



**GREEN  
CLIMATE  
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# Update on the operations of the independent Technical Advisory Panel

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## **Summary**

This document builds on the findings and recommendations of document GCF/B.25/10 titled “Revision of the structure and operations of the independent Technical Advisory Panel”, and proposes an update to the operational modalities of the independent Technical Advisory Panel (TAP) to respond to the opportunities and challenges in the first replenishment period of the GCF. Proposed changes include the shift to reviews on a rolling basis, the use of virtual meetings and smaller peer review teams, the development of internal and external guidelines, and changes in the system for the remuneration of the TAP members. These changes will at least double the overall review capacity of the TAP and decrease its operational costs, increasing the overall programming efficiency of the GCF.

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## Glossary

- **Lead reviewer:** Member of the independent Technical Advisory Panel (TAP) primarily responsible for the assessment of a funding proposal and the preparation of the assessment findings.
- **Secondary reviewer:** Member of the TAP supporting the lead reviewer in the assessment of a funding proposal.
- **TAP review team:** Team composed of the lead and secondary reviewer, responsible for the review and assessment of a funding proposal.
- **Peer review group:** Group composed of the TAP review team and additional “peer reviewers”, convening through virtual meetings to seek consensus on the assessment of the funding proposal and its endorsement/non-endorsement.
- **Chair of the TAP:** Designated TAP member with overall coordination functions.
- **TAP secretary:** Administrative assistant acting as focal point with the Secretariat, assisting with overall coordination, procurement of the roster of experts, document management, etc.
- **Secretariat task team:** Team responsible for the review and processing of the funding proposal on the Secretariat’s side, composed of the task manager, task support(s) and task reviewer(s).

## 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) 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, with a view to enhancing the capacity of the independent TAP to conduct the review of funding proposals under the increased workload expected during the first replenishment period of the GCF (GCF-1). The final report of the consultancy was presented in annex II to document GCF/B.25/10 entitled "Revision of the structure and operations of the independent Technical Advisory Panel".

5. The report identified the need to meet an expected increase in funding proposals of approximately 35 per cent over the average in the period between B.19 and B.21, where the Panel reviewed the largest number of funding proposals to date. It further identified several options, including an expansion in size as well as the consideration of operational improvements, that would enable the independent TAP to continue to undertake its function effectively in this future scenario. The Board decided, through decision B.25/09, to increase the size of the independent TAP to ten members, and requested 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 B.26.

6. This paper responds to said request, drawing on the findings of the "Revision of the structure and operations of the independent Technical Advisory Panel" to propose an updated funding proposal review process by the independent TAP.

## II. Policy rationale

7. The proposed policy arises from a conjunction of factors related to the growth of GCF that both enable and create a need for an update in the operations of the independent TAP in order to meet growing programming demand for GCF-1 in an efficient and cost-effective manner.

8. As described in detail in annex IV, the current modus operandi of the TAP is characterized by a review of each funding proposal by two TAP members, who present the draft findings and discuss them with the rest of the independent TAP in a consensus process in physical meetings at GCF headquarters, during which they also interact with the Secretariat and accredited entities (AEs). TAP reviews follow GCF Board cycles, meaning that they are concentrated in a window of roughly 5–6 weeks prior to the publication date. Since the COVID-19 pandemic, physical meetings have been replaced with virtual meetings.

9. These physical meetings, not envisaged in the original terms of reference but established as a matter of practice, have been valuable in allowing the independent TAP to build a consistent process and approach towards the review of funding proposals. However, they create substantial costs due to the associated travel and time requirements of TAP members. With the growing experience and body of work of the TAP as a whole, they are less critical in terms of ensuring a common approach and standard.

10. The accumulation of changes in the pipeline and proposal approval process of the GCF since the operationalization of the TAP have resulted in challenges and opportunities that warrant a revision in the way that the independent TAP operates to increase its efficiency and effectiveness, as follows:

- (a) Significant growth of the number of funding proposals to be reviewed since the inception of GCF and the TAP. Regular programming in the range of 50–66 funding proposals annually is expected for GCF-1, an increase of approximately 25–30 per cent compared to 40–50 funding proposals per year towards the end of the initial resource mobilization period, which stretched the capacity of the TAP to conduct their reviews;
- (b) Improvements in the Secretariat's processes, with the development of the Operations Manual, online review tools and sectoral guidance, that is expected to increase the speed of reviews and provide clarity on the status of the funding proposals in the pipeline;
- (c) Growing demand for SAP and the need for further simplification of the TAP SAP review modality (in line with decision B.18/06) in order to be able to respond to countries and deliver funding with greater speed, across a growing number of funding proposals;
- (d) The increase of the size of the TAP from 6 to 10 members, which poses both opportunities, as a result of the greater available expertise, and challenges, as a result of the increased costs of coordination under business-as-usual and fixed costs;
- (e) Travel limitations for the foreseeable future that constrain the capacity of the TAP to meet in person;
- (f) A flat-rate remuneration system that is not responsive to actual work days. This remuneration system is unique among GCF panels and results in low cost efficiency when the TAP does not operate at close to full capacity. TAP members contribute to GCF approximately 40 per cent of their total available working days;
- (g) The lack of a formal and transparent process to communicate the outcomes for non-endorsed funding proposals, which prevents interested parties such as national designated authorities (NDAs), civil society organizations, the GCF Board or GCF independent units from accessing information in a timely manner and responding adequately;

