriction, as the iTAP can only review 10-13 FPs within a four-week period within this structure. The iTAP would need almost double capacity to review the 20+ per board cycle envisioned by the Investment Committee. Yet, an iTAP that size is likely to fundamentally change the dynamics of the internal processes and create additional administrative complexity.

The current two-person review process is perceived as efficient. Yet, two individuals may not always have the breadth of skillsets valuable for review. It is also possible that the entire iTAP may not have all the different expertise areas relevant for a particular review.

Experience shows that the current quality and consistency of assessments is perceived as irregular. The results of the AE survey also indicated that they would like substantially more clarity on what evidence the iTAP will be looking for much earlier in the process.

In the future, the iTAP needs to demonstrate sufficient breadth and depth of technical knowledge to cover the six investment criteria as well as have ready access to specialized knowledge bases or skillsets needed for typical proposal types as well as for any unusual themes to match the review volume anticipated under the First Replenishment. The review volume is expected to continue to fluctuate, yet trend upward over time. There also needs to be sufficient standardization and quality assurance to ensure consistency and coherency as more experts contribute to iTAP assessments, while accommodating the diversity of FPs received.

³ The experts in the roster are subject to GCF policies on confidentiality and conflict of interest.

Summary of Recommendations

This section summarizes all options considered and each recommendation organized four themes:

- Structural changes to the review process
- Structural changes to the iTAP
- Operational changes internal to the iTAP
- Quality assurance.

The assumptions underpinning these options and recommendations are that the iTAP review system should have:

- sufficient flexibility in membership and expertise areas to accommodate fluctuations as well as an increased volume overall;
- continuous availability to accommodate proposal review on a rolling basis;
- formal procedures and templates to ensure coherence and consistency in reviews;
- efficiency in its communications; and
- robust quality assurance processes.

The options outlined in Table 1 are not exhaustive, rather they are deemed most practical and relevant for the Investment Committee to consider given the existing context and stated preferences of the Board and Investment Committee. All recommendations proposed here are consistent with the Pursuit of Impact Scenario in GCF/B.23/Inf.09.

Table 1 Summary of options and recommendations

Rec. #	Summary of options	Recommendation
3.1 Structural changes to the review process		
1	<u>Reviewing on a rolling basis:</u> 3.1.1.1 Only review SAP FPs on a rolling basis or 3.1.1.2 Shift to reviewing all proposal types on a rolling basis	Shift to reviewing all proposal types on a rolling basis (3.1.1.2)
2	<u>Shifting when iTAP becomes involved:</u> 3.1.2.1 Status quo, iTAP reviews when the proposal is complete or 3.1.2.2 Allow AEs more time to respond and/or 3.1.2.3 Give the Secretariat freedom to informally engage the iTAP with AEs early or 3.1.2.4 Have the iTAP conduct a two-stage review process	Allow AEs more time to respond (3.1.2.2)

3.2 Structural changes to the iTAP		
3	<p><u>Expanding the size of the iTAP and/or using the roster of experts:</u></p> <p>3.2.1.1 No expansion of the iTAP, rely on increased use of the roster of experts or</p> <p>3.2.1.2 Expand the iTAP modestly to 8 - 10, use the roster of experts strategically or</p> <p>3.2.1.3 Significantly expand the iTAP to ensure all anticipated thematic areas are covered</p>	<p>Expand the iTAP modestly to 8 - 10, use the roster of experts strategically (3.2.1.2)</p>
4	<p><u>Changing mode of contracting technical experts:</u></p> <p>3.2.2.1 Continue with the same contracting structure or</p> <p>3.2.2.2 Separate fees negotiated for each type of activity or</p> <p>3.2.2.3 Four-tier structure for iTAP members: Retainer + per review + discrete admin/coordination + ad hoc</p>	<p>Four-tier structure for iTAP members: Retainer + per review + discrete admin/coordination + ad hoc (3.2.2.3)</p>
3.3 Operational changes internal to the iTAP		
5	<p><u>Formal framework: guidelines, templates, standardization:</u></p> <p>3.3.1.1 Minor modifications to current processes, documenting what is happening now or</p> <p>3.3.1.2 Develop core framework within iTAP, only limited contribution to external guidance or</p> <p>3.3.1.3 Comprehensive framework with templates, internal and external guidance</p>	<p>Comprehensive framework with templates, internal and external guidance (3.3.1.3)</p>
6	<p><u>Changing who/how many review:</u></p> <p>3.3.2.1 Status quo – two iTAP reviewers / full iTAP for finalization or</p> <p>3.3.2.2 Prioritize relevant expertise / no consensus attempted with the full iTAP or</p> <p>3.3.2.3 Multi-tiered approach depending on FP type or</p> <p>3.3.2.4 SAP FPs do not go to iTAP, standard FPs follow 3.3.2.1 or 3.3.2.2</p>	<p>Prioritize relevant expertise / no consensus attempted with the full iTAP (3.3.2.2)</p>

7	<p><u>Shifting the mode of finalization:</u></p> <p>3.3.3.1 Shift the mode of finalization to virtual for all FPs or 3.3.3.2 Finalization for SAP proposals is virtual, and in-person for standard FP types</p>	<p>Shift the mode of finalization to virtual for all FPs (3.3.3.1)</p>
8	<p><u>Use of support staff:</u></p> <p>3.3.4.1 Status quo, the iTAP handles its administration with support from the Secretariat or 3.3.4.2 Dedicated administrative staff is hired to support the iTAP or 3.3.4.3 The Secretariat formally supports the iTAP administratively</p>	<p>Dedicated administrative staff is hired to support the iTAP (3.3.4.2)</p>
3.4 Quality assurance		
9	<p><u>Internal quality assurance framework:</u></p> <p>3.4.1.1 Prioritize development of the internal quality assurance framework for conducting assessments</p>	<p>Prioritize development of the internal quality assurance framework for conducting assessments (3.4.1.1)</p>
10	<p><u>Ongoing quality assurance:</u></p> <p>3.4.2.1 Ongoing quality assurance is conducted by the iTAP or 3.4.2.2 Ongoing quality assurance is conducted by the IEU or 3.4.2.3 Ongoing quality assurance is conducted externally by a specialized consultancy</p>	<p>Ongoing quality assurance is conducted by the IEU (3.4.2.2)</p>

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The author of this document is Julia Larkin of SQ Consult. This project was overseen by Patrick van Laake and Adria Llach of the GCF Secretariat.

Disclaimer

The opinions expressed are those of SQ Consult, and do not necessarily reflect those of the GCF Board, the Secretariat or the iTAP. Responsibility for the opinions expressed in this report rests solely with the author. Publication of this document does not imply endorsement by the GCF Board of the opinions expressed.

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1 Context

Since being established in 2010, the Green Climate Fund (GCF) has worked on making a significant and ambitious contribution to the global efforts towards attaining the goals set by the international community to combat climate change.

At its 9th meeting, the GCF Board approved the terms of reference (ToRs) of the independent Technical Advisory Panel (iTAP), establishing its composition and structure, its operation as an independent body, and its mandate to review funding proposals (FPs) under consideration by the GCF Board. (Decision B.09/10) The iTAP is tasked with providing an independent assessment on the expected performance of each project/programme after the Secretariat's second-level due diligence has been performed. The iTAP reports directly to the Investment Committee of the Board.

At its 10th meeting, the Board requested the Secretariat, in consultation with the Investment Committee, conduct a review of the iTAP. (Decision B.10/08) The resulting review of the structure and effectiveness of the iTAP was also performed by SQ Consult and presented to the Board at its 19th meeting.⁴

This current project, "Consultancy to support the revision of the structure and operations of the iTAP," stems from the GCF Board decision B.19/08, wherein the Board requested the Secretariat to propose various options for the improvements in the iTAP's process of reviewing FPs, including:

- (a) To develop a proposal, in consultation with the [i]TAP, "to accommodate the increase in [FPs] from the simplified approval process [SAP]", including through the use of a roster of experts and a process-specific timeline;
- (b) To present an analysis of options, in consultation with the [i]TAP and the Budget Committee, "to accommodate the increased workload resulting from the higher number of [FPs] being processed";
- (c) To, jointly with the Investment Committee, support the [i]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 [i]TAP, and jointly implement on a pilot basis "a new review cycle that allows for longer review times by the independent and the provision of its inputs at an earlier stage in the approval process".

The Secretariat, through consultations with the Investment Committee, produced the Board document "Revision of the structure and operations of the independent Technical Advisory Panel". That document was published for the 20th and 21st meetings of the Board, but was not opened for discussion by the Board.⁵ This document will support the Secretariat in preparing a revised and updated version for the 25th board meeting.

⁴ GCF/B.19/03rev1 recommendations included: (a) Expand the iTAP in a way that broadens the technical and regional expertise; (b) The internal processes of the iTAP will need to evolve as the volume increases; (c) The Board should review which category of FPs are most important for the iTAP to review; and (d) iTAP inputs should be shifted earlier in the proposal process to increase value and overall efficiency.

⁵ RFP: Consultancy to support the revision the structure and operations of the iTAP, June 14, 2019.

1.1 Objectives and parameters for this assignment

As per the ToRs for this review, the overall objective of this assignment is to:

"provide support to the Secretariat for the revision of the paper requested by the Board in decision B.19/08, the revision of the structure and operations of the iTAP."

Anticipating a potential increase in the volume in FPs ready for consideration for each GCF board meeting, the Investment Committee has asked for an elaboration of options. This assignment focused on the logistics and structure of the iTAP's role in the review process. For example, authors examined options for:

- (A) Increasing capacity/flexibility for reviews to keep pace with any increased volume (i.e. ensuring availability), such as through changes in iTAP's structure/size, efficiency of internal processes, and increased use of a roster of experts.
- (B) Ensure the quality of reviews through strategies to promote ongoing quality assurance as well as to cover the necessary knowledge/skillsets for all proposal types and modalities.

1.1.1 Boundaries on scope and assumptions

As noted above, this assignment focused on the logistics and structure of the iTAP's role in the review process. The following assumptions helped define the scope:

1. Independent review is essential for the credibility of the GCF.
2. The content of the reviews (all six investment criteria at approximately the current level of depth) will stay the same, and review of each is equally important.
3. All modalities including the SAP will need an independent review, or at least sufficient flexibility in the system for this.
4. The review system needs to be able to accommodate 20+ FPs per board cycle or 60 FPs per year. It needs to be sufficiently robust to allow expansion and accommodate ebbs and flows as well as the potential for other types of requests from the Board.
5. The review system needs to sufficiently cover the necessary skillsets and knowledge bases for core as well as special modalities.
6. The general working pattern of the Secretariat and the Board as it relates to reviews will stay the same for purposes of developing recommendations for this report.
7. The level of iTAP's engagement with Accredited Entities (AEs) will remain similar to current patterns, though timing and mode may change over time.
8. The iTAP will stay independent and will not be absorbed into the Secretariat in the next phase. However, it may not be structured in the same way as now; that is six independent consultants on a fixed monthly remuneration based upon previous assumptions regarding the annual review volume.

1.2 Summary of activities conducted

This assignment had a tight schedule to meet the original deadlines for the 24th GCF board meeting. Data collection focused on desk review of documentation from the iTAP, GCF Secretariat and board meetings. (See list in Annex B). Several members of the Secretariat and the iTAP chair were interviewed (See Annex B) and AEs were surveyed.⁶ (See Annex C) The analysis covered all topics

⁶ The data collection strategy deviated from the ToR, which stated "The assignment shall be undertaken through consultations with key stakeholders, using interviews and surveys with the Investment Committee, current members of the iTAP, Secretariat staff, and other relevant partners, as preferred by the Firm. Consultation with third parties, such as [AEs], is not foreseen at this time."

listed in Section 1.3. An Interim Report was submitted on 29 July 2019 and reviewed by members of the Secretariat and the iTAP chair. Work was conducted remotely and included regular calls with the Secretariat throughout the assignment.

1.3 Mapping of tasks from Terms of Reference

Table 2 maps the 11 topics indicated in the ToRs to where they are addressed in this report.

Table 2 Mapping of topics in the ToRs to sections in this report

ToR No.	Description	Section in this report
Guidance from the Investment Committee		
A1	Review of the discussion on the structure and working modality of iTAP in the Investment Committee and documents prepared for previous board meetings	2.8
Analysis of iTAP operations to B.23		
B2	Analysis of the FP pipeline and workload of the iTAP over the period to B.23	2.5, 2.6
B3	Analysis of the key sectoral areas in the FP pipeline over the period to B.23 and assessment of gaps when compared to the core expertise areas of the current iTAP members	2.6, 2.7 & Annex D
B4	Analysis of special modalities for FPs like for the private sector and REDD+ results-based payments; SAP and any specific accommodation in the review process by iTAP	2.6, 2.7 & Annex D
Forward-looking options		
C5	Analysis based on existing approaches being undertaken by various units of the GCF Secretariat (e.g. Office of the Executive Director on programming scenarios for 2020) of the FP review workload of the iTAP for 2020 onwards based on options of the replenishment	2.6.1 & Annex D
C6	Conduct an analysis of the iTAP working modalities and options for improvement if the review is to go on a rolling basis, instead of in batches, including timing, duration and frequency of on-site visits. Additionally, review modalities if SAP proposals are to be sent to the Board in between board meetings for approval	3.1.1
C7	Propose options for improving iTAP working modalities to ensure more coherence, the establishment of formal procedures, and the efficient use of time and resources in the conduct of the FP review, with particular reference to different categories of FPs	3.3
C8	Review options proposed (as outlined in GCF B.21/04) for improving quality of the review by iTAP and provide suggestions on improving further	3.4
C9	Review options to have iTAP engaged earlier in the review process	3.1.2
C10	Analyze the use of a roster of experts to support iTAP in their review of FPs, including options to mobilize individual experts from the roster in time for review. Enumerate areas of expertise to complement the core expertise areas of the current iTAP membership. Propose options to ensure and safeguard the independence of any experts from the roster when mobilized to support the review of iTAP	3.2.1 and Annex D
C11	Based on a projected increase in the number of FPs for review, improved working modalities and the use of the roster of experts, propose options to increase iTAP capacity over time, possibly including the incremental addition of members of iTAP. Estimate budgetary implications for each of the options	3.2.1

1.4 Organization of this report

The remainder of this report is organized into the following sections:

- Section 2 provides an overview the current status, including the iTAP's existing review processes and the current and forecasted portfolio
- Section 3 explores options, such as structural or operational changes, to address capacity
- Section 4 summarizes the recommendations for the Investment Committee to consider
- Annex A contains the process flow for the iTAP
- Annex B lists the sources used in developing this report
- Annex C presents the highlights of the survey of AEs
- Annex D: provides an overview of the projected expertise needs for the iTAP in the future.

2 Overview of Current Status

This section provides a brief overview of the context to set the stage for the discussion of options that follows in Section 3. This section provides a brief overview of the project approval process and modalities used as it relates to the iTAP role; a summary of the iTAP processes; and characteristics of the proposals approved by the GCF Board to date as well as future expectations. It also summarizes comments from the Investment Committee relating to the scope of this report.

2.1 Summary of what the GCF targets

The GCF aims to mobilise funding at scale to invest in low-emission and climate-resilient development. Its objectives have been translated into six investment criteria used in making funding decisions as follows (GCF Board Decision B.09/05):

- Generating direct impact by reducing GHG emissions and/or enhancing resilience;
- Contributing to a paradigm shift towards low-emission and climate-resilient development;
- Supporting sustainable development;
- Ensuring funding meets the recipient needs;
- Maximizing country ownership;
- Selecting projects/programmes that are efficient & effective

In addition to the standard FP approval process, the Board approved a pilot for the SAP. To date, seven SAP FPs have been approved, though eight have been reviewed by the iTAP.

Periodically, the GCF also issues special calls for proposals. Some, by their nature, imply different/specialized knowledge bases or skillsets are needed to review effectively. Special calls issued to date have targeted: micro, small, and medium-sized enterprises; reducing emissions from deforestation and forest degradation (REDD+) results-based payments (RBP), enhanced direct access and the private sector (Pitch for the Planet).

The implications for the iTAP are that there needs to be sufficient breadth and depth of technical knowledge to cover the six investment criteria as well as have ready access to specialized knowledge bases or skillsets needed for special calls or unusual themes for standard FPs.

2.2 Summary of the approval process for funding proposals

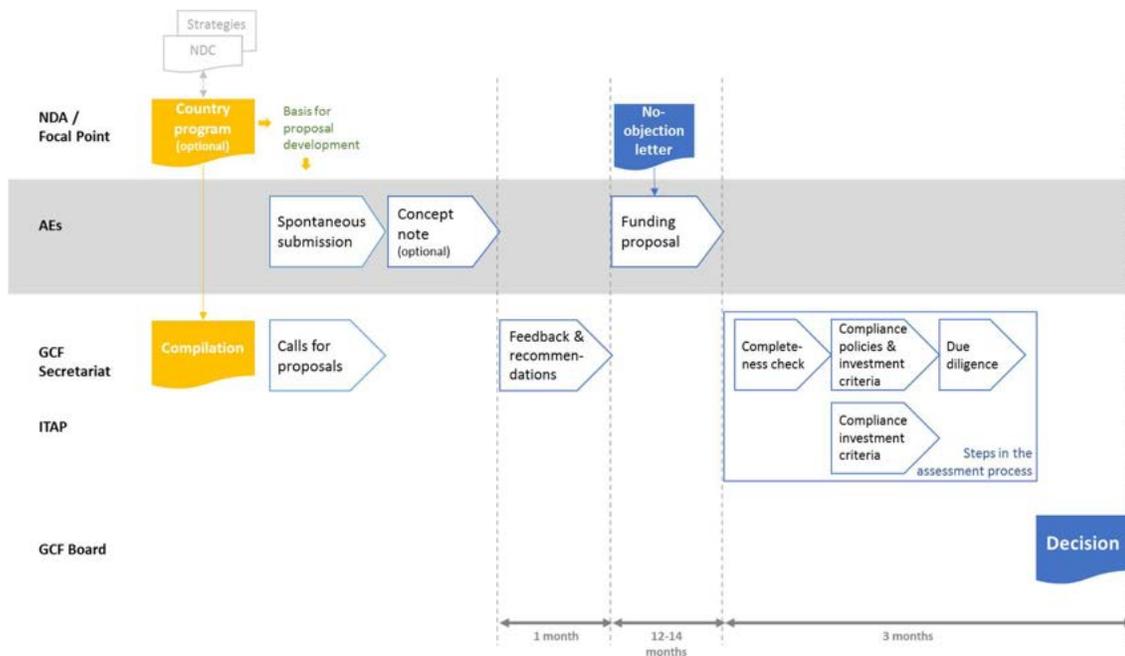
Board Decision (B.07/03) adopted the overall proposal approval process and established the iTAP.⁷ The overall GCF approval cycle is illustrated in Figure 1.

