



**GREEN
CLIMATE
FUND**

Meeting of the Board

12 – 14 November 2019

Songdo, Incheon, Republic of Korea

Provisional agenda item 8(a)

GCF/B.24/Inf.15

8 November 2019

Report on the activities of the Co-Chairs

Summary

This document contains the report on the activities of the Co-Chairs from the twenty-third meeting of the Board to early November 2019.

I. Introduction

1. This document presents the report on the activities of the Co-Chairs from the twenty-third meeting of the Board (B.23) to early November 2019.

II. Preparations for the twenty-fourth meeting of the Board

2.1 Engagement with the Secretariat and independent units

2. Acting on behalf of the Co-Chairs, the advisers to the Co-Chairs held weekly conference calls with the Secretariat to prepare for the twenty-fourth meeting of the Board (B.24). The Co-Chairs and the Executive Director also engaged telephonically and in-person at the second replenishment meeting in Ottawa, Canada, and at the pledging session in Paris, France. The Co-Chairs and their advisers also engaged with the Heads of the Independent Units on IU-led items scheduled for Board consideration at B.24. These collaborations resulted in: the issuance of the B.24 provisional agenda; decisions proposed for Board approval between meetings; guidance provided by the advisers to the Secretariat and the independent units in the development and finalization of B.24 decision documents, including those arising from mandates by the Board to the Co-Chairs (see tables 1 and 2 in section 6.6 below); and the proposal to the Board for a four-year Board workplan.

2.2 Provisional agenda for the twenty-fourth meeting of the Board

3. A draft provisional agenda was transmitted to the Board for comments on 23 September 2019 for a one-week commenting period. Comments received were taken into consideration and the B.24 provisional agenda (document GCF/B.24/01/Drf.01) was transmitted to the Board and published on the website on 2 October 2019.

2.3 Consultations ahead of the twenty-fourth meeting of the Board

4. By decision B.23/03, paragraph (c), the Board requests the Co-Chairs to continue to enhance the effectiveness of pre-Board meeting consultations in an open, inclusive, consultative and transparent matter.

5. In addition to the draft provisional agenda, documents for selected matters scheduled for Board consideration and decision at B.24 were shared with the Board for comments from 23 September to 18 October 2019. In addition, technical briefings for Board members were conducted by the Secretariat on some of the papers. Matters prepared under the purview of Board committees were excluded from this process. The Co-Chairs provided guidance to the Secretariat in addressing matters of divergence emerging from the consultations in relation to some issues.

III. Workplan of the Board for 2020 – 2023

6. Following their communication to the Board at B.23 on their intention to do so, the Co-Chairs engaged the support of the Secretariat to develop the proposal for the workplan of the Board for 2020 – 2023 to complement the Updated Strategic Plan for 2020 – 2023. The proposed four-year Board workplan was consulted with the Board and webinars on the subject were offered to Board members, alternate members and advisers. The workplan of the Board for 2020 – 2023 has now been put forward for consideration and adoption by the Board at B.24

(see document GCF/B.24/14 titled “Workplan of the Board for 2020 – 2023: Co-Chairs proposal”).

IV. Decisions proposed between meetings

7. Based on requests from Board committees and in consultation with the Secretariat, the Co-Chairs determined that decisions must be taken by the Board between meetings on matters that should not be postponed to the next Board meeting. The decisions proposed for adoption are captured in document GCF/B.24/Inf.11 titled “Decisions proposed between the twenty-third and twenty-fourth meetings of the Board”.

V. Status of the review of committees, panels and groups

8. In accordance with Board decision B.20/04, the Secretariat procured the services of a consulting firm to assess the effectiveness of and lessons learned by the committees and the Private Sector Advisory Group (PSAG) established by the Board in supporting the Board to operate efficiently, and make recommendations to the Board in this regard, including their continued necessity.

9. The Co-Chairs received the final report on the review on 9 October 2019 and it is attached in document GCF/B.24/Inf.15/Add.01 titled “Report of the Co-Chairs – Addendum I: Final report of the review of the effectiveness of committees and group established by the Board”, transmitted to the Board on a limited distribution basis.