- (h) Development of diverging standards and checklists between the Secretariat and TAP for the evaluation of technical aspects of funding proposals, and insufficient guidance towards AEs and NDAs as to what such requisites are. This frequently leads to additional work for AEs, including the re-design of the funding proposals or conducting additional studies, and may substantially delay the proposal approval process by a further Board cycle (four months); and
- (i) The inclusion of conditions or non-endorsement, with the consequent extension of the approval process for the proposal, due to the late stage at which interaction with the independent TAP takes place. The current process as determined by the proposal approval process (decision B.17/09) of TAP intervening at the final stage in the review process and just before a Board meeting means there is little to no room for engagement between TAP, Secretariat and the AE on improving key aspects of the proposal rather than adding conditions to it or fully rejecting it. Conditions have proven to pose delays during implementation.
11. In the absence of a policy, an extended TAP would continue to have capacity constraints in dealing with above-average volumes of funding proposals (20+) while having long periods in which its capacity would not be used. The consensus-building process would be costlier and more inefficient, with all members conducting peer review of assessments and participating in discussions with an increasing number of AEs, thus negating some of the merits of the increased TAP size.

### III. Analysis of policy proposal

12. The updated TAP modalities proposed in the draft decision in annex I and updated TAP review process in annex IV develop the five recommendations of the Secretariat-commissioned report initially presented at B.25 and also seek to implement them through a more standardized TAP review process that is better linked to the Secretariat review process. The policy therefore comprises updates to TAP operational modalities (explained in section 3.1) as well as an updated TAP review process (explained in section 3.2).
13. Together, these updates would equip the TAP to increase its review capacity to match the expected programming demand for the first replenishment period of the GCF, speed up the overall funding proposal review process, decrease overall costs, limit the number of conditions and recommendations, increase the transparency and the consistency of the review process to the benefit of the Board, AEs, countries and other stakeholders.
14. The policy proposal also takes into account the overall need to simplify assessment methodologies in the SAP and substantially expedite the review of SAP proposals by operationalizing smaller peer group reviews on a rolling basis and deploying virtual meetings. This has been done in conjunction with proposals currently under elaboration under the update of the SAP policy as mandated by decision B.25/08.

#### 3.1 3.1 Updates to the independent Technical Advisory Panel operational modalities

15. This section outlines the five recommendations taken up under the policy, as follows:

**A. Shifting to reviewing all funding proposals on a rolling basis, in line with the Secretariat's review:**

16. Under this modality, the TAP assessments would take place on a rolling basis immediately after the funding proposal is made available by the Secretariat. This option would

allow for a better distribution of workload and effective use of the TAP members' capacity through the year, reducing workload in peak periods which is the primary limitation to their overall capacity, and thus increasing the capacity to review funding proposals.

17. Depending on the specific process chosen, and due to the earlier start in each Board cycle, this option may also allow the possibility for AEs to have additional time to respond to and incorporate TAP feedback before a given Board meeting, in line with the B.25 report recommendation. This is expected to lead to a reduced number of conditions and recommendations attached to each funding proposal.

18. In discussions between the Secretariat and the TAP, the following requirements for the effective implementation of this operational modality have been identified:

- (i) A predictable pipeline, based on which the independent TAP can plan ahead. TAP members are retained on a part-time basis, making it challenging for them to be available on call and mobilized on an ad hoc basis; as such, predictability is important for ensuring the availability of the most relevant experts for each funding proposal. The improvements in pipeline monitoring stemming from the Secretariat's focus on enhancing information and communication tools, as well as the recent addition of a TAP secretary providing administrative support to the independent TAP, should enable seamless coordination between the Secretariat and TAP;
- (ii) A well-defined process with a limited number of interactions with the AE. This is necessary to avoid iterative processes that extend in time all the way to the deadline defined by each Board meeting, which would effectively remove the advantages of working on a rolling basis; and
- (iii) Effective, fast deployment of the roster of consultants, especially for SAP proposals, ensuring that they can be available within two to three weeks from the initial notification from the Secretariat.

## **B. Shifting to a virtual process for the finalization of assessments,**

19. This change in the consensus-building procedure would enable the full implementation of reviews on a rolling basis while reducing the logistical costs of hosting physical meetings, which are projected to amount to USD 150,000 per year assuming ten members and three Board meetings per year.

20. Physical meetings were instituted as a matter of practice, rather than by design, and proved useful during the initial resource mobilization period to build a common ground among TAP members, enhancing consistency in the review of funding proposals.