Briefly, once an FP is received from an AE, the Secretariat performs a completeness check and assesses compliance with the GCF's interim environmental and social safeguards; gender, financial, legal, and results monitoring and reporting policies; as well as assessing the project risks and the performance of the project or programme against the six investment criteria contained in the investment framework outlined in Section 2.1. The Secretariat works with the AE as necessary to address any gaps.⁸

⁷ This document focuses on the process as it relates to the iTAP. For a comprehensive overview of the overall process see "Annex IV: Updated project and programme cycle" in GCF/B.17/21.

⁸ This Decision that established the proposal review process also requests the Secretariat "to develop an operations manual and an appraisal toolkit for the initial proposal approval process for programme and project funding," which is not yet available. This information is taken from interviews and external guidebooks addressing submission of FPs to the GCF.

Figure 1. Illustration of the GCF's approval process



Source: GIZ's GCF Proposal Guidebook

The iTAP receives the draft final FP, including related attachments as well as Secretariat's assessment once the senior management at the Secretariat have determined the proposal is ready to be presented to the Board for approval.⁹

An overview of the iTAP assessment process is provided in Figure 2. A more detailed process flow is included in Annex A.

The iTAP's review of FPs takes place over approximately four weeks. In coordination with the entire iTAP, the Chair of the iTAP assigns a two-person team, composed of a lead and secondary reviewer, to develop the draft assessment.¹⁰ To date, the iTAP has not developed detailed guidance internally on how to interpret the investment criteria in different contexts. They do reference board documents, such as Further Development of the Initial Investment Framework: Sub-Criteria and Methodology (GCF/B09/07), as well as call upon prior experiences and institutional memory.

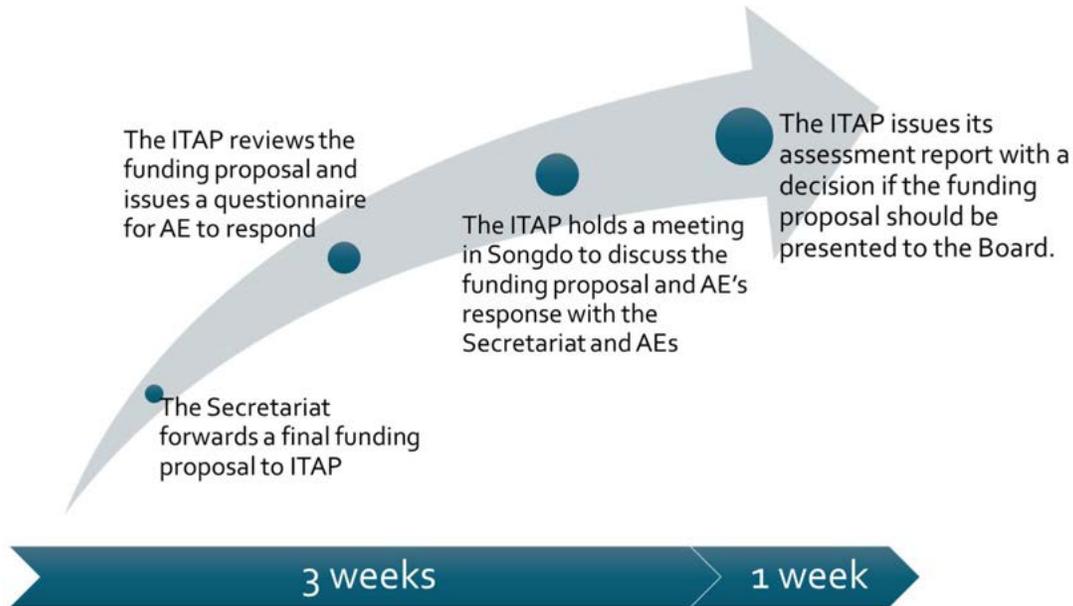
Once the draft assessment is complete it is discussed with the Secretariat in-person at the GCF Headquarters in Songdo. Following its discussion with the Secretariat, the iTAP members jointly discuss and seek to reach consensus on each of the FPs. They then share their comments and hold calls with the AEs and Secretariat, to allow the AEs an opportunity to seek clarification or address any issues identified. Then, each of the two-person teams finalizes the iTAP assessment findings and recommendations for the Board.

⁹ Currently, this is typically done in a batch mode, but it is possible to shift processes internally within the Secretariat to accommodate higher volumes on a rolling basis.

¹⁰ At the current volume this usually means any one iTAP member is usually leading on two, and being alternate on two FPs. The iTAP generally seeks to distribute FPs based upon technical and geographic expertise, yet this is ultimately depends on a variety of factors, including availability, the other FPs to be considered, whether an earlier version of the FP has been reviewed previously, and the absence of any conflict of interest issues

Currently, the iTAP reviews all SAP proposals in batches along with FPs following the standard approval process using the same iTAP assessment process described here.

Figure 2. Overview of the iTAP's assessment process



Source: iTAP, 2019

The schedule of the iTAP review of FPs has so far followed the schedule of board meetings. Yet, it is not fundamental that they follow the same schedule. One characteristic of the current structure and operational modality is that it delivers continuity in the delivery of the assessments.

2.3 Overview of the iTAP members

Per their ToRs, the iTAP comprises six senior experts: three from developing countries and three from developed countries. The four men and two women cover a range of specialties related to adaptation, mitigation, the private sector, financing, development and implementation of projects in developing countries. I9j8h7

All iTAP members treat their work for the iTAP as a portion of their work as independent consultants or as part of formal affiliations with research institutions or other organizations. From the value-to-GCF perspective, continued engagement in other activities helps keep them up to date in their speciality areas, but can create significant complications in availability and scheduling for the Secretariat and the iTAP. The iTAP reports that scheduling has become more manageable now that the Secretariat has started preparing annual schedule in advance.

Past reviews indicated that the composition of the iTAP is perceived as a reasonable reflection in terms of both geography and technical experience, given that there are only six people. The members all have technical experience in diverse areas, which is seen as adding to the collective knowledge. (GCF/B19/03 rev. 1 and GCF/B.21/04) Nevertheless, gaps are inevitable with so few to cover the diversity and complexity desired.

The iTAP can seek additional support from a roster of experts, on an ad hoc or regular basis.¹¹ The Secretariat issued a call for experts and has signed ad-hoc contracts with 10 experts selected by the iTAP that provide expertise in REDD+, gender/social inclusion, economic/financial analysis and aquatic biology. There are numerous other expertise areas that may be useful for the iTAP for which ad-hoc contracts have yet to be signed.

To date, the iTAP has used two experts from the roster for three proposals. The iTAP noted there is a ramp-up period for new reviewers to become familiar with the structure and contents of GCF proposals and their review process. Hence, iTAP reports more time should be allocated for external participation in the future.

A significant constraint is the current timetable for the iTAP's review. As the iTAP have little advance notice of the types of expertise needed for FPs, any expertise needs to be almost instantly available to work and have any lack of any conflict of interest confirmed (e.g. within 1 week) in order to fit within the current review expectations.¹²

2.4 Challenges within the current iTAP review processes

The current operational procedures of the iTAP have departed from the original ToR in three key ways, which have been reflected in the updated ToRs of the iTAP, (Decision 2018/09):

1. The review takes approximately four weeks from receipt of the funding proposal to the delivery of the assessment findings to the Secretariat, versus the "aim to not exceed two weeks". This is due to the increased number of FPs the iTAP is required to assess in a short time frame, an element that was not anticipated when the ToRs were prepared.
2. Second, the iTAP organizes, as per the Secretariat's request at the 11th meeting of the Board, a decision meeting of around one week at the GCF Headquarters rather than only when "exceptional circumstances necessitate physical meetings" as stated in the original ToRs. However, this has been softened in the updated ToRs for the iTAP. Both the iTAP and the Secretariat have stated that the meeting is efficient and useful for establishing common understanding, though not critical. It is also important for the iTAP to liaise with AEs, as per Board guidance. These conversations are facilitated by having all iTAP members in one place along with the Secretariat, but it is not fundamental that these meetings be in-person nor that are scheduled just prior to a board meeting.
3. Third, it has also become a norm that the iTAP attend board meetings to respond to queries that the Board may have regarding FPs.

The feedback indicates that the current quality and consistency of assessments is perceived as irregular, with some stakeholders satisfied, but more dissatisfied or inconsistently satisfied. As iTAP members are typically reading several FPs at once, this limits the depth they can go in any one review and restricts the possibility of (GCF/B19/03 rev. 1):

- Using outside experts to supplement iTAP expertise
- Engaging more deeply and interactively with the AEs
- Research/investigation such as regarding the local conditions

¹¹ The experts in the roster are subject to GCF policies on confidentiality and conflict of interest.

¹² The iTAP ToRs stress the importance of avoiding any conflict of interest defined as follows: "may include but is not limited to a financial interest that could, or could be deemed to, improperly influence the performance of his or her official duties or responsibilities as a Panel member." The iTAP members proactively address this by not reviewing proposals from their country or former employer or directly working on a project or programme that receives GCF funds. They also discuss any unclear areas with the GCF Independent Integrity Unit.

- Obtaining inputs from any others, such as Active Observers
- Discussing assessments with the Board.

The current process also creates a restriction, as the iTAP can only review 10-13 FPs within a four-week period. While the idea of reviewing on a rolling basis has been discussed, it is not currently implemented regularly in practice. However, the Secretariat endeavors to forward the working draft of the FPs 1-2 weeks earlier or in batches.

The implication is that if the current review structure within iTAP is kept, the iTAP would need almost double capacity to review the 20+ envisioned per board cycle. Yet, an iTAP that size is likely to fundamentally change the dynamics of the internal processes, such as changing the nature of the consensus-seeking meetings. It will also likely create additional administrative complexity, e.g. through the need to ensure all iTAP members are present in discussions with the Secretariat and AEs if that practice is retained.

Another relevant angle is the number of experts involved in an assessment and the pattern of their involvement. Given the diversity of skillsets and knowledge bases relevant for any proposal it is valuable to have more than one person involved.

The current two-person review process is perceived as efficient within iTAP. Yet, two individuals are unlikely to always have the breadth of skillsets valuable for a review. It is possible only two could be sufficient for low-risk FPs e.g. SAP, but this would not ensure sufficient quality for larger scale or riskier FPs. An added complication for scheduling is that there is an informal practice implemented by the iTAP that projects will not be reviewed again by the same team if a second review is warranted.¹³

The current structure also includes discussion of each FP with the full iTAP with the goal of reaching consensus.¹⁴ It requires all iTAP members to have a working knowledge of all FP and requires all iTAP members, irrespective to his/her expertise and background, to participate in discussion and to reach consensus. This adds value by contributing additional perspectives, yet those additional perspectives are not necessarily the most complementary for the requirements of that specific FP.

The iTAP has indicated that reaching consensus is a complex and sometimes lengthy process. Also given the current practice of reaching this consensus in person in Songdo, this creates logistical and timing challenges were the review volume to increase. It may be possible to reach this consensus remotely in the future with the full iTAP or in smaller groups, assuming the appropriate standardization and quality assurance frameworks are in place.

For any proposals deemed low-risk by the GCF, for example, the discussion could happen in a smaller group so consensus is more quickly reached. Another option is a draft could be sent for review to the entire iTAP on a no-objection basis, where discussion would only be warranted in a subset of cases.

The implication is that discussion is valuable potentially also seeking consensus, with a group large enough to provide an appropriate breath of expertise, yet small enough to be as efficient as feasible.

¹³ This is not a requirement by the GCF. This is one way iTAP has implemented to facilitate independence. However, it can mean that iTAP members with less-related expertise are conducting the later review(s). This topic is addressed further in Section 2.9.1.

¹⁴ The iTAP reports that the current consensus-based process was adopted to ensure the Board that any iTAP assessment report can be a product of experts of different backgrounds (regions, countries, developed/developing countries) that were selected by the Board.

This could be done through specialized groupings within an expanded iTAP for example, and/or by adding appropriate experts to the roster for review.

With a larger iTAP it would be possible to create several sub-groups that reviewed and discussed proposals in a certain area. This would reduce total resources needed per assessment while keeping the benefits from discussions among experts with complementary expertise. Smaller sized groups would be easier to coordinate remotely and facilitate reviews on a rolling basis. Challenges associated with full or half-day virtual conferences across time zones would need to be resolved. However, this is significantly more feasible and less personally impactful than global travel. It would also reduce the iTAP's greenhouse gas emissions.

Periodic in-person meetings likely still have sufficient value to be continued, but the focus of those meetings may well shift over time to be that which is truly high priority for in-person. The Songdo meetings could shift to focusing on matters relating to ensuring consistency, helping the Secretariat understand the priorities and criteria the iTAP use when conducting assessments and developing guidance for the AEs. Secondly, it could still be a time for discussions on particularly challenging assessments, such as where views diverge significantly, there are substantial sensitivities, or it involves a new area where the approach has not yet been standardized.

Periodic in-person meetings will also help build and maintain relationships within the iTAP as well as with the Secretariat and facilitate trainings. They would not have to be tied to a board cycle. Indeed, it may be preferable they happen away from board meetings, to increase the review flexibility as well as lessening logistical challenges. Once or twice a year should be sufficient to maintain relationships and address quality assurance and guidance.

Much of the communications with the Secretariat could happen outside of the Songdo meetings, e.g. clarifying issues with FPs could with the two-person review team.

The specific elements of each of these options are explored further in Section 3.

2.4.1 Engagement with AEs

The iTAP's communication with AEs consists primarily of a joint call with the Secretariat sharing the iTAP's draft final assessment with the AEs. Earlier in the process, they may also request clarifications, usually via email, during their initial review.

The AEs consistently request more and earlier involvement with the iTAP than they have now. (See Annex C for highlights from the survey results.) Most want the iTAP to conduct their reviews much earlier, such as at the concept note stage. They preferred earlier review even if they might then have to undergo a second review later.

Most AEs that responded to the survey find the assessments mixed or insufficient in terms of both consistency and technical quality, with the conditions or recommendations unrealistic for the local context. No AEs reported being very satisfied with the iTAP assessments they have received to date.

"The timing of iTAP review is too late for the type of detailed changes they are asking for. Perhaps a more strategic, high level review would be more beneficial at this stage. Or if iTAP wants to be involved in the details, they should be engaged earlier."

– quote from an international AE

Related, multiple AEs have requested the iTAP do more to seek clarification especially as it relates to challenges with the local context rather than jumping to imposing conditions. This is consistent with the perceptions by most other stakeholders that the local context is being insufficiently considered.

Most significantly, AEs want to understand what types of evidence and information the iTAP will be looking for when reviewing their FP as early as possible in the development process. They believe that the iTAP should not be allowed to bring up a new set of issues not mentioned by the Secretariat. Also, multiple AEs noted that the iTAP's feedback was inconsistent with or even directly contradicted direction from the Secretariat.¹⁵ This underlies the desire for early review, but full reviews at an earlier stage are only one possible way to address the core issue.

["...the baseline for \[iTAP's\] assessment needs to be clearly defined. If a project is shaped by comments from the GCF Secretariat, how can the AE be penalized for the position of the GCF Secretariat? The iTAP and GCF Secretariat need to be on the same page."](#) – quote from a direct access AE

The iTAP members have noted in the past that the clearer the FP, the more likely the Secretariat and iTAP assessments will be similar. Differences are more likely to occur in cases where the reviewers are having to make assumptions and interpret what is meant. For example, in these cases the Secretariat may be relying more heavily on its knowledge or opinions based on its extensive interactions with the AEs, which the iTAP would not share. (GCF/B19/03 rev. 1)

The implication for the iTAP's review system going forward is:

- (a) It is critical for the iTAP to proactively communicate general guidelines and lessons learned to AEs and other stakeholders to maintain credibility;
- (b) The iTAP should proactively indicate any important additional general guidance on what they look for in reviews or where their focus may be different than any general guidance that is to be published by the Secretariat;
- (c) It may also be useful to explore options for more informal communication that does not violate review integrity or take a significant amount of time (as would an early review). The Secretariat already has examples of this early feedback. The Private Sector Facility (PSF) has initiated informal three-way conversations with the iTAP, members of the PSF, and the AEs, which are perceived as being very helpful. There was mixed feedback on whether the primary value is ultimately engagement with the iTAP as future reviewers or more generally as technical experts – which could potentially be provided within the Secretariat as well; and
- (d) Along with their formal assessment, it may be useful for the Secretariat to provide informal notes to the iTAP noting any known challenges or areas likely to be open to interpretation or that might appear to be a deficiency to a reviewer and their stance on that point. For example, if a technical or market feasibility study is missing, and the Secretariat, in its months engaging with the AE has gained sufficient confidence it is not critical, this should be directly noted as its absence significantly increases the project uncertainty but may be at too granular a level for Board members to catch or recognize the significance. The iTAP reviewers would be free to use or ignore this information, but it is more likely it could

¹⁵ Given that the iTAP and the Secretariat are independent bodies, there is always a possibility that opinions may differ and therefore conflicting advice may occur. However, the magnitude of the risk should continue to reduce as both entities increase the clarity, consistency, and transparency of their review philosophy and criteria.

prompt the iTAP to more quickly seek clarification or explicitly comment proactively on why they interpret the point differently than the Secretariat.