10. In the Co-Chairs’ view, the final report shows that the Board’s judgment to review committees and PSAG at the end of the IRM, taking into account the reflections of members, the members and alternate members of the Board in general, the Secretariat, and independent units, as well as experience from other Funds, was timely and correct.

11. The report suggests that there is:

- (a) Scope to enhance effectiveness by reviewing structures and for standing rather than establishment functions and considering responsibilities assigned to committees;
- (b) Scope to enhance efficiency by reviewing the way committees operate, members are appointed and term limits, as well as coordination between committees; and
- (c) Scope to improve transparency by reviewing record keeping and reporting to the Board.

12. Following consideration of the recommendations, the Co-Chairs are of the view that the review should be shared with the Board, with a view of a decision on any actions taken pursuant to the review to be prepared for consideration at B.25. A request for the Co-Chairs to consult on this item and make a proposal to B.25 will be included in proposed decision on the Board 2020 – 2023 Workplan prior to its presentation to the Board at B.24 for adoption. The Co-Chairs will also consult with the incoming Co-Chairs once elected to ensure adequate consultations on this matter.

VI. Board mandates to the Co-Chairs

6.1 Engagement in the replenishment process

13. The Board, by decision B.21/18, paragraph (k), requested the group of Board members and alternate Board members, consisting of the Co-Chairs and five representatives of developing countries and three representatives of developed countries, to represent the Board

and the Green Climate Fund and actively engage in the replenishment process, including to present the outcomes of the Board's deliberations listed in paragraph (i) and to report back to the Board on a regular basis.

14. Together with other members of the representative group of Board members, the Co-Chairs participated in the second replenishment consultation meeting which took place on 29 – 30 August in Ottawa, Canada. The Co-Chairs also participated in the pledging conference that took place on 24 – 25 October 2019 in Paris, France.

15. The summation by the Global Facilitator of the Second Consultation Meeting of the first Replenishment of the GCF was transmitted to the Board on 4 October 2019. As done previously, the global facilitator and the group of Board members will report to the Board at B.24 on the two events. In line with decision B.21/18, the outcomes of the replenishment process will be presented for consideration and endorsement by the Board at B.24.

6.2 Participation in Performance Oversight Committee activity

16. Pursuant to decision B.21/13, the Co-Chairs are members of the Performance Oversight Committee established to provide performance oversight for the Executive Director and Heads of Independent Units, collectively referred to as Board-appointed officials. The Co-Chairs have engaged in the Committee's activity that is detailed in section VIII of document GCF/B.24/Inf.07 titled "Reports from committees, panels and groups of the Board of the Green Climate Fund".

6.3 Strategic plan for the GCF

17. The Board, by decision B.22/06, paragraph (d), requested the Secretariat, under the guidance of the Co-Chairs, to present an update to the initial Strategic Plan for consideration by the Board at B.24, and that this take into account: (i) consultation with Board and alternate members, submissions by Board and alternate members and views expressed during B.22 and B.23; (ii) an inclusive process of engagement with GCF stakeholders, including national designated authorities/focal points, accredited entities, advisory groups, active observers and observer organizations; and (iii) findings from the performance review of the GCF and the outcome of the Board's consideration of that review.

18. On 11 October 2019, the Co-Chairs shared with Board members and alternate members the first draft of the updated strategic plan for 2020 – 2023. The draft was developed by the Secretariat, under the guidance of Co-Chairs, taking into account matters as requested in decision B.22/06, work requested by the Board on strategic programming for GCF-1 and consultations with stakeholders on the update of the Strategic Plan, including 77 submissions received from members and alternate members of the Board, NDAs, accredited entities, members of the Private Sector Advisory Group and from active observers and registered observers to the Fund.

19. A Co-Chairs note was shared with the Board together with the draft Updated Strategic Plan communicating the Co-Chairs' proposal for the draft Updated Strategic Plan to be discussed at B.24. This will also provide the opportunity for the substance of the Replenishment Summary Report as well as the Forward-Looking Performance Review and the Secretariat's management response to be taken up by the Board in this first consideration of the Updated Strategic Plan.

20. The Co-Chairs further propose that following further engagement with the Board post-B.24, the Updated Strategic Plan be put to the Board for adoption at B.25.