21. In response to the COVID-19 situation, the independent TAP has experimented with a virtual process for finalizing the assessments. TAP members conducted the assessment of funding proposals as per the usual practice, with a lead reviewer supported by a secondary reviewer, with one or more rounds of written interaction with AEs for the necessary clarifications. Since B.26, weekly conference calls were instituted and participated in by all TAP members to share progress and discuss issues identified by that time so that common approach can be established before individual assessments advance further. Subsequently, the TAP held conference calls among all members to report findings and to share initial assessment results and issues. Short presentations were made for complex proposals, if needed. Then tripartite conference calls were organized among the TAP, Secretariat and AEs for all funding proposals, where TAP shared findings and issues, and sought confirmation and feedback from the AE (for B.28). Possible conditions were also discussed. After the tripartite conference calls, TAP had conference calls to wrap up and finalize the TAP assessment so that the lead reviewer could proceed to draft a TAP assessment report. Once the draft TAP assessment report is prepared, the lead reviewer will seek inputs and the endorsement of the second reviewer and the rest of

TAP to enable the draft assessment to be issued on behalf of TAP. This experience has demonstrated the viability of virtual meetings to reach consensus on the assessments once the funding proposal reviews have been completed. The flexibility allowed by this process fits well with the rolling basis review discussed above. The process has also identified some possible challenges including (i) an extension of the TAP assessment period due to limited time available for discussion by TAP members as they are all in different time zones; and (ii) inability to organize a TAP lessons learned session for AEs, Secretariat staff and Board advisors, where TAP shares technical criteria and requirements. These should be manageable in the medium term as a result of the experience gained and the administrative support available.

22. In-person consultations may continue to take place, particularly if dates align, in the context of Board meetings when members of the independent TAP are gathered at the venue of the Board meeting.

### **C. Smaller peer review teams prioritizing the involvement of members with relevant expertise in the discussion and finalization of assessments**

23. This would substitute the current mechanism of peer review and consensus-building among the full independent TAP. The increase in the size of the independent TAP to ten members has expanded the collective expertise in the different GCF results areas. Wider and deeper expertise allows for the creation of subsets of TAP members to undertake peer review, which would reduce overall requirements in terms of TAP members' time and coordination while keeping the benefits of consultation among peer experts. The size of the review groups could differ between funding proposals and SAP proposals given their differences in complexity.

24. The review groups would convene by virtual calls upon the finalization of the initial review of funding proposal by the lead and secondary reviewers and discuss the preliminary assessment, providing feedback and inputs as per the current practice.

25. One of the potential risks of such an approach is the eventual divergence in criteria among different types of projects, for example, according to the private versus public sector or adaptation versus mitigation dichotomies. To avoid this, it is recommended that, as part of the assignment process, consideration is given to ensuring variety in terms of the peer review group membership, for example, avoiding the same four-person group to review all funding proposals of a certain type. Another option to ensure consistency of approach is to include the chair of the TAP or another member in the capacity of quality control in all peer review teams.

26. The complexity of funding proposals has been noted to increase over time, and in some cases, it may be deemed effective to bring into the peer review team additional member(s) not included at the onset. The TAP shall have the flexibility to make use of this arrangement for funding proposals that warrant it.

### **D. Development of consistent and transparent assessment standards**

27. The review of the structure and operations of the TAP highlighted the need for the TAP to develop a comprehensive framework with templates and internal and external guidelines for AEs to enhance clarity and consistency in the review of funding proposals and contribute to improving their quality at entry. The Secretariat is also increasingly aware of the need for consistent and transparent standards used by the Secretariat and the TAP, which constitute a fundamental reference for AEs to submit high quality funding proposals. The Secretariat and the TAP would work together on the development of transparent and consistent assessment standards.

### **Changes in remuneration system**

28. The current remuneration system based on a flat rate is inadequate in a context of fluctuating workload, incurring high unit costs for the review of funding proposals, particularly when not operating at full capacity. Further, it is in contrast with procurement practices, creating a situation of inequity with other bodies such as the Accreditation Panel or, more generally, GCF consultants.

29. A model of remuneration based on a retainer plus per-proposal is recommended, using as a basis the estimated number of days required from the lead reviewer, secondary reviewer and peer reviewers, with additional compensation for duties such as those of the chair of the TAP or quality control member if such a role exists, or additional deliverables. The retainer recognizes the opportunity costs of TAP members being available through the year for the timely review of funding proposals.

## 3.2 Proposed updates to the TAP process for regular and SAP proposals

30. This section outlines the proposed TAP review process within the larger due diligence process of the GCF, drawing from the proposal approval process and the SAP. The review process takes into account the five recommendations above as well as differentiated steps between regular funding proposals and SAP proposals.

### A. Secretariat review

31. The Secretariat's review undergoes technical review and second-level due diligence, culminating in its endorsement by the Climate Investment Committee for both the TAP and the SAP.

