



**GREEN  
CLIMATE  
FUND**

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# Guidelines on decisions without a Board meeting, including on funding proposals: Co-Chairs' Proposal

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## **Summary**

This document proposes for the Board's consideration (i) guidelines to determine in which cases decisions without a Board meeting may be requested, (ii) guidance with respect to the implementation of paragraph 43 of the Rules of Procedure of the Board, (iii) a proposal to increase transparency of decisions proposed for approval between meetings.

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## I. Introduction

### 1.1 Rules of Procedure of the Board

1. Paragraphs 41-44 of the Rules of Procedure of the Board (“RoP”) provide:

- “41. *Decisions without a Board meeting may occur on an extraordinary basis when in the judgment of both Co-Chairs, a decision must be taken by the Board that should not be postponed to the next Board meeting. The Secretariat, with the approval of the Co-Chairs, shall transmit to Board members and alternate members a proposed decision with the invitation to approve the decision on a non-objection basis. Notwithstanding the provisions set forth in paragraph 29 above, in between Board meetings, the Secretariat, after approval of the Co-Chairs, may transmit to Board members a proposed decision with an invitation to approve the decision within a prescribed period (generally 21 days but in urgent cases no less than one week), on a no-objection basis. Copies of such proposal shall be provided to the active observers for their information, unless otherwise determined by the Board.*
42. *The provisions on quorum and other rules set forth in these additional rules of procedure shall apply mutatis mutandis to the aforementioned procedure. The Board will adopt guidelines to determine in which cases decisions without a Board meeting may be requested. Prior to the adoption of such guidelines, the Co-Chairs will determine on a case-by case basis which decisions may be requested without a Board meeting.*
43. *At the expiration of the period prescribed for replies, the decision will be deemed approved unless there is an objection. If an objection has been received, the Co-Chairs will work through the objection with the Board member directly. If the objecting Board member upholds his/her objection following discussion with the Co-Chairs, the proposed decision will be considered by the Board at the following meeting. The Secretariat shall circulate all written comments and objections to Board members and alternate members and notify all the Board members and alternate members of the action taken pursuant to this paragraph.*
44. *Decisions approved in-between meetings shall be recorded in the report of the following Board meeting.”*

### 1.2 Eighth meeting of the Board

2. In preparation for the Eighth meeting of the Board, the Secretariat prepared document GCF/B.08/29 on the “Methodology for Decisions Taken Between Meetings”. The document noted that the RoP “do not address the possibility of allowing the Secretariat to revise or modify a proposed decision into account [such] comments from Board members”. The document therefore proposed a mechanic for allowing revisions to proposed decisions issued for approval between meetings. However, the matter was not addressed during the meeting.<sup>1</sup>

### 1.3 Twelfth meeting of the Board

3. In document GCF/B.12/05/Rev.01, the Co-Chairs identified the matter of Decisions taken between meetings as being outstanding from previous Board meetings, and at the Twelfth

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<sup>1</sup> Document GCF/B.08/46, paragraph 403.

meeting of the Board, the Board decided to request the Co-Chairs “to consult with a view to presenting, for consideration by the Board, matters relating to the guidelines to determine in which cases decisions may be taken without a Board meeting, no later than its fifteenth meeting”.<sup>2</sup>

## 1.4 Fifteenth meeting of the Board

4. Further to decision B.12/12, a background note on “Guidelines and methodology for decisions taken in between meetings” was included in the document titled “Implementation of the 2016 Work Plan: status of Co-Chairs consultations”.<sup>3</sup> In the document, the Co-Chairs recommended that the mandate to consult, as set out in decision B.12/12, be extended.

5. Consequently, the Board decided to extend the consultations on the mandates referred to in decision B.12/12.<sup>4</sup> No deadline was set for the conclusion of consultations.

## 1.5 Seventeenth meeting of the Board

6. Matters relating to consideration of funding proposals between meetings, and further options for decision-making, arose at the Seventeenth meeting of the Board as part of the discussions of the Board in connection with policy matters relating to funding proposals.

