

Green Climate Fund

Decisions of the Board –
Third Meeting of the Board,
13-15 March 2013

GCF/B.01-13/12

15 March 2013

Meeting of the Board

13-15 March 2013

Berlin, Germany

Agenda item 15

Decisions of the Board - Third Meeting of the Board, 13-15 March 2013

I. Agenda item 1: Opening of the meeting, adoption of the agenda, organization of work and adoption of the report of the second meeting

1. The Board adopted the agenda as set forth in document GCF/B.01-13/01 (Provisional Agenda), amended as follows:

1. Opening of the meeting, adoption of the agenda, organization of work and adoption of the report of the second meeting
2. Report on activities of the Co-Chairs
3. Report on activities of the Interim Secretariat
4. Additional rules of procedure of the Board
5. Headquarters agreement
6. Communication and representation
7. Business model framework
8. Establishment of the independent Secretariat
9. Status of resources
10. Resource mobilization
11. Modalities for readiness and preparatory support
12. Arrangements between the Conference of the Parties and the Fund
13. Logo of the Fund
14. Other business
15. Report of the meeting
16. Closure of the meeting

2. The Co-Chairs drew the attention of the Board to the draft report of the second Board meeting (document GCF/02-12/Drf.04 (Draft Report of the Second Meeting of the Board, 18-20 October 2012)). One Board member requested an addition to the draft report to reflect an offer he had made on the work plan of the Board. The Board adopted the report of the second meeting, contained in document GCF/B.02-12/Drf.04, as amended, and agreed to publish it on the Fund's website.

3. In order to enable the access of observers to documents, the Co-Chairs proposed the Board to approve that formal documents prepared for this Board meeting be published on the Fund's website, with the understanding that this arrangement is for this meeting only and does not set a precedent for future Board meetings. They reminded the Board that the policy on publishing of, and access to, Board documents will be discussed under the agenda item on additional rules of procedure of the Board. The Board approved this proposal.

II. Agenda item 2: Report on activities of the Co-Chairs

4. The Board took note of the information provided by the Co-Chairs.

III. Agenda item 3: Report on activities of the Interim Secretariat

5. The Board took note of document GCF/B.01-13/Inf.05, covering the activities of the Interim Secretariat undertaken between 20 October 2012 and 15 February 2013.

IV. Agenda item 4: Additional rules of procedure of the Board

DECISION B.01-13/01

The Board, having considered document GCF/B.01-13/02/Rev.01 Additional Rules of Procedure of the Board,

- (a) Adopted the provisions on applicability and definitions set out in Annex I to this report;*
- (b) Adopted the Additional Rules of Procedure of the Board relating to observers set out in Annex II to this report;*
- (c) Adopted the Additional Rules of Procedure of the Board relating to composition, selection and term of Board membership set out in Annex III to this report;*
- (d) Adopted the Additional Rules of Procedure of the Board relating to Co-Chairs set out in Annex IV to this report;*
- (e) Adopted the Additional Rules of Procedure of the Board relating to meetings set out in Annex V to this report;*
- (f) Adopted the Additional Rules of Procedure of the Board relating to meetings set out in Annex VI to this report;*
- (g) Adopted the Additional Rules of Procedure of the Board relating to meetings set out in Annex VII to this report;*
- (h) Adopted the Additional Rules of Procedure of the Board relating to decision-making and voting set out in Annex VIII to this report;*
- (i) Adopted the Additional Rules of Procedure of the Board relating to confidentiality and conflict of interest set out in Annex IX to this report;*
- (j) Adopted the Additional Rules of Procedure of the Board relating to amendments to the Additional Rules of Procedure set out in Annex X to this report;*
- (k) Adopted the Additional Rules of Procedure of the Board relating to the overriding authority of the Governing Instrument set out in Annex XI to this report;*
- (l) Requested the Co-Chairs to consider the matter of formal voting and report back to the Board at its June 2013 meeting;*
- (m) Requested the Interim Secretariat, under the guidance of the Co-Chairs, to prepare a document on the participation of advisers for the June 2013 Board meeting;*
- (n) Requested the Interim Secretariat, under the guidance of the Co-Chairs, to prepare a document on information disclosure, including webcasting, for the June 2013 Board meeting;*

- (o) Requested the Interim Secretariat to publish the rules of procedure, as adopted, in a consolidated manner.

DECISION B.01-13/02

The Board,

Mindful of the need for a comprehensive travel policy,

- (a) Decided that until the adoption of such a policy, the full cost of travel and daily subsistence allowance¹ of the Board members and alternate members from eligible² developing countries to attend Board meetings, or any ancillary meetings decided by the Board, will be provided from the administrative budget of the Fund;
- (b) Further decided that the cost of travel and daily subsistence allowance of the Co-Chairs and Board members or alternate members nominated by the Board to represent the Fund will be provided from the administrative budget of the Fund, when traveling on Fund-related business, subject to authorization by the Board;
- (c) Noted that other than for travel and daily subsistence allowance, Board members and alternate members will not receive any compensation from the Fund for their participation in the meetings of the Board;
- (d) Decided to consider funding of travel expenses of advisers and/or active observers in the context of the Fund's overall travel policy; and
- (e) Requested the Interim Secretariat to present to it at its September 2013 meeting a working document setting out a draft travel policy for the Fund, for approval by the Board, to be applied for funding the travel of Board members, alternate members, advisers, active observers and staff of the independent Secretariat.

DECISION B.01-13/03

The Board

Approved the Guidelines relating to the observer participation, accreditation of observer organizations and participation of active observers set out in the Annex XII to this report.

V. Agenda item 5: Headquarters Agreement

DECISION B.01-13/04

The Board, having reviewed the Draft Headquarters Agreement,

- (a) Took note of the Draft Headquarters Agreement between the Republic of Korea and the Green Climate Fund;
- (b) Requested the Interim Secretariat, under the guidance of the Co-Chairs, to finalize the Draft Headquarters Agreement between the Republic of Korea and the Green Climate Fund in consultation with the Government of the Republic of Korea;

¹ The rules applicable to travel of United Nations staff will be followed until the Board adopts the travel policy for the Fund and its officials.