32. The likelihood of a funding proposal clearing the Secretariat's review within a certain timeframe increases as the funding proposal progresses through the process, particularly once a funding proposal has completed the technical review stage, but such confirmation is not possible until the funding proposal is in fact endorsed. Under the current process, the independent TAP can have an approximate picture of incoming workload a month in advance of submission, although confirmation would only be possible after endorsement of the final package by CIC-3, one week in advance of submission. The TAP has noted the importance of clear and predictable pipeline with a lead time of up to four weeks. This would add three weeks to the current project and programme activity cycle.

### B. TAP review

#### Step 1: Assignment of lead reviewer, secondary reviewer and peer reviewers

33. For regular proposals following the proposal approval process, the Secretariat will send the TAP an early notice along with a summary note of the funding proposal three to four weeks in advance of the estimated funding proposal package submission, at the time the funding proposal is endorsed by CIC-3. Regular funding proposals will be sent to the TAP in fortnightly batches.

34. Regarding SAP proposals, the Secretariat will send the TAP an early notice along with a summary note of the funding proposal when a funding proposal is confirmed to be tabled for CIC-3 review and proceed with the submission of SAP funding proposals on a rolling basis following decision B.18/06.<sup>1</sup>

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<sup>1</sup> Decision B.18/06, annex X, paragraph 21.

35. Upon notification from the Secretariat and based on the characteristics of the project and the current and expected workload, the chair of the TAP, in consultation with TAP members, will assign the lead reviewer and secondary reviewer roles, and designate between two and three TAP members as peer reviewers as considered necessary. Exceptionally, additional peer review members can be added later on if the lead reviewer deems it necessary due to the complexity of the funding proposal.
36. Reviews of SAP proposals can be further simplified by assigning only a lead reviewer with the support of an expert from the roster and the use of a smaller peer review group (one/two members).
37. The relevant TAP members will be notified of the assignment and the expected timeline for the review. In the case the TAP member has no availability to take on the role, they shall request the chair of the TAP for a change in the assignment.
38. Simultaneously, if additional expertise is necessary because of the project's characteristics or the overall workload of the TAP members, the chair of the TAP or lead reviewer may contact relevant experts from the TAP roster of experts to support the review of the funding proposal, with an indication of the scope of the review and expected timeline.
39. The TAP will designate a back-up reviewer in case the lead or secondary reviewer is not able to conduct the review.
40. The TAP will be able to track the progress of the funding proposal after the assignment through their own dashboard.

## **Step 2: Review by lead and secondary reviewers**

41. Upon endorsement of the final funding proposal package at CIC-3, the Secretariat will share with the TAP the full funding proposal package for review by the TAP. The TAP secretary will notify the chair, lead reviewer and secondary reviewers, as designated in Step 1, indicating the timeline for the review.
42. The reviewers will conduct the review of the funding proposal package and may request additional information through the comment matrices already in use with an estimated timeline of two to three weeks, subject to the confirmation of the TAP chair. During this phase, TAP members may engage with the AE, through the Secretariat's task team. In the case the proposal does not meet the quality standards in the view of the TAP, the review team will outline the reasons why it is considered unsatisfactory in a memo to the peer review team and convene the peer review group to discuss the non-endorsement.

## **Step 3: Peer review and finalization of assessment through virtual meetings**

43. In the case of regular proposals, as the review by lead and secondary reviewers nears completion, they will notify the peer review team of the upcoming milestone and seek a date for a virtual meeting to discuss the funding proposal. Additional meetings may be convened as necessary.
44. A call with the AE and/or Secretariat task team may be convened for those funding proposals for which additional clarity is needed in order to reach an adequate final assessment.
45. Based on the interactions and feedback with the peer review team and the AE, the lead reviewer will finalize the draft assessment and share it with second reviewer and peer group for endorsement before sending to the TAP secretary for editing and finalization. The draft assessment will be shared with (i) the task team, who will liaise with the AE to solicit the AE response to the TAP assessment; (ii) the editing team, who will undertake the editorial review of the draft assessment; and (iii) the task team's lawyers from the Office of the General Counsel,

who will cross-check the conditions and recommendations for clarity and implementability. Edits will be shared with the lead reviewer for confirmation and finalization.

### **Assessments may have two outcomes: endorsement for Board submission or non-endorsement**

46. In the case of endorsement, the Secretariat will include the final assessment in the funding proposal package for submission to the Board, or delegated authority if so defined by the Board.
47. In the case of non-endorsement, the TAP will share an assessment report with the Secretariat, clearly outlining the reasons for the decision and the shortcomings that need to be rectified by the AE. If necessary, a meeting will be convened with the AE and the Secretariat task team to clarify the reasons for the non-endorsement decision and way forward.
48. The Secretariat will share the non-endorsement decision with the AE, the NDA and the Board, as well as the GCF independent units (if requested in line with their work), as a limited distribution document under the GCF Information Disclosure Policy.
49. The AE can re-submit the funding proposal after addressing the feedback provided by the TAP. There shall be no time constraints for the AE to re-submit. Upon receipt, the Secretariat will give notice to the TAP that the re-submission is being evaluated by the Secretariat. The Secretariat task team will be responsible for evaluating whether the AE response addresses the issues raised by the TAP in their assessment, and will forward the funding proposal package to the TAP upon receiving internal clearance.
50. Re-submissions will be handled by the TAP in the same way as regular submissions. Remuneration may be adjusted to reflect the lesser overall time requirements of a re-submission.

