

Green Climate Fund

Draft Report of the Board of the
Green Climate Fund to the
Conference of the Parties to the
United Nations Framework
Convention on Climate Change

GCF/B.05/19

23 September 2013

Meeting of the Board

8-10 October 2013

Paris, France

Agenda item 12

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Draft Report of the Board of the Green Climate Fund to the Conference of the Parties to the United Nations Framework Convention on Climate Change

Note on the status of the report

The following draft report is a working draft for consideration by the Board, to be revised to reflect comments from the Board and decisions taken during its fifth meeting in October 2013. A more complete draft of this document will be prepared for consideration by the current Co-Chairs after the October 2013 Board meeting.

Annex I: Draft decision of the Board

The Board:

Requests the current Co-Chairs, assisted by the Interim Secretariat, to finalize the draft Report of the Green Climate Fund to the Conference of the Parties to the United Nations Framework Convention on Climate Change, presented in Annex II to document GCF/B.05/19, taking into consideration the comments and amendments made and decisions taken at the meeting, and forward it to the United Nations Framework Convention on Climate Change (UNFCCC) secretariat.

Annex II: Draft Report of the Green Climate Fund to the Conference of the Parties to the United Nations Framework Convention on Climate Change

I. Introduction

1. The Conference of the Parties (COP) to the United Nations Framework Convention on Climate Change (UNFCCC) decided at its sixteenth session to establish the Green Climate Fund (the 'Fund'), to be designated as an operating entity of the financial mechanism of the Convention. At its seventeenth session, it decided to, inter alia, approve the Governing Instrument for the Fund, designate the Fund as an operating entity of the financial mechanism of the Convention, and provide guidance to the Board of the Fund, taking into account the Board's annual reports to the COP on its activities.
2. At its eighteenth session, the COP decided to endorse the consensus decision of the Board to select Songdo, Republic of Korea as the host of the Fund. The Board and the Republic of Korea were requested to conclude the legal and administrative arrangements for hosting the Fund, to ensure that juridical personality and legal capacity are conferred to the Fund, and the necessary privileges and immunities are granted to the Fund and its officials in an expedited manner.
3. This report covers the activities undertaken by the Board between December 2012 and October 2013.

II. Guidance of the Conference of the Parties

4. The COP provides guidance to the financial mechanism in accordance with Article 11 of the Convention, and decides on its policies, programme priorities and eligibility criteria relating to the Convention.
5. The Fund, as an entity entrusted with the operation of the Convention's financial mechanism, will take appropriate action on guidance received and will submit reports to the COP for its consideration.
6. The Fund's progress against the guidance received of the COP is briefly presented below.
7. In response to decision 6/CP.18, paragraph 7(a), to develop a transparent no-objection procedure:
 - (a) [The Board adopted a transparent no-objection procedure to be conducted through national designated authorities (NDA) or focal points;]
 - (b) The Board requested to open a call to developing countries to start the processes of designating a NDA or focal point as early as possible, and preferably before June 2014.
8. In response to decision 6/CP.18, paragraph 7(b), to balance allocation of resources:
 - (a) [To be completed post-October Board meeting.]
9. In response to decision 6/CP.18, paragraph 7(c), to operationalize the Fund:
 - (a) [To be completed post-October Board meeting.]
10. In response to decision 6/CP.18, paragraph 7(d), to establish the independent Secretariat:
 - (a) The Board finalized the Headquarters Agreement between the Republic of Korea and the Green Climate Fund in consultation with the Government of the Republic of Korea. The

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- Co-Chairs, on behalf of the Fund, and the Korean Minister of Foreign Affairs, signed the agreement between the Republic of Korea and the Fund;
- (b) The Board decided that the Fund's administrative framework will be based on a hybrid system combining the multilateral development bank system and the United Nations common system. The Board requested further work on the Fund's administrative policies based on the hybrid option in order to advance work as rapidly as possible, and report on progress to the Board at its October 2013 meeting.
11. In response to decision 6/CP.18, paragraph 7(e), to select the Trustee in a timely manner:
[To be completed post-October Board meeting.]
12. In response to decision 6/CP.18, paragraph 7(f), to collaborate with other relevant bodies:
- (a) The Board decided that, in the short term, the Fund should commence its engagement with UNFCCC thematic bodies, with a view to reassessing this engagement as the Fund and UNFCCC thematic bodies evolve;
- (b) The Board requested the Interim Secretariat to invite the Global Environment Facility secretariat, the Adaptation Fund and the Climate Investment Funds to take up observer status with the Green Climate Fund; and requested the Interim Secretariat to engage informally with other external bodies by exchanging information, as required.
13. In response to decision 6/CP.18 paragraph 8, to appoint the Executive Director:
The Board, by consensus, appointed Ms H ela Cheikhrouhou to the post of the Executive Director.

III. Activities of the Fund

3.1 Membership of the Board

14. The UNFCCC regional groupings and constituencies nominated 24 members and 24 alternate members and communicated their names and affiliations to the Interim Secretariat by 3 September 2013. Appendix I to this Report provides the list of Board members and alternate members.

3.2 Election of the Co-Chairs of the Board

15. At its August 2012 meeting, the Board elected Mr. Zaheer Fakir (South Africa) and Mr. Ewen McDonald (Australia) as Co-Chairs to serve for the period of one year. At its June 2013 meeting, the Board decided that the election of the Co-Chairs be scheduled for the end of its third meeting in 2013; and further decided that the current Co-Chairs will continue their functions for the duration of that meeting.
16. At its October 2013 meeting, the Board elected [name/country] and [name/country] as its Co-Chairs to serve for the period of one year.

3.3 Meetings of the Board

17. During the period covered by this report, the third, fourth and fifth Board meetings were held in Berlin, Germany, from 13 to 15 March 2013, in Songdo, Republic of Korea, from 26 to 28 June 2013, and in Paris, France, from 8 to 10 October 2013, respectively. In addition to Board

members and alternate members, four active observers from developing and developed countries representing civil society organizations and the private sector participated in the meeting. Furthermore, the meetings were attended by advisers to Board members and alternate members and the representatives of accredited observer organizations.

