



City Finance Lab: Terms of Reference for the Committee

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1. Context

The City Finance Lab (CFL) is an initiative under Climate KIC's Low Carbon City Lab (LoCaL) flagship program, aiming at identifying, developing and scaling new financial tools for a low carbon, climate-resilient transition. The CFL is an incubator of innovative financial mechanisms led by a Committee chaired by Climate KIC. The Committee has the responsibility to select the initiatives that will benefit from the support of the CFL and to define the strategy and evolution of the CFL. The Committee operates provisionally under the oversight of the LoCaL program. Once a second funder is confirmed, both funders will agree on the governing body overseeing the CFL activities. We will refer to it as the "overseeing entity"

2. Function of the Committee

The function of the Committee is to take responsibility for strategic direction and to decide on the final selection of initiatives for the CFL. The Committee is responsible for the following activities:

- Sign-off on definition of CFL vision, mission and multi-annual strategy
- Approve targets: number of initiatives, impact, unlocked capital
- Sign-off on yearly action plan and respective detailed budget
- Approval and endorsement of progress reports to overseeing entity
- Final selection of initiatives for the CFL
- Approval of Technical Advisory teams for the initiatives
- Appointment of future Committee members

3. Role of the Committee

The role of the Committee is to:

- Select initiatives in alignment with CFL strategy
- Ensure CFL activities are aligned with the principles of the CFL (see "Principles of the City Finance Lab")
- Ensure that the effort and expenditure of the Technical Advisory team are appropriate to the expectations of project proponents

4. Role of individual Committee members

The role of the individual member of CFL Committee is to:

- Participate in the development of the CFL annual and multi annual strategy
- Be an advocate for the project's outcomes
- Participate in the initiatives selection process
- Engage in CFL's outreach activities and main events, both external and internal
- Declare any conflict of interest arising while undertaking Committee activities
- Respect confidentiality of project proposals, within their own organisation and externally
- Be committed to, and actively involved in pursuing the programme's outcomes
- Be responsive to unforeseen crucial issues calling for decisions



In practice, this means Committee members will:

- Provide inputs for the CFL's annual and multi annual strategy documents
- Review project proposals: full proposals to performance report
- Endorse and validate processes
- Consider ideas and issues raised
- Participate in regular calls and meetings
- Present the project during events and participate in its key meetings

5. Role of the Committee Chair

The Committee Chair will be selected by the funders of the CFL, with Climate KIC validating the final selection. The main responsibilities of the Committee Chair are as follows:

- Set the agenda of each Committee meeting
- Ensure that agendas and supporting materials are delivered to Committee members in advance of meetings
- Define purpose of each Committee meeting and explain the agenda at the beginning of each meeting.
- Chair Committee meetings
- Encourage broad participation from Committee members
- End each Committee meeting with a summary of decisions and task assignments.

6. General

This section provides information on Committee nomination, decision-making process, conflict of interest management, frequency of meetings, meetings agendas, meetings materials, proxies, dispute resolution and confidentiality.

Duration

The initial CFL Committee members are appointed by the consortium of partners of the CFL, including South Pole, Imperial College, CDP and FMDV, and validated by the funders, for a duration of 1 year.

Nomination

New Committee members are proposed by the Committee and approved by the funders. The Committee must reflect the diversity of the stakeholder ecosystem while gathering a set of competences, expertise and conveying power relevant to its objectives.

Member Profile

Committee members will be selected based on the following criteria:

- They should be highly reputable, internationally-recognised experts on climate finance for cities. Members should have a broad vision and substantial experience in cross-disciplinary expert processes.



- They should be experienced professionals, holding an advanced university degree, proven record of publications and/or solid background in city-related program management and field/research project management in the area of climate finance for cities.
- They should currently be municipal finance practitioners with the appropriate expertise.
- Most importantly they should have strong experience in managing groups or networks of experts, extensive communication and interpersonal skills, leadership skills, and, drawing from their international recognition by peers, the capacity to attract and draw expert networks.

The Committee should reflect an assortment of technical disciplines, balance of regional expertise as well as consideration of gender representation.

Quorum & Decision-makings process

All the funders and at least one other entity are required for decision making during physical meetings. CFL Committee can also operate on the principle of circular resolution.

Decisions are taken by consensus. If no consensus can be reached, a two-third majority approves a given course of action but the minority agrees to go along with the course of action.

Travel and reimbursement

Members of the Committee provide their time on a pro bono basis. Time spent will be accounted as co-funding. Travel costs are covered by CFL central budget.

Conflicts of Interest management

Any Committee member has the obligation to communicate to other Committee members conflict of interests impairing its fair and objective judgement while conducting Committee activities. In principle, this means:

- Withdrawing from discussions during meetings and decision making process for activities involving his/her organisation
- Communicating in advance activities undertaken by his/her organisation that could interfere with CFL's activities

Frequency of Meetings

A minimum of two meetings is required annually. Any additional meetings will be on a voluntary basis. The quorum principles apply to additional meetings.

Agenda Items

All CFL Committee agenda items must be forwarded to the Admin Unit by C.O.B 13 working days prior to the next scheduled meeting.

The Committee agenda, with attached meeting papers will be distributed at least 8 working days prior to the next scheduled meeting.



The Committee Chair has the right to refuse to list an item on the formal agenda, but members may raise an item under “Other Business” if necessary and as time permits.

Minutes & Meeting papers

The format of the Committee minutes will be as a short report.

The minutes of each CFL Committee meeting will be prepared by the Admin Unit.

Full copies of the minutes, including attachments, shall be provided to all Committee members no later than 3 working days following each meeting.

Out-of-sessions decisions shall be recorded in the minutes of the next scheduled Committee meeting.

The minutes of each Committee meeting will be monitored and maintained by the Admin Unit.

Proxies

Members of the Committee shall not nominate a proxy to physical meetings if the member is unable to attend.

However, Proxies can be nominated to undertake any other Committee member’s activities. Committee members must inform the Committee Chair of his/her decision.

The Chair has the right to approve or refuse proxies.

Dispute resolution

In case of major issues following decisions taken on majority, Committee members can seek arbitration with the overseeing entity.

Confidentiality

All documentation and information produced in CFL Committee activities must be kept confidential among the Committee members and their proxies.