## **V. Impact assessment and implementation arrangements**

51. The policy is expected to increase the capacity of the independent TAP by distributing their workload over time and avoiding the bottlenecks experienced under the current mode of review based on Board meeting deadlines.
52. The reduction of peer review groups from six members to four or five members for regular funding proposals, and three members plus the roster of experts for SAP, will also decrease overall workload while ensuring the participation of all relevant members. Shifting review groups is encouraged to ensure that all members can continuously learn from each other and apply consistent criteria to the consideration of funding proposals. Acknowledging the different nature of funding proposals and their increasing complexity, some degree of flexibility should be provided to the TAP to adjust the size of the peer review team. The use of virtual meetings will likewise involve a substantial reduction in the overall operational costs of the independent TAP as a result of reduced travel requirements, which would amount to USD 150,000 per year assuming three Board cycles and 10 TAP members.
53. When reviews on a rolling basis and other supporting changes are fully implemented, the new system should allow each TAP member to conduct between two “batches” of funding proposal reviews per Board cycle (each “batch” consisting of a number of funding proposals they would support as lead, secondary or peer reviewer), nearly doubling the capacity per TAP member. Considering the increase in TAP size (now 67 per cent larger) would come without an associated increase in complexity, overall capacity with the new TAP would be 333 per cent that of the original six-member TAP, making it able to operate without capacity constraints for the foreseeable future. Allowing for certain constraints such as the lack of 100 per cent time availability, but considering the advantages of smaller peer review groups in facilitating

coordination and tighter discussions, the Secretariat estimates overall TAP capacity should at least double with respect to its historical capacity.

54. For adequate implementation of the policy, the Secretariat will need to:
- (a) Shift to working on a rolling basis effectively. This will require all teams to allocate staff for the review of funding proposals through the year, and the programming divisions to incentivize a culture shift away from the focus on deadlines and towards a focus on meeting quality standards. Because Board approvals take place only three times a year, this will come at the expense of some projects being approved at a later time than what would have been possible, but this will guarantee a more constant, predictable and equitable effort towards the development of all funding proposals. This shift in focus should be clearly communicated to AEs and NDAs. SAP proposals, if a SAP is approved, may not have this constraint, and would thus be priority candidates to pilot the approach;
  - (b) Keep IPMS regularly updated so that the TAP can have access to the relevant files and status of each funding proposal; and
  - (c) Assign a team with the adequate sectoral and financial structuring to engage with the TAP on the development of a transparent and consistent assessment approach.
55. Likewise, the independent TAP will need to:
- (a) Designate a responsible person (chair of the TAP or otherwise) to assign lead, secondary and peer reviewers to funding proposals, according to sectoral expertise and other factors;
  - (b) Define how to structure virtual meetings and the process for the finalization of assessments; and
  - (c) Work with the Secretariat's procurement team to ensure that relevant expertise from the roster of experts can be made available in a short timeframe, particularly for SAP proposals.

## VI. Consultation

56. The development of the present policy proposal has been carried out in close consultation with the independent TAP and the Investment Committee. A first draft was prepared by the Secretariat in July 2020 on the basis of discussions with the TAP and Investment Committee in 2019, resulting from the finalization of the report "Revision of the structure and operations of the independent Technical Advisory Panel".

57. The draft was subject to internal consultation by all divisions within the Secretariat and shared with the independent TAP for initial feedback.

58. Subsequent versions of the draft were shared with the Investment Committee and the independent TAP between September 2020 and February 2021 to seek and incorporate further feedback on the proposed options.

## VII. Monitoring and review

59. This document was prepared prior to the approval of the updated Strategic Plan at B.27, based on assumptions for the first replenishment period of GCF (GCF-1). The Secretariat is confident that the options presented are adequate, a priori, to ensure the smooth operation of the independent TAP during GCF-1 as envisaged in the USP.

60. The USP requested a review the capacity of the Secretariat and the independent TAP to undertake programming and implementation in line with the provisions in the USP. In line with such guidance, it is recommended to conduct a review before 2023 to analyse the effectiveness of the updated operational modalities and propose options for their improvement.

61. This review shall also look at the effectiveness of the TAP review within the SAP and inform future revisions of the SAP modality. It is recommended that the Independent Evaluation Unit, as part of its mandate to evaluate the performance of GCF, lead the review.

