

Fund for responding to Loss and Damage

FRLD/B.4/7

29 November 2024

Fourth meeting of the Board

2–5 December 2024

Manilla, The Philippines

Agenda item 7

Additional rules of procedure of the Board

Expected actions of the Board

The Board will be invited to:

- (a) Note the report on the work of the ad hoc subcommittee on the additional rules of procedure of the Board;
 - (b) Consider the proposal for the additional rules of procedure of the Board;
 - (c) Adopt the rules of procedure of the Board.
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I. Background

1. The Governing Instrument of the Fund for responding to Loss and Damage (the “Governing Instrument”) provides certain rules of procedure of the Board in chapter III.D. Paragraph 31 of the Governing Instrument states that “The Board will develop additional rules of procedure”.
2. At its first meeting (B.1), the Board established an ad hoc subcommittee on the additional rules of procedure of the Board (the “Committee”) to support the Board in the development and adoption of the additional rules of procedure of the Board.¹ The Committee produced an initial report with draft rules of procedure, which was circulated in advance of B.2 (document FLD/B.2/8).
3. At B.2 and B.3 the Board received reports from the Committee on the progress of its work (documents FLD/B.2/8/Add.1 and FLD/B.3/6 respectively).
4. The Committee met in person once during B.3, on 20 September, to coordinate work leading up to B.4. During October there were two further meetings of the Committee and an additional round of consultation with the Board.
5. In parallel, the Co-Chairs of the Committee were informed by the Co-Chairs of the Board that related matters regarding decisions without a Board meeting and decision-making in the absence of consensus would be under the remit of the Co-Chairs of the Board.
6. Beyond the work under the remit of the Co-Chairs of the Board (para. 5 above), the Committee made significant progress on several unresolved issues and requested the Committee Co-Chairs to produce a more advanced draft to reflect the discussions that had taken place during the Committee meetings.
7. This document is structured as follows:
 - (a) Chapter II: A brief update on the work of the Committee since its last report referred to in paragraph 3 above;
 - (b) Chapter III: A summary of the issues that remain pending for Board consideration;
 - (c) Chapter IV: Next steps and recommendations;
 - (d) Annex I: Draft decision of the Board on the adoption of the Rules of Procedure;
 - (e) Annex II: Draft Rules of Procedure (“**draft RoP**”);
 - (f) Annex III: Summary of the consultations with the Board during October 2024.
8. Despite progress since B.3, there remain a number of matters where the Committee has not yet reached, or did not have sufficient time to find, consensus on the way forward, and where Board consideration is required.

II. Report on the work of the Committee

A. Report on Committee meetings

9. Since the publication of its most recent report (document FLD/B.3/6), the Committee has met once in person and twice virtually.
10. In particular, at its meeting during B.3, on 20 September 2024, the Committee decided to conduct an additional round of consultation with the Board because some

¹ Decision B.1/D.4.

Board members had expressed their wish to have an opportunity to share further inputs on the draft RoP which had been shared with the Board (document FLD/B.3/6). The consultation took place from 2 to 8 October and resulted in two further sets of comments received in writing, as well as comments received orally on behalf of developing and developed countries constituencies, including through Committee members and both its Co-Chairs on behalf of their respective constituencies, as a result of the consultation. The matrix with inputs received during the consultation is provided in annex III.

11. After B.3 and the above-mentioned consultation, the Committee met twice virtually on 18 and 31 October to discuss the outcome of the consultation and complete the work on outstanding items.

12. At the first of those meetings (18 October), the Committee focused on the remaining unresolved issues that had been flagged in its report to B.3. The Committee was able to discuss and move closer on a few matters during the meeting; however certain areas remained unresolved.

13. On 22 October, the Committee Co-Chairs met virtually with the Co-Chairs of the Board to discuss the progress of work of the Committee and the Board Co-Chairs' work on decisions without a Board meeting and decision-making in the absence of consensus.

14. The Committee met on 31 October and achieved convergence among the Committee members present on a number of matters. The Committee Co-Chairs therefore updated the draft decision and draft rules of procedure on the basis of the outcome of the various discussions, agreements and views expressed by and within the Committee, as described in paragraphs 15–22 below.

B. Areas agreed by the Committee

15. The Committee has converged on a number of provisions since its previous report to the Board (document FLD/B.3/6), including the “Format of Meetings” (para. 25 of the draft RoP), the requirements for the “Meeting Report” (para. 38 of the draft RoP), and “Languages” (para. 43 of the draft RoP).