These implications are explored further in Section 3.

2.5 Volume and cost effectiveness of iTAP assessments

This section first examines the pattern and number of assessments by board cycle, then looks at the implied costs per review based upon the current remuneration structure.

2.5.1 Number of assessments by board cycle

The iTAP has conducted 134 proposal assessments, including resubmissions of earlier versions, at the time of this drafting this report. (See Table 3¹⁶) The first FPs were considered at the 11th meeting of the Board (B.11) in November 2015.

Table 3 iTAP reviews by board cycle

Board meeting	B.11	B.13	B.15	B.16	B.17	B.18	B.19	B.20	B.21	B.22	B.23
First assessment	5	10	10	10	9	11	19	11	12	9	9
Re-assessment							2	2	4		2
SAP							1	1	3	2*	2
Total	5	10	10	10	9	11	22	14	19	11	13

* 1 SAP proposal for B.22 was a resubmission following iTAP comments in advance of B.21.

An analysis of reviewers assigned for the 40 FPs for which information was provided in the 4 most recent board meetings (B.20 – B.23) revealed the following insights:

- Participation in reviews varies for each board meeting, and an iTAP member who might be less involved one meeting may well be involved in more reviews the next cycle.
- The number of reviews assigned to each iTAP member ranged from 11 to 16. If FP reviews were always evenly assigned the average would be 13, therefore this range appears reasonable.
- The number of times a particular reviewer was lead or alternate ranged by one or two, indicating that the iTAP seeks to balance out roles as well.
- Given the limitations on expertise any group of only six is able to cover in depth, particularly when reviewing multiple proposals at a time, the distribution of assessments by sector or results area generally appeared reasonable. However, the use of the roster of experts was significantly less than would be implied by the topic areas relative to iTAP expertise.

The number of FPs ready at a given time is expected to continue to fluctuate, presumably following an increasing upward trend. However, the Secretariat does have a sense of the FPs in the pipeline targeting completeness by a particular board meeting about three months in advance. (SQ Consult, 2017) The actual level of advancement is determined by a number of factors, including (GCF/B.17/09):

¹⁶ The number assessed may differ than the number considered for approval by the Board at each meeting for a variety of factors not relevant for the scope of this document.

1. The completeness of required information and documentation;
2. Readiness in project preparation (feasibility study, appraisal, etc.);
3. Alignment with the investment framework; and
4. Compliance with GCF policies and others.

The implication for the iTAP going forward is that review capacity needs to be flexible enough to accommodate an increase as well as the fluctuations in volume. Any revised structure should also be as cost-effective and efficient as feasible.

2.5.2 Cost per iTAP assessment

Each of the six iTAP members are currently paid a fixed monthly fee based upon assumptions regarding annual volume, regardless of effort expended in a particular month.¹⁷ However, they are expected to be full time and travel as necessary for approximately one month leading up to and including each board meeting, with currently includes three board cycles a year.¹⁸ Labor costs (USD 144,000 x 6 = USD 864,000) + travel¹⁹ to Songdo (~ USD 30,000+ x 3 = USD ~90,000) result in approximately USD 320,000 per board cycle or USD 950,000+ per year.

To get a rough sense from an iTAP member's perspective, we use the 2019 remuneration amount agreed and assume equal distribution of the volume from the most recent 3 board meetings to estimate. In which case each iTAP member receives USD 144,000 annually for part time work, where they serve as lead or alternate for approximately 14 reviews, receiving about USD 10,000 per review. However, as the fee is bundled, this figure includes time not directly related to reviews. e.g. administration, coordination, and communication with the Investment Committee as well as time reading FPs for which they are not an assigned reviewer to facilitate consensus-based decision-making.

At the volumes seen in the last 3 board cycles, the cost per assessment ranged from USD ~20,000 to USD ~29,000.²⁰ If review volumes were to increase to 20 per cycle without increasing travel costs this would lower the cost to USD ~16,000 per assessment. However, if the current processes including in-person discussions in Songdo continue, travel costs would need to increase accordingly to regularly allow for longer stays and/or additional trips, which are not fully accounted for above.²¹

The information on the costs of other funds is limited not directly comparable due to the differences in scope and structure. Yet, per a study by the Overseas Development Institute, it is possible to state that the current costs of the GCF are well in line with other funds.²² For example, a cost of USD 29,000 represents approximately 0.1% of the average request for funding. While these figures

¹⁷ In 2017, the iTAP contract was revised to include a fixed monthly amount based on the projected number of FPs to be assessed and associated administrative activities rather than a per diem basis timesheet. The conversion aimed to ease the Secretariat's administrative workload, and enhance predictability of the iTAP budget and costs in the GCF budget. It also avoided any conflict of interest due to the need for the Secretariat to approve timesheets or overtime. The iTAP contract for 2017 was extended to 2018 and 2019 with a similar remuneration.

¹⁸ The 2019 iTAP fixed amount contract now covers both PAP SAP proposals, which were introduced at the 19th meeting of the Board. In 2018, the TAP assessment of SAP proposals was covered under an additional contract between GCF and the iTAP members. The figures presented here include the total remuneration for all FPs.

¹⁹ The time and distance for travel varies by home location of the iTAP Panel members, with the two coming from South America traveling the longest.

²⁰ This calculation assumes the only significant activity the iTAP engages in are the assessments themselves.

²¹ For example, the iTAP are planning a two-week stay in Songdo for B.24 to accommodate the increased number of FPs.

²² A study by the Overseas Development Institute on the effectiveness of multi-lateral climate funds finds that the administrative costs of funds vary widely and range up to 15% of total allocated funds, with the GCF at 3.7% (Nakhooda et al (ODI), 2014).

do not include the incremental costs for Secretariat relating to the iTAP reviews, they are minuscule in relation to the funding awarded and justified to help the GCF optimize its portfolio.

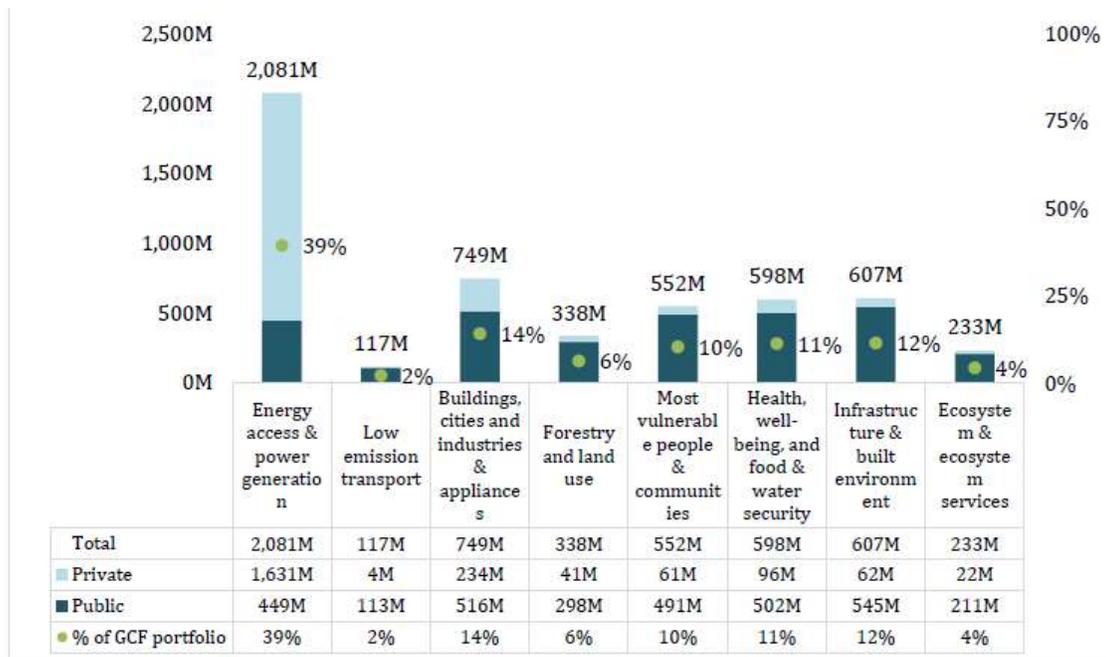
2.6 Characteristics of GCF projects

At the time of drafting of this report (July 2019), the GCF portfolio consists of 111 approved projects and programmes with a total of USD 5.2 billion committed. The funding amount awarded is divided into 59% for public and 41% for private sector projects. Low-emission (mitigation) projects and programs account for 42% of funding, followed by cross-cutting (34%) then climate-resilience (adaptation, 24%). However, the average funding request for mitigation projects is higher than for adaptation. Funding is provided through five financial instruments: grants (45%), concessional loans (42%), equity (9%), guarantees (2%), and RBP (2%).²³

Projects are classified as micro (13%), small (31%), medium (41%), or large (15% of the total number of projects). Africa hosts the most (41%), followed by Asia Pacific (40%), Latin America and the Caribbean (22%), and Eastern Europe (5%).²⁴ The priority countries are represented as follows, 21% of awarded projects are in Small Island Developing States (SIDS), 36% are in Least Developed Countries (LDCs), and 41% are in African States, as noted in the line above.²⁵

The GCF categorizes approved projects into the following result areas: energy access & generation; transport; energy efficiency; forestry & land use; livelihoods; health, food & water security; infrastructure resilience; and ecosystem & ecosystem services. (See Figure 3)

Figure 3. GCF funding amount by result area



Abbreviation: M = million.

Source: Figure 8 of GCF/B.23/02

²³ GCF Portfolio Dashboard, <https://www.greenclimate.fund/what-we-do/portfolio-dashboard>, accessed 10 July 2019.

²⁴ The total adds to more than 100% as approved projects can be implemented in more than one location or region.

²⁵ GCF Portfolio Dashboard, <https://www.greenclimate.fund/what-we-do/portfolio-dashboard>, accessed 10 July 2019.

A review of recent iTAP assessments conducted the past 18 months indicated the following trends:

- **Sector:** roughly one in four are private sector FPs
- **Target:** There are only slightly fewer adaptation than mitigation FPs, though the average funding requested is higher for mitigation FPs. The number of cross-cutting FPs appears to be trending upward.
- **Results areas:** FPs that are primarily related to energy access & power generation are almost 3 times more common than any other results area. Low emission transport and infrastructure and built environment are least likely to be the primary focus. The remaining results areas all have similar representation levels. The number of FPs addressing multiple results areas appears to be trending upward, though there are still usually only one or two results areas that are clearly primary.

2.6.1 Future Scenarios

GCF/B.23/Inf.09, entitled “Strategic Programming for the Green Climate Fund First Replenishment,” outlines scenarios for the GCF beginning in 2020. This evolving document focuses on a “Pursuit of Impact” scenario. Strategic programming principles of the Pursuit of Impact scenario relevant for the scope of this document include:

- **Orienting funding to needs and impact.** “Programming will continue to be based on the GCF’s core resource allocation objectives, including the 50:50 balance between mitigation and adaptation funding.” The report also noted that the most referenced result areas in countries’ national adaptation plans were health, food and water security, and livelihoods. Relating to mitigation, Forests and land use was the most referenced, followed by energy generation and access; the least represented were transportation and energy efficiency. This document notes elsewhere that adaptation FPs tend to request smaller funding amounts. Therefore, there will likely be more adaptation FPs in the future and that all of the current GCF results areas will need appropriate technical coverage, whether that be through core members of the iTAP or through strategic use of the roster of experts.
- **Risk-taking to catalyze innovation and scale.** “Programming will operationalize the GCF’s willingness to use its range of instruments, risk appetite and dedicated [PSF] to build scale and mobilize higher amounts of climate investment from a wider range of financial sources.” The implication is that it will be important to have competent review capabilities for a range of different financial structures and sources, more so than is seen now.
- **Supporting those particularly vulnerable to the adverse effects of climate change.** “Programming will recognize the distinctive role for the GCF in delivering increased support for transformational adaptation and resilience interventions that address urgent climate vulnerabilities.” The implication is similar to the first point: expect more adaptation FPs.
- **Leveraging knowledge and partnerships for climate impact.** “Programming will leverage the GCF’s unique network of partnerships and capacity for thought leadership to foster an expansion of climate knowledge and norms, contributing to wider shifts in climate compatible investment flows.” The implication is that the iTAP may be called on to contribute to the thought leadership and knowledge products developed.

Other relevant elements include the expectation of:

- Refining policies and processes relating to FP selection and approval
- Expanding the application of the SAP and further streamlining it
- Updated Investment and Results Management Frameworks
- Reviewing the modalities of the PSF
- Processing over 60 FPs each year, including a much higher number of SAP proposals.

2.7 Mapping of current skillsets to anticipated future needs

When considering recent trends, the GCF pipeline as well as the Pursuit of Impact scenario outlined above, the 'ideal' iTAP would cover at least the following in the future:

- **Sector:** At least one-third would have private sector expertise. This should be split between adaptation and mitigation as well as representing different results areas as feasible.
- **Target:** Adaptation expertise should be at least as well represented as mitigation expertise.
- **Results areas:** One-fourth to one-third would have energy access & power generation expertise, any more needed could be drafted from the roster. The remaining results areas should be represented by at least one iTAP member with significant expertise. Ideally all results areas should be covered within the core iTAP. However, it is likely that low emission transport will continue to be less represented and could be drafted from the roster.
- **Special calls:** Up to four dozen REDD+ RBP FPs are anticipated in the coming years. This is sufficient volume to suggest it would be beneficial to have this expertise within the iTAP. Also an individual with REDD+ expertise is highly likely to demonstrate other relevant land use specialities as well. This is consistent with the above suggestion that the forestry and land use results area should be strongly represented by at least one core iTAP member.
- **Regional coverage and priority countries:** The iTAP should have significant expertise in all targeted regions as well as the three priority country categories: SIDs, LDCs, and African States. Given that the local context varies dramatically from country to country, particularly for adaptation projects, it is still likely it will be necessary to draw from the roster of experts for review of a particular FP that has characteristics that insufficiently map to iTAP expertise.
- **Financial expertise:** The iTAP should have familiarity with a range of financial instruments and expect to draw from the roster of experts as needed for unusual or innovative structures that may affect the technical aspects or feasibility of implementation.
- **Economic expertise:** The iTAP should have the appropriate skill sets to assess cost effectiveness and appropriateness of concessionality, especially for grant-funded projects.
- **Project implementation expertise:** A good proportion, ideally one-half or more of the core iTAP would have direct project implementation expertise, including a subset with micro, small and medium sized enterprises and/or with private sector expertise in addition to the anticipated large-scale public-sector expertise.
- **Gender/social inclusion:** This is formally assessed by specialized staff within the Secretariat. It would be ideal for the iTAP to have regular access to specialists in this area, with at least one gender expert in the core iTAP. Yet, given its relevance for all proposals, it may be more practical to use the roster to deal with these topics in a targeted way for all, or the majority of, FPs rather than cover within 2-person iTAP review teams. Some gender specialists from the roster have existing ad-hoc contracts.

- **Thought leadership:** Given the direction the GCF is heading and as documented for example in Strategic Programming for the Green Climate Fund First Replenishment²⁶, it is possible the iTAP ToRs may be modified so that they may also be drawn upon to demonstrate thought leadership in the future. Therefore, core iTAP members should all have the experience and credibility necessary to support this role technically as appropriate while maintaining their independence. (See also Section 2.9.3)

The GCF results areas are broad and it remains likely that specialized expertise will be needed periodically to supplement the expertise represented in the iTAP, even if it is expanded. This view prioritizes ensuring appropriate technical expertise is part of the review over assigning to current or future core iTAP members for expediency, as happens now.

Refer to Annex D for the projected expertise needs given the current iTAP composition and based upon the portfolio, pipeline and the implications of future projections.

2.8 Guidance from the Investment Committee

The minutes of the Investment Committee meetings held from 11 May 2016 through 25 February 2019 were reviewed. The most relevant comments relating to the scope of this report are:

- There is interest in continuing to engage an iTAP to support the GCF Board in assessing FPs. (17 May 2018)
- There is no support for a resident TAP (i.e. independent unit within the GCF) nor for the status quo. (17 May 2018)
- There was interest in moving to a rolling basis for reviews. (17 May 2018)
- There were questions on how the SAP reviews would be best incorporated into the structure of the iTAP. (17 May 2018)
- The Investment Committee requested that the Secretariat investigate the key areas of expertise needed and how they can be covered through iTAP or roster of experts. (24 May 2018)
- There was a request to the Secretariat to review the independence of the roster (29 June 2018)²⁷
- The current capacity of iTAP stands around 13 projects per board meeting. If the replenishment aim is higher, 20-24 projects per board meeting, then the capacity of iTAP needs to be increased. (25 Feb 2019)

2.9 Other considerations

This section introduces other factors that may impact any decisions to revise the structure of the iTAP: the need for independence, potential change in the scope of iTAP's assessments and the possibility of the iTAP performing additional functions in the future.

