

Green Climate Fund

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# Revised Draft Additional Rules of Procedure of the Board

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**GCF/B.01-13/02/Rev.01**

12 March 2013

**Meeting of the Board**

13-15 March 2013

Berlin, Germany

Agenda item 4

## Recommended action of the Board

It is recommended that the Board:

- (a) Takes note of document GCF/B.01-13/02/Rev.01 *Additional Rules of Procedure of the Board*; and
- (b) Adopts the decision presented in Annex I to this document.

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# Additional Rules of Procedure of the Board

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## Introduction

1. Draft additional rules of procedure of the Board were initially presented to the Board of the Green Climate Fund at its first meeting in Geneva, Switzerland, in August 2012 (document GCF/B.01-12/02), pursuant to paragraph 17 of the Governing Instrument for the Green Climate Fund, to supplement the procedural rules contained in the Governing Instrument.
2. At the same meeting, the Board noted the need for further work and consultations on matters relating to the additional rules of procedure of the Board and requested the Interim Secretariat to prepare a working document for discussion at its next meeting.
3. At its second meeting in Songdo, Republic of Korea, in October 2012, the Board discussed document GCF/B.02-12/02, specifically:
  - (a) Election and duties of the Co-Chairs (Annex III);
  - (b) Board meetings (Annex IV) including the need to fund the participation of advisers from eligible developing countries; and
  - (c) Observer participation in Board meetings (Annex V, with Appendix) as well as the process of selecting four active observers and criteria for accreditation of observers.
4. The Board approved paragraph 3 of Annex III to document GCF/B.02-12/02 on the role of alternate members to Board members who are elected as Co-Chairs. This provision has been repeated in the draft presented below in Annex V.
5. At the same Board meeting, the Board requested a team of six Board members/alternate members (Mr. Per Callesen, Mr. Farrukh Khan as Chair (on behalf of Mr. Dipak Dasgupta), Mr. Omar El-Arini, Ms. Beata Jaczewska, Mr. Gilbert Metcalf and Mr. George Zedginidze) to undertake deliberations on the draft additional rules of procedure contained in document GCF/B.02-12/02 with the aim of reaching consensus amongst the team and reporting back to the Board at its next meeting. The Board also requested the team to organize a meeting of the team to continue their work one day prior to the third meeting of the Board and deferred the item to the third Board meeting.
6. The revised draft additional rules of procedure presented in document GCF/B.01-13/02 the annexes to this document reflect the outcome of intersessional work as captured by the Chair of the team, Mr. Khan. This draft was subject to further consultations by the team one day prior to the third Board meeting, and as a result, the team has presented a revised draft to the Board for consideration.

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## Annex I: Draft decision of the Board

The Board, having considered document GCF/B.01-13/02/Rev.01 *Additional Rules of Procedure of the Board*, and subject to comments and amendments made at the meeting:

- (a) Adopts the provisions on applicability and definitions set out in Annex II of document GCF/B.01-13/02/Rev.01;
- (b) Adopts the Additional Rules of Procedure of the Board relating to observers set out in Annex III of document GCF/B.01-13/02/Rev.01;
- (c) Adopts the Additional Rules of Procedure of the Board relating to composition, selection and term of Board membership set out in Annex IV of document GCF/B.01-13/02/Rev.01;
- (d) Adopts the Additional Rules of Procedure of the Board relating to Co-Chairs set out in Annex V of document GCF/B.01-13/02/Rev.01;
- (e) Adopts the Additional Rules of Procedure of the Board relating to meetings set out in Annex VI of document GCF/B.01-13/02/Rev.01;
- (f) Adopts the Additional Rules of Procedure of the Board relating to meetings set out in Annex VII of document GCF/B.01-13/02/Rev.01;
- (g) Adopts the Additional Rules of Procedure of the Board relating to meetings set out in Annex VIII of document GCF/B.01-13/02/Rev.01;
- (h) Adopts the Additional Rules of Procedure of the Board relating to decision-making and voting set out in Annex IX of document GCF/B.01-13/02/Rev.01;
- (i) Adopts the Additional Rules of Procedure of the Board relating to confidentiality and conflict of interest set out in Annex X of document GCF/B.01-13/02/Rev.01;
- (j) Adopts the Additional Rules of Procedure of the Board relating to amendments to the Additional Rules of Procedure set out in Annex XI of document GCF/B.01-13/02/Rev.01;
- (k) Adopts the Additional Rules of Procedure of the Board relating to the overriding authority of the Governing Instrument set out in Annex XII of document GCF/B.01-13/02/Rev.01.