18. A summary of the actions taken by the Board is presented below, and the decisions taken by the Board are presented in Appendix II to this Report. The report of the third meeting of the Board is contained in document GCF/B.01-13/13, the report of the fourth meeting is contained in document GCF/B.04/[XX] and are also available on the Green Climate Fund's website <GCFund.net>.

19. Elements of the Board's work plan until the end of 2014 are presented in Appendix III to this Report.

3.4 Additional rules of procedure of the Board

20. In addition to the rules of procedure contained in the Governing Instrument and the additional rule of procedure relating to Co-Chairs' seats that was adopted by the Board in 2012, the Board further considered additional rules of procedure at its first and second meetings in 2013. A team of six Board members undertook deliberations on the additional rules of procedure.

21. The Board, in its decision B.01-13/01, adopted additional rules of procedure relating to, among others, observers; composition, selection and term of Board membership; Co-Chairs; meetings; decision-making and voting; and confidentiality and conflict of interest. At its second meeting in 2013, the Board further adopted additional rules of procedure relating to information disclosure and participation of advisers in Board proceedings. The Board will further consider options for its voting procedures.

3.5 Headquarters agreement

22. The Agreement between the Republic of Korea and the Green Climate Fund concerning the Headquarters of the Green Climate Fund (Headquarters Agreement) was finalized by the Interim Secretariat in consultation with the Government of the Republic of Korea. The Co-Chairs, on behalf of the Fund, and the Minister of Foreign Affairs of the Republic of Korea signed the Headquarters Agreement in Bonn, Germany, on 2 June 2013 and in Songdo, Incheon, Republic of Korea, on 10 June 2013. The Agreement entered into force in accordance with paragraph 5 of Article 20 of the Agreement on 27 August 2013.

3.6 Business model framework of the Fund

23. At its March 2013 meeting, the Board noted convergence that the Fund 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. The Board further noted convergence that the Fund should also (a) recognize that a country driven approach is a core principle to build the business model of the Fund; (b) commence as a fund that operates through accredited national, regional and international intermediaries and implementing entities; (c) focus initially on grants and concessional lending, and employ additional financial instruments as necessary to effectively achieve the objectives of the Fund; and (d) enhance transparency and accountability.

24. The Board also requested the Interim Secretariat to present to it nine business model framework documents at its second and third meetings in 2013, which were to include inputs

from consultants, experts and stakeholders, including private sector and civil society organizations. A team of six Board members facilitated the preparation of the documents.

25. The Board considered six of these documents at its second meeting in 2013. They addressed: objectives, results and performance indicators; country ownership; access modalities; financial instruments; private sector facility; and structure and organization of the Fund.

26. The remaining three business model framework documents that were considered by the Board at its October 2013 meeting addressed: allocation; financial inputs; and results management framework.

27. The related Board decisions are included in Appendix II to this Report.

3.7 Establishment of the independent Secretariat, including selection of its Executive Director and administrative framework

28. The secretariats of the UNFCCC and the Global Environment Facility (GEF) established the Interim Secretariat and assigned staff, either full-time or part-time, to work in the Interim Secretariat. The Interim Secretariat began its work in December 2011. As per the COP's decision, the interim arrangements will be terminated no later than COP 19.

29. In its decision B.04/02, the Board, by consensus, decided to select Ms. HÉla Cheikhrouhou as the Executive Director. Under the authority of the Co-Chairs, the contracting process was subsequently completed and a contract issued for the Executive Director to take up duty on 9 September 2013. The Executive Director will serve for a period of three years.

3.8 Resource mobilization

30. The Board, in its decision B.01-13/09, approved the preparation of a resource mobilization strategy document for consideration by the Board at its third meeting in 2013. This strategy document laid out key elements and a timeline for organizing the initial resource mobilization for the Fund. The related Board decisions are included in Appendix II to this Report.

3.9 Modalities for readiness and preparatory support

31. The Board, in its decision B.01-13/10, 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. In partnership between the Fund and Caribbean Development Bank (CDB) and the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ), a workshop on readiness and preparatory support was held in Barbados in July 2013. The outcomes of this workshop fed into the Board discussion on the modalities for readiness and preparatory support at its October 2013 meeting.

32. The Board discussed the scope, modalities for allocation, access and delivery of readiness and preparatory support at its October 2013 meeting. Based on this discussion, the Board, in decision B.05-xx, decided:

[To be completed post-October Board meeting.]

3.10 Relationship with UNFCCC and thematic bodies

33. The Board, in its decision B.04/15, decided that, in the short term, the Fund should commence its engagement with UNFCCC thematic bodies, with a view to reassessing this engagement as the Fund and UNFCCC thematic bodies evolve.

34. At the request of the Board, the Interim Secretariat further invited the Global Environment Facility Secretariat, the Adaptation Fund and the Climate Investment Funds to take up observer status with the Green Climate Fund. The Interim Secretariat engages informally with other external bodies by exchanging information, as required.

3.11 Accreditation of observer organizations

35. Until its March 2013 meeting, the Board used provisional arrangements for observer participation at the Board meetings, including to allow participation of four active observers from civil society and private sector organizations in Board meetings. At its March 2013 meeting, the Board adopted Additional Rules of Procedure relating to observers and Guidelines relating to the observer participation, accreditation of observer organizations and participation of active observers.

36. Pursuant to decision B.01-13/03, taken at the March 2013 Board meeting, the Interim Secretariat received applications from intergovernmental entities, civil society organizations and private sector organizations for observer accreditation by 9 May 2013. On this basis, the Board decided to approve organizations for accreditation by 3 June 2013. The subsequent deadline for observer accreditation submission was 5 July 2013. Based on the applications received, the Board decided to accredit 111 organizations.

37. The lists of Fund accredited civil society organizations, private sector organizations and international entities are published on the Fund's website and the accredited organizations were duly informed.

3.12 Communication strategy of the Fund

38. The Board, in decision B.04/14, approved the terms of reference for the development of a communication strategy and will consider the draft communication strategy at its first meeting in 2014.