²⁶ GCF/B.23/Inf.09 states for example: "Programming will leverage the GCF's unique network of partnerships and capacity for thought leadership to foster an expansion of climate knowledge and norms, contributing to wider shifts in climate-compatible investment flows in line with Article 2(c) of the Paris Agreement."

²⁷ The ad hoc contracts for experts selected from the roster required them follow the same conflict of interest guidelines as the iTAP. The Chair of the iTAP oversees potential conflict of interest issues and assesses them when considering assignments.

2.9.1 Ensuring independence

The need for independence is a core reason why the iTAP was created. Yet, there are different ways of interpreting independence in this context. From this author's perspective, the most critical issue relating to independence for the iTAP is the need for the GCF Board to receive unbiased assessments of the technical merits of the FPs absent any political considerations that may be present at the Board level. The elements maintaining of this independence from political preferences or bias are²⁸:

The iTAP must be free from outside lobbying during the assessment process, such as from project proponents or the Secretariat. The iTAP should feel free to review information from different sources, including choosing whether to read the Secretariat's assessment and seek clarification from the AE and/or Secretariat as appropriate. Reviewing, but not being bound by the Secretariat's assessment can substantially increase efficiency by highlighting known issues or clarifying potential areas of confusion where the Secretariat has additional context. However, the iTAP should never feel pressure to accept the Secretariat's scoring or otherwise be lobbied by any other stakeholders, including AEs, NDAs, Board members, or Observers. Similarly, the iTAP should never feel pressure to accept a minimum number of FPs or FPs with particular characteristics, e.g. SAP FPs, to help the GCF reach its goals. This is separate from the importance of the iTAP proactively communicating any potential issues relating to capacity to review.

In practice, the concept of a firewall is well understood and respected by the Secretariat, though there has been some confusion about how much they could discuss, seek to clarify or otherwise collaborate with the iTAP, while preserving this independence. This author finds that discussion that increases understanding of an FP or the iTAP's philosophy and approach is wholly appropriate and increases efficiency and value, as long as a specific iTAP rating or decision is not lobbied for/against and the iTAP has the final call relating to their assessment of the FP.

It would increase efficiency if the Secretariat were to draft an informal memo to the iTAP.²⁹ This memo could address details not appropriate for the formal assessment, but that would facilitate iTAP's review, such as noting items that may not come across clearly in the FP, summarizing significant exchanges with the AE or noting why annexes that might typically be expected are not included. This would not interfere with iTAP's independence as they would be free to use or ignore this information and would still have the entire FP and annexes at their disposal for their review. The iTAP could even develop a checklist for the Secretariat to use as a template for the memo, were this option implemented.

The iTAP should focus solely on the technical merits in reviews, to get 'underneath' any political considerations. This is consistent with the technical focus of the iTAP's current mandate. However, too narrow a focus on only the theoretical technical application can lead to insufficient consideration of the local context or of the realistic viability of the proposal. The iTAP reports that reviews are hindered when these factors are not clearly explained and presented in an FP.

This is a delicate balance the iTAP must continually navigate. Increasing iTAP's access to knowledge such as through increasing the number of iTAP members and/or expanding the use of the roster of experts can further support maintaining this balance by adding supplemental local or contextual

²⁸ The interpretations here are also consistent with best practice standards for independence or objectivity, such as International Organization for Standardization (ISO) 19011 or standard 1100 of International Standards for the Professional Practice of Internal Auditing.

²⁹ The iTAP has requested that information exchanged or submitted by AEs during due diligence undertaken by the Secretariat be formally submitted to the iTAP.

experience to the review teams. iTAP's review of the first two Investment Criteria, Impact Potential and Paradigm shift appear to be the highest added value relative to the unique qualifications and positioning of the iTAP.

The iTAP can develop their own internal guidance within the context of the Board's mandate. The Board should direct the iTAP at the specificity it desires on what the iTAP should focus on in its review. Currently, this is the six Investment Criteria. The Board or the Investment Committee should indicate which other information, e.g. the sub-indicators and scorecard developed for the Investment Criteria, should also be used by the iTAP. The iTAP should then develop its own standardized interpretation of how to assess the technical merits for all FPs as needed.

Any internal guidelines the iTAP uses should be transparent to the Secretariat and all other stakeholders. It may be more detailed and tailored to iTAP's processes as it relates to the six Investment Criteria, but it should not be inconsistent from the external stakeholder perspective with high-level guidance they receive from the Secretariat. In other words, all parties should be working towards the same goal. Conversely, the technical expertise of the iTAP is valuable for the Secretariat to consult and to incorporate general insights into any internal or public guidance it develops. The better aligned the general principles of how to review the technical merits are between the Secretariat and iTAP, the more transparent, credible, efficient and smoother the process will be for all involved.

The iTAP should have no direct stake in the projects being reviewed, such as by not reviewing proposals from their country or former employer or working on a project or programme that receives GCF funds and/or other factors identified by GCF policy.

The current ToRs for the iTAP address this issue directly by stating, for example "*A conflict of interest arises when a Panel member has an interest, which may include but is not limited to a financial interest that could, or could be deemed to, improperly influence the performance of his or her official duties or responsibilities as a Panel member. [...] All actual or potential conflicts of interest, or the appearance thereof, shall be immediately disclosed in writing to the Fund's Independent Integrity Unit.*" (Annex I of GCF Board Decision 2018/09)

In practice, this appears to be well understood and the iTAP proactively discusses unclear situations with the GCF Independent Integrity Unit. While there are not yet comprehensive guidelines on what could constitute a conflict of interest, the GCF legal department and Independent Integrity Unit continues to monitor this important issue.

The iTAP members should avoid providing insider guidance to projects. This is interpreted primarily as not providing assistance privately to a project that later applies to the GCF nor providing detailed assistance to proposal proponents as an iTAP member, e.g. redrafting sections or otherwise being directly involved in the proposal development or its revision. This concept is well understood and practiced by the iTAP.

However, this should not be interpreted as excluding general guidance on what the iTAP looks for or would expect to see in particular types of proposals as is described above. Indeed, transparent application of the six Investment Criteria is important for iTAP's long term credibility as well as for the overall integrity and efficiency of the proposal review process. It also does not preclude iTAP from conducting formal reviews at an earlier stage or subsequently re-reviewing a project that has

been resubmitted, as long as they are transparently following their stated review criteria. This approach has been successfully implemented by numerous other international funds.

The iTAP should have neutral remuneration contracts that do not directly incent project approvals, and should continue to avoid remuneration based upon the number of projects recommended for approval or the number approved by the Board. The most obvious implication of this is that the iTAP should be paid either upon time spent, number of reviews completed, or possibility fixed fee only if the flow is sufficiently predictable. Related, an excessive focus on efficiency indicators like time spent per review can distort internal priorities.

2.9.2 Scope of reviews

This section briefly discusses the scope of reviews: which FPs are reviewed using what criteria. Explorations of scope are beyond the scope of this document, however, the implications both elements enforce the need for increased flexibility in any revised structure.

2.9.2.1 Which proposals are reviewed

The current ToRs for the iTAP state:

"The Secretariat will engage the Panel on all [FPs], including those submitted through the SAP." (Annex I of GCF Board Decision 2018/09)

Consistent with the ToRs, the iTAP reviews all FPs, whether they are submitted through the standard Proposal Review Process, Simplified Review Process or a Special Call using the same protocols.

While it is beyond the scope of this document to recommend whether the iTAP should review fewer types of proposals than it does now, it is clear any revised structure needs to be flexible enough to accommodate changes in the priorities if initiated by the Board. For example, this author deems it possible that the iTAP may not review all SAP FPs or other FP types deemed low risk at some point.

2.9.2.2 Content of reviews

The current ToRs for the iTAP state:

"The Panel will independently assess the performance of the [FPs] submitted to GCF against the GCF activity-specific criteria." (Annex I of GCF Board Decision 2018/09)

Consistent with the ToRs, the iTAP currently focuses on the GCF's six Investment Criteria. As noted in iTAP's recent lessons learned presentation to stakeholders (5 July 2019), they state they also may choose to look at Safeguards and Credit/Commercial Risk, which are always assessed by the Secretariat, when those risks are likely to impact on the delivery of the six Investment Criteria.

While it is beyond the scope of this document to explore whether the iTAP should change the focus or content of its reviews, it is clear any revised structure needs to be flexible enough to accommodate shifts in the priorities if initiated by the Board. For example, this author deems it possible that the iTAP may have increased focus on the Impact Potential and Paradigm Shift Potential relative to the other Investment Criteria over time, which would have implications for which expertise areas are most relevant for the iTAP or the roster of experts.

2.9.3 Other potential functions for the iTAP

Currently, the iTAP's function per their ToRs is to produce assessments of FPs before they are sent for approval by the Board. Occasionally, the Secretariat has also asked the iTAP about technical issues, such as to obtain their initial thoughts about a concept being proposed. The iTAP is not currently involved in other activities that have been proposed in the past, such as providing input into Board-level policy discussions or contributing to guidance documents for AEs.

While it is beyond the scope of this document to explore whether the mandate of the iTAP should be expanded, it is clear any revised structure needs to be flexible enough to accommodate new types of requests. For example, this author deems it possible that the iTAP may be asked to contribute to or review general guidance documents. This would be consistent with GCF Board Decision B.19.08, which requests *"the Secretariat to consult with the independent Technical Advisory Panel when developing sectoral guidance for projects and programmes."*

3 Discussion of Options

This section considers options for increasing the review capacity as well as ensuring quality for the First Replenishment, organized into four themes:

- 3.1 Structural changes to the review process
- 3.2 Structural changes to the iTAP
- 3.3 Operational changes internal to the iTAP
- 3.4 Quality assurance.

The assumptions underpinning this discussion are that the iTAP review system should have:

- (f) sufficient flexibility in membership and expertise areas to accommodate fluctuations as well as an increased volume overall;
- (g) continuous part-time availability to accommodate proposal review on a rolling basis;
- (h) formal procedures and templates to ensure coherence and consistency in reviews;
- (i) efficiency in its communications; and
- (j) robust quality assurance processes.

The options discussed here are not exhaustive. Rather these options are deemed most practical and relevant for the Investment Committee to consider given the existing context and stated preferences of the Board and Investment Committee. All recommendations proposed here are consistent with the Pursuit of Impact Scenario in GCF/B.23/Inf.09. Section 4 summarizes the recommendations introduced in this section for reader convenience; it does not present new recommendations.

3.1 Structural changes to the review process

This section explores options for making structural changes to the review process, i.e. which proposals are reviewed when. There are two elements: the potential for shifting to reviewing finalized FPs on a rolling basis and shifting when the iTAP becomes involved.

3.1.1 Reviewing on a rolling basis

The Board, Investment Committee, Secretariat and iTAP have shown interest in shifting to reviewing FPs more on a rolling basis than is done now. This has been recommended in previous reviews and continues to be one obvious component of the long-term solution.

There are a few examples of shifting to a rolling basis, such as with some SAP FPs. The question here is whether all proposal types can be reviewed on a truly rolling basis, versus the only slightly staggered batch approach used now. Therefore, the discussion of options is limited to the following:

3.1.1.1 Only review SAP FPs on a rolling basis

This is consistent with current Board decisions. There appears to be no significant reason in the long term to limit the rolling approach only to SAP or other low risk categories only and is therefore not recommended.

3.1.1.2 Shift to reviewing all proposal types on a rolling basis

Seek to review all FPs on a rolling basis. There may still be a tendency to have more ready in the month prior to board meetings unless there are more fundamental shifts in the AE and Secretariat processes. Regardless, it will be important to ensure all of the different

groups involved in reviews at the GCF as well as the AEs are fully informed of the scheduling and eventually re-align as necessary to facilitate truly rolling reviews.

Recommendation 1: Shift to reviewing all proposal types on a rolling basis

3.1.1.2: Shift to rolling basis for all proposal types. Suggest phasing in this approach by starting first with SAP FPs and where consensus is established and the assessments are finalized remotely.

Linkages: See also sections addressing operational changes within the iTAP, e.g. 3.3.1 on standardization, 3.3.2 on who and how many review, and 3.3.3 on shifting mode of finalization.

Cost implications: If the process is restructured appropriately, this should only result in a shifting of when time is spent, not a significant increase in time spent per FP review.

Note: The rolling basis approach can only reach its full potential if some or all FPs are finalized in a virtual mode rather than in-person (See 3.3.3) The process will be further optimized if the Board also shifts to approving FPs, or at least SAP FPs, on a rolling basis, but this is not required for the reviews to shift.

3.1.2 Shifting when iTAP becomes involved

The current ToRs for the iTAP state:

"The Panel will conduct technical assessments of [FPs] submitted through the Secretariat by GCF [AEs] at the analysis and recommendations to the Board stage of the GCF project and programme approval cycle." (Annex I of GCF Board Decision 2018/09)

Related to this issue, GCF Board Decision B.19.08 requests:

"the Secretariat and the [iTAP] to agree on and implement, on a pilot basis, a new review cycle that allows for longer review times by the [iTAP] and the provision of its inputs at an earlier stage in the approval process, consistent with the updated project and programme cycle as set up in annex IV to decision B.17/09."

There are two key issues relating to when the iTAP becomes involved. The first is a logistics question of ensuring there is enough time allocated for the reviews to be completed before they go to the Board, which is addressed above in the discussion on shifting to a rolling basis. The second is a process question related to ensuring the AEs have sufficient foreknowledge of the iTAP's general expectations and time to incorporate iTAP feedback, as needed.

AEs report substantial frustrations at their lack of clarity on what the iTAP expectations are in advance. Currently, they may receive substantial feedback from the iTAP that may fundamentally contradict the Secretariat's guidance and/or include unimplementable conditions just before the board meeting targeted for approval.

AEs want the iTAP to review as soon as possible. Opportunities for the AEs to better understand what to expect from iTAP assessments are covered in the sections relating to developing guidance,

standardization and quality assurance frameworks. This will go a long way in addressing the substantial AE frustrations at their lack of clarity on what the iTAP expectations are.

This leaves the issue of allowing the AEs only a week or two to address iTAP feedback. Options are:

3.1.2.1 *Status quo, iTAP reviews when the proposal is complete*

Status quo only offers AEs a short time to incorporate feedback, but they can also resubmit for a future board meeting. If this approach continues, early guidance to clarify the iTAP's expectations is even more critical.

3.1.2.2 *Allow AEs more time to respond*

This would add additional time to the review for any one FP, yet may also decrease the likelihood that a proposal is withdrawn and resubmitted for later board meeting. The proposed shift to a rolling basis should provide additional flexibility to allow AEs a few more weeks to address iTAP's feedback. This assumes the iTAP still reviews proposals when they are considered complete by the Secretariat. Related, if the proposed shift to virtual consensus is adopted, there should be more flexibility for the iTAP to seek clarification from the AEs as well as the Secretariat earlier in the review process. Otherwise the whole process flow, especially the timing of when the iTAP receives materials for review and schedules the meeting in Songdo would need to shift earlier.

3.1.2.3 *Give the Secretariat freedom to informally engage the iTAP with AEs early*

The PSF has initiated informal three-way conversations with the iTAP, members of the PSF, and the AEs, which are perceived as being very helpful. In these cases, the iTAP is not conducting a review, rather indicating the types of evidence they would be looking for in the scenario described. A variation of this option is to organize informal preview of the early project ideas/concept notes at regular intervals, either in-person during any meetings in Songdo, or virtually.

This option contradicts the current direction from the Board and risks blurring the line on preserving the independence of the iTAP. Having more detailed guidance in place, as is recommended elsewhere in this report, would likely limit the value of these informal conversations to particularly unusual contexts or innovative proposals not addressed in the guidance. It is also possible to increase the involvement of technical experts within the Secretariat in PSF proposals, for example. Note: This option can be implemented along with any of the other options in this subsection.

3.1.2.4 *Have the iTAP conduct a two-stage review process*

The option of having the iTAP also review at the concept note stage or similar early point has been repeatedly considered in earlier reviews and document submissions to the Board. A few AEs have also suggested the iTAP become involved just a bit earlier than now, when the proposal is nearly final. This request seems to stem primarily from the very short time the AEs have to respond to iTAP comments in the current structure and the general lack of clarity AEs have on what the iTAP is looking for in its assessments. Given the anticipated capacity constraints going forward, there appears to be little appetite for this option amongst the iTAP or Secretariat currently.

Recommendation 2: Allow the AEs more time to respond

3.1.2.2: Allow AEs more time to respond. The iTAP would still review FPs once they are cleared by the Secretariat, but the anticipated shift to a rolling basis (3.1.1) and proposed virtual approval (3.3.3) should allow more flexibility to increase the time allocated for the AEs to respond to feedback from the iTAP. Otherwise, the entire iTAP review process would need to begin earlier.

Linkages: See also sections relating to operational changes within the iTAP, specifically developing guidance (3.3.1) as well as quality assurance frameworks (3.4.1).

Cost implications: This may result in the iTAP occasionally having an additional conversation with an AE, e.g. seeking clarification. This should be balanced by increasing review quality and reducing the number of conditions or complete resubmissions. It should not result in a significant increase in time spent per FP review.

Note: Also consider 3.1.2.3, allowing the Secretariat to engage the iTAP informally with AEs. This would be useful for unusual contexts or innovative concepts not addressed in the guidance but should not be the primary mode of communicating the iTAP's expectations to AEs.