² UNFCCC rules for determining eligibility of developing countries for availing the support for travel will be applied until the Board adopts the travel policy for the Fund.

- (c) *Authorized its Co-Chairs to sign, on behalf of the Fund, the Headquarters Agreement between the Republic of Korea and the Green Climate Fund;*
- (d) *Further authorized the Executive Director, once appointed, to sign, after consultation with the Co-Chairs, on behalf of the Fund, supplementary agreements with the relevant authorities of the Republic of Korea as identified in the Headquarters Agreement between the Republic of Korea and the Green Climate Fund;*
- (e) *Authorized the Co-Chairs to sign, on behalf of the Fund, supplementary agreements with the relevant authorities of the Republic of Korea as identified in the Headquarters Agreement between the Republic of Korea and the Green Climate Fund.*

VI. Agenda item 6: Communication and representation

DECISION B.01-13/05

The Board, having reviewed document GCF/B.01-13/06 Green Climate Fund Communication and External Representation,

- (a) *Approved the scope of further work on communication outlined in Annex XIII to this document;*
- (b) *Requested members and alternate members of the Board to provide inputs by 15 March 2013 for the finalization of the communication products included in Annex III of document GCF/B.01-13/06 by the Interim Secretariat under the guidance of the Co-Chairs;*
- (c) *Requested the Interim Secretariat to prepare a concept note on the development of a communication strategy for the Fund, based on guidance provided by the Board, for consideration at the June 2013 Board; and to provide a draft communication strategy for the consideration of the Board at its September 2013 meeting;*
- (d) *Took note of the guidance on representation at external events outlined in Annex V of document GCF/B.01-13/06;*
- (e) *Decided that financial sponsorship of events should initially be discouraged, and appropriate and relevant requests for partnership in external events, with no associated financial commitment, should be considered by the Board on a no-objection basis;*
- (f) *Decided that the approach to Fund's representation at future meetings of the Technology Executive Committee and on the Advisory Board of the Climate Technology Centre and Network is interim, pending the development of a broader Fund strategy on engagement with UNFCCC and external bodies;*
- (g) *Decided that the selection of a Board representative in response to the ad hoc requests for Board's representation at future meetings of the Technology Executive Committee be guided by paragraph 8 of Annex IV to this report (Additional Rules of Procedure relating to the Co-Chairs);*
- (h) *Decided that the selection of a Board representative on the Advisory Board of the Climate Technology Centre and Network be undertaken intersessionally, once further clarity on the role, expectations and time commitment is provided by UNEP.*

VII. Agenda item 7: Business model framework

DECISION B.01-13/06

The Board, having reviewed document GCF/B.01-13/11 Business model framework of the Green Climate Fund:

- (a) Took note of, and welcomed, the work of the business model framework team, comprised of six Board members/alternate members, formed at its second meeting under decision B.02-12/03, in the preparation of the detailed terms of reference for a consultancy on the business model framework of the Green Climate Fund, as contained in the Annex of document GCF/B.01-13/11;
- (b) Noted that the following areas of convergence on the business model framework of the Fund are consistent with the Governing Instrument, namely that the Fund will be ambitious, flexible and scalable, have a country-driven and owned approach, employ direct access and other access modalities, and leverage additional public and private resources through the operational modalities of the Fund, including through the private sector facility;
- (c) Further noted convergence that the Fund should also:
 - (i) Recognize that a country driven approach is a core principle to build the business model of the Fund;
 - (ii) Commence as a fund that operates through accredited national, regional and international intermediaries and implementing entities;
 - (iii) Focus initially on grants and concessional lending, and employ additional financial instruments as necessary to effectively achieve the objectives of the Fund;
 - (iv) Enhance transparency and accountability;
- (d) Decided that the areas of the business model framework set out in Annex XIV to this report should be the focus of further analysis and work to develop options for consideration by the Board at its June 2013 meeting;
- (e) Decided that the areas of the business model framework set out in Annex XV to this report should be the focus of further analysis and work to develop options for consideration by the Board at its September 2013 meeting;
- (f) Requested the Interim Secretariat, under the guidance of the Co-Chairs, to draw from, and build on, the work on the terms of reference for a consultancy on the business model framework of the Green Climate Fund to develop the parameters for the work set out in Annexes XIV and XV to this report;
- (g) Requested the Co-Chairs to work with the Interim Secretariat to ensure that there is overall coherence within the development of the business model framework work, as well as coherence between the business model framework work and the broader work plan of the Board;
- (h) Requested thereafter that the business model framework team provides guidance on the work set out in Annexes XIV and XV to this report and coherence, and report to the Board at its June and September 2013 meetings;

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- (i) *Requested the Interim Secretariat to undertake the work set out in Annexes XIV and XV to this report with the assistance of consultants, and reflect upon the views expressed at the March 2013 Board meeting and in submissions on the business model framework by the members and alternate members of the Board and observers;*
 - (j) *Decided to authorize the Interim Secretariat, if necessary, to organize one or several meeting/s of the business model framework team to review the Board documents, under the guidance of the Co-Chairs, prior to the June and September 2013 Board meetings;*
 - (k) *Decided to authorize the Interim Secretariat to organize an informal discussion on the business model framework documents one day prior to the June and September 2013 Board meetings;*
 - (l) *Acknowledged that an amount of US\$ 600,000 from the administrative budget of the Fund for the period from 1 November 2012 to 31 December 2013, as amended in this decision, may be used for the completion of the work set out in Annexes XIV and XV to this report;*
 - (m) *Requested the Interim Secretariat, under the guidance of the Co-Chairs, to ensure that expenditure under this decision is efficient and cost-effective and to seek the Co-Chairs' approval if there is a requirement to exceed the amount of US\$ 600,000, noting the Co-Chairs may approve a larger allocation of funding for this work, provided that it can be accommodated within the administrative budget of the Fund for the period from 1 November 2012 to 31 December 2013, as amended in this decision;*
 - (n) *Approved the administrative budget for the Fund for the period from 1 November 2012 to 31 December 2013, as adopted in decision B.02-12/06 for the Interim Secretariat, and specifically the amount allocated for consultancies, be increased by US\$ 150,000;*
 - (o) *Invited contributions to the Green Climate Fund Trust Fund; and*
 - (p) *Authorized the Interim Trustee to make additional cash transfers of US\$ 150,000 from the Green Climate Fund Trust Fund to the UNFCCC secretariat for the Interim Secretariat for this purpose, subject to available resources in the Green Climate Fund Trust Fund, as determined by the Interim Trustee.*