## **VIII. Recommended action by the Board**

62. It is recommended that the Board adopt the decision in annex I along with the updated independent TAP review procedure described in Annex IV.

## Annex I: Draft decision of the Board

The Board, having considered document GCF/B.28/15 titled “Update of the operations of the independent Technical Advisory Panel”:

- (a) Adopts the updated independent Technical Advisory Panel (TAP) review procedure as presented in annex III;
- (b) Requests the Secretariat, in close consultation with the TAP, to develop a transparent and consistent approach to their assessment of funding proposals;
- (c) Also requests the Secretariat, in consultation with the Budget Committee, to present to the Board, no later than its thirtieth meeting, a proposal on how to align the remuneration structure of the members of the independent Technical Advisory Panel with other panels of GCF and of comparable multilateral institutions, taking into consideration the impact of the GCF conflict of interest policies and the workload of the TAP; and
- (d) Further requests the Investment Committee, with the support of the Secretariat, to commission the next review of the structure of the TAP and its effectiveness for the Board’s consideration in line with the updated Strategic Plan’s guidance as per decision B.27/06, paragraph (n), which will include an assessment of the following:
  - (i) Projected demands on the TAP and its associated capacity to assess funding proposals in terms of time commitment and range of technical expertise;
  - (ii) Any specific gaps in the technical expertise of the TAP that should be filled for the adequate fulfilment of their functions;
  - (iii) Effectiveness of the updated process, quality of the deliverables and options to improve these; and
  - (iv) With regard to the SAP, a consideration of the capacity of the TAP to efficiently review SAP proposals on a rolling basis and in a timely manner, and corresponding recommendations.

## Annex II: Letter from Head of the independent Technical Advisory Panel to the Co-Chairs

24 February 2021

Chairperson  
Co-Chairs  
Green Climate Fund

Dear Co-Chairs:

This letter is prepared on behalf of the independent Technical Advisory Panel (ITAP) to be attached to the paper "*Update of the operations of the independent Technical Advisory Panel*" for Board consideration during B28. The paper was provided to the ITAP by Secretariat on 22 February 2021.

The ITAP appreciates the IC guidance and support for the ITAP as always. The ITAP reviewed the draft paper forwarded by the Secretariat on 22 January 2021, and discussed it with the Investment Committee (IC) on 28 January 2021. The discussion with the Investment Committee was helpful for the ITAP to understand better the recommendations proposed in the draft paper.

**A. Shifting to reviewing all funding proposals on a rolling basis, in line with the Secretariat's review**

The ITAP would like to express its support for the proposed assessment on a rolling basis, which will contribute to expanding ITAP's assessment capacity with the existing resource of ten members, while AEs could have an opportunity to resubmit funding proposals in the same Board cycle without waiting for the next Board cycle three to four months later. The ITAP appreciates the Secretariat commitment to provide a list of funding proposals for ITAP assessment a month in advance for ITAP before the month scheduled for forwarding the funding proposals to TAP.

**B. Shifting to a virtual process for the finalization of assessments.**

The ITAP is supportive for a virtual process. Since B26, ITAP has held all

meetings among ITAP and with the Secretariat, and AEs virtually due to the global COVID-19 pandemic. Virtual meetings have resulted in less travel time for ITAP members and travel costs. However, the ITAP has also noted that it inevitably imposed challenges to ITAP's operational efficiency when completing assessments. As a result, the ITAP work load increased and its assessment period had to be extended.

**C. Smaller peer review teams prioritizing the involvement of members with relevant expertise in the discussion and finalization of assessment**

The ITAP remains concerned that the proposal to split ITAP in small peer review teams would not enhance the quality of ITAP assessments. As the Board has observed, funding proposals become more complex and cross cutting. The ITAP believes it is important to mobilize diverse expert views flexibly in its assessments to assist Board decision. The ITAP understands that Board appreciates the importance, and that was the reason that Board has determined to establish ITAP with experts of diversified backgrounds. Pre-selecting team members based on a list of funding proposals and short description prepared by Secretariat will constraint the ITAP to mobilize flexibly its internal resources during assessment.

Currently, an ITAP draft assessment report is reviewed and commented by all members before finalization. This effectively serves as a process to ensure quality and consistency of ITAP assessment reports. Splitting ITAP in small peer review teams will effectively split ITAP into two to three groups (for example based on theme or sector expertise). This will, in reality, undermine ITAP quality control process by vesting authority to finalize assessment reports within respective silos. It will also constrain the ITAP on developing assessment and quality control criteria relevant to innovative funding proposals swiftly.

**D. Development of consistent and transparent assessment standards,**

The ITAP supports for the development of consistent and transparent assessment standards aligned with those of the Secretariat. The ITAP is already in discussion with the Secretariat to establish common standards and approaches for the

issues identified important by both the ITAP and Secretariat.