7. In this context, the Board adopted decision B.17/09, which included the following provisions:

“(p) Also requests the Secretariat to develop an interim restructuring and cancellation policy, ***including further options for decision-making***, for consideration by the Board no later than its eighteenth session, and a comprehensive restructuring and cancellation policy no later than April 2018.” (Emphasis added)

## 1.6 Eighteenth meeting of the Board

8. By decision B.18/06, which approved the simplified approvals process pilot scheme, the Board requested the Secretariat to “develop a proposal for approving funding proposals brought forward under [the simplified approval process pilot scheme] between meetings of the Board in the context of the ongoing work to develop further options for decision-making”.<sup>5</sup>

9. Moreover, in preparation for the Eighteenth meeting of the Board, the Secretariat prepared an interim policy on cancellation and restructuring pursuant to decision B.17/09, paragraph (p).<sup>6</sup> Further to guidance from the Co-Chairs, the document did not address matters relating to “further option for decision-making”.

## 1.7 Twentieth meeting of the Board

10. Accordingly, and pursuant to the mandates in decision B.17/09, paragraphs (m) and (p), and decision B.18/06, paragraph (c)(ii), the Secretariat prepared document GCF/B.20/22 on further options for decision-making relating to funding proposals.

11. The document proposed that funding proposals submitted under the simplified approvals process pilot scheme and other funding proposals (i) whose maximum value is no greater than USD 50 million and (ii) which have low to no environmental and social risks, may

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<sup>2</sup> Decision B.12/12

<sup>3</sup> Document GCF/B.15/05, annex II.

<sup>4</sup> Decision B.15/02

<sup>5</sup> Decision B.18/06, paragraph (c)(ii).

<sup>6</sup> Document GCF/B.18/11.

be presented to the Board for approval between meetings. It also proposed some procedural steps related to comments and objections received in respect of such funding proposals.

12. However, this document was not considered by the Board at the meeting.

## 1.8 Proposal by the Co-Chairs

13. In light of the various open and related mandates concerning decisions between meetings, and subject to paragraph 15 below, the Co-Chairs propose to address the matters arising out of decisions B.12/12, B.17/09, paragraphs (m) and (p), B.18/06, paragraph (c)(ii) together in this document.

14. In particular, this document proposes that the Board:

- (a) Adopt guidelines to determine in which cases decisions without a Board meeting may be requested, as further elaborated in Section II below, and as set out in annex II;
- (b) Endorse the guidance in respect of the implementation of paragraph 43 of the RoP, as further elaborated in Section 0 below, and as set out in annex III; and
- (c) Increase the transparency of decisions proposed between meetings, as further elaborated in Section IV below.

15. For the avoidance of doubt, this document does not address the types of decisions (e.g. approve, conditionally approve, reject) that the Board may take with respect to funding proposals pursuant to the mandate in decision B.17/09, paragraph (p).

## II. Guidelines to determine in which cases decisions without a Board meeting may be requested

16. Paragraph 41 of the RoP provides that decisions without a Board meeting may occur on an extraordinary basis when in the judgment of both Co-Chairs, a decision must be taken by the Board that should not be postponed to the next Board meeting.

17. In exercising such judgment, the Co-Chairs should be guided by the guidelines referred to in paragraph 42 of the RoP (a proposal for which is set out herein) and, prior to the adoption of such guidelines, the Co-Chairs will determine on a case-by-case basis which decisions may be requested without a Board meeting.

18. To date, decisions proposed between meetings which have been approved typically, though not exclusively, relate to procedural or time-sensitive matters. These include appointment of Board members or alternate members to committees, panels or groups of the Board, appointment of external members to panels and groups of the Board, accreditation of observer organisations and extensions of time (e.g. for application of procurement guidelines, or for the fulfilment of conditions for entering into funded activity agreements in respect of approved funding proposals).<sup>7</sup>

19. The reference to such decisions occurring on an 'extraordinary basis' is intended to ensure that such decision-making remains exceptional and not normal practice. Notwithstanding this, there is nothing in the RoP which prevents the Board from authorizing, in

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<sup>7</sup> Substantive decisions taken between meetings are limited, but have included the performance reviews of the members of the accreditation panel (B.BM-2018/02), adoption of the revised terms of reference for the independent redress mechanism (B.BM-2017/10), 2017 work plan and supplementary budget for the independent evaluation unit (B.BM-2017/09) and administrative guidelines on the budget and accounting system, and the internal control framework and internal audit standards (B.BM-2015/05 and B.BM-2015/06).