VIII. Agenda item 8: Establishment of the independent Secretariat

A. Selection of the Executive Director

DECISION B.01-13/07

The Board, having considered document GCF/B.01-13/05 Progress Report of the Executive Director Selection Committee,

- (a) *Approved the terms of reference, including the job description and qualifications, for the Executive Director set out in Annex XVI to this report;*
- (b) *Authorized the Interim Secretariat to advertise the vacancy announcement.*

B. Review of staffing of the Interim Secretariat

- 6. The Board took note of document GCF/B.01-13/Inf.04.

C. Guidance on administrative policies of the independent Secretariat*DECISION B.01-13/08*

The Board, having reviewed document GCF/B.01-13/04 Administrative Policies of the Independent Secretariat,

- (a) Requested the Interim Secretariat to further explore the feasibility of the options presented in document GCF/B.01-13/04, including a United Nations common system, a multilateral development bank system and a United Nations common system – multilateral development bank system hybrid option based on the International Fund for Agricultural Development and the Asian Development Bank, in its further work on preparing the administrative policies of the independent Secretariat and prepare a working document for an intersessional decision by the Board on a no-objection basis;*
- (b) Decided that, upon an intersessional agreement of the Board, all necessary documents to this effect will be commissioned during the course of the next months and be ready for consideration by the Board at its next meetings in line with the timetable set out in Annex XVII to this report to ensure the transition from the Interim Secretariat to the independent Secretariat by December 2013;*
- (c) Decided that, should the Board not agree intersessionally to an option for the administrative policies of the independent Secretariat, the matter be brought forward to the Board for consideration at its June 2013 meeting.*

IX. Agenda item 9: Status of resources

7. The Board took note of document GCF/B.01-13/Inf.02 and requested the Interim Secretariat to include cash flow analysis, as well as benchmarks on costs, in future administrative budget reports.

X. Agenda item 10: Resource mobilization*DECISION B.01-13/09*

The Board, having reviewed document GCF/B.01-13/07 Resource mobilization for the Green Climate Fund,

Approved the scope of further work set out in Annex XVIII to this report.

XI. Agenda item 11: Modalities for readiness and preparatory support*DECISION B.01-13/10*

The Board, having reviewed document GCF/B.01-13/08 Modalities for Readiness and Preparatory Support,

- (a) Adopted the scope of further work on the modalities for readiness and preparatory support set out in Annex XIX of document GCF/B.01-13/08;*

- (b) *Decided to explore options for making short-term progress on readiness, including, given the availability of resources, to initiate work on operationalizing a readiness phase, including on:*
- (i) identifying and engaging with existing initiatives and programmes on readiness and preparatory support in order to enhance learning and ensuring coherence, including a possible workshop;
 - (ii) identifying short-term initiatives to support readiness and preparatory support; and
 - (iii) assessing available information on readiness and preparatory support needs and gaps;
- (c) *Invited countries to provide additional resources to the administrative budget of the Fund.*

XII. Agenda item 12: Arrangements between the Conference of the Parties and the Fund

DECISION B.01-13/11

The Board, having reviewed document GCF/B.01-13/10 Arrangements between the Conference of the Parties to the United Nations Framework Convention on Climate Change and the Green Climate Fund,

- (a) *Recognized that the provisions contained in Article 11, paragraph 3, and decision 3/CP.17 of the of the United Nations Framework Convention on Climate Change and the Governing Instrument form the basis for arrangements between the Conference of the Parties and the Green Climate Fund, and that the Standing Committee on Finance and the Board develop the arrangements between the Conference of the Parties and the Green Climate Fund, consistent with decision 7/CP.18 of the Conference of the Parties at its eighteenth session;*
- (b) *Took note of the outcome of the Standing Committee on Finance discussion on the arrangements between the Conference of the Parties and the Green Climate Fund, as communicated by the Co-Chairs of the Standing Committee on Finance;*
- (c) *Decided that the Co-Chairs be mandated to develop, in accordance with paragraph 1 of decision 7/CP.18, the draft arrangements between the Conference of the Parties and the Green Climate Fund with the Co-Chairs of the Standing Committee on Finance;*
- (d) *Further decided that the draft arrangements between the Conference of the Parties and the Green Climate Fund be presented for consideration at the June 2013 Board meeting to be further developed for adoption at the September 2013 meeting for presentation to the Conference of the Parties at its nineteenth session for agreement.*

XIII. Agenda item 13: Logo of the Fund

DECISION B.01-13/12

The Board, having reviewed document GCF/B.01-13/09/Rev.01 Logo of the Green Climate Fund,

