



**GREEN
CLIMATE
FUND**

Meeting of the Board

6 – 8 July 2019

Songdo, Incheon, Republic of Korea

Provisional agenda item 8(b)

GCF/B.23/09

5 July 2019

Co-Chairs consultations: decision-making in the event that all efforts at reaching consensus have been exhausted

Summary

This document has been prepared by the Co-Chairs to support the Board's consideration of the development of procedures for adopting decisions in the event that all efforts at reaching consensus have been exhausted. It has been prepared following the discussions on this matter during B.22, further work undertaken by a small group of Board members at the request of the Co-Chairs, and comments provided by Board members on a draft revised proposal submitted to the Board for consultation between 19 and 26 June 2019.

I. Introduction

1. Paragraph 14 of the Governing Instrument for the Green Climate Fund (Governing Instrument) provides:

Decisions of the Board will be taken by consensus of the Board members. The Board will develop procedures for adopting decisions in the event that all efforts at reaching consensus have been exhausted.

2. This document, and the proposal contained in the annexes, has been prepared by the Co-Chairs to support the Board's consideration of this issue at the twenty-third meeting of the Board (B.23), and builds on:

- (a) The proposals prepared by the Co-Chairs at B.21 and B.22;
- (b) Discussions in the Board at B.22;
- (c) Further work undertaken since B.22 by a small group of Board members at the request of the Co-Chairs;
- (d) A draft proposal prepared by the Co-Chairs, taking into account the work referred to in paragraph (c) above, circulated to the Board for consultations between 19 and 26 June 2019;
- (e) Comments received from the Board during such consultations; and
- (f) Further consultations between the Co-Chairs in light of the comments received.

3. The document includes the following two annexes for the Board's further consideration, and decision:

- (a) Annex I contains the draft decision on this matter; and
- (b) Annex II contains the proposed draft procedures for adopting decisions in the event that all efforts at reaching consensus have been exhausted.

4. The Co-Chairs will continue to consult members and alternate members of the Board in relation to both annexes with a view to the Board taking a decision on this matter at B.23.

Annex I: Draft decision of the Board

The Board, having considered document GCF/B.23/09 titled “Co-Chairs consultations: decision making in the event that all efforts at reaching consensus have been exhausted”:

- (a) Reaffirms that, in accordance with paragraph 14 of the Governing Instrument, decisions of the Board will be taken by consensus of the Board members;
- (b) Also recalls that paragraph 14 of the Governing Instrument provides that the Board will develop procedures for adopting decisions in the event that all efforts at reaching consensus have been exhausted;
- (c) Acknowledges the guidance from the UNFCCC Conference of the Parties urging the Board to continue its consideration of matters related to the procedures for decision making in the event that all efforts at reaching consensus have been exhausted;
- (d) Confirms that in order to support decision making by the Board, the process to develop documents and related draft decisions for consideration by the Board shall be undertaken in a consultative manner;
- (e) Further confirms that this should include consulting with Board and Alternate members on draft documents and related draft decisions to be considered at a Board meeting, before they are published in accordance with paragraph 21 of the Rules of Procedure;
- (f) Requests the Co-Chairs to enhance the effectiveness of such pre-Board meeting consultations;
- (g) Confirms that the Co-Chairs and/or the Board may request a small group of Board members to undertake consultations between meetings of the Board on a specific matter with a view to providing inputs for the relevant draft document and/or draft decisions to be considered by the Board;
- (h) Confirms that efforts to reach consensus during a Board meeting may include, but are not necessarily limited to, the following procedures:
 - (i) The Co-Chairs consulting with Board members on the relevant matter during a Board meeting; and/or
 - (ii) Board members stating their reservation with a particular decision without preventing consensus from being reached; and/or
 - (iii) Board members disassociating from a particular decision by stating their reservation therewith, without preventing consensus from being reached; and/or
 - (iv) Board members requiring that their position on the relevant matter be formally recorded in the Report of the relevant meeting;
- (i) Confirms that the procedures for adopting decisions in the event that all efforts at reaching consensus have been exhausted shall only be used as a last resort;
- (j) Adopts the procedures for adopting decisions in the event that all efforts at reaching consensus have been exhausted as set out in annex II to this decision (the Procedures);
- (k) Agrees that determining whether all efforts at reaching consensus have been exhausted, as referred to in section II of the Procedures, is a substantive matter;
- (l) Requests the Co-Chairs to consult and present to the Board for its consideration, not later than B.24, a proposal regarding the next steps in the event that during the application of the procedure referred to in section V of annex II, any Board member



expresses the view that they are unable to join consensus regarding the outcome of such procedure; and

- (m) Decides to review the Procedures three years after the date of this decision.

Annex II: Procedures for adopting decisions in the event that all efforts at reaching consensus have been exhausted

I. Introduction

1. Consensus shall remain the preferred principle for decision-making by the Board.
2. These procedures (the “Procedures”) shall only apply:
 - (a) In the event that all efforts at reaching consensus in respect of a particular draft decision have been exhausted, as determined in accordance with section II below; and
 - (b) To the extent provided for in section III below.