advance, other decisions to be issued for approval between meetings. In fact, the Board has expressly authorized this previously.<sup>8</sup>

20. In light of the foregoing, annex II to document GCF/B.15/05, as well as decisions B.17/09 and B.18/06, the Co-Chairs propose that decisions between meetings may be requested for the following, in each case subject to paragraphs 41-44 of the RoP:

- (a) The appointment of Board members and/or alternate members to vacant seats on committees, panels and groups established by the Board;
- (b) The appointment of external members to vacant seats on panels and groups established by the Board;
- (c) The accreditation of observer organizations;
- (d) Matters relating to the implementation of approved funding proposals, such as extensions of time or waivers of conditions, where a decision is required to prevent the approval of such funding proposal lapsing, or undue delays in the commencement or continuation of the implementation of the relevant funded activity;
- (e) Approval of funding proposals submitted under the simplified approval process, including its pilot scheme approved by decision B.18/06;
- (f) Approval of other funding proposals that have (i) a maximum value of USD 50 million; (ii) a maximum GCF contribution of no more than USD 10 million; (iii) low to no environmental and social risk, except where the Secretariat considers it would not be appropriate in light of the other characteristics of such funding proposal;
- (g) Pursuant to a Board decision which expressly envisages that a specific matter may be issued for a decision between meetings;
- (h) To address matters relating to agenda items opened and discussed at a previous Board meeting and in respect of which consensus has been reached amongst a designated group of Board members and/or alternate members, but where the relevant matter, due to time constraints, could not be brought back to the Board for decision making at such Board meeting and
- (i) Such other matters in respect of which the Co-Chairs have determined that there is an urgent need for the matter to be addressed prior to the subsequent Board meeting.

21. Decisions proposed between Board meetings for the approval of the funding proposals referred to in paragraphs 20(e) and 20(f) above shall include the relevant funding proposal package, including the assessments of the Secretariat and the independent Technical Advisory Panel and all the relevant annexes in accordance with the Information Disclosure Policy and the RoP. The no-objection period for such decisions shall not be less than 21 days.

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<sup>8</sup> See decision B.13/29, paragraph (f) on accreditation master agreements.

### III. Guidance in respect of the implementation of paragraph 43 of the RoP

#### 3.1 Current practice and related questions arising out of the current implementation of paragraph 43 of the RoP

22. The current practice of the Secretariat with respect to between meeting decisions is set out below.
- (a) The need for a between meetings decision on a specific matter is established following consultations between the Secretariat and the Co-Chairs. In the absence of the guidelines referred to in paragraph 42 of the RoP, this is currently determined by the Co-Chairs on a case-by-case basis.
  - (b) Once the Co-Chairs have confirmed that a particular issue should be addressed by way of a decision between meetings, the Secretariat prepares the draft document and decision text. After consultation with the Co-Chairs on the draft document and decision, and with their approval, the Secretariat sends the proposed decision to Board members and alternate members for approval on a no-objection basis.
  - (c) The transmittal message containing the proposed decision specifies the ‘no-objection period’, i.e. the number of days after which the decision is deemed approved in the absence of any objections.
  - (d) The no-objection period is generally 21 days but in urgent cases no less than one week.
  - (e) If a Board member raises an objection to the proposed decision during the no-objection period, the Co-Chairs are notified (to the extent that the objection is received by the Secretariat and not already sent to the Co-Chairs) and it is their duty to work through the objection with the relevant Board member directly. If after such discussions, the objection is upheld, the proposed decision is deferred to the next Board meeting for consideration.
  - (f) If no objections are received by the end of the no-objection period, the decision is deemed approved and the Secretariat sends a follow up transmittal message to members and alternate members of the Board informing them of the adoption of the decision, which decision is attached to the email. Decisions relating to observer accreditation are also shared with active observers, and all approved decisions are posted on the Fund’s website; in the case of limited distribution decisions, the fact of adoption and decision number are published.
23. In implementing this practice, however, the Secretariat has encountered a number of questions in respect of which there is no express guidance in the RoP:
- (a) which matters may be addressed through a decision between meetings;
  - (b) when should a comment be treated as an ‘objection’;
  - (c) what is specifically required with respect to the requirement that the Co-Chairs “work through” an objection with the relevant Board member “directly”;
  - (d) is there a prescribed time frame within which objections must be “worked through”;
  - (e) what is the status of the decision and, in some cases, the subject of the decision, during the period in which objections are being “worked through”;
  - (f) what are the consequences of a Board member lifting her or his objection after the no-objection period; and

- (g) when should the Secretariat circulate comments and objections received in relation to a proposed decision between meetings, and the action taken pursuant to paragraph 43 of the RoP.