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- (a) Requested the Interim Secretariat to launch an international competition inviting art and design schools and universities worldwide, and the broader public through the Fund's website, to submit a proposal for a logo of the Fund that depicts its ideals and character. In order to attract youth participation, an age limit of 25 years will apply;
- (b) Agreed that the purpose of launching this competition will be to raise awareness:
- (i) Of the Green Climate Fund;
 - (ii) Of challenges and threats posed by climate change, in particular among the young generation;
- (c) Agreed that the logo of the Fund should:
- (i) Reflect the resolve of the international community to address and overcome climate change;
 - (ii) Reflect the inclusive and distinct institutional character of the Fund which involves States, private sector and civil society, working together to address the challenge of climate change;
 - (iii) Be in line with the objectives of the Fund to achieve a new paradigm through low-emission and climate-resilient development pathways;
- (d) Requested the Interim Secretariat to develop a set of rules for the competition;
- (e) Requested the Co-Chairs to address a letter, containing an entry form, rules of the competition, and information regarding the work of the Fund, to the heads of such schools and universities, requesting them to inform and invite interested individuals to design the logo of the Fund. Such letters will also be addressed to the ministers of environment and/or climate change to ensure the widest possible circulation of the invitation. The same information will be posted on the Fund's website;
- (f) Decided that:
- (i) Entries for the logo of the Fund should be received by the Interim Secretariat no later than 30 June 2013;
 - (ii) The Board, at its June 2013 meeting, will constitute a Selection Panel, supported by the Interim Secretariat, comprising:
 - Three members/alternate members from the developed countries and three members/alternate members from the developing countries;
 - A representative of civil society;
 - A representative of the private sector;
 - A well-known graphic designer, by invitation and on a pro-bono basis, with substantial experience in designing logos; and
 - The Director of the Interim Secretariat.
 - (iii) The Interim Secretariat, in accordance with the rules of the competition, will present a shortlisted set of 100 entries to the Selection Panel for it to assess and make a recommendation to the Board at its September 2013 meeting;
- (g) Decided that the set of rules will also be used by the selection panel to evaluate submissions and make a decision based on pre-selected criteria. The winner will be announced during the September 2013 Board meeting;

- (h) *Agreed that the cost of travel and up to two days of accommodation for the individual/group (maximum two persons) or its representative whose logo proposal is selected by the Board to attend a presentation will be borne from the administrative budget of the Fund;*
- (i) *Agreed that the approved logo of the Fund and the name of the individual/group who designed it will be displayed at the headquarters of the Fund.*

XIV. Agenda item 14: Other business

DECISION B.01-13/13

The Board

- (a) *Decided that its second meeting in the year 2013 will take place in Incheon City, Republic of Korea, on 25-28 June 2013; and*
- (b) *Decided that its third meeting in the year 2013 will take place on 4-6 September 2013, with preparatory meetings on 3 September 2013, at a venue to be confirmed.*

Annex I: Additional rules of procedure - applicability and definitions

I. Applicability

1. These rules of procedure shall apply to the conduct of business of the Board of the Green Climate Fund and, mutatis mutandis, and except as decided otherwise by the Board, to committees and subcommittees, panels and working groups established by the Board.

II. Definitions

2. For the purpose of these rules:

- (a) "Active observer" means the two civil society representatives and the two private sector representatives invited to participate in Board meetings as active observers;
- (b) "Adviser" means an expert providing advice to a member and/or alternate member during or in connection with Board meetings;
- (c) "Alternate member" or "alternate members" means, as the case may be, any of the 24 alternate members of the Board, or more than one of them, or all alternate members;
- (d) "Board" means the Board of the Fund;
- (e) "Board member" or "Board members" means, as the case may be, any of the 24 members sitting on the Board, or more than one of them, or all members;
- (f) "Co-Chair" means either one of the two Co-Chairs elected by the Board;
- (g) "Committee" or "committees" means, as the case may be, any standing committee(s) or any other ad hoc committee(s) or subcommittee(s) established by the Board;
- (h) "Convention" means the United Nations Framework Convention on Climate Change adopted in 1992, which entered into force on 21 March 1994;
- (i) "COP" means the Conference of the Parties to the Convention;
- (j) "Executive Director" means the Executive Director heading the Secretariat and appointed by and accountable to the Board;
- (k) "Fund" means the Green Climate Fund (COP decisions 1/CP.16 and 3/CP.17 refer);
- (l) "Governing Instrument" means the Governing Instrument for the Green Climate Fund annexed to COP decision 3/CP.17;
- (m) "Meeting" means any meeting of the Board, and may include meetings conducted by way of videoconference, teleconference or net-meeting;
- (n) "Observer" or "observers" means, as the case may be, any representative(s) of a State, organization, or other entity accredited to participate in Board meetings as observer(s).
- (o) "Panel" or "panels" means, as the case may be, any group or groups of technical experts or other experts established by the Board to assist the Board in its work;
- (p) "Secretariat" means the Secretariat referred to in the Governing Instrument and, until the establishment of the Secretariat, the Interim Secretariat ; and
- (q) "Trustee" means the Trustee referred to in the Governing Instrument and, until the selection of the Trustee, the Interim Trustee.

Annex II: Additional rules of procedure relating to observers

Paragraph 16 of the Governing Instrument provides:

7. Observers

16. The Board will make arrangements, including developing and operating accreditation processes, to allow for effective participation by accredited observers in its meetings. The Board will invite, to participate as active observers: two civil society representatives, one each from developing and developed countries, and two private sector representatives, one each from developing and developed countries.

1. The Co-Chairs, acting jointly and in consultation with the Board, will invite to participate as active observers, two civil society representatives, one each from a developing and developed country; and two private sector representatives, one each from a developing and a developed country. Active observers may, upon invitation of the Co-Chairs, participate in the proceedings of the Board.
2. The Co-Chairs, acting jointly, and in consultation with the Board, may invite other observers and/or experts to any Board meeting. Observers may be representatives of:
 - (a) States that are Party or observer State to the Convention;
 - (b) International entities, including United Nations agencies, multilateral development banks, international financial institutions and regional institutions; and
 - (c) Non-governmental organizations (NGOs), comprised of:
 - (i) Civil society organizations (CSOs): any independent non-profit organizations, including international as well as national and community-based organizations; and
 - (ii) Private sector organizations (PSOs): any private companies and business associations with operations that deal with climate change mitigation and/or adaptation activities, including in developing countries.
3. The procedures for the selection of active observers and the accreditation of observer organizations will be contained in the guidelines approved by the Board.
4. Active observers will receive, in accordance with the applicable rules and procedures, all Board meeting documents, except documents classified as confidential or as the Board may provide.