3.13 Logo of the Fund

39. A logo competition was launched and submissions were invited by 28 July 2013. Eighty-four entries were received. A Logo Selection Panel, comprising four Board members/alternate members, one civil society and one private sector representative, a well-known graphic designer, and the Executive Director, established a set of criteria to evaluate these entries. The Selection Panel reviewed a long-list of 15 entries that was presented by the Interim Secretariat.

[Outcome to be completed post-October Board meeting.]

3.14 Financial resources for the administrative budget in the Green Climate Fund Trust Fund

40. Several countries paid in contributions to the Green Climate Fund Trust Fund, others have indicated their intention to contribute to the Trust Fund, and some are in the process of

making administrative arrangements for providing resources for the administrative budget. As at 30 June 2013, countries have pledged a total amount of US\$ 9 million-equivalent to the Trust Fund. The Interim Trustee entered into agreements/arrangements with 10 contributors totalling US\$ 7.55 million-equivalent and received the full amounts from those countries. Additional pledges and contributions were received after the reporting deadline.

3.15 Arrangements between the Green Climate Fund and the COP

41. In its decision 7/CP.18, the COP requested the Standing Committee on Finance (SCF) and the Board to develop arrangements between the COP and the Fund in accordance with the Governing Instrument for the Fund and Article 11, paragraph 3, for agreement by the Board and subsequent agreement by COP 19.

42. The Board considered the draft arrangements received from the Co-Chairs of the SCF on 17 September 2013, and approved the draft arrangements presented in Annex II to document GCF/B.05/17.

43. The Board requested the Co-Chairs to inform the Co-Chairs of the SCF regarding the outcome of the Board's deliberations on the arrangements.

44. It further requested the Interim Secretariat to transmit, on behalf of the Board, to the secretariat of the UNFCCC the draft arrangements between the COP and the Fund, for transmittal to the COP for its subsequent agreement at its nineteenth session, in accordance with decision 7.CP/18.

Appendix I: Members and alternate members of the Board of the Green Climate Fund as at 23 September 2013

Members	Alternate members	Constituency/Regional Group
Mr. Christian N. Adovelande (Benin) President West African Development Bank	Mr. Tosi Mpanu Mpanu (Democratic Republic of the Congo) Co-Chair of the REDD+ Partnership	Developing countries, Africa
Mr. Omar El-Arini (Egypt) Member of the Board Egyptian Environmental Affairs Agency	Mr. Newai Gebre-ab (Ethiopia) Member of the former Transitional Committee for the design of the Green Climate Fund	
Mr. Zaheer Fakir (South Africa) Head International Relations and Governance, Department of Environmental Affairs	Mr. Paulo Gomes (Guinea Bissau) Member of the Board of Directors Ecobank Transnational Inc., Vice-Chairman of the finance committee	
Mr. Liang Ziqian (China) Deputy Director General International Department, Ministry of Finance	Mr. Kwang-Yeol Yoo (Republic of Korea) Director General for International Financial Cooperation, Ministry of Strategy and Finance	Developing countries, Asia-Pacific
Mr. Ayman M. Shasly Sarte Salceda (Saudi Arabia)* International Policies Consultant, Ministry of Petroleum and Mineral Resources	Mr. Farrukh Iqbal Khan (Pakistan)* Counsellor Permanent Mission of Pakistan to the United Nations	
Mr. Jose Ma. Clemente Sarte Salceda (Philippines)* Governor Province of Albay	Mr. Shri Dipak Dasgupta (India)* Principal Economic Adviser, Ministry of Finance	
Mr. Pedro Garcia Brito (Dominican Republic)* Climate Change Director, Ministry of Environment and Natural Resources	H.E. Ms. Audrey Joy Grant (Belize)* Minister of Energy, Science and Technology and Public Utilities	Developing countries, Latin America and the Caribbean

H.E. Mr. Sergio Serra (Brazil)* Ambassador Consulate General of Brazil in Barcelona, Ministry of External Relations	Mr. Rodrigo Rojo (Chile) Deputy Director for International Affairs, Ministry of Finance	
H.E. Mr. Pedro Paez (Ecuador)* Minister for Economic Policy Coordination and Coordinator of the Southern Bank	Ms. Adriana Soto (Colombia)* Vice-Minister Ministry of Environment and Sustainable Development	
Mr. David Kaluba (Zambia) Principal Economist Ministry of Finance and National Planning	Mr. Mesbah ul Alam (Bangladesh) Secretary Ministry of Disaster Management and Relief	Developing countries, Least Developed Countries
Mr. Derek Gibbs (Barbados) Chief Economist Research and Planning Unit, Economic Affairs Division, Ministry of Finance and Economic Affairs	H.E. Mr. Ali'ioaigi Feturi Elisaia (Samoa) Ambassador Extraordinary and Plenipotentiary, Permanent Representative, Permanent Mission of Samoa to the United Nations	Developing countries, Small Island Developing States
H.E. Mr. George Zedginidze (Georgia) Former Minister Ministry of Environment Protection	Mr. Irfa Ampri (Indonesia) Head, Center for Climate Change Financing and Multilateral Policy, Fiscal Policy Agency, Ministry of Finance	Developing countries
Mr. Ewen McDonald (Australia) Deputy Director General Australian Agency for International Development	Mr. Rod Hilton (Australia) Assistant Director General Australian Agency for International Development	Developed countries, Australia on behalf of Australia and New Zealand
Mr. Per Callesen (Denmark) Governor Central Bank of Denmark	Mr. Richard Doornbosch (Netherlands) Head, International Economy and Financial Institutions Division, Ministry of Finance	Developed countries, Denmark and the Netherlands**