**E. Changes in remuneration system**

The ITAP has concerns about a model of remuneration package based on a retainer plus per-proposal. Funding proposals are all unique and different. The ITAP should be encouraged to invest more time and expertise flexibly if needed. For example, a funding proposal prepared by a proponent relatively small or new compared with large international institutions may require more time for the ITAP to assess and support so that it could be presented to the Board for consideration. Remuneration per-proposal may be unsuitable when those complex proposals are assessed. The ITAP further notes that SAPs do not necessarily require less ITAP resources.

As a general note, the ITAP continues to disagree to the assessment indicated in Para 10 (f) that the ITAP members contribute to GCF approximately 40% of their available time. The ITAP internal record shows that each ITAP member has spent 55-60% of his/her working days for ITAP work in 2020.

Please let us know should you require additional clarification.

Sincerely yours,



Jo Yamagata

Chair

Independent Technical Advisory

Panel

## Annex III: Updated independent Technical Advisory Panel review procedure

KEY STAGES AND INDIVIDUAL STEPS	ACTOR(S)	RESPONSIBILITIES AND TASKS
<b>I. Assignment of lead reviewer, secondary reviewer and peer reviewers</b>		
1.1	Notification from the Secretariat upon clearance for TAP submission <i>Indicative time: one month before submission</i>	Secretariat, TAP secretary
1.2	Assignment of roles <i>Indicative time: 1 week</i>	Head of the TAP, TAP members
1.3	Tracking	Secretariat task team TAP review team
<ol style="list-style-type: none"> <li>1. Upon receiving clearance by the Climate Investment Committee for TAP consideration, the task team will notify the TAP, through its secretary, of the upcoming proposal.</li> <li>2. The task team will prepare a summary note with key facts of the project to facilitate the assignment of a review team.</li> <li>3. The secretary will forward this information to the chair of the TAP.</li> </ol> <ol style="list-style-type: none"> <li>1. The chair of the TAP, in consultations with TAP members, will assign the roles of lead reviewer, secondary reviewer (TAP review team) and two to three peer reviewers (peer review team), based on the overall workload and sectoral and geographical expertise. The chair of the TAP will also designate a back-up reviewer to ensure continuity in case a member of the TAP review team becomes unable to fulfil their assignment. If, at a later stage, the TAP review team considers that the complexity of the funding proposal warrants an additional peer reviewer, the chair of the TAP may add said peer reviewer to the team.  1b. For SAP proposals, the head of the TAP will assign the roles of lead reviewer, assign a member of the roster of experts for the relevant result area, and assign one to two peer reviewers.</li> <li>2. The chair of the TAP will share with TAP members the summary note prepared by the Secretariat.</li> <li>3. TAP members will confirm their availability for the review.</li> <li>4. In case of non-availability, the chair of the TAP will seek an alternative reviewer as per point 1.</li> <li>5. The chair of the TAP and/or the TAP review team may seek support from one or more consultants from the roster of experts if so required because of the need for specific sectoral expertise or overall capacity limitations.</li> </ol> <ol style="list-style-type: none"> <li>1. The Secretariat task team will update the IPMS status of funding proposals as they progress through the stages of the Proposal Approval Process.</li> <li>2. TAP members will be able to track the progress of the funding proposal through the final steps before submission through their IPMS module in order to better predict whether and when the submission will materialize.</li> </ol>		

KEY STAGES AND INDIVIDUAL STEPS		ACTOR(S)	RESPONSIBILITIES AND TASKS
<b>II. Review by lead and secondary reviewers</b>			
2.1	Submission	Secretariat task team TAP secretary	<ol style="list-style-type: none"> <li>1. Upon endorsement of the final funding proposal package at CIC-3, the Secretariat task team will forward to the TAP the full funding proposal package in a final form for review. This will take place on a fortnightly basis for funding proposals following the PAP. SAP funding proposals and their annexes can be submitted on a rolling basis.</li> <li>2. The TAP secretary will notify TAP members indicating the timeline for the review.</li> <li>3. The designated reviewers will acknowledge receipt and coordinate with a view to ensuring timely delivery of their review.</li> </ol>
2.2	Desk review <i>Indicative time: 2 weeks</i>	TAP review team AE, Secretariat task team	<ol style="list-style-type: none"> <li>1. The reviewers will conduct the review of the funding proposal package and issue the comment matrices already in use through the Secretariat's task team to the AE, with an estimated timeline of two to three weeks, with the exact timing being subject to chair's confirmation.</li> </ol>
2.3	Convening peer review	TAP review team Peer review team	<ol style="list-style-type: none"> <li>1. Upon completion of the initial review, the TAP review team will notify and coordinate with the peer review team to establish the initial assessment of the TAP and conclusion about the funding proposal.</li> <li>2. The meeting will conclude with an agreement by the TAP review team and peer reviewers as to the endorsement or non-endorsement of the funding proposal and the reasons for it.</li> </ol>
<b>III. Peer review and finalization of assessment through virtual meetings</b>			
3.1	Virtual meeting(s) <i>Indicative time: 1 week</i>	TAP review team Peer review team Secretariat task team AE	<ol style="list-style-type: none"> <li>1. Virtual meetings will take place after the completion of the TAP initial review by the TAP review team, with the participation of the TAP review team, the peer reviewers, the Secretariat task team and the AE.</li> </ol>
3.2.1	Endorsement: assessment finalization and clearance  <i>Indicative time: 1 week</i>	Lead reviewer TAP secretary Secretariat task team, editing team, project lawyers	<ol style="list-style-type: none"> <li>1. Based on the interactions and feedback with the peer review team, the Secretariat, and AE, if applicable, the lead reviewer, in consultation with the second reviewer (for regular funding proposals), will finalize the draft assessment. For regular funding proposals, the final draft assessment will subsequently be shared with the peer review team for endorsement.</li> <li>2. The lead reviewer will share the final draft assessment with the TAP secretary for editing and finalization.</li> <li>3. The TAP secretary will share the draft assessment with (i) the task team, who will liaise with the AE to solicit the AE response to the TAP assessment; (ii) the editing team, who will undertake the</li> </ol>

