



**GREEN
CLIMATE
FUND**

Meeting of the Board
28 June – 1 July 2021
Virtual meeting
Provisional agenda item 6

GCF/B.29/Inf.06/Add.02

25 June 2021

Reports from committees, panels and groups of the Board of the Green Climate Fund – Addendum II

Summary

This document contains the reports on activities that have already conducted or are planned to be undertaken by the following committees and panels of the Board of the Green Climate Fund during the reporting period from 1 January to 30 April 2021:

- (a) Investment Committee.

I. Introduction

1. This report covers the reporting period of 1 January to 31 April 2021, and also indicates activities planned to be carried out by the Investment Committee of the Board in advance of its twenty-ninth meeting (B.29).

II. Report on activities of the Investment Committee

2.1 Organizational activities

2. Since January 2021, the Investment Committee (IC) has been meeting on monthly basis to advance its work on several board mandates. The Committee has held four virtual calls during the reporting period to discuss matters related to update of operational modalities of independent Technical Advisory Panel (TAP), investment framework policies, and guidance to the Secretariat on the review of financial terms and conditions of GCF financial instruments.

3. The Committee had also received Joe Yamagata's resignation from the independent TAP effective April 2021. The Chair of the Investment Committee has informed the Board of Mr. Yamagata's resignation through a note to co-chairs (see Annex I) at B.28. A between board meeting (BBM) decision was also finalized by the Committee to request the Board to mandate the Investment Committee to initiate the recruitment process for the vacant position. The BBM was transmitted to the Board on May 28, 2021 on 7-day no objection basis. The BBM decision was adopted on 4 June 2021, as no objections were received from Board members during the no objection period.

4. IC Chair also held a bilateral call with the co-chairs on 27 May 2021 to update them on the Committee's work plan and the progress it had made on several items.

2.2 Activities during the reporting period

5. During the reporting period, the IC has progressed its work on the following matters:

- (i) Update the structure and operational modalities of the independent TAP;
- (ii) Review of the financial terms and conditions of GCF financial instruments;
- (iii) Guidance on the approach and scope for providing support to adaptation activities;
- (iv) Discussion on next steps to initiate the recruitment process to fill Mr. Yamagata's vacant position in the independent TAP.

6. The Committee considered and finalized the paper and decision text on the 'revision of the structure and operations of the independent TAP'. The paper outlined recommendations from the consultants' report commissioned at IC's request and presented to the Board at B.25 (as per decision B.19/08) to propose various modifications in the current operations of the TAP in their review of funding proposals, and to present options to accommodate the increased workload resulting from the higher number of funding proposals to be processed. These recommendations include initiating a review process for independent TAP on rolling basis, provision of smaller peer review groups within TAP, increased use of virtual meetings to finalize review, remuneration changes, and development of internal and external guidelines. The Committee noted that implementation of the policy proposal by the Secretariat would allow to gain efficiencies in the review process and decrease in overall costs. The paper and decision text

was adopted by the Board at B.28. Further work is currently being carried out by the Secretariat based on the guidance provided by the Board in decision B.28/03.

7. The Committee also considered the draft paper on the ‘review of financial terms and conditions of GCF financial instruments’. The paper includes recommendations emanating from the consultant’s report for Board’s consideration on the frequency of the review by the committee of financial terms and conditions of GCF financial instruments, explore the options related to local currency lending and guarantee instruments, and feasibility of assigning a credit rating for the Fund. The Committee is still resolving a pending issue relating the mandate of the Committee with respect to the review of the proposed pilot on local currency lending. It is expected that the committee will resolve this in the coming weeks and transmit the paper to the Board for consideration as soon as possible.

8. The Committee also received a briefing on the paper on ‘GCF guidance on the approach and scope for providing support to adaptation activities’. The paper is currently being updated with inputs received from members. A briefing from the Independent Evaluation Unit (IEU) is also expected on their evaluation findings on adaptation that could further inform the paper under IC’s review.

III. Next steps

9. Based on the guidance provided by the Board in decision B.BM 2021/10, the Committee will initiate the recruitment process for the vacant independent TAP position with the aim of recommending a final candidate to the Board for selection as soon as the process is completed.