<p>Mr. Arnaud Buisse (France) Deputy Assistant Secretary Multilateral Financial Affairs and Development Division, Directorate-General of the Treasury</p>	<p>Mr. Frederic Glanois (France) Head of Official Development Assistance and Multilateral Development Institutions, Directorate-General of the Treasury</p>	<p>Developed countries, France</p>
<p>Mr. Manfred Konukiewitz (Germany) Deputy Director General Climate Policy, Global and Sectoral Affairs, Federal Ministry for Economic Cooperation and Development (BMZ)</p>	<p>Mr. Norbert Gorissen (Germany) Head of Division International Climate Finance, International Climate Initiative, Federal Ministry for the Environment, Nature Conservation and Nuclear Safety (BMU)</p>	<p>Developed countries, Germany</p>
<p>Mr. Kentaro Ogata (Japan) Director Development Issues International Bureau Ministry of Finance</p>	<p>Mr. Tomonori Nakamura (Japan) Special Coordinator for Environmental Finance Development Policy Division, International Bureau, Ministry of Finance,</p>	<p>Developed countries, Japan</p>
<p>Mr. Kjetil Lund (Norway) State Secretary Ministry of Finance</p>	<p>Mr. Tomas Zidek (Czech Republic) Deputy Minister Ministry of Finance</p>	<p>Developed countries, Norway and Czech Republic</p>
<p>Ms. Beata Jacewska (Poland) Deputy Minister Ministry of Environment</p>	<p>Mr. Adam Kirchknopf (Hungary) Deputy Head Department for International Development Cooperation and Humanitarian Aid Ministry of Foreign Affairs</p>	<p>Developed countries, Poland and Hungary**</p>
<p>Ms. Ana Fornells de Frutos (Spain) Expert on Climate Change Finance Ministry of Environment</p>	<p>Ms. Ludovica Soderini (Italy) International Financial Relations, Treasury Department, Ministry of Economy and Finance</p>	<p>Developed countries, Spain and Italy**</p>
<p>Mr. Alexey Kvasov (Russian Federation) Deputy Chief Presidential Experts' Directorate Russian G8 Sherpa Executive Office of the President</p>	<p>Mr. Anton Hilber (Switzerland) Head Global Programme Climate Change, Swiss Agency for Development Cooperation, Federal Department of Foreign Affairs</p>	<p>Developed countries, Russian Federation and Switzerland***</p>

H.E. Mr. Jan Cedergrén (Sweden) Ambassador Ministry of Environment	Mr. Jozef Buys (Belgium) Attaché Directorate General for Development Cooperation, Ministry of Foreign Affairs	Developed countries, Sweden and Belgium**
Mr. Nick Dyer (United Kingdom of Great Britain and Northern Ireland) Director Policy Department for International Development	Mr. Josceline Wheatley (United Kingdom of Great Britain and Northern Ireland) Team Leader, Climate Finance and Negotiations, Department for International Development	Developed countries, United Kingdom of Great Britain and Northern Ireland
Mr. Matthew Kotchen (United States of America) Deputy Assistant Secretary Environment and Energy, Department of the Treasury	Mr. C. Alexander Severens (United States of America) Director, Office of Environment and Energy, Department of the Treasury	Developed countries, United States of America

* The letters of nomination from Asia-Pacific and Latin America and the Caribbean indicate a change in the arrangements during the three-year term of membership.

** The letter of nomination indicated that: "Constituencies will decide at their own discretion on the designation of Member and Alternate Member. Discussions amongst developed country Parties in Geneva on 13 April 2012 showed one outstanding issue regarding whether the European Union may participate on the Board, the resolution of which is still pending consensus of developed country Parties. Accordingly, the list above does not prejudice the outcome of this issue."

*** The letter of nomination indicated that: "Constituencies will decide at their own discretion on the designation of Member and Alternate Member."

Appendix II: Decisions taken by the Board in 2013

Third meeting of the Board, Berlin, Germany, 13-15 March 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,

Took note of the Draft Headquarters Agreement between the Republic of Korea and the Green Climate Fund;

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;

Authorized its Co-Chairs to sign, on behalf of the Fund, the Headquarters Agreement between the Republic of Korea and the Green Climate Fund;

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

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.

the Republic of Korea as identified in the Headquarters Agreement between the Republic of Korea and the Green Climate Fund;

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,

Approved the scope of further work on communication outlined in Annex XIII to this document;

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;

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;

Took note of the guidance on representation at external events outlined in Annex V of document GCF/B.01-13/06;

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;

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;

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);

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*

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- 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; and*
 - (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;*
- (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

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,

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;

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;

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.

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,

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;

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;*

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,

- (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; and*
 - (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; and*
 - (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

Decided that its second meeting in the year 2013 will take place in Incheon City, Republic of Korea, on 25-28 June 2013; and

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:

- (r) States that are Party or observer State to the Convention;*
- (s) International entities, including United Nations agencies, multilateral development banks, international financial institutions and regional institutions; and*
- (t) 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*
- (a) 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.*

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*

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.

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.*

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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.

(f) 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.*

(g) Country ownership

This document will include the following matter:

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

(h) Structure and organization

This document will include the following matter:

- (i) An assessment of the structure and organization of other multilateral funds.*

(i) Financial instruments

This document will include the following matter:

- (i) An assessment of the range of financial instruments the Fund could utilize, their benefits and disadvantages and applicability.*

(j) 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.*

(k) 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;*
 - (vii) *Prepare financial agreements related to the specific financing instrument to be concluded with an implementing entity;*

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- (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.*

**Fourth meeting of the Board, Songdo, Republic of Korea,
26-28 June 2013*****Agenda item 4: Establishment of the independent Secretariat******A. Selection of the Executive Director******DECISION B.04/02***

The Board:

- (d) Decided by consensus to select Ms. Hela Cheikhrouhou for the post of the Executive Director of the Fund;*
- (e) Requested the Interim Secretariat to engage an executive search firm to facilitate the negotiation of the terms of the contract that will be in accordance with the approved terms of reference¹ (annex to Board decision B.01-13/07) with Ms. Cheikhrouhou, including on a remuneration package that will be in accordance with Board decision B.01-13/07, with the terms of the contract being subject to the approval by the Co-Chairs;*
- (f) Authorized the Co-Chairs to sign, on behalf of the Fund, the contract between Ms. Cheikhrouhou and the Fund.*

B. Administrative policies and procedures of the independent Secretariat***DECISION B.04/03***

The Board, having reviewed document GCF/B.BM-2013/01 Administrative Framework for the Green Climate Fund,

- (a) Approved the following hybrid option as the basis for the administrative framework for the Fund:*
 - (i) Privileges and immunities for the Fund's staff to be established consistent with paragraph 8 of the Governing Instrument, with reference to those provided to the International Fund for Agricultural Development and other international financial institutions that operate effectively internationally through appropriate bilateral and multilateral agreements; and*
 - (ii) The Fund's administrative policies, including for human resources, procurement, travel and finance, are to be based on those used by the Asian Development Bank;*
- (b) Requested the Interim Secretariat to undertake work on obtaining administrative support from another organisation to facilitate the transition from the Interim Secretariat to the independent Secretariat, for consideration and adoption by the Board at its September 2013 meeting;*
- (c) Further requested the Interim Secretariat to initiate work on the Fund's administrative policies based on the hybrid option, and advance work as rapidly as possible and report on progress to the Board at its September 2013 meeting;*
- (d) Authorized the Executive Director to develop the necessary administrative guidelines for the operations of the independent Secretariat based on the direction provided by the Board.*

¹ This presumes that the Headquarters Agreement and the Green Climate Fund Act have entered into force.

