



GREEN
CLIMATE
FUND

Decision-Making Procedures for the Board in the Absence of Consensus

GCF/B.08/17
7 October 2014

Meeting of the Board
14-17 October 2014
Bridgetown, Barbados
Agenda item 14 (b) (v)

Recommended action by the Board

It is recommended that the Board:

- (a) Take note of the information presented in document GCF/B.08/17 *Decision-Making Procedures for the Board in the Absence of Consensus*; and
- (b) Adopt the draft decision presented in the Annex to this document.

Decision-Making Procedures for the Board in the Absence of Consensus

I. Introduction

1. According to paragraph 14 of the Governing Instrument for the Fund, “decisions of the Board will be taken by consensus of the Board members”. This article also mandates the Board “to develop procedures for adopting decisions in the event that all efforts at reaching consensus have been exhausted”.

2. At its March 2013 meeting in Berlin, Germany, the Board requested the Co-Chairs to consider the matter of formal voting and report back to the Board at its June 2013 meeting (decision B.01-13/01, paragraph (I)). Based on Board discussions and feedback received from Board members, the Co-Chairs presented an informal note with four options for progressing work on formal voting procedures for the Board. The informal note GCF/B.04/12 *Voting Procedures for the Board*. The Board took note of the information presented in document GCF/B.04/12 *Voting Procedures for the Board* and decided to further consider the options outlined in the document; see GCF/B.04/17 *Decisions of the Board – Fourth Meeting of the Board, 26 – 28 June 2013*, page 19.

3. In the *Proposal for the Policies for Contributions to the Green Climate Fund: Recommended by Interested Contributors* (GCF/B.08/17) it is stated that:

(f) *Decision-making is seen by interested contributors – developed and developing countries - as key to the ability to mobilize resources. Against this background, interested contributors recommend to the Board that the Fund develops procedures for adopting decisions in the event that all efforts at reaching consensus have been exhausted consistent with paragraph 14 of the Governing Instrument.*

Consensus should remain the preferred principle for decision-making. Formal decision-making in the event that all efforts at reaching consensus have been exhausted can only be a measure of last resort.

Interested contributors recommend to the Board to ensure that any decision-making procedure reflects a balanced partnership between developing and developed countries taking into account the following principles:

(i) *Each Board Member will participate in voting;*

(ii) *Link with contributions; and*

(iii) *Qualified majorities depending on the type of decision.*

4. This document provides suggestions for decision-making principles in the event all efforts at reaching consensus have been exhausted. For a technical explanation of common features of voting models and a description of the voting procedures of other funds, reference is made to the informal note GCF/B.04/12 *Voting Procedures for the Board*.

II. Consensus

5. Consensus should remain the preferred and driving principle for decision-making. Formal decision-making in the event that all efforts at reaching consensus have been exhausted can only be a measure of last resort.

III. Exhaustion of all efforts to reach consensus

6. Paragraph 12 of the Rules of Procedure of the Board provide that:

The Co-Chairs will be responsible 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(...).

7. In the absence of other rules on determining if and when all efforts at reaching consensus have been exhausted, this decision is left to the Co-Chairs, pursuant to paragraph 12 of the Rules of Procedure of the Board.

IV. Decision-making principles

8. While recommending to the Board to ensure that any decision-making procedure reflects a balanced partnership between developing and developed countries, three recommended principles came out of the Initial Resource Mobilization process: the principle that:

- (a) Each Board member will always participate in voting;
- (b) There should be a link to contributions; and
- (c) There should be qualified majorities depending on the type of decision.

9. A variety of voting procedures have been developed over the years and are being used by international organizations. Paragraph V of document GCF/B.04/12 *Voting Procedures for the Board* gives some examples. However, to the knowledge of the Secretariat, a voting procedure equally respecting all three principles referred to above while ensuring a balanced partnership between developing and developed countries has not yet been developed or implemented by any international organization.

10. The Fund, as a unique and unprecedented form of global partnership established to make a significant and ambitious contribution to the global efforts towards attaining the goals set by the international community to combat climate change, calls for a unique approach to voting if all efforts at reaching consensus have been exhausted.

V. Next step and recommendations

11. With due observance of the three principles set out in paragraph 9 above and the balanced partnership between developing and developed countries, it is recommended that the Board request the Secretariat to develop procedures for adopting decisions in the event all efforts at reaching consensus have been exhausted, for consideration by the Board at its first meeting in 2015.

12. The Board may therefore wish to adopt the decision contained in the Annex to this document.

Annex: Decisions of the Board

The Board, having considered document GCF/B.08/17 *Decision-Making Procedures for the Board in the Absence of Consensus*:

- (a) Reaffirms that consensus should remain the preferred principle for decision-making. Formal decision-making in the event that all efforts at reaching consensus have been exhausted can only be a measure of last resort;
 - (b) Decides to adopt the principles that (i) each Board member will always participate in voting; (ii) there should be a link to contributions; and (iii) there should be qualified majorities depending on the type of decision, always respecting a balanced partnership between developing and developed countries; and
 - (c) Requests the Secretariat to develop procedures for adopting decisions in the event all efforts at reaching consensus have been exhausted for consideration by the Board at its first meeting in 2015, with due observance of the principles and balanced partnership mentioned in paragraph (b) above.
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