Annex III: Additional rules of procedure relating to composition, selection and term of Board members and alternate members

I. Selection of Board members and alternate members

Paragraphs 9 to 12 of the Governing Instrument provide:

1. Composition

9. The Board will have 24 members, composed of an equal number of members from developing and developed country Parties. Representation from developing country Parties will include representatives of relevant United Nations regional groupings and representatives from small island developing States (SIDS) and the least developed countries (LDCs).

10. Each Board member will have an alternate member, with alternate members entitled to participate in the meetings of the Board only through the principal member, without the right to vote, unless they are serving as the member. During the absence of the member from all or part of a meeting of the Board, his or her alternate will serve as the member.

2. Selection of Board members

11. The members of the Board and their alternates will be selected by their respective constituency or regional group within a constituency. Members of the Board will have the necessary experience and skills, notably in the areas of climate change and development finance, with due consideration given to gender balance.

3. Term of membership

12. Members and alternate members will serve for a term of three years and be eligible to serve additional terms as determined by their constituency.

1. Representation on the Board from developing country Parties will include:
 - (a) Three members and alternate members from the Asia-Pacific States;
 - (b) Three members and alternate members from the African States;
 - (c) Three members and alternate members from the Latin American and the Caribbean States;
 - (d) One member and alternate member from small island developing States;
 - (e) One member and alternate member from least developed country Parties; and
 - (f) One member from developing country Parties not included in the regional groups and constituencies¹ above; and one alternate member to rotate between developing country Parties included in the groups and constituencies listed above.

¹ The term “regional groups and constituencies” as used in paragraph 1 is understood to refer to the Asia-Pacific States, the African States, the Latin American and the Caribbean States, the small island developing States, and the least developed country Parties.

II. Vacancies

2. For each new term, pursuant to paragraph 11 of the Governing Instrument, the selection and notification to the Secretariat of the Board member or alternate member shall be made by the developed or developing country Party or group of these that the Board member or alternate member represents as determined by the constituency in the case of the developed country Parties, or by his or her respective regional group consistent with paragraph 1 of this Annex in the case of the developing country Parties.
3. Any replacement of the Board member or alternate member within a term shall be made and notified to the Secretariat by the developed or developing country Party or group of these that selected the Board member or alternate member. Any such replacement shall hold the position for the remainder of the unexpired term.
4. Notification shall take place through prompt communication to the Secretariat in writing of the names and contact details of the Board members and alternate members selected pursuant to paragraphs 2 and 3 above, as well as the effective date of any replacement.

Annex IV: Additional rules of procedure relating to the Co-Chairs

I. Election of the Co-Chairs

Paragraph 13 of the Governing Instrument provides:

4. Chairmanship

13. Two Co-Chairs of the Board will be elected by the Board members from within their membership to serve for a period of one year, with one being a member from a developed country Party and the other being a member from a developing country Party.

1. The term of the two Co-Chairs is for one year starting on the date of their election. They shall continue their functions until their successors have been elected.
2. In the event that one Co-Chair or both Co-Chairs are unable to attend a Board meeting, the Board shall elect (an)other Board member(s) to assume the functions of Co-Chair(s) for the duration of the meeting.
3. Where one Co-Chair or both Co-Chairs are unable to attend two or more consecutive Board meetings, the Board shall elect (a) new Co-Chair(s) for the remainder of the term of the predecessor(s).

Decision B.02-12/02 provides:

If a Board member is elected as Co-Chair, that member may request his/her alternate member to express the respective constituency's or regional group's viewpoint in deliberations. However, the Board member retains the right to vote if a formal vote is called.¹

II. Duties of the Co-Chairs in the conduct of business

4. In carrying out their function as Co-Chair, the Co-Chairs shall be guided by the best interests of the Fund.
5. The Co-Chairs shall share and allocate between themselves responsibility for chairing Board meetings.
6. The Co-Chairs will be responsible for the opening, conduct, suspension and adjournment of the meeting and for dealing with all procedural matters, including, but not limited to, issues regarding formal decision-making procedures, putting questions to a vote if consensus is not reached, and announcing the results of any formal votes taken, and according the right to speak. They are responsible for ensuring the observance of the rules of procedure of the Board and adherence to the agenda. The Co-Chairs will rule on points of order and any such determination will be final unless a Board member objects. In that case, the Board will consider the course of action to be taken.
7. Before the end of each Board meeting, the Co-Chairs will present a draft report of the meeting containing the decisions of the meeting, for consideration and approval by the Board.
8. The Co-Chairs may represent the Board at external meetings and report back to the Board on those meetings. They may delegate that function acting jointly.

¹ The provision presented in this paragraph was approved by the Board at its second meeting in October 2012.

Annex V: Additional rules of procedure relating to meetings – Part A

I. Frequency and location

1. The Board will meet in person at least twice every year at the seat of the Secretariat or at an alternative location agreed by the Board.
2. If a regular Board meeting cannot be held in person as scheduled or if in the case of an extraordinary meeting exceptional circumstances so warrant, Board meetings may be held by way of videoconference, teleconference or net-meeting.
3. At each meeting the Board will confirm the date and duration of the following meeting.

II. Notification of meetings

4. The Secretariat will notify Board members, alternate members and accredited observer organizations and active observers of the dates and venue of the meetings and circulate a provisional agenda for any meeting at least 30 calendar days before the first day of the meeting. A notification will also be posted on the Fund's website. In the case of an extraordinary meeting, the Co-Chairs, acting jointly, shall determine the date by which notification to the Board members has to be made, taking into account the urgency of the matter.

III. Agenda for meetings

5. The Secretariat will, with the approval of the Co-Chairs, prepare and distribute the provisional agenda for each meeting.
6. The Board will, at the beginning of each meeting, adopt the agenda for the meeting.