24. The question raised in paragraph 23(a) above is addressed in Section II above. The remainder of this Section 0 set outs the Co-Chairs proposed guidance for the implementation of paragraph 43 of the RoP in relation to the questions raised in paragraphs 23(b) to 23(g) above.

### 3.2 Identifying “objections”

25. With respect to paragraph 23(b), it is proposed that the Secretariat shall not be required to consider as an ‘objection’ any communication from a Board member in connection with a proposed decision unless (a) it is marked as an ‘objection’, or (b) it states that the Board member does not agree with, or cannot agree to, the proposed decision as proposed. Requests for revisions to the decision text shall be deemed to be an ‘objection’ to the decision as proposed. If the Board member asks a question or requests clarification on a particular proposed decision, the communication shall specify whether or not the Board member may object depending on the answer. In case the communication states that answer would raise an objection, and the Secretariat considers that a response may not be provided by the end of the no-objection period, the Secretariat shall inform the relevant Board member, and the question shall, unless otherwise stated by the Board member, be considered an objection for the purposes of paragraph 43 of the RoP.

26. The onus would therefore be on the relevant Board members to be clear on this issue when communicating with the Secretariat in connection with a proposed decision, and the Secretariat shall not be required to follow with the relevant Board member in order to determine if the communication was intended to be treated as an ‘objection’.

### 3.3 “Working through” an objection with the Board member “directly”

27. Although the RoP does not expressly define what “working through” an objection entails, it is clear from paragraph 43 of the RoP that, at the very least, a discussion (or series of discussions) occurs between the Co-Chairs and the relevant Board member.

28. It is therefore proposed that the purpose of these discussions should be (a) to allow the relevant Board member to elaborate her or his concerns with the decision as proposed, and (b) for the Co-Chairs to clarify the purpose of the proposed decision, and, where appropriate, allay any concerns, misapprehensions and/or misunderstandings with respect to the proposed decision to see if the matter can be resolved.

29. Even where an objection is clear, it is incumbent on the Co-Chairs to work through and discuss the objection with the relevant Board member.

30. Paragraph 43 of the RoP also provides that the Co-Chairs should work through the objection with the Board member “directly”. The ordinary meaning of this would suggest that the Co-Chairs should approach the relevant objecting Board member themselves, directly, to work through the objection. However, in this context, the Co-Chairs consider that what is key is that is that the Co-Chairs are aware of and directing the discussions with the Board member – in other words the same is done under their authority. It is proposed that the Co-Chairs use their discretion on a case-by-case basis as to whether they themselves discuss the objection with the relevant Board member, which should be the norm, or whether they authorize the Secretariat to do so on their behalf.

### 3.4 Time-frame for working through objections



31. Paragraph 43 of the RoP is not clear when the Co-Chairs should start working through an objection raised by a Board member, nor how long they should try to work through the objection. As a matter of practice, objections have been notified to the Co-Chairs as soon as they are received, and Co-Chairs have tried to address them before the end of the no-objection period.

32. However, for the purposes of clarity, it is proposed that no specific time limit be imposed for the period within which objections are worked through. In some cases, objections may be raised shortly before the end of the no-objection period, or the underlying issues may be complex. In such cases, the Co-Chairs consider that it would be inappropriate for the time period for working through the objection to be time-limited such that it would make the Co-Chairs' attempt to work through an objection artificial. However, the Co-Chairs propose that it shall be for the Co-Chairs to determine when an objection has been worked through and/or when no further consultations would be meaningful

### 3.5 Status of proposed decision while objections are being “worked through”, including after the no-objection period

33. If a proposed decision is not deemed approved upon the expiration of the no-objection period due to an objection, based on legal advice provided by the Secretariat, it can also not be considered to be deemed approved during the period in which the Co-Chairs are working through the objection with the concerned Board member.