Agenda item 5: Business model framework**A. Objectives, results and performance indicators****DECISION B.04/04**

The Board:

- (a) Noted convergence that the Fund will have a strategic focus on climate mitigation and adaptation, and also seek to maximize sustainable development;
- (b) Reaffirmed that country ownership will be a core principle of the business model framework of the Fund and that countries will identify their priority result areas in line with their national strategies and plans;
- (c) Decided to consider further the initial result areas of the Fund, with an aim to achieve substantial progress at its September 2013 meeting;
- (d) Further decided to consider the core performance indicators to be employed by the Fund to measure performance against the objectives of the Fund and the mitigation and adaptation results to be considered by the Board at its September 2013 meeting;
- (e) Further decided to consider the expected impacts and role of the Fund in the initial result areas at its second meeting in 2014.

B. Country ownership**DECISION B.04/05**

The Board:

- (a) Reaffirmed that country ownership and a country-driven approach are core principles of the Fund;
- (b) Noted convergence on the importance of readiness and preparatory support for country ownership practices;
- (c) Further noted that countries may designate a national designated authority (NDA), in conformity with the Governing Instrument, or mandate a country focal point to interact with the Fund;
- (d) Decided to consider, at its September 2013 meeting, countries' transparent no-objection procedure;
- (e) Decided that the NDA or focal point will:
 - (i) recommend to the Board funding proposals in the context of national climate change strategies and plans, including through consultation processes;
 - (ii) facilitate the communication of nominations of entities to the Fund;
 - (iii) seek to ensure consistency of funding proposals from national, subnational, regional and international intermediaries and implementing entities with national plans and strategies;
 - (iv) implement the no-objection procedure; and
 - (v) act as the focal point for Fund communication;
- (f) Further decided that countries should have flexibility in relation to the location, structure, operation and governance of NDAs or focal points;

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- (g) Requested the Secretariat to make all necessary steps to open a call to developing countries to start the processes of designating a NDA or focal point as early as possible, and preferably before June 2014;
- (h) Requested the Interim Secretariat to reflect in the document on readiness and preparatory support, to be prepared for the September 2013 Board meeting, options to enhance country ownership, including possible support to, NDAs or focal points;
- (i) Decided to consider, at its first meeting in 2014:
- (i) Best practices for the establishment and composition of NDAs or focal points; and
 - (ii) Best-practice options for country coordination and multi-stakeholder engagement, including in the context of the development of funding proposals.

C. Access

DECISION B.04/06

The Board:

- (a) Noted the direction of the Governing Instrument that the Fund will provide simplified and improved access to funding, to encourage a country-driven approach;
- (b) Noted that the Board will consider additional modalities that further enhance direct access, including through funding entities with a view to enhancing country ownership of projects and programmes; and that the Fund will provide for readiness and preparatory activities and technical assistance, such as the preparation or strengthening of low-emission development strategies or plans, NAMAs, NAPs, NAPAs, and for in-country institutional strengthening, including the strengthening of capacities for country coordination and to meet fiduciary principles and standards and environmental and social safeguards, in order to enable countries to directly access the Fund;
- (c) Noted convergence on the need to develop the Fund's own access modalities, including, inter alia, accreditation procedures, best-practice fiduciary principles and standards and environmental and social safeguards;
- (d) Further noted convergence on a phased approach, during which the Fund will use, on an interim basis, the accreditation procedures, including best-practice fiduciary principles and standards and environmental and social safeguards, of other relevant funds;
- (e) Noted the guidance contained in the Governing Instrument, which mandated the Board to consider additional methodologies that further enhance direct access, including through funding entities, with a view to enhancing country ownership of projects and programmes;
- (f) Decided to consider at its September 2013 meeting:
- (i) interim accreditation procedures, including best-practice fiduciary principles and standards and environmental and social safeguards and any other relevant criteria to enhance transparency, effectiveness and efficiency, used by other relevant funds;
 - (ii) the elaboration of criteria for the accreditation of sub-national, national, regional and international intermediaries and implementing entities; and
 - (iii) an assessment, against the criteria, of existing accredited national, regional and international intermediaries and implementing entities by other relevant funds, with a view to agreeing whether or not those intermediaries and implementing entities should be provided with interim accreditation;

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- (g) *Decided to consider at its first meeting in 2014 additional modalities that further enhance direct access, including through funding entities with a view to enhancing country ownership of projects and programmes;*
- (h) *Further decided to consider the process for transitioning from the interim accreditation procedures, fiduciary principles and standards and environmental and social safeguards to the Fund's own accreditation procedures, including best-practice fiduciary principles and standards and environmental and social safeguards, at its second meeting in 2014.*

D. *Financial instruments*

DECISION B.04/07

The Board:

Decided to consider the terms and criteria of the grants and concessional lending to be deployed by the Fund for mitigation and adaptation through accredited national, regional and international intermediaries and implementing entities at its September 2013 meeting.