16. In addition, the Committee was able to converge on elements regarding how to resolve the interconnected matters on definitions of “Regional Groups and Constituencies” (para. 2(s) of the draft RoP), the rules for replacement of members of the Board within a Board term (para. 4 of the draft RoP), and the Committee Co-Chairs revised the draft based on the guidance provided during that meeting. The Committee agreed with the proposal of one member to consider resolving the issue on the definition of “Regional Groups and Constituencies” in conjunction with clarifications proposed on the paragraphs regarding the notifications of Board member nominations for a new term (para. 3 of the draft RoP) and for replacement within a term (para. 4 of the draft RoP). The Committee also agreed to clarify in the draft decision text that the process for notifications of initial nominations and replacements used by the developed countries constituency for the first term of the Board would not constitute a precedent for the future. Following a suggestion by the Co-Chairs for the Committee to consider the number of meetings in the host country, the Committee showed convergence that such meetings would take place at least once a year, noting that this left flexibility in the rules for this to happen more frequently.

C. Areas without Committee agreement

17. A provision which continues to not enjoy consensus is the interpretation of “absence” when a Board member is delegating the right to express views within a seat (para. 17 of the draft RoP). The Committee did not have enough time to discuss alternatives but noted divergence of views: for some Committee members physical

absence from the Boardroom was required; whereas for others, in the case of delegation to express views, physical absence was not required.

18. Another area without agreement concerns the relationship between the provision on the definition of “Party” (para. 2(r) of the draft RoP) and the provisions related to decisions pertaining to guidance from either of the governing bodies. For some Committee members it was important to articulate the rules for participation of Board members who may be Party to one of the governing bodies but not the other; namely that decisions on guidance from either of the governing bodies should only be approved by Board members that are Parties to that specific governing body.

D. Areas where additional proposals were made, but were not sufficiently considered by the Committee

19. In the light of the late establishment of the Board in 2024, with relation to paragraphs 6 and 7 of the draft RoP, the developing country constituency requested during the final consultation (see para. 10 above) that the Committee address the matter of aligning the “first year” of the first term of the Board to a calendar year until 31 December 2025, and further noted that this would result in the first term of the Board concluding on 31 December 2027. In the previous version of the draft, the Committee had only reflected text options in the draft decision accompanying the draft RoP on the end date of the first Board term, namely 2026 or 2027. The Committee did not have time to properly address the proposal from the developing country constituency.

20. With respect to the establishment of committees (para. 45 of the draft RoP), at the final Committee meeting, a Committee member proposed that deliverables of committees be presented to the Board for consideration and approval. The Committee did not have time to discuss this proposal, and no new language was proposed for the draft RoP.

E. Areas under the remit of the Co-Chairs of the Board

21. The Co-Chairs of the Board decided to take under their remit the development of the further procedures under sections 9.2 and 9.3 of the draft RoP. Committee members requested to reflect the Committee’s work to date on these sections, and therefore reflect its work on decision making, as well as suggested abridged paragraphs, noting further procedures are being taken forward by the Co-Chairs of the Board.

III. Areas for further consideration by the Board

A. Matters arising from the work of the Committee

22. The Board may wish to consider several matters where agreement has not yet been reached **by the Committee** or where proposals were made but the Committee did not have time to fully consider them, as set out below.

1. Matters relating to the draft rules of procedure

(a) **Definition of “Party”** (para. 2(r) of the draft RoP), regarding guidance to the Board received from the Conference of the Parties and/or the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement;

(b) **Delegation of the right to express views** between a Board member and their Alternate (para. 17 of the draft RoP);

(c) **Presentation of committee deliverables** to the Board for consideration and approval (para. 45 of the draft RoP).

2. Matters relating to the draft decision of the Board

- (a) **Alignment of the term of the Board** with the calendar year;
- (b) **Duration of the term of the current Co-Chairs** of the Board.

B. Matters arising from the work of the Co-Chairs of the Board

23. As set out above, the Co-Chairs of the Board have taken under their remit the development of the further procedures under Sections 9.2 and 9.3 of the draft RoP to allow further Board discussion on the following:

- (a) **Decision-making in the absence of consensus** (paras. 51–52 of the draft RoP);
- (b) **Decisions between meetings** (paras. 53–55 of the draft RoP).

