

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

I. Introduction

1. In accordance with paragraph 14 of the Governing Instrument for the GCF, decisions of the Board will be taken by consensus of the Board members.
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 III below; and
 - (b) To the extent provided for in section IV below.
3. For the avoidance of doubt, paragraph 10 of the Governing Instrument applies to these Procedures.

II. Efforts to exhaust consensus

4. In order to support decision-making by the Board, the development of draft decisions and related documents shall be undertaken in an open, inclusive, consultative and transparent manner.
5. Board members and alternate members shall be consulted on draft decisions and related documents to be considered by the Board prior to their publication, and comments received from such Board members and alternate members shall be taken into account when such draft decisions and related documents are being finalized for publication in accordance with paragraph 21 of the Rules of Procedure of the Board.
6. Efforts to reach consensus could also include the option for the Co-Chairs or the Board to request a small group of Board and/or alternate members to undertake consultations between meetings of the Board on a specific matter with a view to providing inputs for the development and/or refinement of relevant draft decision and related draft documents, as referred to above.
7. Efforts to reach consensus during a Board meeting may include, but are not necessarily limited to, the following procedures:
 - (a) The Co-Chairs consulting with all Board members and alternate members on the relevant matter during a Board meeting; and/or
 - (b) Board members stating their reservation with a particular decision without preventing consensus from being reached; and/or
 - (c) Board members disassociating from a particular decision by stating their reservation therewith, without preventing consensus from being reached; and/or
 - (d) Board members requiring that their position on the relevant matter be formally recorded in the report of the relevant meeting; and/or
 - (e) Board members electing not to join the consensus by being absent from the Boardroom.

III. Determination

8. 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 members and alternate members.
9. In making such a determination the Co-Chairs shall take into consideration, as relevant:
 - (a) Whether consultations on the relevant matter have occurred during and/or between Board meetings, in accordance with section II above, including between the Co-Chairs and/or relevant members and, as appropriate, the Secretariat, independent units, and/or relevant committee or group, without consensus being reached, and the extent of those consultations;
 - (b) Whether the subject matter of the draft decision has been considered at prior Board meetings without consensus being reached; and
 - (c) 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.
10. In addition, when making such determination, the Co-Chairs shall take into account 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.
11. If a question arises as to whether all efforts at reaching consensus in respect of a particular draft decision have been exhausted, in accordance with these Procedures, the Co-Chairs will, acting jointly, make a determination. If there is an objection to such determination, the determination as to whether all efforts at reaching consensus have been exhausted shall be put to a vote in accordance with the voting procedures and shall be deemed to be confirmed if at least four-fifths of Board members present and voting vote in favour of such determination.

IV. Scope of the Procedures

12. These Procedures shall not apply to:
 - (a) Any policy decision on financial instruments and/or financial terms that excludes a certain developing country or countries from accessing any financial instruments and/or financial terms available through the GCF;
 - (b) Any decision to amend these Procedures;
 - (c) Any decision to recommend an amendment to, or that conflicts with, the arrangements between the GCF and the Conference of the Parties;
 - (d) Any decision proposed for approval between meetings in accordance with paragraphs 41–44 of the Rules of Procedure, unless otherwise permitted pursuant to those Rules;
 - (e) Any decision related to moving and/or selecting the Headquarters of the GCF;
 - (f) Any decision pursuant to paragraph 72 of the Governing Instrument;
 - (g) Any decision to amend the Rules of Procedure; and
 - (h) Any contributions policy that allows for geographic or sectoral restrictions.
13. In respect of any other decision, where pursuant to section III above it has been determined that all efforts to reach consensus have been exhausted:

- (a) The provisions of section VI shall apply to any decision pursuant to which the Board appoints any Board-appointed official; and
- (b) The provisions of section V shall apply to any other decision which is duly put to the Board.

V. Voting procedure

14. Where this section V applies, promptly following the determination that all efforts to reach consensus have been exhausted, the Co-Chairs shall announce the start of the formal voting process.
15. 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.
16. 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.
17. Each Board member shall be entitled to one vote.
18. 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.
19. 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.
20. Votes cast shall be tallied by the Executive Director and announced by the Co-Chairs.
21. If at least a four-fifths majority of Board members present and voting vote in favour of the draft decision, the draft decision shall be considered adopted, unless four or more developed country Board members or four or more developing country Board members vote against it.
22. Board members may, after the results of a vote have been announced, make a brief statement to explain their vote.
23. 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.
24. 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(s).

VI. Procedure for confidential balloting

25. Where this section VI 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.
26. Balloting shall take place as soon as practicable following the determination that all efforts at reaching consensus have been exhausted, 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.

27. 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.

28. 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.

29. For each round, ballots shall be counted in the presence of independent observers.

30. The count of ballots shall not be revealed to the Board at any time.

31. 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.

32. 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.

33. 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.

34. The outcome identified in paragraph 33 shall be put to the Board for confirmation by consensus.