E. *Private Sector Facility*

DECISION B.04/08

The Board:

- (a) *Decided that the Private Sector Facility will operate efficiently and effectively under the guidance and authority of the Board as an integral component of the Fund, including in relation to the result areas and specific core performance indicators, where relevant;*
- (b) *Decided that the Private Sector Facility will address barriers to private sector investment in adaptation and mitigation activities, such as market failures, insufficient capacity and lack of awareness, in order to mobilize private capital and expertise at scale in accordance with national plans and priorities. This will include facilitating and enhancing the participation of national, regional and international private sector actors in developing countries;*
- (c) *Recalled that, in line with the Governing Instrument, the Private Sector Facility will promote the participation of private sector actors in developing countries, in particular local actors, including small and medium sized enterprises and local financial intermediaries. The Facility will also support activities to enable private sector involvement in small island developing States and least developed countries. Modalities will be developed for consideration by the Board;*
- (d) *Acknowledged that private sector investment in general relies on readiness and enabling environments, the enhancement of which could be supported by the Fund at large;*
- (e) *Emphasized the need for the Private Sector Facility to pay specific attention to Africa and to adaptation activities at the national, regional and international levels;*
- (f) *Acknowledged the need to mobilize funds at scale from, inter alia, institutional investors, such as pension funds and sovereign wealth funds, and to design modalities to that end;*
- (g) *Decided that the Private Sector Facility will seek efficient solutions that minimize market distortions and moral hazard in the use of the Fund's resources by using, inter alia, competitive processes;*
- (h) *Decided that the Private Sector Facility will initially focus on grants and concessional lending and will also draw on a broad range of other financial instruments and modalities to achieve its objectives;*

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- (i) Decided to establish a Private Sector Advisory Group that will make recommendations to the Board on Fund-wide engagement with the private sector and modalities to that end. The Private Sector Advisory Group will comprise two developing country Board members, two developed country Board members, up to four private sector representatives from developing countries and up to four private sector representatives from developed countries, up to two civil society representatives, subject to the criteria determined through the terms of reference. Requested the Interim Secretariat to submit draft terms of reference, bringing in the views of independent experts, and including the criteria for selection, term of office, and replacement of these members, for consideration by the Board at its September 2013 meeting, with a view to establishing the Private Sector Advisory Group at that meeting;
- (j) Decided that an appropriate risk management framework will be developed, enabling the Fund to exert due diligence and manage its risks prudently. For this purpose, the Board decided to establish a Risk Management Committee, and requested the Interim Secretariat to submit draft terms of reference for consideration by the Board at its September 2013 meeting, drawing on independent expertise;
- (k) Decided to establish an Investment Committee that will review investment proposals and instruments and recommend their approval in accordance with social and environmental safeguards and the Fund's objectives and the risk management framework. Requested the Interim Secretariat to submit draft terms of reference, taking into account delegating the appropriate level of final approval authority to the Committee, for consideration by the Board at its September 2013 meeting, drawing on independent expertise;
- (l) Decided that the Private Sector Facility, in accordance with non-objection procedures and in order to ensure consistency with national climate strategies and plans and a country-driven approach:
- (i) Will commence its operations through accredited national, regional and international implementing entities and intermediaries; and
 - (ii) May over time work directly with private sector adaptation and mitigation actors at the national, regional and international levels, subject to consideration by the Board of a phased approach.

F. Structure and organization

DECISION B.04/09

The Board:

- (a) Noted convergence that the initial structure and organization of both the Fund and the Secretariat should be thematic, with a Private Sector Facility, a strong country and programmatic focus, internal coherence and linkages, and the flexibility to evolve over time;
- (b) Requested the Executive Director, with the support of the Interim Secretariat, to prepare for consideration by the Board at its September 2013 meeting, an initial structure that can be scaled up, organizational diagrams and a staffing table covering the core, operating and other relevant functions of a flexible and efficient Secretariat, as well as the cost, procedure, timeframe and process for implementing the proposed structure and organization, based on the views expressed by the Board during its June 2013 meeting;
- (c) Agreed to consider, at its September 2013 meeting, the establishment and terms of reference of permanent and ad hoc committees of the Board that will assist the Board in fulfilling its roles and functions;

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- (d) *Agreed to consider, at its first meeting in 2014, mechanisms to draw on appropriate expert and technical advice, including independent scientific and technical advice and from the other relevant thematic bodies, for the Board;*
 - (e) *Recognized that the Fund will have a Trustee with administrative competence to manage the financial assets of the Fund, in accordance with the Governing Instrument;*
 - (f) *Established independent evaluation and integrity units and an independent redress mechanism in accordance with the Governing Instrument;*
 - (g) *Agreed to consider, at its first meeting in 2014, the terms of reference of the independent evaluation and integrity units and the independent redress mechanism.*

Agenda item 6: Additional rules of procedure of the Board

A. Information disclosure, including webcasting

DECISION B.04/10

The Board, having reviewed document GCF/B.04/10 Information Disclosure, including Webcasting,

- (a) *Decided to adopt a negative list approach for the long-term structure of the Fund's information disclosure policy, but to use a simplified information disclosure practice in the interim, while the negative list approach is being developed;*
- (b) *Requested the Interim Secretariat to prepare a draft interim information disclosure practice for consideration by the Board at its September 2013 meeting;*
- (c) *Requested the independent Secretariat to develop in 2014 a comprehensive draft information disclosure policy based on the negative list approach;*
- (d) *Decided that full, non-executive sessions of the Board will be subject to recording, and those recordings will be made available on the website of the Fund, through registration only, within three weeks of each Board meeting, and to review the matter in light of experience gained and the usage statistics of the service.*

B. Participation of advisers

DECISION B.04/11

The Board, having considered document GCF/B.04./11, Participation of Advisers in Board Proceedings,

- (a) *Adopted the Guidelines on the participation and conduct of advisers in Board meetings as set out in Annex I to this document;*
- (b) *Requested the Interim Secretariat to publish the Guidelines on the Fund's website;*
- (c) *Decided to implement Option 2 as presented in paragraph 18 of document GCF/B.04/11 ('Funding to be provided from the administrative budget of the Fund for the travel costs associated with Board meetings of one designated adviser per eligible developing country Board member and alternate member') as the basis for providing funding for the participation of adviser travel to meetings of the Board until the adoption of the Fund's overall travel policy, and requested the Interim Secretariat to reflect this in the Fund's overall travel policy.*

C. *Voting rules*

The Board took note of the information presented in document GCF/B.04/12 (Voting Procedures for the Board) and will further consider the options outlined in the document.