21. As part of their hand-over to the 2020 Co-Chairs, the 2019 Co-Chairs will share with the 2020 Co-Chairs their reflections on the strategic planning process and their understanding of Board views.

6.4 Matters related to decision-making in the event that all efforts at reaching consensus have been exhausted

22. By decision B.23/03, the Board adopted procedures for adopting decisions in the event that all efforts at reaching consensus have been exhausted (the “Procedures”).

23. Section VI of the Procedures sets out a process for confidential balloting in circumstances where the Board has exhausted all efforts at reaching consensus in relation to a proposed decision to appoint any Board-appointed official.

24. Under the Procedures, it is envisaged that the outcome identified through the balloting process will be put to the Board for confirmation by consensus.

25. However, notwithstanding the foregoing, the Procedures are silent as to the next steps to be followed in the event that a Board member expresses the view that they are unable to join the consensus regarding the outcome of a confidential ballot.

26. Accordingly, decision B.23/03 requested the Co-Chairs to consult and present to the Board a proposal on next steps in the event that during the application of the procedure referred to in section VI of annex III, any Board member expresses the view that they are unable to join consensus regarding the outcome of such procedure.

27. The Co-Chairs did not have the opportunity to consult with members on this issue ahead of B.24, and as such decided to defer the Board’s consideration of this matter.

28. The proposal that the Co-Chairs had developed and intended to consult with members on is included in annex I for the consideration of the incoming Co-Chairs and members of the Board.

6.5 Status of consultations on the guidelines for decisions without a Board meeting

29. At B.22 and B.23, the Co-Chairs undertook consultations in relation to the paragraph 41 of the Rules of Procedure of the Board which provides that 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. In paragraph 42, the Board Rules of Procedure mandates the Board to adopt guidelines to determine in which cases decisions without a Board meeting may be requested.

30. Prior to the twenty-second meeting of the Board, a draft of this document was shared with Board members and alternate members of the Board for review and comment between 17 December 2018 and 23 January 2019. The draft circulated was based on the document that was presented to the twenty-first meeting of the Board.

31. Between the twenty-second and twenty-third meetings of the Board, the Co-Chairs implemented a number of changes to the process of transmitting decisions without a Board meeting. These changes took account of the views expressed by Board members during the consultations and also during the Board meeting. The changes to the Board transmittal notice include:

- (a) An explanation from the Co-Chairs as to why a decision is required that cannot be deferred to the next Board meeting, including, where appropriate, a formal request from a Chair of a Board committee, panel or Group;
- (b) Confirmation in accordance with paragraph 41 of the Rules of Procedure as to the period prescribed for replies;

- (c) Confirming and encouraging alternate members to engage with the Board members if they have comments on the proposed draft decision;
- (d) Confirmation, in accordance with paragraph 43, of the process the Co-Chairs will be following in the case of replies and objections; and
- (e) Confirmation, in accordance with paragraph 44 of the Rules of Procedure, that a copy of such proposal shall be provided to the active observers for their information, unless otherwise determined by the Board.

32. The Co-Chairs' proposal was presented in document GCF/B.23/16 titled "Outcome of Co-Chairs consultations: Guidelines on decisions without a Board meeting". During B.23, the members shared their views on the Co-Chairs' proposals, but the Board was unable to reach agreement on the proposed decision.

33. This matter has been left for the consideration of the incoming Co-Chairs and members of the Board.

6.6 Status of Co-Chair mandates

34. Table 1 below presents the outstanding mandates from the Board to the Co-Chairs and the status of each. Table 2 presents Co-Chair mandates that have been closed.