34. Accordingly, where the proposed decision between meetings requests an extension of time (e.g. for the fulfilment a condition relating to a funding proposal), the fact that the Co-Chairs are working through an objection with a Board member after the end of the no-objection period should not, pending resolution of the objection (if resolvable), extend the time period for the fulfilment of the relevant condition(s). If the time period were to be extended in such a scenario, the between meeting decision process could be subject to abuse, whereby extension requests could be proposed safe in the knowledge that either the proposed decision for an extension would be approved, or if it were to be objected to, the relevant time period would be extended until the objection is resolved.

### 3.6 Consequence of lifting an objection after the no-objection period

35. Paragraph 43 of the RoP is expressly clear on:

- (a) What should happen at the end of the no-objection period if there are no objections (i.e. proposed decision is deemed approved);
- (b) What should happen if an objection has been received (i.e. the Co-Chairs are to work through the objection with the Board member directly); and
- (c) If after the objection is upheld following discussions between the Board member and the Co-Chair (i.e. the proposed decision will be considered by the Board at the following meeting).

36. By contrast, paragraph 43 of the RoP is silent as to the consequences of a Board member lifting an objection after the no-objection period has ended (whether or not as a result of discussions with the Co-Chairs). Such consequences must therefore be inferred from the provisions of paragraph 43 of the RoP, taking into account the applicable rules of interpretation and, if available, past practice.

37. Under the ordinary rules of interpretation, where a provision expressly provides what occurs in one scenario (e.g. no objections at the end of the no-objection period), but does not in another scenario (e.g. where an objection is lifted after the no-objection period – i.e. when there

are no longer any objections), then the outcome of the two scenarios should not, automatically, be considered to be the same. In other words, lifting an objection after the no-objection period should not, unless expressly provided for, automatically have the same consequence as having no objection during the no-objection period (or an objection being lifted prior to the end of the no-objection period).

38. The majority of past practice to date has been that objections lifted after the no-objection period have led to the proposed decision being deemed approved. Recently, however, in connection with matters relating to the appointment of an executive director ad interim, the Board approved a decision to extend the seven-day no-objection period for the proposed decision which had been objected to.

39. In the view of the Co-Chairs, legal advice from the Secretariat and in light of paragraphs 37 and 38 above, it would be contrary to the principles of good governance to infer that a decision would be deemed approved where an objection is lifted after the no-objection period in the absence of express provisions providing for such deemed approval. In particular, if such an act (i.e. the lifting of an objection after the no-objection period) was intended to act as a deemed approval of the relevant decision, this should have been made clear in the RoP. Decisions of the Board bind the GCF, and the legal advice from the Secretariat is that it would be inappropriate for such decision to be deemed approved by the Board without express provisions to that effect.

40. Accordingly, in the absence of further guidance from the Board, and based on legal advice from the Secretariat, decisions proposed between meetings would not be automatically deemed approved if an objection is lifted after the end of the no-objection period. This, however, creates uncertainty with respect of what happens next in such circumstances, as this is not expressly contemplated in paragraph 42 of the RoP.

41. The Co-Chairs consider that this degree of uncertainty is undesirable. Instead, the Co-Chairs consider that clarity over a deemed approval mechanism (in respect of objections which are lifted after the end of the no-objection period) may in fact facilitate more efficient decision-making by the Board. Accordingly, the Co-Chairs propose that express Board guidance be provided to clarify how such deemed approval mechanism should work.

42. However, exceptions to any such deemed approval mechanism (following the lifting of an objection after the no-objection period has expired) would need to be built in in order to avoid anomalous outcomes in relation to decisions (a) which may adversely affect third parties in light of the time between the last day of the no-objection period and the date on which the objection is lifted, or (b) where the factual context has materially changed between the last day of the no-objection period and the date on which the objection is subsequently lifted (e.g. a new fact has come to light in the intervening period, or a third party has taken steps as a result of the decision not being deemed approved upon the expiration of the no-objection period).

43. For example, the failure to approve, between meetings, a proposed decision to extend the deadline for fulfilling a condition imposed by the Board when it approved a funding proposal prior to the deadline for fulfilling such condition (due to an objection being in place at the relevant time) has the consequence that the Board's approval for the project lapses on the relevant date if the condition has not been fulfilled in time.