Agenda item 7: Arrangements between the Conference of the Parties and the Fund

DECISION B.04/12

The Board:

Requested the Co-Chairs to continue consulting with the Co-Chairs of the Standing Committee on Finance and to develop the draft arrangements between the Conference of the Parties and the Fund for the consideration by the Board at its September 2013 meeting.

Agenda item 8: Logo of the Fund

DECISION B.04/13

The Board:

- (a) Took note of the extended deadline for submissions of 28 July 2013;*
- (b) Constituted the Selection Panel, whose work will be supported by the Interim Secretariat, comprising:
 - (i) The following four members/alternate members of the Board:
Ms. Ana Fornells de Frutos, Mr. Hong-Sang Jung, Mr. Adam Kirchknopf,
Mr. Farrukh I. Khan;*
 - (ii) [...] as the representative of civil society;²*
 - (iii) Mr. Miles Austin (CMIA) as the representative of the private sector;*
 - (iv) A well-known graphic designer with substantial experience in designing logos; and*
 - (v) The Director of the Interim Secretariat.**
- (c) Requested the Interim Secretariat, under the guidance of the Co-Chairs, to identify a well-known graphic designer referred to in paragraph (b) (iv) above, and to invite him/her to become a member of the Panel on a pro-bono basis;*
- (d) Authorized the Selection Panel to establish a set of criteria to evaluate the entries and take a decision based on these pre-determined criteria and to hold meetings, arranged with the assistance of the Interim Secretariat, as necessary for the conduct of its work;*
- (e) Requested the Interim Secretariat, in accordance with the terms and conditions of the competition, to present a shortlisted set of 100 entries to the Selection Panel;*
- (f) Requested the Selection Panel to assess the entries, and make a recommendation on the successful logo to the Board at its September 2013 meeting.*

² To be nominated by the civil society active observers.

Agenda item 9: Communication strategy**DECISION B.04/14**

The Board, having reviewed document GCF/B.04/13 Concept Note on the Development of a Communication Strategy,

- (a) Decided to extend the timeframe for the completion of the communications strategy from September 2013 to the first Board meeting in 2014;
- (b) Approved the terms of reference for the development of a communication strategy, contained in Annex II to this document;
- (c) Requested the Interim Secretariat, under the guidance of the Co-Chairs, to develop the communications strategy with the assistance of a consultant or consultants, on the basis of the terms of reference in Annex II to this document, for the consideration by the Board at its first meeting in 2014;
- (d) Acknowledged that US\$ 35,000 from the administrative budget of the Fund for the period from 1 November 2012 to 31 December 2013 may be used for the completion of the work planned for 2013, as set out in Annex II to this document;
- (e) Further requested the Interim Secretariat to allocate US\$15,000 from the administrative budget for the period commencing on 1 January 2014 to be used for the completion of the work planned in 2014, as set out in Annex II to this document.

Agenda item 10: Relationship with the thematic bodies under the United Nations Framework Convention on Climate Change and external bodies**DECISION B.04/15**

The Board:

- (a) Decided that, in the short term, the Fund should commence its engagement with UNFCCC thematic bodies, with a view to reassessing this engagement as the Fund and UNFCCC thematic bodies evolve;
- (b) Requested the Interim Secretariat to invite the Global Environment Facility Secretariat, the Adaptation Fund and the Climate Investment Funds to take up observer status with the Green Climate Fund;
- (c) Further requested the Interim Secretariat to engage informally with other external bodies by exchanging information, as required.

Agenda item 12: Co-Chairs**DECISION B.04/16**

- (a) The Board: Decided that the election of the Co-Chairs be scheduled for the end of its third meeting in 2013;
- (b) Further decided that the current Co-Chairs will continue their functions for the duration of that meeting.

Agenda item 13: Other business

DECISION B.04/17

The Board:

Decided that its third meeting in the year 2013 will take place in Paris, France;

Authorized the Co-Chairs, together with the Interim Secretariat and the country hosting the meeting, to change the dates of that meeting (4-6 September 2013, with preparatory meetings on 3 September 2013) to later dates in late September or early October 2013, and inform the Board accordingly.

DECISION B.04/18

The Board:

Authorized the Interim Secretariat to provide from the administrative budget of the Fund the travel costs for the most direct and economical route associated with Board meetings of one designated adviser per eligible developing country Board member and alternate member.

Annex I: Guidelines on the participation and conduct of advisers in Board meetings

I. Designation and attendance of advisers at Board meetings

1. Paragraph 2 (b) of the Rules of Procedure defines an "Adviser" as follows:

"2 (b) "Adviser" means an expert providing advice to a member and/or alternate member during or in connection with Board meetings;"

Moreover, paragraphs 25 and 28 of the Rules of Procedure state that:

"25. 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."

"28. 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."

2. Seating for advisers will be provided behind the alternate member or, in the case of no attendance by the alternate member, behind the Board member.

3. One adviser per Board and alternate member will be allowed in the Board meeting room to observe Board proceedings at any one time.

II. Representation of advisers in committees, sub-committees, panels and working groups

4. Paragraphs 1 and 30-32 of the Rules of Procedure define the composition of Board committees, sub-committees, panels and working groups:

"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."

"30. 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."

31. 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."

32. 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."

5. In accordance with these provisions, advisers may be appointed to technical and expert panels established by the Board provided that they are eminent specialists in a given field, but may not form part of Board committees and sub-committees. The Rules of Procedure do not contain any

provision on the composition of working groups. Thus, the Board may decide, if circumstances so warrant, to include advisers in working groups.

III. Conduct of advisers

6. *Board members and alternate members are accountable for the conduct of their respective adviser/s during, and in connection with, Board meetings.*

7. *The Rules of Procedure, in paragraphs 18 and 21, only refer to Board members and alternate members in relation to notification of meeting and transmittal of documents:*

“18. 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.”