IV. Transmittal of documents

7. The Secretariat will transmit to Board members and alternate members the documentation relating to items on the provisional agenda at least 21 calendar days before the first day of the meeting scheduled, except in case of extraordinary meetings and in exceptional circumstances where in the view of the Co-Chairs a shorter period for the transmission of documentation is warranted. In any such cases, the Co-Chairs, acting jointly, shall determine the date by which the said documentation has to be transmitted.
8. The Secretariat may use electronic means for transmission, distribution and storage of documentation, without prejudice to other means of circulation of the documentation.
9. Comments of Board members on Board meeting documents shall be transmitted promptly by the Secretariat to all Board members and alternate members.
10. Board meeting documents will be posted on the website of the Fund on the same day they are released to Board members, except for Board documents classified as confidential, or as the Board may provide. The Board will determine criteria for the classification of Board meeting documents as confidential.

V. Attendance

11. In addition to Board members and alternate members, meetings of the Board, other than executive sessions, will be open to attendance by designated advisers of Board members and alternate members, Secretariat staff, representatives of the Trustee, active observers and other observers who have been accredited for participation in the meeting.
12. At the invitation of the Board, representatives of relevant thematic bodies under the Convention, and/or other funds dealing with climate change, may attend Board meetings.

VI. Quorum

Paragraph 15 of the Governing Instrument provides:

6. Quorum

15. A two-thirds majority of Board members must be present at a meeting to constitute a quorum.

13. The existence of a quorum will be verified by the Co-Chairs at the beginning of the meeting and at the time of the adoption of any decision at the meeting, as well as at the time of adoption of the meeting report, and at the request of a Board member.

Annex VI: Additional rules of procedure relating to meetings – Part B**I. Executive sessions**

1. In exceptional circumstances, the Board may conduct its business in closed executive session where, unless decided otherwise by the Board, only Board members and alternate members, the Executive Director, advisers, and such other persons authorized or requested by the Board to attend, may be present.

II. Extraordinary Board meetings

2. Extraordinary meetings of the Board can be convened to address extraordinary circumstances. The Board shall develop policies and guidelines for convening extraordinary meetings which will be annexed to these additional rules of procedure.

III. Committees, panels and groups

3. The Board may establish such committees from among its members and/or alternate members, and such panels as may be required for the conduct of its business.

4. Committees shall assist the Board in its decision-making, and shall exercise any delegated authority under the overall authority and direction of the Board, which may revoke such delegated authority under the same procedures in place for the original delegation of authority. Except for standing committees, all committees established *ad hoc* should have a clearly defined timeline and end date, related to the execution of its functions and should be subject to review at regular intervals.

5. The Board may establish, on permanent or temporary basis, technical and expert panels to assist it in the performance of its functions. Technical or expert panels may include but need not be limited to Board members and alternate members. They generally shall have advisory functions only.

Annex VII: Additional rules of procedure relating to meetings – Part C

I. Language

1. The working language of Board will be English. The Board may authorize or facilitate for Board members in individual cases, if requested by a Board member in advance of a meeting, the interpretation of Board meetings in one or more of the six United Nations languages.
2. Documents for the meetings will be provided in English. The Board may decide, in accordance with applicable rules and regulations, to translate certain documents in other languages.

II. Arrangements for meetings

3. The Secretariat shall make all arrangements for the meetings of the Board under the guidance of the Co-Chairs.

III. Maintaining permanent records of meetings

4. The Board will decide, in accordance with applicable policies and relevant rules and procedures, to what extent the records of Board proceedings will be made public. Any records of the Board and/or recordings of proceedings of each meeting will be kept by the Secretariat on behalf of the Board in accordance with applicable policies and relevant rules and procedures.

Annex VIII: Additional rules of procedure relating to decision-making and voting

Paragraph 14 of the Governing Instrument provides:

5. Decision-making

14. 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.

Decisions between meetings

1. 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 2 of Annex VI to this report, 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.

2. 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.

3. 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.

4. Decisions approved in-between meetings shall be recorded in the report of the following Board meeting.

Annex IX: Additional rules of procedure relating to confidentiality and conflict of interest

1. Board members, alternate members, and active observers are required to adhere to the Fund's policies and standards on ethics and conflict of interest.¹
2. At each meeting, Board members and alternate members will disclose any conflict of interest they may have in relation to any items on the agenda.
3. Board members and alternate members will recuse themselves from participating in any decision regarding a project and/or involving an entity with respect to which they have a conflict of interest as defined in the standards on ethics and conflict of interest.
4. Active observers who participate in Board meetings shall also disclose any conflict of interest they may have in relation to any items on the agenda and recuse themselves from participating in the proceedings of that item.

¹ A separate Board policy on ethics and conflict of interest will be adopted by the Board.

Annex X: Additional rules of procedure relating to amendments

The additional rules of procedure, except for those that reproduce provisions from the Governing Instrument, may be amended by the Board pursuant to the rules set out in Annex VIII to this report.

Annex XI: Overriding authority of the Governing Instrument

In the event of any conflict between any provision of these rules and any provisions of the Governing Instrument, the provisions of the Governing Instrument shall prevail.

Annex XII: Guidelines relating to the observer participation, accreditation of observer organizations and participation of active observers

I. Introduction

1. These guidelines relate to observer participation and the accreditation of observer organizations, and to the selection and participation of active observers.
2. The Board would like to promote the input and participation of stakeholders throughout this process with a view to strengthening the role that they will play. Increased interaction with the Board members and the Co-Chairs will be arranged during the duration of the Board meetings. The Secretariat will designate a point of staff contact for all observers to facilitate communication with and among them.
3. Information and access to documents will be addressed in a separate disclosure policy to enhance participation of stakeholders.

II. Registration and participation of observers

4. The Secretariat will notify observer States and accredited observer organizations of the dates and venue of the meetings through a formal notification circulated with the provisional agenda at least 30 days before the first day of the meeting.
5. Once the notification for a meeting has been issued, the designated contact point of the observer State or accredited observer organization should inform the Secretariat of the composition of their delegation no later than one week after the notification has been circulated. Representatives of United Nations and other intergovernmental organizations will need to be officially nominated by the head of that organization or his/her designated representative. No nominations will be accepted after the deadline set in the notification.