Table 1: Open mandates to the Co-Chairs

	MATTER	STATUS
1	Enhance the effectiveness of pre-Board meeting consultations <i>Decision B.23/03, para. (c)</i>	Ongoing. Update for B.24 consultations in section 2.3
2	Co-Chairs proposal on the next steps in the event that a Board member expresses the view that they are unable to join consensus regarding the outcome of a confidential ballot <i>Decisions B.23/03, para. (c)</i>	Proposed to be addressed in 2020
3	Decision-making between Board meetings <i>Decisions B.12/12, para. (a), B.15/02, para. (a), B.17/09, para. (m) and B.18/06, para. (c)(ii)</i>	Proposed to be addressed in 2021
4	Policy guidelines for programmatic approach <i>Decisions B.14/07, para. (k) and B.15/02, para. (a)</i>	Proposed to be addressed at B.25
5	Privileges and immunities <i>Decisions B.19/02, para. (d) and B.21/04, para. (d)</i>	Proposed to be addressed in 2021

Table 2: Open mandates to Secretariat carried out under the guidance of the Co-Chairs

	MATTER	STATUS
1	Incremental cost calculation methodology <i>Decision B.17.10, para. (c)(i)</i>	Proposed to be addressed in 2020
2	Guidance on the approach and scope for providing support to adaptation activities <i>Decision B.17.10, para. (c)(ii)</i>	Proposed to be addressed in 2020
3	Co-financing matters <i>Decisions B.13/05, para. (a), B.15/02, para. (a) and B.17.10, para. (c)(iii)</i>	To be addressed at B.24
4	Level of concessionality for the public sector <i>Decisions B.12/17, para. (b) and B.17.10, para. (c)(iv)</i>	Proposed to be addressed in 2020
5	Project and programme eligibility and selection criteria <i>Decision B.17/10, para. (b)</i>	Proposed to be addressed in 2020

Table 3: Co-Chair mandates closed

	MATTER	STATUS
1	Decision-making in the absence of consensus <i>Decisions B.01-13/01, para. (l), B.08/14, para. (b), B.12/11, para. (a) and B.15/02, para. (a)</i>	Addressed by adoption of decision B.23/03
2	Matters related to the process of the first replenishment of the GCF including: <ul style="list-style-type: none"> - Consulting with Board members on the preparation of (i) a comprehensive report of the implementation of the initial strategic plan; (ii) A document outlining areas in the Policies for Contributions ... including the conditions necessary to trigger subsequent replenishments; and (iii) A strategic programming document outlining scenarios for the GCF's replenishment ... - Engagement in the process of the first replenishment of the GCF - Nomination of the representative group of Board in the replenishment process - Consulting with the Board in the appointment of a global facilitator to oversee the replenishment process <i>Decision B.21/18, para.s (j), (k), (l) and (o)</i>	Co-Chair engagement in the replenishment process as outlined in decision B.21/08 to be concluded at B.24

Annex I: Draft Co-Chairs' proposal on the next steps in the event that during the application of the procedure referred to in Section VI of Annex III to decision B.23/02, any Board member expresses the view that they are unable to join consensus regarding the outcome of such a procedure

1. By decision B.23/03, the Board adopted procedures for adopting decisions in the event that all efforts at reaching consensus have been exhausted ("Decision-Making Procedures").
2. Section VI of the Decision-Making Procedures (the "Balloting Procedures") applies to any decision pursuant to which the Board appoints any Board-appointed official.
3. Under the Balloting Procedures, balloting shall continue until at least two-thirds of all ballots cast in a single round of balloting support one of the options being considered by the Board. The outcome identified on this basis shall be put to the Board for confirmation by consensus.
4. Pursuant to decision B.23/03, paragraph (d), the Co-Chairs were requested to consult and present to the Board for its consideration a proposal regarding the next steps in the event that during the application of the Balloting Procedure, any Board member expresses the view that they are unable to join consensus regarding the outcome of the procedure.
5. In that event, the Co-Chairs propose that the following next steps be undertaken:
 - (a) The Co-Chairs will further consult with the Board Member(s) who have expressed the view that they are unable to join consensus regarding the outcome of the Balloting Procedure.
 - (b) The Co-Chairs will further consult with the Board (in whole and/or by constituency).
 - (c) The Co-Chairs may propose that time be made available for further consultations with capitals.
 - (d) The Co-Chairs will explore with the relevant Board Member(s) and the Board possible ways to resolve the situation, as appropriate for the circumstances.
 - (e) If, following the above steps, the Board cannot confirm by consensus the outcome of the Balloting Procedure, no appointment will be made, and the relevant post will remain vacant. The Co-Chairs will make a proposal to the Board on how to proceed with filling the post for the relevant Board-appointed official.