“21. 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. *Each Board member or alternate member will decide whether to provide their adviser/s access to documents or information, except for documents that are confidential and expressly restricted to Board members and alternate members.*

Annex II: Terms of reference for the development of a communication strategy

I. Context

1. *The Green Climate Fund is a new multilateral fund that was agreed by Parties under the United Nations Framework Convention on Climate Change. The Fund's purpose is to make a significant and ambitious contribution to the global effort to limit global temperature increases to 2° Celsius by providing support to developing countries to limit or reduce their greenhouse gas emissions and to adapt to the impacts of climate change.*
2. *The Board decided that the Fund requires a comprehensive communication strategy in order to help it achieve its objectives.*
3. *Since its inception, the Fund has been subject to increasing levels of interest from a range of stakeholders, including developing and developed country governments, project implementers, media, civil society, and the private sector. This attention is likely to increase as the Fund moves to establish its headquarters in Songdo, Republic of Korea, and approaches its operationalization.*
4. *The Board is currently faced with the challenge of delivering rapid operationalization while, at the same time, ensuring that frameworks and policies are put in place to deliver an efficient and effective Fund. The Fund's communication strategy should seek to ensure that both these goals are understood and that the Board's approach is seen as credible by external stakeholders.*
5. *The communication strategy should identify levers for attracting funds, and address how external communications could generate stakeholder interest in this regard.*
6. *Finally, as the Fund moves to disbursing and channelling funds, the communication strategy will need to promote awareness of successful projects, and highlight the ongoing work of the Fund in supporting initiatives to address climate change.*
7. *The Fund's communication strategy should be based on, and evaluated against, the extent to which it helps the Fund to achieve its objectives.*
8. *The communication strategy should develop clear objectives, set specific targets, and identify the tools and activities which will need to be executed. A proactive communication strategy should be closely linked to the Board's work plan during all of these stages.*

II. Terms of reference

2.1 The scope of work required includes:

- (a) *Communication review, including an analysis of the current perception of the Fund and its Board among key constituencies and stakeholders;*
- (b) *Mapping of the communication strategies, relationships, and outputs of other comparable international institutions;*
- (c) *Mapping of stakeholder and target audiences;*
- (d) *Establishing objectives and priorities for the Fund's communication;*
- (e) *Key messages for the Fund's external communications (including recommendations for preferred communication channels);*

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- (f) *Overview of proposed communication activities, including baseline components, with associated resource and capacity implications; and additional “added value” components, also with resource and capacity implications;*
 - (g) *Establishing a procedure for internal organization and planning of communication activities, including managing information flows between the Board, (Interim) Secretariat and consultant; and*
 - (h) *Establishing tools for evaluation of the communication strategy.*

2.2 Timeline and deliverables for the strategy

- (a) *Concept note and terms of reference approved (June 2013);*
- (b) *An outline strategy document, for the consideration by the Co-Chairs (August 2013);*
- (c) *A draft communication strategy, which should include the elements outlined in the scope of work, for the consideration by the Co-Chairs (December 2013); and*
- (d) *Final draft communication strategy presented for approval at the first Board meeting in 2014.*

2.3 Consultancy support

9. *The Interim Secretariat will engage external consultancy support to assist in delivering this work. A consultant or consultants will be selected, through a competitive process, from a short-list of communication experts established following the procedure outlined in Annex III.*

The work will be contracted through two contracts since the current spending authority is limited to 31 December 2013. The first contract will encompass the delivery of the draft communication strategy by December 2013. The second contract, for the final deliverable, would be entered into after the spending authority for 2014 is approved by the Board.

Fifth meeting of the Board, Paris, France, 8-10 October 2013

[To be inserted after the October Board meeting]

Appendix III: Elements of the Board's work plan until the end of 2014 [To be updated based on adopted version]

I. Institutional and strategic matters

- (a)* Administrative policies;
- (b)* Legal relationships, including securing privileges and immunities for the Fund and its staff;
- (c)* Trustee arrangement, including review of interim Trustee;
- (d)* Reporting to the Conference of the Parties (COP);
- (e)* Commencement of annual reporting and external auditing process;
- (f)* Information disclosure policy;
- (g)* Relationship with other climate finance entities and external bodies, including corporate and foundational partnerships;
- (h)* Establishment of committees and panels of the Board; and
- (i)* Communication strategy.

II. Access modalities and country ownership

- (a)* Additional modalities that further enhance direct access, including through funding entities with a view to enhancing country ownership of projects and programmes;
- (b)* Developing the Fund's own accreditation policies and procedures, including legal and formal arrangements, fiduciary standards and social and environmental safeguards;
- (c)* Process for transitioning from the interim accreditation procedures to the Fund's own accreditation procedures;
- (d)* Adoption of best practices for the establishment and composition of National Designated Authorities (NDAs) and focal points;
- (e)* Terms of reference for the Accreditation Panel;
- (f)* Simplified procedures and eligibility criteria for certain activities, particularly for small-scale activities; and
- (g)* Best-practice options for country coordination and multi-stakeholder engagement, including in the context of the development of funding proposals.

III. Programming modalities

- (a)* Risk management policy for the Fund, including funding and financial instruments;
- (b)* Funding approval processes and criteria, including programme and project funding cycle;
- (c)* Detailed allocation framework, including results-based allocation that links evaluated performance to individual allocations;
- (d)* Modalities for attracting alternative sources of financial inputs;
- (e)* Financial terms and conditions for grants and concessional loans;

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- (f)* Use of financial instruments other than grants and concessional loans;
 - (g)* Programme of work on readiness and preparatory support; and
 - (h)* Mechanisms to draw on expert and technical advice.

IV. Private sector facility (PSF)

- (a)* Modalities to mobilize funds at scale; and
- (b)* Linkages with other Fund activities.

V. Accountability mechanisms, standards, results and evaluation

- (a)* Expected impacts and role of the Fund in the initial result areas;
- (b)* Structure of the results management framework of the Fund, including modalities to ensure flexibility and continuous learning;
- (c)* Guidelines for the results management framework, including any documents such as templates/tool kits;
- (d)* Monitoring and evaluation policy, including draft methodology for portfolio evaluation;
- (e)* Terms of reference for the Independent Evaluation and Integrity Units; and
- (f)* Terms of reference for the independent redress mechanism.

VI. Resource mobilization

- (a)* Policies and procedures for other contributions, including from alternative sources; and
 - (b)* Preparations for the first replenishment process.
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