3.2 Structural changes to the iTAP

This section addresses the possibility of making structural changes to the iTAP. It is divided into two subsections, the first addresses both expanding the size of the iTAP and/or increasing the use of the roster of experts. The second subsection considers the contracting mechanism for the iTAP.

3.2.1 Expanding the size of the iTAP and/or using the roster of experts

The current ToRs for the iTAP state:

"The Panel will comprise a minimum of six members: three from developing countries and three from developed countries. The Panel membership may be increased when deemed appropriate by the Board to accommodate the need for additional capacity and areas of expertise. On a case-by-case basis, members of the Panel may call additional experts from the roster of experts if the need for specialized knowledge arises, as deemed necessary, using the budget approved for the Panel. The Secretariat will assist the Panel in the procurement of a roster of experts." (Annex I of GCF Board Decision 2018/09)

The ToRs also note:

The Panel's collective expertise will cover a range of specialities and subspecialties related to mitigation, adaptation, the private sector and the financing of projects in developing countries. [...] Experience in the appraisal and operation of projects in the area of REDD-plus and in small island developing States, as well as expertise in gender-sensitive development and economic analysis, are also an asset." (Annex I of GCF Board Decision 2018/09)

From the evidence presented in Section 2, the iTAP should be expanded. It increases the review capacity as well as provides more comprehensive coverage of the thematic expertise areas.

A larger iTAP would also provide greater diversity in its approaches and assessments and provide more capacity for developing internal or external guidance and quality assurance. Depending on how

the internal processes are restructured more members could add more complexity, but could also provide for more specialized review teams and other forms of flexibility.

Both the iTAP and any experts used from the roster are subject to the conflict of interest guidelines. As noted above, the iTAP has operationalized this in practice by not reviewing proposals from their country or former employer or directly working on a project or programme that receives GCF funds. The chair of the iTAP assesses this when considering assignments. Any unclear situations are discussed with the GCF Independent Integrity Unit. A larger iTAP would increase the flexibility in assigning reviews to those with the most relevant expertise from those without any conflict of interest.

The options discussed here center on how much to expand the iTAP.³⁰ The related question of how much to increase use of the roster of experts is discussed in tandem.

3.2.1.1 No expansion of the iTAP, rely on increased use of the roster of experts

The current iTAP would continue, but the use of the roster of experts would increase substantially to address capacity and expertise gaps. However, too extensive a use of the roster of experts would exacerbate consistency and coherence issues. Currently, a two-person iTAP review team supervises any ad-hoc experts. In this case, expanding use of the roster without expanding the iTAP will only result in minor capacity gains.

3.2.1.2 Expand the iTAP modestly to 8-10, use the roster of experts strategically

This option proposes a modest expansion of the iTAP to ensure the most frequent or essential thematic areas are covered within the iTAP. This would be supplemented by increased, but more strategic use of the roster for less common or specialized topics or if the volume increases significantly.

Regular use of the roster might be expected for: gender/social inclusion, for certain financial structures, for economic models, for low emission transport, or for the implementation dynamics in a Priority Country. These experts could have ad hoc contracts to be quickly utilized. Rare expertise that cannot be anticipated may require a special search, which may delay the review. Any delay can be minimized by the Secretariat giving advance notice of the character of upcoming reviews.

Expansion of core iTAP membership would also help increase retention of institutional memory and allow more flexibility and capacity for other activities not directly related to specific reviews.

See Annex D for suggestions on the expertise areas to prioritize for new iTAP members.

3.2.1.3 Significantly expand the iTAP to ensure all anticipated thematic areas are covered

This option would ensure the iTAP appropriately represents all Target and Results Areas, Geographic Regions, Priority Country Categories and Sectors in the proportions anticipated in future funding scenarios, as well as key supporting expertise such as in economic viability, programme implementation and gender/social inclusion issues.

³⁰ For forecasting purposes, this section does not consider replacing any existing iTAP members in advance of their next renewal cycle. It also assumes all would continue under periodically renewed contracts or would be replaced with someone with a similar profile.

The roster of experts would only be used sparingly in to provide support in unusual or quite specialized areas. It is unclear how many iTAP members would be needed, as it will ultimately depend on the breadth offered by individual candidates. The expected range is 14 – 20 iTAP members. An iTAP this size would increase capacity, but would also necessitate substantial changes in the processes and contracting approaches.

Recommendation 3: Expand the iTAP to 8 -10, use the roster of experts strategically

3.2.1.2: Expand the iTAP modestly to 8 -10, also use the roster of experts strategically. The iTAP should be expanded to ensure the most frequently needed and/or essential thematic areas are covered. The roster of experts would be called upon for less common or specialized expertise areas or if the FP review volume increases significantly.

Linkages: See also Section 3.2.2 addressing modifications in the structure of the remuneration package for experts, which should be considered in tandem with this recommendation.

Cost implications: If the processes are restructured appropriately, this should result in a shift in distribution of remuneration, not a significant increase in overall time spent per review. However, there would likely be a modest increase in administration and coordination, see Section 3.2.2.

Note: For a larger iTAP to reach its full potential to increase review capacity cost-efficiently, several internal processes would need to be restructured as is discussed in Section 3.3, especially 3.3.3 the mode of finalization, which proposes shifting away from reliance on consensus seeking discussions by the entire iTAP at in-person meetings.

The iTAP and Secretariat should also proactively expand the list of experts from the roster who already have ad-hoc contracts in place.

3.2.2 Changing mode of contracting technical experts

The current ToRs for the iTAP state:

"A fee will be paid to Panel members and expert members in accordance with the GCF rules and regulations, subject to the terms of their consultancy contracts. The monthly fee will be determined in consultation with the Secretariat to reflect the time commitments derived from the volume of [FPs] reviewed." (Annex I of GCF Board Decision 2018/09)

With the proposed restructuring of the iTAP and potential for additional tasks, an updated contracting structure is also warranted. There are several types of remuneration to consider:

- (a) Assessments: time spent by the iTAP conducting assessments or communicating with AEs and the Secretariat regarding specific assessments.
- (b) Roster: use of experts on the roster, whether this is for assessments or other tasks. In the current model, experts from the roster are paid a daily fee by the Secretariat based upon timesheets approved by the iTAP.
- (c) Guidelines etc.: internal technical tasks not linked to specific reviews but necessary for conducting them, e.g. development of systems, templates and guidelines.

- (d) Administration: internal administrative tasks, including logistics and general coordination and scheduling.
- (e) Board requests: Any special requests to the iTAP the Board may initiate in the future.
- (f) Unusual needs for specific FPs: such as if on-site visits or substantial additional research are warranted. Basic research on the local context should be included in the typical assessment.

Other contracting considerations are:

- Preserving independence. Given the independent nature of iTAP, remuneration based upon a daily rate with timesheets approved by the Secretariat has not proved optimal in the past. As the iTAP reports directly to the Investment Committee, theoretically they would be most appropriately placed to approve any timesheet-based reimbursement. However, in practice they do not have the staff or structure for this. However, this section assumes they have the capacity to negotiate retainer and per output (e.g. per review) rates.
- Predictability. The Secretariat prefers predictable outflows, or at least outflows based upon something that can be forecast.
- Reserving time. The iTAP have also expressed a preference for predictability and regularity in reimbursement, this also helps to ensure they reserve sufficient time on an ongoing basis for iTAP duties.
- Efficiency. It is in the best interest of the GCF to have a structure that is as efficient as feasible.
- Accountability: Increased clarity on what deliverables are associated with remuneration packages, especially outside of specific assessments will increase transparency and accountability. This is of high value to the Investment Committee, given their limited capacity to track the daily activities of the iTAP.
- Preserving institutional memory. It is also valuable to ensure contracts are renewed or iTAP members are replaced in a staggered process to minimize process disruptions and maximize continuity and retention of learning.

The most obvious options for updated contracting are:

3.2.2.1 Continue with the same contracting structure

The iTAP members are currently paid a fixed monthly fee based upon assumptions on annual review volume, supporting administrative and technical functions and expectations regarding travel to GCF Headquarters and board meetings. This is predictable for all sides. Yet, it creates perverse incentives in that iTAP would theoretically prefer to do as few assessments as possible in a year and limit broader activities, such as developing templates and guidance as much as possible.³¹ Conversely, the Secretariat could theoretically seek to have the iTAP do as many reviews and broader functions as possible.

This type of structure is impractical going forward. The number of reviews is expected to fluctuate, though trending upward. The number of reviews any one iTAP member will contribute to is also difficult to predict accurately in advance annually. It also does not sufficiently separate the different classes of remuneration that would allow for increased accountability.

³¹ The iTAP is reactive in that they not in control of the number of assessments that will be requested of them in a year.

3.2.2.2 Separate fees negotiated for each type of activity

There could be separate fees based upon individual deliverables as agreed in advance. This is the opposite of the current model. This would ensure that all outflows correspond to activities or outputs that are directly trackable. In addition to assessment fees, there would be specific fees associated with discrete administrative activities, guidance, templates and any special requests from the Board. This also does not seem practical as it would require constant negotiation and a stronger oversight function than is desirable or efficient for the Investment Committee to provide.

3.2.2.3 Four-tier structure for iTAP members: Retainer + per review

Tier 1: Retainer for basic and predictable tasks. The first tier would be a monthly retainer to reserve basic levels of ongoing availability as well as to cover the predictable technical and administrative components expected of all iTAP members. This could include basic coordination, developing and maintaining templates, protocols and guidelines as well as communicating general expectations to the Secretariat and AEs. This could also include time spent identifying the most appropriate experts from the roster for which to develop ad-hoc contracts in advance and any general training for experts used. To the extent this involves developing internal systems and templates or external guidance there should be clear outputs produced as evidence following a schedule previously agreed with the Investment Committee.

Tier 2: Per assessment. The second tier would be per review conducted. Different fees could be pre-negotiated for lead, alternate, or broader consensus building roles to increase predictability and minimize any perverse incentives. There would be a clear deliverable associated with each payment. This structure negotiated should address how using supplemental experts affects the level of effort required by core staff. There should be a separate fee for any unusual request, such as an on-site visit that is distinct from the standard review tasks as defined in the guidelines to be developed.

Tier 3: Administration and coordination. The third tier would be for administrative tasks conducted by only one or two iTAP members. This is currently handled primarily by the iTAP chair, with heavy reliance on the Secretariat. This most likely would also be contracted on a retainer/monthly fixed fee basis. See also the possibility of hiring administrative staff reporting to the Investment Committee to support this function in Section 3.3.4.

Tier 4: Board requests. The fourth tier would be negotiated as needed to cover any new requests to the iTAP by the Board not already covered in the above.

Roster: Experts from the roster would also be available on an on-demand basis and would to be paid either a daily fee by the Secretariat based upon timesheets approved by the iTAP whom they would report to or on a per deliverable basis, once this is predictable.

Recommendation 4: Tiered remuneration structure for iTAP

3.2.2.3: Four tier structure for iTAP members: Retainer + per review + discrete admin/coordination + ad hoc. A retainer would cover all ongoing functions not tied to specific reviews, which would be paid on a per review basis. Special contracts would be issued for new Board requests not anticipated in the retainer structure. Higher level coordination would be contracted separately.

Linkages: See also Section 3.2.1 addressing expanding the iTAP, which should be considered in tandem with this recommendation.

Cost implications: If the contracts are restructured appropriately, this should only result in a shift in distribution of remuneration, not a significant increase in time spent per review. There may be a modest increase in the administration and coordination component, due to the expected increased overall size of the iTAP as well as increased use of the roster of experts. However, should not automatically result in an increased average per review, since administrative time is bundled now.

Note: For a larger iTAP to reach its full potential to increase review capacity cost-efficiently, internal processes would need to be restructured as is discussed further in Section 3.3.

3.3 Operational changes to internal iTAP processes

The iTAP did not receive direction from the Board or Investment Committee on how they should be set up internally or how to distribute reviews. The chair of the iTAP has developed the existing protocols after consulting with the Board, Secretariat and other iTAP members. These simple structures provided an important initial framework during the start-up phase. (Refer to Section 2.2 for an overview of iTAP's internal processes)

All stakeholder groups agree that the internal processes of the iTAP will need to evolve as the review pattern shifts to a more rolling basis, streamlined paths for the SAP FPs are implemented, the review volume increases and if the iTAP expands. A more formalized structure will also facilitate quality assurance and more efficient incorporation of experts from the roster or new iTAP members as well as minimize the loss of institutional memory as iTAP members retire or otherwise depart.

This section is divided into the following sections relating to the iTAP's internal processes:

- Formalizing guidance and templates, while streamlining processes
- Changing who/how many review
- Shifting the mode of coordination and consensus seeking
- Potential for administrative support

3.3.1 Formal framework: guidelines, templates, standardization

GCF Board Decision B.19.08 requests:

"the [iTAP], with the support of the Secretariat and the Investment Committee, 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 to report to the Board on the progress made by the twentieth meeting of the Board. [...]"

Also requests the [iTAP], with the support of the Secretariat, to develop a more comprehensive review template, ensuring that investment criteria and subcriteria are addressed consistently, using the appropriate metrics relevant for the sector and the investment criteria guidelines, when available...”

This section focuses on formalizing and documenting day-to-day processes. The specific approaches to for example, who should review, the level of consensus to be reached, and approaches to quality assurance are considered separately below. The iTAP has only made modest progress to date in addressing the requests of the Board noted above. Therefore, for reader convenience and comprehensiveness, this subsection is updated for the current context but will repeat some themes already raised in the prior review. (GCF/B19/03 rev. 1)

There is a vast range of FPs from various entities targeting different countries which are at varying stages of development and with different climate needs. Therefore, the frameworks, protocols and templates referred to here need to be broad and robust enough to cover the range, yet adaptable to the specific FP characteristics. For example, it is important that each of the coverage areas for the six investment criteria be assessed with similar levels of depth. However, the specific factors relating to assessing the programme/project financial viability under the Efficiency and Effectiveness criterion, for example, would differ depending on the context. This implies that any framework should assume the need for calibration to a given context and allow for a standardized way of providing explanations or noting unusual circumstances or considerations.

The iTAP’s current workflow has lulls between intense review periods, which can provide the iTAP with a natural opportunity to proactively develop frameworks, guidance and checklists to promote consistency, comprehensiveness and coherency, as well as training material for experts from the roster and/or new iTAP members. Portions of these materials potentially could be adapted to share externally with stakeholders as well. Elements include:

- (a) Protocols. Written protocols should address at least: assigning reviews to ensure appropriate technical coverage as well as manage availability patterns, approach to achieving consensus, handling assessments on a rolling basis, in what situations to call upon the roster of experts and steps for doing so, delineation of tasks and responsibilities between members of each review team as well as for any sub-committees created, minimum expectations for communicating with the AEs and the Secretariat, conflict of interest guidelines, situations where an on-site visit might be indicated and procedures for handling them, and when to seek clarification before proceeding with the review. This document should clearly describe when the chair or an iTAP member has discretion and when they do not as there is already a clear protocol to be followed. It should also include a process to address conflicts or contradictions within the iTAP relating to a review.
- (b) Process flow. Updated process flow diagram (see Annex A) and associated narrative.
- (c) Templates. Review template(s) indicating the structuring and level of detail expected for the final assessment product for the Board. This could include a system of phrases /naming convention so the Board can better assess the relative significance of the issues raised.
- (d) Quality assurance. Written quality assurance protocols for completing assessments with guidance and responsibilities specified. This should also address ongoing quality assurance.
- (e) Internal Guidance on assessment criteria. Internal guidance relating to the steps and priorities for assessment of the six Investment Criteria and any other guidance provided by

the Board on the focus for the assessments. For example, clarifying to what extent the investment framework criteria and the sub-criteria indicators, and/or the investment criteria scorecard that have been adopted by the Board should be utilized.³² Any quantitative and qualitative metrics should have flexibility to be adjusted as needed for different classes of proposals, including the SAP or special calls. Also relating to quality assurance, checklists can be developed to ensure that all subcriteria are addressed consistently at the level of depth expected, or noted as not relevant so the final approver and the Board can be assured it was checked.

- (f) Guidance for AEs. External guidance that translates the components above that are relevant for an external audience, e.g. AEs and the Secretariat. This includes the expectation that the iTAP reviews any guidelines the Secretariat produces as well as the indicator framework approved by the Board and provides formal feedback on how it does or doesn't relate to what they focus on in their reviews. This will increase transparency and clarity to minimize surprises late in the process.

As the Board has already directed the iTAP to improve its internal structures and processes, the options discussed below are limited to the level of action that should be taken now.

3.3.1.1 Minor modifications to current processes, documenting what is happening now

This is essentially the status quo of what the iTAP is working on now and is not viewed as fit-for-purpose for the next phase of the GCF.

3.3.1.2 Develop core framework within iTAP, only limited contribution to external guidance

This option helps to ensure the iTAP is appropriately positioned for the next phase (items a-e above), but does not seek to address the challenges the AEs and Secretariat report regarding uncertainty with the priority items for the iTAP assessments (item f).

3.3.1.3 Comprehensive framework with templates, internal and external guidance

This option addresses the needs of all stakeholders and will best position the iTAP as well as the GCF for the next phase by covering all items in the list above.

Recommendation 5: Comprehensive framework with a full set of templates and guidance

3.3.1.3: Comprehensive framework with a full set of templates, internal and external guidance.

This option best positions the iTAP, as well as the GCF for the next phase by covering all items above.

Linkages: See also the sections relating to who reviews (3.3.2), the mode of finalization (3.3.3) and the potential use of support staff (3.3.4).

Cost implications: There will be short-term cost implications for increasing time spent on developing frameworks and documenting processes. However, there are also overall process efficiency gains anticipated as well as improvements in quality, consistency and coherence.