III. Accreditation of observers organizations

6. Observer organizations that wish to participate in the activities of the Fund shall apply for observer status with the Fund. Observer status will be granted upon successful completion of the accreditation process outlined below.
7. The applicant organization will send a letter of application to the Secretariat, in which it will:
 - (a) Provide a description of the organization;
 - (b) Demonstrate that it has a well-organized administrative structure and relevant competences and experience, and can send representatives fully mandated to speak on behalf of the organization;
 - (c) Explain the benefit of its input for the Fund, its specialized scientific and technical competences relating to the Fund's goals, and what it expects in return from the Fund; and
 - (d) Give written confirmation that it acknowledges the goals and basic principles of the Fund and will abide by the Board's rules of procedures.
8. Any new requests for admission as an accredited observer should be submitted at least two months before a Board meeting.

9. Applications will be reviewed by the Secretariat. The Secretariat will then present them, with a recommendation, to the Board, which will decide on a no-objection basis in line with the additional rules of procedure.
10. A list of accredited observer organizations will be maintained on the Fund's website.

IV. Process and guidelines for participation of active observers

4.1 Representation of active observers

11. The two civil society representatives and two private sector representatives will be invited to participate in the Board meetings as active observers from among the representatives of accredited civil society organization (CSOs) and private sector organizations (PSOs), respectively.
12. Representation is for a term of two years, with a maximum of two consecutive terms.
13. If an active observer is unable to attend a Board meeting or fails to comply with the requirements set forth in paragraph 14 of these Guidelines, the Co-Chairs, acting jointly, may invite the civil society or private sector observer organization concerned to nominate a replacement, consistent with Section 4.3 of these Guidelines and the procedure concerning accreditation of observer organizations.

4.2 Roles and responsibilities of active observers

14. The active observers may intervene upon invitation of the Co-Chairs in open segments of the meetings of the Board. They may attend as observers the meetings of a Board committee or working group in special circumstances and if expressly authorized by the Board. The active observers shall:
 - (a) Consistently attend meetings;
 - (b) Consult with other civil society and private sector stakeholders in compliance with agreed consultation guidelines;
 - (c) Solicit, collect and communicate information from CSOs and PSOs to the Board on matters that the Board is considering and represent the views of their constituency;
 - (d) Collect and disseminate information from the Board and related bodies and processes to members of the CSOs and PSOs groupings; and
 - (e) Not disclose, both during and after their term of office, information obtained from the Fund and/or project participants that is marked as proprietary and/or confidential, without the written consent of the Fund and/or the provider of the information, except as otherwise required by the law.

4.3 Selection process of active observers

15. In order to ensure equity and diversity across observer organizations, representation of active observers should aim, in addition to the agreed balanced representation from developing and developed countries, at a balanced gender representation as well as a balanced representation between international and local or national organizations.
16. CSOs and PSOs will select their respective active observers and replacements.

4.4 Comprehensive review

17. A comprehensive review of observer participation, including the selection process of active observers, involving a wide range of stakeholders will be undertaken after a trial period of two years.

Annex XIII: Scope of further work on communication

The Interim Secretariat will finalize and maintain up to date the frequently asked questions, summaries of achievements and expected outcomes, and factsheet (outlined in Annex III of document GCF/B.01-13/06), for use by the Board as well as the staff of the Interim Secretariat and the Interim Trustee and for other communication activities. In doing so, the Interim Secretariat will operate under the guidance of the Co-Chairs and follow the guidance on communication provided by the Board at its March 2013 meeting.

Annex XIV: List of documents on the business model framework to be prepared for the June 2013 Board meeting

The following documents will be prepared with the objective of presenting policy choices for consideration by the Board.

(a) Objectives, results and performance indicators

This document will include the following matters:

- (i)* An analysis of the objectives for the Fund, including the results it aims to achieve; and
- (ii)* Performance indicators for measuring performance at the project, programme and national levels and the overall performance of funded activities.

(b) Country ownership

This document will include the following matter:

An examination of current best practice for ensuring country ownership of activities.

(c) Structure and organization

This document will include the following matter:

An assessment of the structure and organization of other multilateral funds.

(d) Financial instruments

This document will include the following matter:

An assessment of the range of financial instruments the Fund could utilize, their benefits and disadvantages and applicability.

(e) Private Sector Facility (PSF)

This document will include the following matters:

- (i)* An assessment and implications of various institutional models for the PSF
- (ii)* Objectives, results and performance indicators for the Fund's private sector engagement; and
- (iii)* An assessment and implications of models for the delivery of the PSF resources, including direct, indirect or a combination, and the financial instruments that could be utilized.

(f) Access

This document will include the following matters:

- (i)* An assessment of best practice access modalities in other multilateral funds, including direct and international access, and their availability across different funding programmes; and
- (ii)* A review of eligibility for accessing resources and accreditation procedures in other multilateral funds.

Annex XV: List of documents on the business model framework to be prepared for the September 2013 Board meeting

The following documents will be prepared with the objective of presenting policy choices for consideration by the Board.

(a) Financial inputs

This document will include the following matter:

An assessment of the different financial inputs received by other funds, their benefits and disadvantages and applicability.

(b) Allocation

This document will include the following matters:

(i) An assessment of the allocation procedures of other multilateral funds, their benefits and disadvantages and applicability; and

(ii) Results-based approaches for resource allocation.

(c) Results management framework

This document will include the following matters:

(i) Key elements of a results management framework; and

(ii) Modalities for monitoring and evaluation.