44. In these circumstances, an accredited entity may have taken steps in relation to the project as a consequence of the relevant condition not having been met by the relevant deadline, such as terminating downstream agreements; it would be inappropriate for the lifting of the objection at some later date to have the consequence of automatically reinstating the project in such circumstances, and could expose the GCF to both reputational and financial liability. The lifting of an objection in such circumstances would, in effect, amount to a funding decision which would be taken without the usual scrutiny and consideration of matters relating to, amongst other things, commitment authority.

45. Accordingly, the Co-Chairs propose that, in respect of a decision proposed between meetings, the Board provides express guidance to the effect that if an objection were to be lifted after the no-objection period, then the decision would be deemed approved unless:
- (a) The relevant Board member lifted her/his objection on the basis that a revised decision which addresses her/his original objection be proposed to the Board, in which case, such a revised decision shall be proposed for approval between meetings; or
  - (b) The originally proposed decision, if approved on the date on which the objection is lifted, would
    - (i) Adversely affect third parties in a way which it would not have done had it been approved at the end of the no-objection period;
    - (ii) No longer be appropriate in light of facts which have come to light, or events which have occurred, in the period between the expiration of the no-objection period and the date on which the objection is lifted; or
    - (iii) Constitute a new funding decision.
46. If any of sub-paragraphs (i)-(iii) apply, the Co-Chairs shall determine, taking into account all relevant facts and circumstances, whether a revised decision should be issued for approval between meetings, or whether the matter should be addressed at the following Board meeting.

### 3.7 Circulation of comments, objections and action taken

47. For decisions which are approved between meetings, it is proposed that the Secretariat shall, when transmitting the adopted decision to the Board members and alternate members, circulate to all Board members and alternate members all comments received from Board members during the no-objection period, as well as any responses provided in respect of such comments.
48. For decisions which are not deemed to be approved at the end of the no-objection period, it is proposed that the Secretariat shall:
- (a) Where an objection has been upheld within the no-objection period, promptly following the end of the no-objection period:
    - (i) notify Board members and alternate members that an objection was received and upheld during the no-objection period;
    - (ii) circulate a copy of all comments and objections received during the no-objection period, as well as any responses provided in respect of such comments and objections;
    - (iii) inform the Board of the action taken pursuant to paragraph 43 of the RoP; and
    - (iv) inform Board that the decision will be considered by the Board at the following Board meeting; or
  - (b) Where the Co-Chairs have not finished working through an objection with the relevant Board member by the end of the no-objection period:
    - (i) promptly following the end of the no-objection period:
      - (A) notify the Board that an objection was received during such period; and
      - (B) inform the Board that the Co-Chairs continue to work through the objection with the relevant Board member; and

- (ii) promptly after the Co-Chairs have finished working through the objection with the relevant Board member:
  - (A) notify Board members and alternate members whether the objection was upheld or lifted after the no-objection period;
  - (B) circulate a copy of all comments and objections received during the no-objection period, as well as any responses provided in respect of such comments and objections
  - (C) inform the Board of the action taken by the Co-Chairs following the end of the no-objection period pursuant to paragraph 43 of the RoP; and
  - (D) in the event the objection was upheld, inform Board that the decision will be considered by the Board at the following Board meeting, and in the event the objection was lifted, notify the Board of the next steps, which may include deemed approval of the relevant decision, consistent with paragraph 45 above.

## IV. Matters relating to transparency of decisions between meetings

### 4.1 Matters requiring clarification

49. In addition to the foregoing matters, questions have also been raised as to the transparency of decisions proposed between meetings.

50. In particular, questions have arisen as to whether decisions proposed between meetings should be circulated to active observers notwithstanding that the Board has not yet adopted a policy on ethics and conflicts of interest for active observers, and whether decisions proposed between meetings should be made available on the GCF website.

### 4.2 Circulation and publication of proposed decisions

51. Paragraph 41 of the RoP provides that copies of decisions proposed between meetings “shall be provided to active observers for their information, unless otherwise determined by the Board”. As a matter of practice to date, this has not occurred. It is also noted that proposed decisions are not, despite the GCF’s Information Disclosure Policy, published on the GCF’s website at the applicable time.