³² For example, the Secretariat is developing an internal tool based upon these documents approved by the Board by which it has started checking the qualitative/quantitative scoring that task managers do for projects against the internal tool.

The current fixed monthly contract for iTAP members includes a small portion for this type of activity already which would proportionally increase as the number of reviews increased if the same contracting approach was used. Ultimately, there would likely be a modest increase in the administration component.

Note: This section assumes the volume of reviews will increase as will the number of people contributing to reviews and that there is high value in not only achieving internal consistency and quality but communicating the relevant expectations externally.

3.3.2 Changing who/how many review

This subsection focuses on options relating to who and how many should review all FPs and be consulted before the assessment is finalized.³³ The following subsection (3.2.2) addresses the actual mode of finalization, such as whether discussions continue to be done in person or shift to virtual.

The chair of iTAP developed the current approach of having a two-person team selected from within the iTAP, composed of a lead and secondary reviewer, take responsibility for drafting the assessment. This draft assessment is then discussed with the entire iTAP at in-person meetings at GCF Headquarters with the goal of reaching consensus amongst the entire iTAP on the assessment.

As noted in Section 2, the general pattern of having at least two reviewers assigned seems to be working well and helps facilitate the integrity and quality of the reviews. The process of the two-person team 'defending' their draft assessment with a broader group is also seen as adding value by contributing additional perspectives.

However, aspects that are working less well are (a) the team assigned may not have the optimal profile to review the FP, which may also be true for all six iTAP members, and (b) the current in-person approach to reaching consensus with all iTAP members is not seen as viable long term.

It is this author's interpretation of the stakeholder feedback that it is even more important going forward that sufficient experts with the appropriate expertise are involved in the review and any consensus-seeking discussions, rather than a core need for consensus at the level of the entire iTAP, particularly if it expands and is managing increased volume. The options considered are:

3.3.2.1 Status quo – two iTAP reviewers / full iTAP for finalization

Keep status quo regardless of size of iTAP. Additional expertise from the roster of experts is only occasionally used to support the primary review team. All iTAP members need working knowledge of all proposals. Not all relevant expertise areas may be covered.

3.3.2.2 Prioritize relevant expertise / no consensus attempted at the iTAP level

Two iTAP reviewers remain at the core, and are supplemented by additional iTAP members and/or from the roster of experts (1 to 3) as needed to ensure all important technical expertise areas are covered. Consensus is possible to seek within the group assigned using the protocols established by the iTAP, but is not attempted with the full iTAP. This is potentially the nimblest of options while balancing the desire for increased technical coverage.

³³ This section assumes that it is most efficient to handle review of FPs from the SAP or any special calls within the iTAP framework.

It assumes there is a robust roster and/or an expanded iTAP can cover the necessary technical areas. Its efficiency depends somewhat on whether and how consensus is sought (e.g. virtual versus in-person, discussed below). Quality assurance should include a process in cases where the smaller team has significant disagreements, such as referring an assessment to the full iTAP for discussion.

If the iTAP expands, it may be helpful to form specialized subcommittees. Smaller group discussions are more efficient, and can work in parallel. There would then still be an option of a much briefer discussion with the entire iTAP, such as for FPs challenging to assess.

3.3.2.3 Multi-tiered approach depending on FP type

All FPs would have two reviewers, supplemented as necessary with additional expertise as described in 3.3.2.2. SAP or other low-risk FPs do not go to full iTAP, but standard or otherwise higher-risk proposals do. This addresses the need for simplification for the SAP, but is less radical than 3.3.2.2 or 3.3.2.4. This option could also be used on a trial basis, with the tentative goal of shifting to 3.3.2.2 or 3.3.2.4 for all proposal types over time.

3.3.2.4 SAP FPs do not go to iTAP, standard FPs follow 3.3.2.1 or 3.3.2.2

Removing the iTAP assessment stage from the SAP process: This option would simplify and shorten the assessment process and economize resources, at the expense of providing the Board with an assessment of the SAP FPs by the iTAP. This option is inconsistent with paragraph 21 of the "Simplified Approval Process Pilot Scheme" (GCF Decision B.18/06). However, a review of the SAP is currently underway, which is expected to result in a new policy document that will regulate the SAP in the future.

Recommendation 6: Prioritize relevant expertise / no consensus attempted for full iTAP

3.3.2.2: Prioritize relevant expertise / no consensus attempted with the full iTAP. Two iTAP reviewers are supplemented as needed by additional iTAP or from the roster of experts (1 to 3) to ensure all technical expertise areas are covered. All review teams follow the comprehensive guidelines agreed upon by the entire iTAP referenced in Section 3.3.1. Consensus is sought within the group assigned using established iTAP protocols but is not attempted with the full iTAP. This approach would be used for standard as well as SAP FPs.

Linkages: See also Section 3.3.3 addressing mode of finalization. This option works best if the mode of finalization and consensus seeking shifts away from in-person to virtual.

Cost implications: This significantly shifts the structure of reviews. More specialized expertise would be used, but the full iTAP would not be involved in every review. There are also overall process efficiency gains anticipated as well as improvements in technical quality and relevance. Ultimately, there may be a slight increase in average per review cost depending on the extent supplemental experts are used.

Note: This recommendation works best if there is a robust roster in place and/or an expanded iTAP can cover the necessary technical areas. It is possible to reduce time and effort spent on SAP or other FPs deemed low-risk as indicated by the guidance to be developed, discussed above.

3.3.3 Shifting mode of finalization

The current ToRs for the iTAP state:

"The Panel will conduct its review of [FPs] remotely, and through physical meetings at the GCF headquarters in Songdo, Republic of Korea. The dates and timelines for reviews will be determined by the Secretariat in accordance with the project and programme approval cycle and the SAP, and may take place on a rolling basis. For [FPs] categorized under the SAP modality, reviews may follow new streamlined procedures for the simplification of the review process envisaged by the SAP." (Annex I of GCF Board Decision 2018/09)

This subsection deals with the mode of finalization and the current reliance on in-person meetings in Songdo. The issue of who is best placed to be involved in assessments is addressed in the subsection above.

As noted above, the current practice of seeking consensus on every FP assessment during an in-person meeting in Songdo before each board meeting is highly likely to create bottlenecks and limit the practical capacity as review volume increases. The core elements of the current approach can be unpacked as follows:

- Value of all being in the same place. There is value in periodic in-person meetings to build relationships and facilitate cross-training. It is also one way to practically manage the diversity in time zones represented by the iTAP, AEs and Secretariat. However, there are possibilities to manage some, or even most communications virtually, leaving in-person meetings for the highest priority interactions, which may also be less frequent. This would increase overall process efficiency.
- Value in diverse viewpoints. There is value in more than two weighing in on assessments, helping to ensure broader technical coverage and overall quality. However, in practice the reviews continue to be more inconsistent than would be expected. There are other ways to improve quality and consistency and ensure the appropriate technical expertise is represented in review teams besides consensus with the full iTAP, whether at its current size or if it is expanded.
- A larger iTAP will increase complexity of travel. The anticipated increase in size of the iTAP will significantly increase the complexity of arranging in-person meetings regularly.
- Should ad-hoc experts also travel? The anticipated increased use of the roster of experts raises the question of whether it would also be necessary for them to travel to the in-person meetings as well. Would supplemental experts be a part of the consensus-building process or would they only provide static, written contributions that the iTAP would then consider.

The options examined are:

3.3.3.1 The mode of finalization for the iTAP assessments will shift to virtual for all FP types

Virtual finalization can still be supplemented by in-person discussions on occasion, such as for challenging assessments or where there have been significant disagreements within the review team or for highly sensitive assessments politically. However, there would likely be delays in finalization of any assessments that revert to the in-person finalization mode. This option would reduce the need for onsite time in Songdo, and minimizes the potential bottleneck effect of capacity limitations in the review cycle by facilitating reviews on a rolling basis.

3.3.3.2 Finalization for SAP proposals is virtual, and in-person for standard FP types

SAP proposals do not go to full iTAP, and instead will be finalized within the review team assigned (two core iTAP + up to 3 supplemental experts) remotely. This would facilitate reviews on a rolling basis for the SAP only. There could be an option for review by the full iTAP, e.g. in unusual cases where there is significant disagreement within the review team. This hybrid approach can also serve as a test to see how shifting to virtual finalization works in practice. Look to shifting to virtual finalization for all FP types longer term.

Recommendation 7: Shift to virtual mode for finalization of all assessments

3.3.3.1: The mode of finalization of the iTAP assessments will shift to virtual for all FP types.

Virtual finalization can still be supplemented by in-person discussion on occasion. This would lessen the onsite time in Songdo and facilitates reviews on a rolling basis.

Linkages: See also Section 3.3.2 addressing who should be involved in the reviews.

Cost implications: This shifts the structure of reviews to significantly less reliance on in-person meetings. There are overall process efficiency gains anticipated as well as improvements in technical quality. Ultimately, this would likely decrease the average per-review cost.

Note: This recommendation is key to optimizing the potential of several of the other recommendations as noted in those sections. It also works best if there is sufficient administrative support available regularly to assist in coordination and logistics.

3.3.4 Use of support staff

The current ToRs for the iTAP state:

"The Secretariat will provide the necessary operational and administrative support to the Panel." (Annex I of GCF Board Decision 2018/09)

The iTAP were contracted for their technical expertise in their respective fields. Currently, the iTAP handles their own coordination and relies heavily on the Secretariat for logistical and coordination support, e.g. arranging travel and meetings with the Secretariat and AEs.

Recently, the iTAP requested help from junior members of the roster of experts to help compile a database of existing assessments. The iTAP has also considered asking junior members of the roster to help increase the efficiency of their reviews by taking an initial pass at the FPs by using a checklist to highlight key issues (yet to be developed). Both of these requests are suboptimal uses of the roster and would likely lead to inconsistencies and inefficiencies. However, they highlight that there is already a need for stronger administrative support for the iTAP.

With the proposed improvements to its systems and processes, anticipated increase in review volume and potential increase in use of the roster of experts and/or the size of the iTAP, it is clear that the time has come for the iTAP to transition to a new phase that is more robust and serves as a role model for other funds looking to the GCF for thought leadership. This also includes the appropriate administrative structures and levels of staffing to support the iTAP and its work. There is also a need for ad hoc research support which could be bundled with the administrative support or

contracted separately depending on the volume and level/type of skill sets needed. Support options are:

3.3.4.1 *Status quo, the iTAP handles its administration with support from the Secretariat*

This is a suboptimal use of the technical expertise the iTAP is contracted to provide and puts the Secretariat in an unnecessarily awkward position relative to the independence of the iTAP.

3.3.4.2 *Dedicated administrative staff is hired to support the iTAP*

An executive administrative assistant could report to the Investment Committee as does the iTAP, but work with the chair of the iTAP on a day-to-day basis. The position would support administrative functions such as coordination, scheduling, document upload and basic completeness. This staff could also maintain the quality assurance frameworks, the roster of experts, guidance and checklists developed to promote consistency and coherency. They could also help track requests from the Investment Committee and facilitate accountability. To reach their full potential, this person should have some technical understanding of the subject matter, for example, so they can provide competent management of the quality assurance frameworks and checklists. Given that there also appears to be sporadic need for supporting research, this role could potentially also handle minor research requests. The roster of experts are probably better candidates for highly technical or substantial research requests.

Depending on the duties and workload, the executive administrative assistant may become full time. This should increase flexibility for the iTAP chair to remain part time.

Assuming the appropriate protocols are in place and direction from the Investment Committee is clear, this role could also handle some or all of the administrative processing for iTAP that is currently done by the Director of the DMA, such as approval of travels, extension of contracts. Having the Secretariat responsible for this is suboptimal as it sets up a potential conflict of interest. To preserve independence, and preserve the reporting chain to the Investment Committee this is more appropriately handled by someone reporting directly to the Investment Committee.

3.3.4.3 *The Secretariat formally supports the iTAP administratively*

The support the Secretariat would provide would be more formal and comprehensive than it is now. It would, by necessity, include handling general administrative requests relating to the assessments. This is suboptimal as it interferes with iTAP's independence and may create unforeseen and perverse incentives within the Secretariat.

Recommendation 8: Dedicated administrative staff is hired to support the iTAP

3.3.4.2: Dedicated administrative staff is hired to support the iTAP. This executive administrative assistant reports to the Investment Committee, but works with the Chair of the iTAP on a day-to-day basis to support administrative functions; maintain the quality assurance frameworks, guidance and checklists; and track requests from the Investment Committee.

Linkages: See also Section 3.3.1 on improving iTAP's processes and frameworks discussed above.

Cost implications: This significantly shifts the way administration for the iTAP is handled. It would relieve burden currently carried by the Secretariat and the iTAP, particularly its chair. The remuneration for the administrative support could be tailored to the skillsets foreseen, increasing cost-efficiency even if the average per review cost marginally increases. However, there are also overall process efficiency gains anticipated as well as improvements in consistency and timeliness.

Note: If desired and the work pace allows, this position could also support the Investment Committee administratively.

3.4 Quality assurance

There is a need to increase the robustness of the quality assurance especially as it relates to the coherence and consistency of iTAP reviews as well as their predictability as GCF move from the startup phase to the maturity of next replenishment cycle. There are two facets. The first is quality assurance before assessments are finalized. The second is ongoing quality assurance of the overall processes. Each concept is addressed separately below.

GCF Board Decision B.19.08 requests:

"the [iTAP], with the support of the Secretariat and the Investment Committee, 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 to report to the Board on the progress made by the twentieth meeting of the Board.[...]"

Also requests the [iTAP], with the support of the Secretariat, to develop a more comprehensive review template, ensuring that investment criteria and subcriteria are addressed consistently, using the appropriate metrics relevant for the sector and the investment criteria guidelines, when available; and [...]"

"the Secretariat and the [iTAP] to implement a periodic quality assurance process of the [iTAP's] assessments, and report back to the Board by its twentieth meeting."

3.4.1 Internal quality assurance framework

Currently, the iTAP provides a general briefing to the Investment Committee at the beginning of a board session, then the Investment Committee provides feedback to the iTAP at the end of a board session. However, these dialogues do not directly address the internal quality assurance process for conducting the assessments themselves.

The variability in the style and quality of assessments appears to stem mainly from the diversity in the experience, background, and preferences of the different reviewers. As has already been requested by the Board, the iTAP should develop a written quality assurance framework for use when conducting reviews.

To support this process, iTAP has begun to conduct reviews of past assessments, which is consistent with best practice. However, a formal process or regular review schedule has not yet been instituted. The iTAP have suggested creating a database, as a depository of iTAP assessments and record of discussions. However, there is currently a challenge in entering past assessments into a new database or alternatively being granted non-edit access to the Secretariat's existing database.

Given this is already a work in progress, the single option considered is simply to prioritize development of the written internal quality assurance framework for use when conducting assessments. The text below also provides additional details on what the framework should include to help facilitate the development process.

3.4.1.1 Prioritize development of internal quality assurance for conducting assessments

This framework should include assessment principles, guidelines for specific criteria or situations, boundaries of review, protocols for requesting clarifications, and an assessment template for preparing assessments as well as a checklist for finalizing them. This will facilitate development of internal guidance for new iTAP members or supporting experts from the roster as well as external guidance for AEs and the Secretariat.

The framework, i.e. the criteria, review guidance templates and checklists, should be used by all who contribute to assessments. It may also be useful to have someone, such as the proposed executive administrative assistant, assigned to confirm the draft final assessments conform to the guidance in ways recognizable by others.

Recommendation 9: Prioritize development of the internal quality assurance framework

3.4.1.1: Prioritize development of the internal quality assurance framework for conducting assessments. This framework should include assessment principles, guidelines for specific criteria or situations, boundaries of review, protocols for requesting clarifications, and an assessment template for preparing assessments as well as a checklist for finalizing them.

Linkages: Overlaps with themes discussed in Section 3.3.1 on formalizing the assessment framework.

Cost implications: This should not result in additional costs beyond that which are already discussed in other sections, e.g. formalizing the assessment framework and potential use of support staff.

Note: This recommendation works best if there is also an ongoing quality assurance process, as is discussed below.

3.4.2 Ongoing quality assurance

As discussed above, the iTAP should develop a written quality assurance framework for day-to-day operations. This section addresses options for a broader ongoing quality assurance process focusing on thematic issues rather than individual reviews, but that provides the mechanism for updating the core framework for the reviews. It also can address broader questions of coherence with the evolving systems and frameworks of the GCF as well as the evolving needs of the Board.

Ongoing quality assurance would likely consist of periodic reviews of recent assessments to recognize trends, identify inconsistencies, assess how fit-for purpose the existing review guidance is, and identify lessons learned. This process could also identify ways to make the assessments more relevant and user-friendly for the Board. This ongoing process should happen regularly, at least annually, preferably twice a year or after each board cycle as the volume of reviews increases.

The options below examine whether this process should be tasked to the iTAP or be external:

3.4.2.1 Ongoing quality assurance is conducted by the iTAP

The iTAP could conduct periodic reviews themselves, perhaps in low-intensity periods following board meetings. The Secretariat could provide basic clerical support, but should not be responsible to ensure the iTAP's independence. Alternatively, an independent consultant, from the roster of experts or open call could assist the iTAP in developing the quality assurance framework and/or independently reviewing assessments. This misses the added value of including neutral perspectives from those not directly involved in preparing reviews. While it is critical that the iTAP be involved in developing their internal quality assurance and whatever ongoing processes are needed to support that, it is not optimum for them solely to perform this broader and periodic function.

