

Terms of reference of the Investment Committee

This document captures the policy as adopted by the Board in decision B.05/13, paragraph (d). The policy was sent to the Board for consideration at B.05 in document GCF/B.05/13 titled “Terms of Reference and Establishment of Committees and Panels”.

All decisions and documents adopted at B.05 can be found in document GCF/B.05/23 titled “Decisions of the Board – Fifth Meeting of the Board, 8-10 October 2013”.



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I. Role and functions

1. The role of the Investment Committee is to develop and review investment strategies and instruments and recommend their approval to the Board, in particular relating to the Private Sector Facility (PSF) and in accordance with the Fund's objectives and result areas, social and environmental safeguards and risk management framework.
2. In fulfilling this role, the Investment Committee will:
 - (a) Oversee the development by the Secretariat of the Fund's investment framework, consistent with decision B.05/17, for consideration by the Board;
 - (b) Review and make recommendations to the Board on implementing the investment strategy and financial instruments, including with regard to their economic viability and alignment and compliance with the Fund's objectives, social and environmental safeguards and risk management framework;
 - (c) Oversee and review periodic assessments by the Secretariat of the Fund's portfolios to ensure consistency with the Fund's investment strategy;
 - (d) Review and recommend for Board consideration proposed amendments to the Fund's investment-related policies and the use of various financial instruments; and
 - (e) Consider any other investment-related matters that the Board deems appropriate.
3. The Investment Committee will consider recommendations and advice provided to it by the Private Sector Advisory Group.

II. Membership

4. The Investment Committee will comprise:
 - (a) Three developing country Board members or alternate members; and
 - (b) Three developed country Board members or alternate members.
5. The Executive Director may attend the meetings of the Investment Committee in an advisory capacity.
6. Members of the Investment Committee will serve for an initial term of 18 months.

III. Duration

7. The Investment Committee will be a standing committee of the Board.
8. Three years following its establishment, the Board will evaluate the usefulness and continued necessity of the Committee.

IV. Guidelines for operation

9. Provisions will be put into place to manage actual and potential conflicts of interest.



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