52. In the interests of increasing the transparency of the Board’s decision-making, the Co-Chairs propose that, consistent with the Information Disclosure Policy,<sup>9</sup> decisions proposed for approval between meetings be published on the GCF website, except where they are deemed to be confidential, in which case they shall only be circulated to the Board on a limited distribution basis.<sup>10</sup>

## V. Current status of consultations

53. Prior to the Twenty-first meeting of the Board, a draft of this document was shared with Board members and alternate members of the Board for review and comment between 7 and 14 September. Comments were received from four Board members and were taken into account by the Co-Chairs. In light of the comments received, and further discussions between the Co-Chairs,

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<sup>9</sup> Decision B.12/35, annex XXIX, paragraph 18.

<sup>10</sup> Decision B.12/35, annex XXIX, paragraph 11(h).

this document, and the Co-Chairs proposal contained herein is now being submitted for the Board's consideration at the twenty-first meeting of the Board

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

54. It is proposed that the Board adopt the draft decision set out in annex I.

## Annex I: Draft decision of the Board

The Board, having considered document GCF/B.21/23 titled “Guidelines on decisions without a Board meeting, including on funding proposals: Outcome of Co-Chairs consultations”:

- (a) Adopts the guidelines to determine in which cases decisions without a Board meeting may be requested as set out in annex II;
- (b) Endorses the guidance in respect of the implementation of paragraph 43 of the Rules of Procedures of the Board as set out in annex III; and
- (c) Requests the Secretariat to publish decisions proposed for approval between meetings on the GCF website, with the exception of those circulated on a confidential basis, in accordance with the GCF’s information disclosure policy.

## **Annex II: Guidelines to determine in which cases decisions without a Board meeting may be requested**

Decisions between meetings may be requested for any of the following, in each case subject to paragraphs 41-44 of the RoP, and in accordance with the guidance set out in annex III:

1. The appointment of Board members and/or alternate members to vacant seats on committees, panels and groups established by the Board;
2. The appointment of external members to vacant seats on panels and groups established by the Board;
3. The accreditation of observer organizations;
4. Matters relating to the implementation of approved funding proposals, such as extensions of time or waivers of conditions, where a decision is required to prevent undue delay in the commencement or continuation of the implementation of the relevant funded activity;
5. Approval of funding proposals submitted under the simplified approval process, including its pilot scheme approved by decision B.18/06;
6. Approval of other funding proposals that have (i) a maximum value of USD 50 million; (ii) a maximum GCF contribution of no more than USD 10 million; (iii) low to no environmental and social risk, except where the Secretariat considers it would not be appropriate in light of the other characteristics of such funding proposal;
7. Pursuant to a Board decision which expressly envisages that a specific matter may be issued for a decision between meetings;
8. To address matters relating to agenda items opened and discussed at a previous Board meeting and in respect of which consensus has been reached amongst a designated group of Board members and/or alternate members, but where the relevant matter, due to time constraints, could not be brought back to the Board for decision making at such Board meeting; and
9. Such other matters in respect of which the Co-Chairs have determined that there is an urgent need for the matter to be addressed prior to the subsequent Board meeting.

Decisions proposed between Board meetings for the approval of the funding proposals referred to in paragraphs 5 and 6 above shall include the relevant funding proposal package, including the assessments of the Secretariat and the independent Technical Advisory Panel and all the relevant annexes in accordance with the Information Disclosure Policy and the RoP. The no-objection period for such decisions shall not be less than 21 days.

## **Annex III: Guidance in respect of the implementation of paragraph 43 of the Rules of Procedure of the Board**

### **I. Identifying “objections”**

1. The Secretariat shall not be required to consider as an ‘objection’ any communication from a Board member in connection with a proposed decision unless (a) it is marked as an ‘objection’, or (b) it states that the Board member does not agree with, or cannot agree to, the proposed decision as proposed.
2. Requests for revisions to the decision text shall be deemed to be an ‘objection’ to the decision as proposed. If the Board member asks a question or requests clarification on a particular proposed decision, the communication shall specify whether or not may the Board member may object depending on the answer. In case the communication states that answer would raise an objection, and the Secretariat considers that a response may not be provided by the end of the no-objection period, the Secretariat shall inform the relevant Board member, and the question shall, unless otherwise stated by the Board member, be considered an objection for the purposes of paragraph 43 of the RoP.
3. Board members must be clear with respect to whether or not comments and/or questions constitute objections. The Secretariat shall not be required to follow up with the relevant Board member in order to determine if the communication was intended to be treated as an ‘objection’.