3.4.2.2 Ongoing quality assurance is conducted by the IEU

The GCF Independent Evaluation Unit (IEU) could conduct reviews of recent iTAP assessments. This appears to be a natural assignment for the IEU and having them involved would help ensure consistency in quality assurance strategy over time. The IEU was explicitly established to be independent of the Secretariat so that it could undertake and deliver high quality and independent evaluations of the GCF's performance, activities and results. The iTAP is not explicitly mentioned in the IEU ToR, however its mandate is broad enough to cover this type of quality assurance.³⁴ The IEU, may need to contract temporary technical support to perform the reviews at sufficient depth.

3.4.2.3 Ongoing quality assurance is conducted externally by a specialized consultancy

An advantage of hiring a specialized consultancy on an ongoing basis is that they would need to demonstrate sufficient coverage of all the expertise areas needed and would likely have prior experience with quality assurance processes used by other funds. To preserve the independence of the iTAP and avoid any conflict of interest dynamics with the Secretariat, it would be most appropriate for the IEU to oversee any external consultancy.

Recommendation 10: Ongoing quality assurance is conducted by the IEU

3.4.2.3: Ongoing quality assurance is conducted externally, by the IEU. This appears to be a natural assignment for their mission and would help ensure consistency over time. They may need to contract additional technical experts to ensure all expertise areas are covered.

Linkages: Overlaps with themes discussed in Section 3.3.1 on formalizing the assessment framework as well as internal quality assurance (3.4.1).

Cost implications: This would result in additional costs for IEU staff time and for any supplemental support they require. Over time, this should increase efficiency and coherence of the reviews.

Note: When considering this issue previously the Secretariat suggested conducting reviews biennially to ensure a sufficient sample size of assessments was available. (GCF/B.21/04) Reviews should be more frequent -i.e. yearly- if no formal day-to-day quality assurance is instituted.

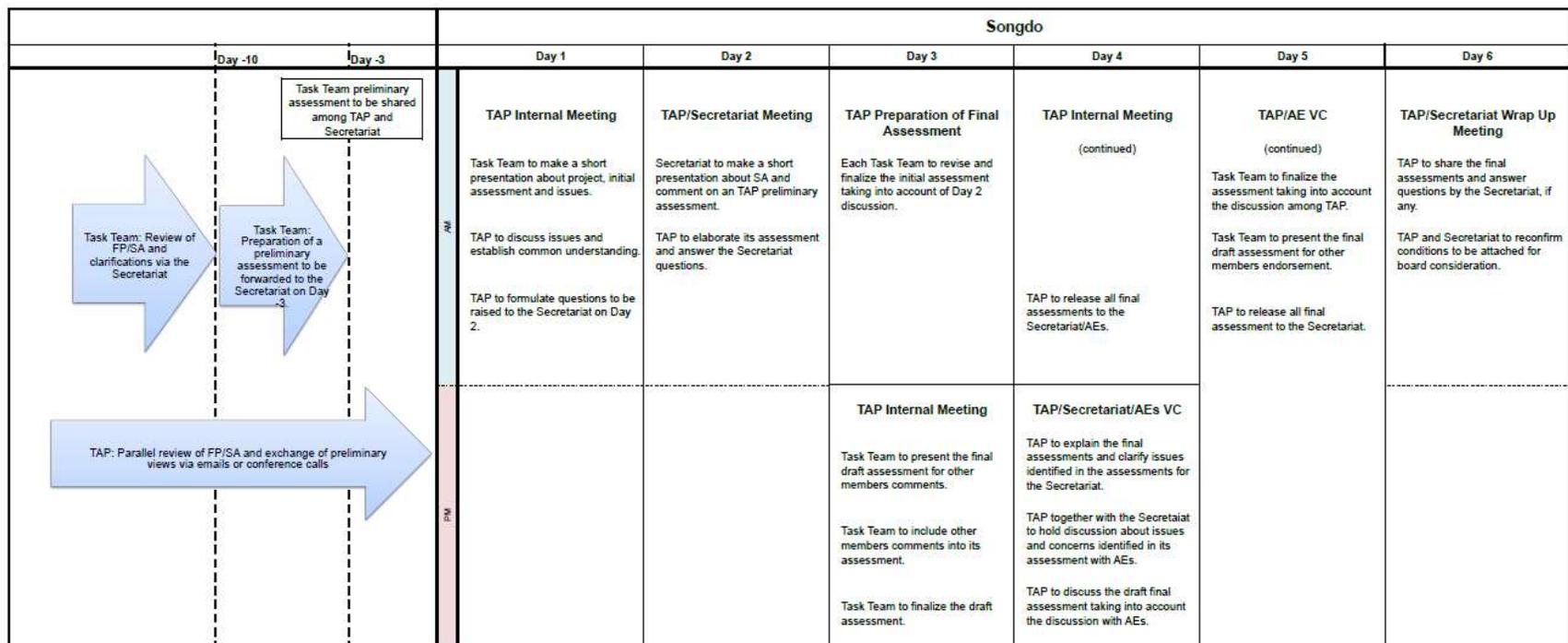
³⁴ The IEU ToR lists their objectives, for example, as: "(a) Informing the decision-making by the Board and identifying and disseminating lessons learned, contributing to guiding the Fund and stakeholders as a learning institution, providing strategic guidance; (b) Conducting periodic independent evaluations of the Fund's performance in order to provide an objective assessment of the Fund's results and the effectiveness and efficiency of its activities..."

Rec. #	Summary of options	Recommendation
4	<p><u>Changing mode of contracting technical experts:</u></p> <p>3.2.2.1 Continue with the same contracting structure or 3.2.2.2 Separate fees negotiated for each type of activity or 3.2.2.3 Four-tier structure for iTAP members: Retainer + per review + discrete admin/coordination + ad hoc</p>	<p>Four-tier structure for iTAP members: Retainer + per review + discrete admin/coordination + ad hoc (3.2.2.3)</p>
3.3 Operational changes internal to the iTAP		
5	<p><u>Formal framework: guidelines, templates, standardization:</u></p> <p>3.3.1.1 Minor modifications to current processes, documenting what is happening now or 3.3.1.2 Develop core framework within iTAP, only limited contribution to external guidance or 3.3.1.3 Comprehensive framework with templates, internal and external guidance</p>	<p>Comprehensive framework with templates, internal and external guidance (3.3.1.3)</p>
6	<p><u>Changing who/how many review:</u></p> <p>3.3.2.1 Status quo – two iTAP reviewers / full iTAP for finalization or 3.3.2.2 Prioritize relevant expertise / no consensus attempted with the full iTAP or 3.3.2.3 Multi-tiered approach depending on FP type or 3.3.2.4 SAP FPs do not go to iTAP, standard FPs follow 3.3.2.1 or 3.3.2.2</p>	<p>Prioritize relevant expertise / no consensus attempted with the full iTAP (3.3.2.2)</p>

5 Annex A: iTAP process flow

Figure 4 illustrates iTAP’s current process flow, including the in-person meeting at GCF Headquarters in Songdo.

Figure 4. iTAP Process Flow for Assessments



Legend: FP = Funding Proposal; SA = Secretariat Assessment; AE = Accredited Entities; VC = Video Conference

Source: iTAP, 2017

During the in-person meetings in Songdo, the iTAP members generally follow this protocol:

Day 1: iTAP members discuss each funding proposal received in turn. The lead reviewer will make a short presentation and the iTAP will discuss, averaging about one hour per FP. If there are any political sensitiveness, they may arrange another presentation session to go through the draft assessment line by line. The iTAP finds this broader discussion and goal of consensus valuable as the different iTAP members provide different perspectives and can complement the core competencies of the two-person team.

Day 2: The iTAP meets with the Secretariat to discuss each funding proposal in turn.

Day 3: iTAP members and the Secretariat have joint calls with each of the AEs responsible for a funding proposal in that cycle.

Day 4: The iTAP meets again with the Secretariat, including to discuss feedback from AE calls.

Day 5: Discuss the wording of any conditions with the legal department as needed, finalize the assessments and submit to the Secretariat to be proofread for language, not content, before being sent to the Board.

6 Annex B: Summary of data sources

Table 5 lists the stakeholders engaged in the course of completing this report. A list of documents reviewed follows the table.

Table 5 List of stakeholders engaged

Type	Name, role	Date
Internal	Yannick Glemarec, Executive Director of the GCF	Remote interview 5 September 2019
Internal	Jerry Velasquez, Director of DMA	Remote interview 9 July 2019
Internal	Ania Grobicki, Deputy-Director Adaptation, DMA	Remote interview 18 July 2019
Internal	Ayaan Adam, Director of PSF; Rajeev Mahajan Senor Specialist - Project Finance also joined for first half of the call.	Remote Interview 11 July 2019
Internal	Demetrio Innocenti, Manager, SAP, DMA	Remote interview 9 July 2019
Internal	Juan Chang, Deputy Director, Mitigation Coordinator A.I RBP, DMA	Remote Interview 16 July 2019
Internal	Joe Yamagata, Chair of the iTAP	Remote Interview 11 July 2019
External	All AEs (88; 19 surveys were completed, representing 22% of AEs)	Online survey 9 to 24 July

The following documents were reviewed:

GCF B.23/02: Consideration of Funding Proposals

GCF B.23/12: Review of the initial modalities for the Private Sector Facility

GCF B.23/20: Forward-looking Performance Review of the GCF

GCF B.23/Inf.01: Report on the activities of the Secretariat

GCF B.23/Inf.05: Status of the GCF pipeline including the status of Project Preparation Facility requests

GCF B.23/Inf.09: Strategic Programming for the Green Climate Fund First Replenishment

GCF B.23/Inf.12: Status of the GCF portfolio: approved projects and fulfilment of conditions

Investment Committee minutes from May 2016 through February 2019

GCF B.22/05: Investment criteria indicators

- GCF B.22/Inf.06 Rev.01: Status of the GCF pipeline_ including the status of Project Preparation Facility requests
- GCF B.21/04: Revision of the structure and operations of the independent Technical Advisory Panel; includes executive summary of report on the performance assessment of the iTAP
- GCF B.21/11: Two-stage_proposal_approval_process
- GCF B.21/Inf.04: Identification of results areas where targeted GCF investment would have the most impact
- GCF B.19/03/Rev.01: Review of the structure and effectiveness of the independent Technical Advisory Panel; includes executive summary of SQ Consult review of the structure and effectiveness of the iTAP
- GCF B.17/21: Decisions of the Board – seventeenth meeting of the Board, 5 – 6 July 2017, specifically Annex IV: Updated project and programme cycle
- GCF B.17/09: Status of the GCF portfolio: pipeline and approved projects
- GCF B.11/07: Results Management Framework
- GCF B.07/06: Investment Framework
- GCF Board Decision B.19/08: Measures to enhance the effectiveness of the independent Technical Advisory Panel
- GCF Board Decision B.BM-2018/09: Updated terms of reference of the Technical Advisory Panel
- GCF Board Decision B.10/09: Appointment of experts of the independent Technical Advisory Panel
- GCF Board Decision B.09/10: Terms of Reference of the Technical Advisory Panel
- GCF Board Decision B.09/05: Further development of the initial investment framework: Sub-criteria and methodology
- GCF Handbook: Decisions, Policies and Frameworks, updated June 2019
- GCF in Brief: REDD [undated]
- GCF in Brief: Simplified Approval Process [undated]
- GCF [Internal undated]: Simplified Approval Process: Standard Operating Procedures (SOP)
- GCF [Internal undated]: Projects by iTAP reviewer B.11 through B.23
- GCF iTAP: iTAP Lessons Learned Session. PowerPoint presentation 5 July 2019
- Larkin, J., 2018. "Wow, that is a Large Grant! Best Practices for the Application Approval Processes for International Climate Funds." International Energy Programme Evaluation Conference (IEPPEC), June 2018
- SQ Consult (2017) Review of the structure and effectiveness of the independent Technical Advisory Panel; Full report; only the executive summary is in the public domain via GCF Board documents as noted above
- Vieweg, M., 2017. "Guidebook: Writing a Green Climate Fund Funding Proposal" on behalf of Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ)

7 Annex C: Highlights of the AE survey

The Secretariat sent an invitation to participate in the web-based survey to all 88 AEs, though not all have received assessments by iTAP yet. There were 19 responses received, which represents a 22% response rate.

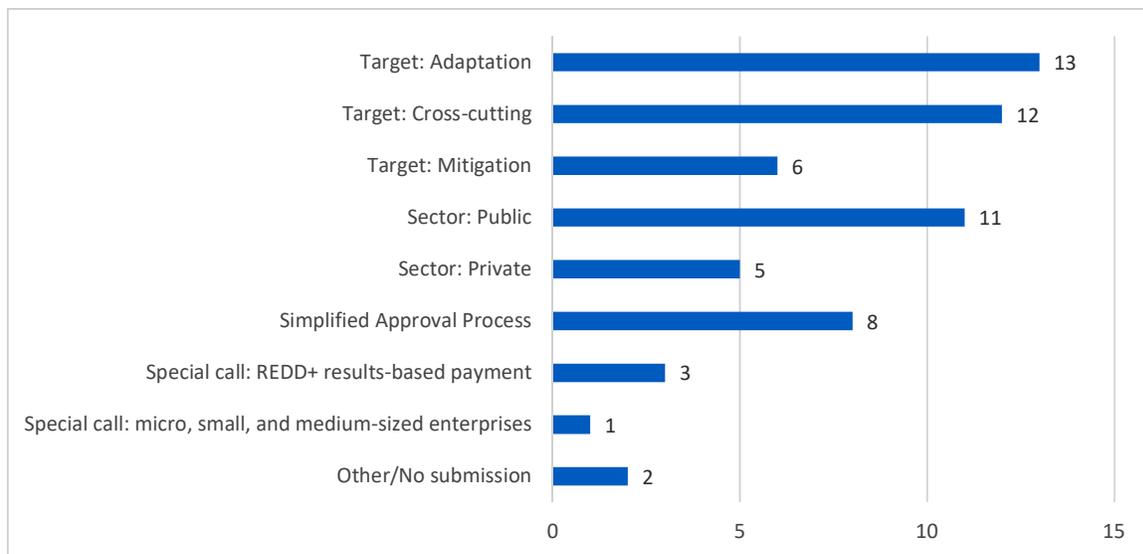
Most (63%, 12) came from International, 32% (6) from National, and 5% (1) from Regional level AEs.^{35, 36} About 26% (5) are accredited for micro, 11% (2) for small, 47% (9) for medium and 16% (3) for large projects.^{37, 38}

One AE reported that they had not submitted an FP yet, but they may have misinterpreted the question to mean submission to the GCF board. Otherwise, 26% (5) had submitted one FP, another 32% (6) had submitted 2 or 3 FPs, and 37% (5) had submitted four or more.³⁹

Almost 80% (15) of the AEs who responded had received one or more assessments from the iTAP to date.⁴⁰ Of these, none reported having any of their FPs rejected by the Board;⁴¹ though 36% (5 of 14) reported that the iTAP had not recommended approval for at least one of their FPs.⁴²

The FPs submitted by responding AEs cover all of the major submission categories, presenting a good cross section of projects. (See Figure 5). Of the submission choices, only the enhanced direct access and private sector (Pitch for the Planet) special calls were not represented by at least one AE who responded to the survey.⁴³

Figure 5 Proposal types represented by AEs responding to the survey (n =19)



³⁵ Q1: First, please tell us what type of Accredited Entity (AE) do you represent?

³⁶ The population of all 88 AEs is divided as follows: 42% International, 43% Direct-National, and 15% Direct-Regional.

³⁷ Q2: What size(s) of project are you accredited for?

³⁸ The distribution for the entire population of AEs is: 18% Micro, 28% Small, 22% Medium, and 32% Large sized projects.

³⁹ Q3. How many funding proposals has your entity submitted to the GCF Secretariat?

⁴⁰ Q5. For how many funding proposals has your entity received feedback from the iTAP?

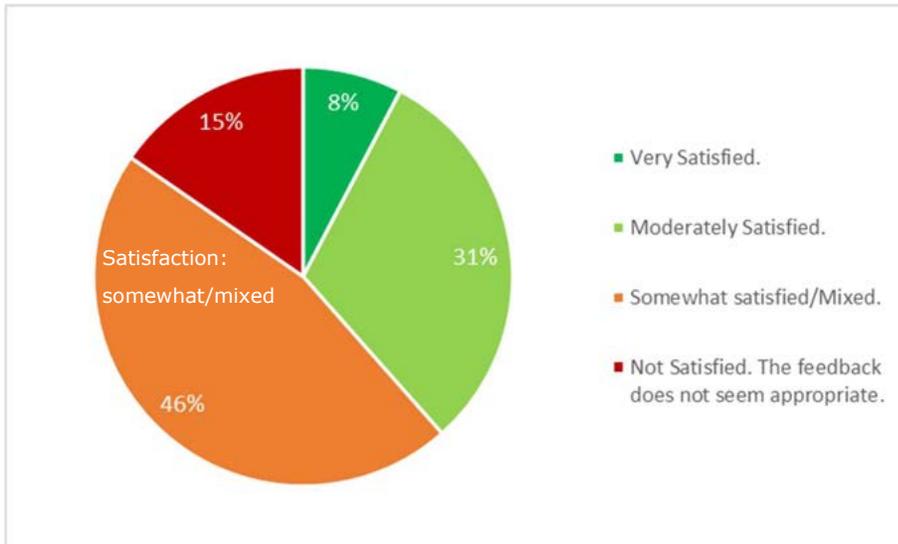
⁴¹ Q6. How many of your entity's funding proposals been approved by the GCF Board?

⁴² Q8. How would you characterize the feedback you have received from iTAP to date?