II. Determination

3. The Co-Chairs, acting jointly and in good faith, shall determine whether all efforts at reaching consensus in respect of a particular draft decision have been exhausted, following consultations with all Board and alternate members.
4. In making such a determination the Co-Chairs shall:
 - (a) Take into consideration, as relevant, *inter alia*:
 - (i) Whether consultations on the relevant matter have occurred during and/or between Board meetings, including between the Co-Chairs and/or relevant Board members and, as appropriate, the Secretariat, independent units, and/or relevant committee or group, without consensus being reached;
 - (ii) Whether the subject matter of the draft decision has been considered at prior Board meetings without consensus being reached;
 - (iii) Whether the subject matter of the draft decision relates to approval of a funding proposal;
 - (iv) Whether, and how many, members of the Board have indicated that they cannot join consensus on an issue, notwithstanding other means of registering their position without preventing consensus from being reached;
 - (v) Whether the draft decision seeks to ensure adherence to the Governing Instrument for the Green Climate Fund or prior Board decisions;
 - (vi) Whether a decision on the relevant matter is urgent or necessary to safeguard the interests or reputation of the GCF, or to ensure the continued operations of the GCF; and
 - (b) Hold a genuine belief that consensus on the relevant matter is not achievable in light of the discussions with the Board.

III. Scope of the Procedures

5. Decision-making by the Board takes place within the framework of the Governing Instrument and its provisions. It is not within the power of the Board to take a decision that is in conflict with the provisions of the Governing Instrument, including its provision that all developing country parties to the UNFCCC are eligible to receive resources from the Fund.
6. These Procedures shall not apply to:

- (a) Any decision pursuant to paragraph 72 of the Governing Instrument;
 - (b) Any decision to amend these Procedures;
 - (c) Any decision related to moving and/or selecting the Headquarters of the GCF; and
 - (d) Any decision proposed for approval between meetings in accordance with paragraphs 41-44 of the Rules of Procedures of the Board, unless otherwise permitted pursuant to those Rules.
7. In respect of any other decision, where pursuant to section II above, the Co-Chairs have determined that all efforts to reach consensus have been exhausted:
- (a) The provisions of section V shall apply to any decision pursuant to which the Board appoints any Board-appointed official; and
 - (b) The provisions of section IV shall apply to any other decision which is duly put to the Board.

IV. Voting procedure

8. Where this section IV applies, promptly following the determination by the Co-Chairs, the Co-Chairs shall announce the start of the formal voting process.
9. Prior to any votes being cast, the Co-Chairs shall provide a hard copy of the draft decision to each Board member. Such draft decision shall be the version of the decision (including annexes, if any) that, in the Co-Chairs judgment, was supported by the greatest number of Board members.
10. The Co-Chairs retain their right to vote when formal voting procedures are being used, and the alternate members of the Co-Chairs shall not be entitled to vote.
11. Each Board member shall be entitled to one vote.
12. Votes shall be cast by each Board member simultaneously using voting facilities installed or made available in the Boardroom. Board members shall vote in favour or against the draft decision, or indicate that they are abstaining from the vote.
13. While votes are being cast, no one shall be permitted to intervene until the results of the vote have been announced, unless an issue is raised by a Board member in connection with the process of voting.
14. Votes cast shall be tallied and announced by the Co-Chairs.
15. If at least a two-thirds majority of Board members present and voting and two-thirds of Board members present and voting in each constituency vote in favour of the draft decision, the decision shall be considered adopted.
16. Board members may, after the results of a vote have been announced, make a brief statement to explain their vote.
17. Votes cast by each Board member, participating in a vote shall, unless otherwise agreed by the Board on a case-by case basis, be recorded in the report of the meeting, together with any statements they may have made prior to, or after the vote.
18. Decisions adopted by the Board pursuant to these Procedures shall be reflected in the compendium of decisions as decisions adopted pursuant to a vote, indicating the final tally of votes, but not the associated Board member.

V. Procedure for confidential balloting to achieve consensus

19. Where this section V applies, the Co-Chairs shall announce that the matter shall be resolved via a formal confidential balloting process under which confidential ballots shall be cast in rounds of balloting.
 20. Balloting shall take place as soon as practicable following the Co-Chairs' determination, noting the need to arrange for the participation of independent observers. It shall take place in a closed setting and be presided over by the Secretary to the Board. Presence in the room shall be limited to those needed for the conduct of balloting.
 21. All Board members shall be entitled to participate in the balloting process. Each such member shall be entitled to one ballot in each round of balloting.
 22. Before the first round of balloting takes place, the Co-Chairs shall propose, and seek the agreement of the Board on, how the rounds of balloting shall take place.
 23. For each round, ballots shall be counted in the presence of independent observers.
 24. The count of ballots shall not be revealed to the Board at any time.
 25. While ballots are being cast, no-one shall be permitted to intervene until the balloting round has been completed, unless an issue is raised by a Board member in connection with the process of balloting.
 26. If more than two options are being considered by the Board in the balloting process, in each round the option with the least support shall be eliminated from subsequent rounds of balloting.
 27. Balloting shall continue until at least two-thirds of all ballots cast in a single round of balloting support one of the options being considered by the Board.
 28. The outcome identified in paragraph 27 shall be put to the Board for confirmation by consensus.
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