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## Annex II: 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) "Constituency" or "constituencies" means, as the case may be, the two constituencies of developing and developed country Parties (the respective constituencies), as provided in the Governing Instrument, or one of them;
  - (i) "Convention" means the United Nations Framework Convention on Climate Change adopted in 1992, which entered into force on 21 March 1994;
  - (j) "COP" means the Conference of the Parties to the Convention;
  - (k) "Executive Director" means the Executive Director heading the Secretariat and appointed by and accountable to the Board;
  - (l) "Fund" means the Green Climate Fund (COP decisions 1/CP.16 and 3/CP.17 refer);
  - (m) "Governing Instrument" means the Governing Instrument for the Green Climate Fund annexed to COP decision 3/CP.17;
  - (n) "Meeting" means any meeting of the Board, and may include meetings conducted by way of videoconference, teleconference or net-meeting;
  - (o) "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).
  - (p) "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;
  - (q) "Regional group" means, for the purpose of these rules, a regional group within a constituency, as referred to in paragraph 1 of Annex IV;

- (r) “Secretariat” means the Secretariat referred to in the Governing Instrument and, until the establishment of the Secretariat, the Interim Secretariat ; and
- (s) “Trustee” means the Trustee referred to in the Governing Instrument and, until the selection of the Trustee, the Interim Trustee.

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**Annex III: 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) Intergovernmental organizations (IGOs), comprising United Nations organizations and agencies, and other intergovernmental organizations, including multilateral development banks; and
- (c) Non-governmental organizations (NGOs), comprised of:
  - Civil society organizations (CSOs): any independent non-profit organizations, including international as well as national and community-based organizations; and
  - 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 invitation of active observers and accreditation of observer organizations will be contained in the guidelines approved by the Board.



## **Annex IV: 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 above; and one alternate member to rotate between developing country Parties included in the groups listed above.

### **II. Vacancies**

2. For each new term, the selection of the Board member or alternate member shall be made by the country or group of countries that the Board member or alternate member represents, as determined by his or her respective regional group, a group of countries as defined in paragraph 1(f) of this Annex or a constituency, as the case may be and consistent with paragraph 1 of this Annex.

3. Any change of the Board member or alternate member within a term shall be made by the country or group of countries that selected the Board member or alternate member or his or her respective regional group or a constituency, as the case may be. Any successor or replacement shall hold his or her position for the unexpired term of his or her predecessor.

### **III. Notification of representation**

4. The respective constituency or regional group within a constituency shall promptly communicate to the Secretariat in writing the names and contact details of the Board members and alternate members selected, pursuant to Section 11 of the Governing Instrument, as well as the names and contact details of any successors or replacements and the effective date of any replacement.

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## Annex V: Additional rules of procedure relating to 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.<sup>1</sup>

### 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.

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

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.

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## **Annex VI: 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. Active observers will receive, in accordance with the applicable rules and procedures, copies of all Board meeting documents, except documents classified as confidential or as the Board may provide.
11. 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.

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## V. Attendance

12. 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.

13. 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.

14. 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.

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## **Annex VII: 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.

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## **Annex VIII: Additional rules of procedure relating to meetings – Part C**

### **I. Language**

7. 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.

8. 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**

9. 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**

10. 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.



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## Annex IX: 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.

## **I. Consensus**

1. Decisions of the Board will be taken by consensus. Consensus exists when no objection is stated by any Board member or alternate member acting on behalf of a Board member.

## **II. Formal vote**

2. The Board will adopt voting rules.

## **III. Decisions between meetings**

3. 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 4 of Annex VII, 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.

4. 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.

5. 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.

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

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## **Annex X: Additional rules of procedure relating to confidentiality and conflict of interest**

1. Board members and alternate members are required to adhere to the Fund's policies and standards on ethics and conflict of interest.<sup>1</sup>
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.

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

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## **Annex XI: 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 Chapter II of Annex IX of these additional rules of procedure.

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## **Annex XII: 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.

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