⁴³ Q4. What types of proposals has your entity submitted to the GCF Secretariat?

As shown in Figure 6, satisfaction with the iTAP assessments was mixed with only one AE (8%) reporting they were very satisfied.⁴⁴ Just under a third (4 of 13) of the AEs reported being moderately satisfied, 46% (6) were somewhat satisfied or their opinion was mixed based upon different FPs or feedback on different elements of the same FP, with 15% (2) not satisfied.

Figure 6 AE Satisfaction with iTAP assessments received (n=13)



As shown in Figure 7, 57% (8 of 14) reported the conditions and recommendations received from the iTAP were only somewhat relevant or depended on the situation (43%, 6) or not at all relevant (14%, 2) in helping refine elements of the project design prior to implementation or to better implement the funding proposal.⁴⁵ Only one AE reported the conditions and recommendations were very relevant. However, all AEs may be expected to have a preference for not receiving any conditions. Therefore, any who received any conditions are more likely to respond negatively.

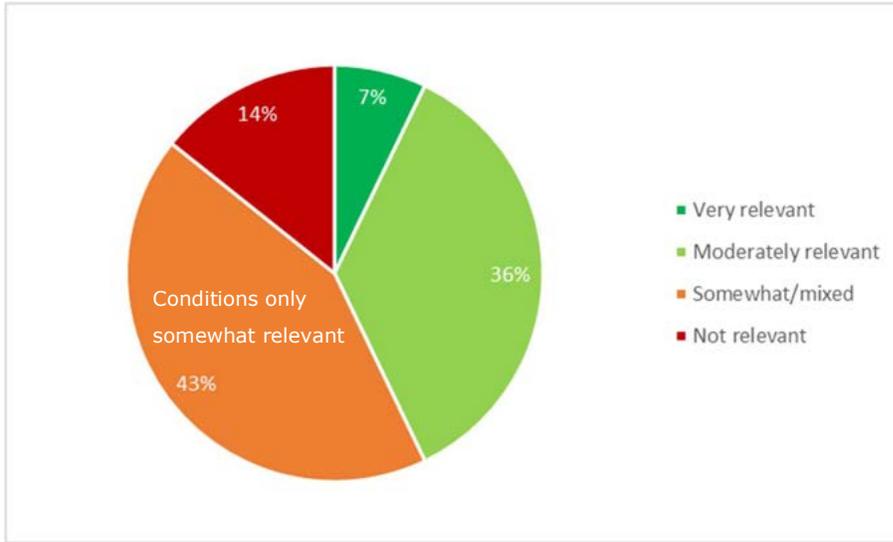
Five AEs who provided additional clarification on this issue noted that the conditions were unrealistic for the context, e.g. for LDCs. Three commented that the feedback seemed arbitrary, such as overly detailed in marginal areas, yet superficial in more core areas. Two AEs volunteered that the feedback directly contradicted that which they had received from the Secretariat.⁴⁶

⁴⁴ Q7. How satisfied are you with the iTAP assessment(s) your entity has received?

⁴⁵ Q9. How relevant were the iTAP conditions and recommendations you received specifically in helping refine elements of the project design prior to implementation and/or better implement the proposal?

⁴⁶ Q10. [Optional:] Please elaborate your response above regarding the relevance of iTAP's feedback, if desired.

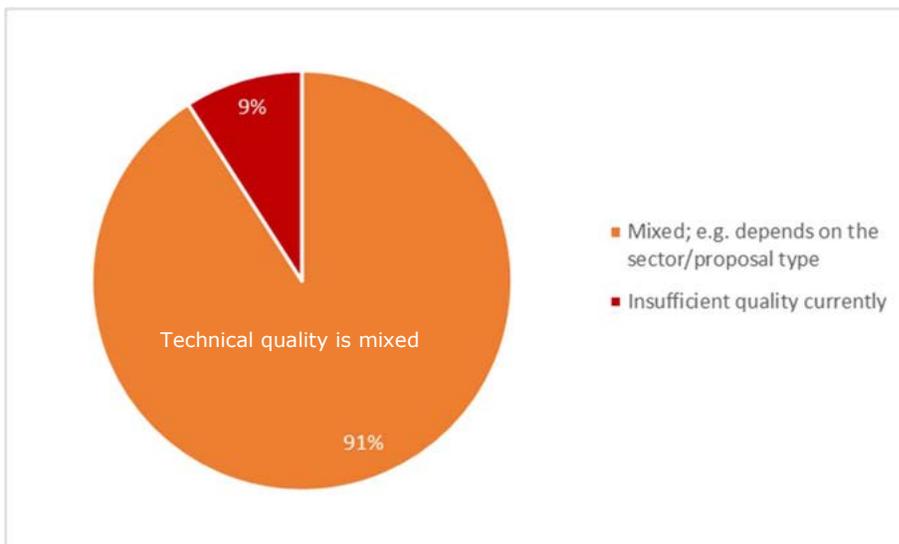
Figure 7 AEs' perception of relevance of conditions on helping refine project design (n=14)



AEs perceived both the technical quality⁴⁷ (Figure 8) and the consistency⁴⁸ (Figure 9) of the iTAP assessments to be quite mixed. When asked about what additional skillsets might be useful within the iTAP, two AEs offered the following:⁴⁹

- *"Understanding local data constraints; empathy; humility"*
- *"Knowledge and familiarity with the realities on the ground, especially in LDCs, Africa and developing countries. The data and details requested sometimes do not exist or are difficult to provide for such contexts. Having that data or details, does not provide much added value to the project design."*

Figure 8 AEs perception of the technical quality of the iTAP assessments (n=11)

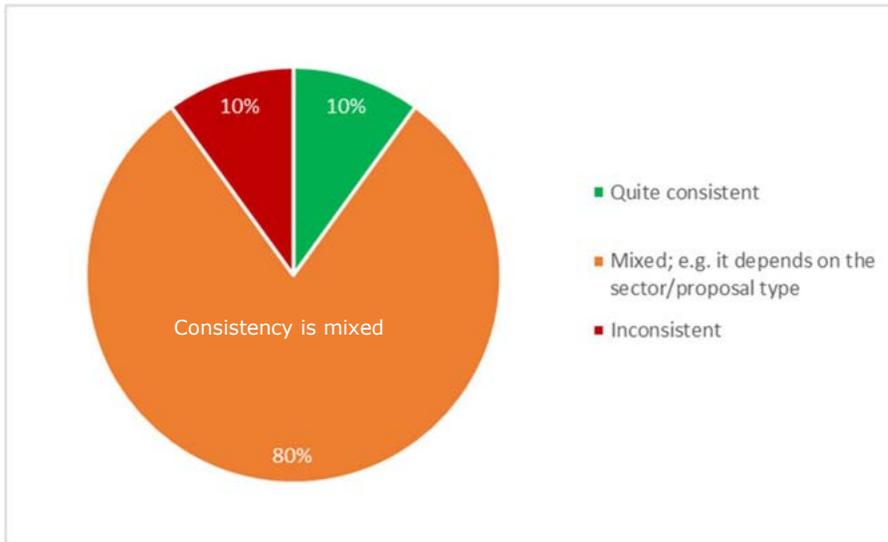


⁴⁷ Q11. What is your perception of the technical quality of the iTAP assessments?

⁴⁸ Q12. What is your perception of the consistency of the iTAP assessments?

⁴⁹ Q13. [Optional:] Based only on the iTAP assessments you have received to date, what, if any, additional skillsets or knowledge would enhance the iTAP's ability to assess proposals you submit?

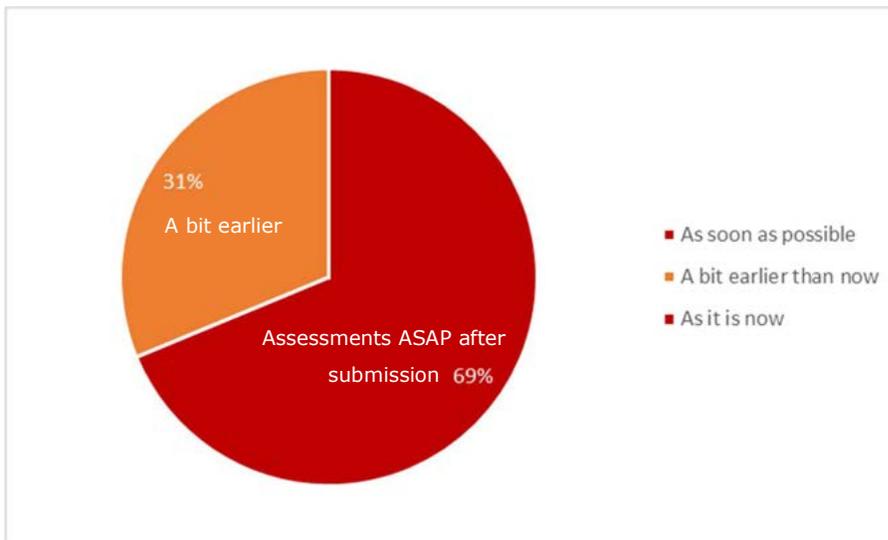
Figure 9 AEs perception of the consistency of assessments (n=10)



As might be predicted, most AEs who had an opinion (58%, 7 of 12) reported that the iTAP’s level of engagement with AEs is too little, though one-third (4) reported it was about right and one even reported it was too much.⁵⁰

A stronger majority (77%, 10 of 13) felt the iTAP’s engagement with the AEs came too late.⁵¹ Almost 70% (11 of 16) expressed they would like to receive at least a preliminary iTAP review as soon as possible after submission, even if it means receiving another assessment later. Another 39% (5) requested it a bit earlier than now, so there is more time to incorporate changes. None reported being comfortable with the way it is now.⁵² (See Figure 10)

Figure 10 AEs’ perspective on the optimal time for iTAP to assess FPs (n = 16)



⁵⁰ Q14. From your perspective, the iTAP's level of engagement with the Accredited Entities is....

⁵¹ Q15. From your perspective, the iTAP's level of engagement with the Accredited Entities is....

⁵² Q17. From your perspective, when is the optimal time for iTAP to assess project proposals?

Other comments the AEs shared through the survey include:⁵³

- *"Come on the field if possible to better understand the context of the project."*
- *"iTAP expectations should not come as a surprise to AEs; secretariat and iTAP should speak the same language."*
- *"Is the iTAP review/assessment really necessary for SAP proposals? Also, the iTAP should have access to the Secretariat review sheet where many of the questions are already answered and addressed by the AE."*
- *"Maybe iTAP should be more transparent (for the AE to know who's making comments, what is his/her technical expertise, area of knowledge, etc.) and to give more time during the online meeting."*
- *"iTAP assessment or pre-assessment should occur at concept level or way before current time. After one or two years of technical negotiation of a FP with the GCF Secretariat, iTAP assessment might vanish all the work done."*
- *"The iTAP seems to have adequate experts; however, the baseline for assessment needs to be clearly defined. If a project is shaped by comments from the GCF Secretariat, how could the AE be penalised for the position of the GCF Secretariat? The iTAP and GCF Secretariat need to be on the same page. "*
- *"iTAP should, based on the concept, identify areas that they expect to be answered in the main funding proposal. Then, iTAP should coordinate their review with GCF Secretariat otherwise there are too many multiple reviews, with technical and scientific issues being questioned by GCF Secretariat and then later (too late in the day) by iTAP, when the design is already finalized. If design is going to use iTAP's expertise, the iTAP advice on issues to look for should be even at concept stage to make their recommendations useful in the design phase. Then these questions are looked at in the main funding proposal; not a new set of issues."*
- *"iTAP - provides technical advice to who? The GCF or AE or both? until this question is clear answer we will end up with unmet expectation for the technical experts on the iTAP. iTAP is not engaged until the GCF Secretariat is satisfied with the proposal but it is the AE that iTAP respond to. Maybe the process of review by the GCF Secretariat and iTAP should be independent and parallel (at the very least at some point in time.)"*

⁵³ Q16.[Optional:] Please elaborate your responses above regarding iTAP's engagement with Accredited Entities, if desired. And Q18. [Optional:] Please share any further thoughts or suggestions you have for future iTAP activities not already covered in your previous responses.

8 Annex D: Expertise needs for the iTAP

This annex provides additional details for the discussion initiated in Section 2.7 on mapping current skillsets to anticipated future needs. Table 6 starts with populating the percentages of expertise areas based upon the current portfolio and a self-scoring from the iTAP on expertise areas represented. Next it indicates how many iTAP members should have that expertise based upon strict proportions. These proportions are then adjusted as indicated by current projections for the next replenishment. If the volume is expected to increase significantly beyond ~60 FP reviews per year, authors suggest further strategic use of the roster of experts as a first option before expanding the iTAP beyond 10 members.

Table 6 Expertise needed based upon current and forecast portfolio

	iTAP self-score ⁵⁴	% of existing portfolio	iTAP size			Note: Adjustments in red for projections only done for iTAP expansion
			6	8 (adj.)	10 (adj.)	
Results Area						
Energy access & generation	4	39%	2	3	4	Could reduce slightly to 25% - 33%
Low emission transport	4	2%	0	0	1	Nice to have transport represented, but is expected to remain low percentage
Energy efficiency (buildings, cities, industries & appliances)	4	14%	1	1	1	
Forestry & land use; (incl. REDD+)	5	6%	0	1	1	At least 1 with REDD+ expertise if iTAP expanded
Livelihoods (Most vulnerable people and communities)	5	10%	1	1	1	
Health, (well-being), food & water security	6	11%	1	1	1	
Infrastructure (& built environment) resilience	6	12%	1	1	1	
Ecosystem & ecosystem services	5	4%	0	1	1	Helpful to have represented
Sector						
Public	6	59%	4	5	6	
Private	4	41%	2	3	4	
Target						
Mitigation	6	42%	3	3	4	
Adaptation	6	34%	2	4	5	Increase adaptation representation to at least 50/50
Cross-cutting	6	24%	1	3	3	Also increased due to adaptation increase

⁵⁴ To support this work, the chair of iTAP scored its members based upon these categories using a significant/moderate/some limited expertise scale. Individuals marked as having significant or moderate expertise are included in this tally.

	iTAP self-score ⁵⁴	% of existing portfolio	iTAP size			
			6	8	10	
				(adj.)	(adj.)	Note: Adjustments in red for projections only done for iTAP expansion
Financial Instruments						
Grants	6	45%	3	4	4	Could be reduced, given the current prevalence
Concessional loans	6	42%	3	3	3	Could be reduced, given the current prevalence
Equity	3	9%	1	1	2	Could be increased
Guarantees	2	2%	0	1	2	Helpful if represented given the increasing priority for GCF
Results-based payments	6	2%	0	1	2	Helpful if represented given the increasing priority for GCF
Region						
Africa	3	41%	2	3	5	Increased as per change below under Priority Countries
Asia Pacific	3	40%	2	3	4	
Latin America & Caribbean	2	22%	1	2	2	
Eastern Europe	3	5%	0	1	1	Helpful if all regions represented by at least 1 iTAP member
Priority countries						
SIDS	NA	21%	1	2	3	Nice to have additional representation if submissions are expected to increase
LDCs	NA	36%	2	3	5	Nice to have additional representation if submissions are expected to increase
African States	3	41%	2	3	5	Nice to have additional representation if submissions are expected to increase
Other categories/may be subsets of above						
Economic expertise	NA	-		3	4	Ideally at least one-third
Financial expertise	NA	-		3	4	Ideally at least one-third
Project implementation expertise	NA	-		4	5	Ideally half or more, including a subset with micro/small/medium expertise
Gender/social inclusion	NA	-		1	2	Ideally at least one

Given the complexity of these categories, this is by necessity a simplistic analysis. Many professionals have expertise in only a subset of a particular results area or country profile at this summary level. Seeking generalists with diverse experience, as was done when initially staffing the iTAP, continues to be a reasonable strategy. The roster of experts should include experts who are more specialized to supplement the iTAP's breadth.

The final number needed will depend on the breadth of expertise of qualified applicants as well as volume. To cover the volumes anticipated in the Pursuit of Impact Scenario (GCF/B.23/Inf.09) with the proposed process changes a minimum of 8 is suggested in the short term. The search for any new iTAP members should prioritize the following:

- Adaptation
- REDD+ expertise, especially RBP
- Priority countries: African states, SIDs, LDCs
- Economic expertise esp. relating to economic modelling and appropriateness of concessionality
- Financial expertise, especially in innovative financial instruments or other factors that may affect project viability
- Project implementation expertise (assuming potential conflict of interest can be effectively managed)
- Experience calculating impacts

Annex III: Letter from Investment Committee Chairperson to the Co-Chairs

17 February 2020

Dear co-chairs,

Following the delivery of the report on the Revision of the structure and operations of the independent TAP by the consultant, the Secretariat has supported the Investment Committee with the development of the present document, which proposes updates to the independent TAP's structure and operations to ensure it has adequate capacity to operate efficiently during the GCF first replenishment period.

The Investment Committee received the draft document from the Secretariat on 17 December 2019 for initial feedback. Following an initial round of consultations, the Committee received from the Secretariat a revised draft on 3 February 2020. The Committee discussed the draft during the informal Board meeting in Monrovia, Liberia on 6 and 7 February 2020, and issued final guidance to the Secretariat for the document's finalization on 7 February 2020.

As the Investment Committee Chairperson, I confirm that the Committee endorses the content of the document and request that it be transmitted to the Board for consideration at its twenty-fifth meeting. In addition, it should be noted that we have requested the Secretariat to transmit the budgetary implications of the decision to the Chair of the Budget Committee for their due consideration.

Yours sincerely,

Tlou Ramaru

On behalf of the Investment Committee