Annex XVI: Terms of reference for the Executive Director**I. Job description**

1. The Executive Director will be appointed by, and accountable to, the Board of the Green Climate Fund.
2. The Executive Director, operating under the Board, will:
 - (a) Establish and maintain effective relationships with the Government of the Republic of Korea, in setting up the offices in Songdo and ensuring that the officials of the Fund enjoy the privileges and immunities associated with their official functions and status;
 - (b) Recruit all international and local staff of the Secretariat, ensuring geographic and gender balance, in accordance with the organizational structure and administrative budget approved by the Board;
 - (c) Establish and maintain effective relationships with the Fund's stakeholders in order to mobilize resources for, and advance the objectives of, the Fund, including its contributors, recipients, and other components of the Fund, as well as the Trustee, relevant bodies under the United Nations Framework Convention on Climate Change, observer organizations, multilateral, bilateral and development agencies and other stakeholders;
 - (d) Lead the Secretariat's efforts in supporting the Board with the development of:
 - (i) The Fund's operational modalities, access modalities and funding structures;
 - (ii) Specific operational policies and guidelines, including for programming, project cycle, administration and financial management;
 - (iii) Funding criteria, modalities, policies and programmes;
 - (iv) Environmental and social safeguards and fiduciary principles and standards that are internationally accepted as best practice;
 - (v) Criteria and application processes for the accreditation of implementing entities of the Fund;
 - (vi) The arrangements for replenishment processes; and
 - (vii) A framework for the monitoring and evaluation of performance and the financial accountability of activities supported by the Fund and any necessary external audits.
 - (e) Lead the Secretariat's team of professionals to:
 - (i) Organize and execute all administrative duties, including the preparation for meetings of the Board and its subsidiary bodies;
 - (ii) Report information on the Fund's activities;
 - (iii) Liaise with members, implementing entities, and cooperating bilateral and multilateral institutions and agencies;
 - (iv) Prepare performance reports on the implementation of activities under the Fund;
 - (v) Develop the work programme and annual administrative budget of the Secretariat and Trustee for approval by the Board;
 - (vi) Operationalize the project and programme cycle processes;

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- (vii)* Prepare financial agreements related to the specific financing instrument to be concluded with an implementing entity;
 - (viii)* Monitor the financial risks of the outstanding portfolio;
 - (ix)* Work with the Trustee to support the Board to enable it to carry out its responsibilities;
 - (x)* Carry out monitoring and evaluation function, as may be required by the Board;
 - (xi)* Establish and run effective knowledge management practices; and
 - (xii)* Perform any other functions assigned by the Board.
3. The Executive Director will report to the Board at its regular meetings.

II. Required experience and qualifications

4. The Executive Director will have:
- (a)* Intellectual leadership, based on knowledge and experience of climate change, development and/or financial issues, and their interrelationships;
 - (b)* Demonstrated capability to apply sound political judgment and strategic thinking to complex problems as they relate to effective leadership of institutions;
 - (c)* Communication and advocacy skills for successful interaction with decision-makers at the highest level;
 - (d)* Proven skills to build, lead and manage a large organization in an international context and guide its day-to-day operations;
 - (e)* Experience in working with a range of stakeholders in developing and developed countries;
 - (f)* Track record of robust, accountable management of financial resources at a senior level, preferably in a development finance context;
 - (g)* Experience in establishing and leading diverse teams with multifaceted work programmes;
 - (h)* Sensitivity to political, and respect for cultural, factors;
 - (i)* Degree in a relevant field, advanced degree desirable;
 - (j)* At least 15 years of relevant experience, including experience in, or working with, developing countries; and
 - (k)* Fluency in English, knowledge of Arabic, Chinese, French, Russian or Spanish an advantage.

III. Remuneration, contractual arrangements and term

5. Remuneration will be comparable to the level of a Vice President of the World Bank and an Assistant Secretary General in the United Nations common system.
6. The Board will appoint the Executive Director. Given that the appointment of the Executive Director will be effected prior to the formal launch of the Secretariat, transitional contracting arrangements may be needed.
7. The term of the position will be three years, with the possibility of reappointment.

Annex XVII: Timetable for consideration of matters relating to the establishment of the independent Secretariat

The timetable for consideration of matters relating to the establishment of the independent Secretariat by the Board is as follows:

- (a)* Board meeting in March 2013:
 - (i)* Headquarters agreement adopted
 - (ii)* Guidance provided on the administrative framework of the Fund's independent Secretariat
 - (iii)* Progress report by the Executive Director Selection Committee
- (b)* Board meeting in June 2013:
 - (i)* Human resource policies and procedures presented
 - (ii)* Financial management and procurement policies and procedures presented
 - (iii)* Facility management, travel and general administration policies and procedures presented
 - (iv)* Information technology policies and procedures presented
 - (v)* Final report by the Executive Director Selection Committee and appointment decision by the Board
 - (vi)* Guidance provided on the policies and procedures listed above, as necessary, and on the transition arrangement from the Interim Secretariat to the independent Secretariat
- (c)* Board meeting in September 2013:
 - (i)* Further guidance provided to the Executive Director on administrative policies and procedures, including a general staffing strategy for the independent Secretariat
 - (ii)* Further guidance provided relating to the transition from the Interim Secretariat to the independent Secretariat

Annex XVIII: Scope of further work on the resource mobilization for the Green Climate Fund

1. March to September 2013: The Interim Secretariat will prepare a resource mobilization strategy document for consideration by the Board at its meeting in September 2013. In doing so, the Interim Secretariat will operate under the guidance of the Co-Chairs and take into consideration the guidance on the Fund's resource mobilization provided by the Board during its meeting in March 2013, as well as the guidance provided by the Board on the Fund's business model framework. The strategy document will lay out key elements and a timeline for organizing the initial resource mobilization for the Fund.
2. Board meeting in September 2013: The Board will consider the resource mobilization strategy and take decisions on the Fund's approach to resource mobilization and key factors determining how that approach will be implemented.

Annex XIX: Scope of further work on the modalities for readiness and preparatory support

1. March to September 2013: The Interim Secretariat will prepare a document on the modalities for readiness and preparatory support for consideration by the Board at its meeting in September 2013. In doing so, the Interim Secretariat will operate under the guidance of the Co-Chairs and take into consideration the guidance on the modalities for readiness and preparatory support provided by the Board during its meeting in March 2013, as well as the guidance provided by the Board on the Fund's access modalities, financial instruments, results management framework and project funding approval cycle. The document will lay out the detailed elements of the modalities for readiness and preparatory support.
 2. Board meeting in September 2013: The Board will consider the modalities for readiness and preparatory support and approve the key policy matters relating thereto.
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