### **II. “Working through” an objection with the Board member “directly”**

4. If an objection is raised by a Board member, the Co-Chairs are expected to work through the objection with the relevant Board member. This will entail, amongst other things, discussions with the Board member (a) to allow the relevant Board member to elaborate her or his concerns with the decision as proposed, and (b) for the Co-Chairs to clarify the purpose of the proposed decision, and, where appropriate, allay any concerns, misapprehensions and/or misunderstandings with respect to the proposed decision to see if the matter can be resolved.
5. The Co-Chairs should attempt to work through all objections, even if the objection is, on its face, clear and definitive.
6. The Co-Chairs may work through the objection with the Board member personally, or they may authorize the Secretariat to do so on their behalf, provided always that the Secretariat in such a scenario acts in accordance with guidance provided to it by the Co-Chairs.

### **III. Time-frame for working through objections**

7. There shall be no specific time limit for working through objections, but it shall be for the Co-Chairs to determine when an objection has been worked through and/or when no further consultations would be meaningful.



#### **IV. Status of proposed decision while objections are being “worked through”, including after the no-objection period**

8. Decisions proposed for approval between meetings shall not be considered approved during the period in which the Co-Chairs are working through the objection with the relevant Board member, even if such period extends beyond the expiry of the no-objection procedure.

#### **V. Consequence of lifting an objection after the no-objection period**

9. If an objection is lifted after the no-objection period has expired (and no other objections remain in place), then the relevant decision proposed for approval between meetings shall be deemed approved unless:

- (a) The relevant Board member lifted her/his objection on the basis that a revised decision which addresses her/his original objection be proposed to the Board, in which case, such a revised decision shall be proposed for approval between meetings; or
- (b) The originally proposed decision, if approved on the date on which the objection is lifted, would
  - (i) adversely affect third parties in a way which it would not have done had it been approved at the end of the no-objection period;
  - (ii) no longer be appropriate in light of facts which have come to light, or events which have occurred, in the period between the expiration of the no-objection period and the date on which the objection is lifted; or
  - (iii) constitute a new funding decision.
- (c) If any of sub-paragraphs (i)-(iii) above apply, the Co-Chairs shall determine, taking into account all relevant facts and circumstances, whether a revised decision should be issued for approval between meetings, or whether the matter should be addressed at the following Board meeting.

#### **VI. Circulation of comments, objections and action taken**

10. For decisions which are approved between meetings, the Secretariat shall, when transmitting the adopted decision to the Board members and alternate members, circulate to all Board members and alternate members all comments received from Board members during the no-objection period, as well as any responses provided in respect of such comments.

11. For decisions which are not deemed to be approved at the end of the no-objection period, the Secretariat shall:

- (a) Where an objection has been upheld within the no-objection period, promptly following the end of the no-objection period:
  - (i) notify Board members and alternate members that an objection was received and upheld during the no-objection period;
  - (ii) circulate a copy of all comments and objections received during the no-objection period, as well as any responses provided in respect of such comments and objections;
  - (iii) inform the Board of the action taken pursuant to paragraph 43 of the RoP; and
  - (iv) inform Board that the proposed decision will be considered by the Board at the following Board meeting; or

- (b) Where the Co-Chairs have not finished working through an objection with the relevant Board member by the end of the no-objection period:
- (i) promptly following the end of the no-objection period:
    - (A) notify the Board that an objection was received during such period; and
    - (B) inform the Board that the Co-Chairs continue to work through the objection with the relevant Board member; and
  - (ii) promptly after the Co-Chairs have finished working through the objection with the relevant Board member:
    - (C) notify Board members and alternate members whether the objection was upheld or lifted after the no-objection period;
    - (D) circulate a copy of all comments and objections received during the no-objection period, as well as any responses provided in respect of such comments and objections
    - (E) inform the Board of the action taken by the Co-Chairs following the end of the no-objection period pursuant to paragraph 43 of the RoP; and
    - (F) in the event the objection was upheld, inform Board that the decision will be considered by the Board at the following Board meeting, and in the event the objection was lifted, notify the Board of the next steps, which may include deemed approval of the relevant decision, consistent with paragraph 9 above.
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