KEY STAGES AND INDIVIDUAL STEPS		ACTOR(S)	RESPONSIBILITIES AND TASKS
			<p>editorial review of the draft assessment; and (iii) the project/programme’s lawyers from the Office of the General Counsel, who will cross-check the conditions and recommendations for clarity and implementability.</p> <ol style="list-style-type: none"> <li>4. Edits will be shared with the lead reviewer for confirmation and finalization.</li> <li>5. The Secretariat will include the TAP assessment in the funding proposal package for submission to the Board or delegated authority, as applicable according to the respective approval process (e.g. SAP).</li> </ol>
3.2.2.1	Non-endorsement	Lead reviewer TAP secretary Secretariat task team, editing team	<ol style="list-style-type: none"> <li>1. Based on the interactions and feedback with the peer review team and the AE, if applicable, the lead reviewer will finalize an assessment detailing the reasons for the non-endorsement and the outstanding issues.</li> <li>2. The lead reviewer will share the draft final assessment with Secretariat task team through the TAP secretary.</li> <li>3. If requested by the Secretariat, a meeting will be convened with the Secretariat task team and AE to clarify the reasons for the non-endorsement.</li> <li>4. The TAP secretary will share the draft final assessment with the editing team, which will undertake the editorial review of the draft assessment.</li> <li>5. The Secretariat will share the edited assessment in confidence with (i) the AE; (ii) the NDAs of the target countries; and (iii) the Board, through a confidential document to be submitted prior to each Board meeting.</li> </ol>
3.2.2.2	Re-submission by the AE  <i>Indicative time: Open</i>	AE Secretariat task team TAP review team	<ol style="list-style-type: none"> <li>1. The AE can re-submit the funding proposal any time after addressing the feedback provided by the TAP.</li> <li>2. Upon receipt, the Secretariat will give notice to the TAP that the re-submission is being evaluated by the Secretariat three to four weeks in advance.</li> <li>3. The Secretariat task team will evaluate whether the AE response addresses the issues raised by the TAP in their assessment. If so, the task team will seek internal clearance and forward the funding proposal package to the TAP.</li> <li>4. Re-submissions will be handled by the TAP in the same way as regular submissions.</li> </ol>
<b>IV. Board meeting support</b>			
4.1	Board consideration of funding proposals	TAP review team	<ol style="list-style-type: none"> <li>1. The TAP review team will be available before and during the Board meeting, virtually or in person, to respond to the questions of Board members and advisers on the assessments of endorsed and non-endorsed funding proposals.</li> </ol>

## Annex IV: Current operational procedure of the independent Technical Advisory Panel

1. The independent Technical Advisory Panel (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 subcriteria and indicative assessment factors adopted in decision B.09/05.
  2. The schedule of the TAP review of funding proposals has so far followed the schedule of Board meetings.
  3. The review of funding proposals takes place over approximately six 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. While the reviewers assess the funding proposals, the Secretariat's preliminary 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.
  4. 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.
  5. 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.
  6. 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 a common understanding about funding proposals with the Secretariat and subsequently provide feedback to AEs and receive their inputs before the TAP assessments are finalized. This process also requires a physical meeting before the finalization of assessments.
  7. During the review of funding proposals since the twenty-sixth meeting of the Board (B.26), a period marked by the mobility restrictions linked to COVID-19, the TAP shifted to virtual meetings for the discussion of funding proposals and finalization of assessments. For B.26, discussions with AEs were limited to funding proposals for which inputs from AE were critical for the TAP to arrive at an adequately informed final assessment due to time constraints as a result of the unexpected introduction of virtual meetings. Currently, the TAP holds tripartite virtual meetings for all funding proposals with the Secretariat and AEs before a draft final assessment report is prepared.
  8. The independent TAP is supported by 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 conflicts of interest.
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