IV. Next steps and recommendation

24. The Board is invited to consider the version of the draft RoP as contained in annex II. The Board is also invited to discuss the outstanding matters as outlined in this report and in the attached draft RoP, noting that the text does not represent Committee consensus on the points flagged in this report.

Annex I

Draft decision of the Board

The Board, having considered document FRLD/B.4/XX titled “Additional rules of procedure of the Board”:

- (a) Welcomes the work of the ad hoc subcommittee on the additional rules of procedure of the Board;
- (b) Adopts the Rules of Procedure of the Board, as set out in annex II (the “RoP”);
- (c) Decides that, with respect to the RoP:
 - (i) With reference to paragraph 3 of the RoP, the process through which the notifications from the developed countries constituency were received for the first term of the Board shall not constitute a precedent for future;
 - (ii) For the purposes of paragraphs [6] and [7] of the RoP, and on an exceptional basis, the first term of Board membership shall be considered to end on 31 December 202 [6][7];
 - (iii) With reference to part IV of the RoP, the Board shall decide no later than at its [fourth] [fifth] meeting on the end date of the term of the current Co-Chairs;
 - (iv) With reference to paragraph [18] of the RoP, the guidelines for the participation of Advisers in Meetings and meetings of Committees shall be developed by the Board no later than at its fifth meeting.
 - (v) With reference to paragraphs [19] and [24]–[25] of the RoP, for the duration of the first term of Board membership, the Board shall meet at least three times every year, excluding any extraordinary meetings, and that each regular meeting shall be held in person;
 - (vi) With reference to paragraph [43] of the RoP, the Board may decide to have certain documents, including but not limited to operational policies and procedures translated into other languages, following an estimate of budgetary implications to be provided by the ad hoc subcommittee on budget;
 - (vii) Pending adoption of the procedures referred to in paragraph [50] of the RoP, the Co-Chairs shall jointly determine when all efforts at reaching consensus have been exhausted;
 - (viii) For the purposes of paragraph [57] of the RoP, the policy on conflicts of interest to be developed by the Board may take into account the policies regulating the same matters of similar funds, and of the institution that is expected, pursuant to relevant decisions of the Conference of the Parties and the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement, to host the secretariat of the Fund.

Annex II

Additional rules of procedure

Provisions from the Governing Instrument of the Fund

D. Rules of procedure of the Board

1. Co-chairs

23. The Board will elect two Co-Chairs from within its membership, one from a developed country and one from a developing country, who will serve a term of one year. The Co-Chairs may be re-elected. If a Board member is elected as Co-Chair, that member may request their alternate member to express the respective regional group's or constituency's viewpoint in Board deliberations. However, the Board member retains the right to vote.

2. Term of membership

24. Members and alternate members of the Board are to serve for a term of three years and are eligible to serve additional terms, as determined by their regional group or constituency, for a maximum of two consecutive terms.

3. Quorum

25. A three-fourths majority of Board members must be present at a meeting to constitute a quorum.

4. Decision-making

26. Decisions of the Board will be taken by consensus. If all efforts at reaching consensus have been exhausted and no consensus is reached, decisions will be taken by a four-fifths majority of the members present and voting. The Board will develop procedures for determining when all efforts at reaching consensus have been exhausted. The Board will adopt procedures for taking decisions between meetings.

5. Observers

27. The Fund will make arrangements to allow for the effective participation of observers in its meetings, including developing and carrying out an observer accreditation process.

6. Stakeholder input and participation

28. The Fund will establish consultative forums to engage and communicate with stakeholders. The forums will be open to a wide range of stakeholders, including representatives of civil society organizations, environmental and development nongovernmental organizations, trade unions, Indigenous Peoples, youth, women, climate induced migrants, industries and sectors impacted by climate change, community-based organizations, bilateral and multilateral development cooperation agencies, technical and research agencies, the private sector and governments. Participation in such forums should reflect a balance among United Nations geographical regions.

29. The Fund will develop mechanisms to promote the input and participation of stakeholders, including private sector actors, civil society organizations and the groups most vulnerable to the adverse effects of climate change, including women,

youth and Indigenous Peoples, in the design, development and implementation of the activities financed by the Fund.

7. Expert and technical advice

30. The Board may establish expert and technical panels to support its work and to provide inputs to the Fund's activities. These panels may include representatives of relevant constituted bodies established under the Convention and the Paris Agreement.

8. Additional rules of procedure

31. The Board will develop additional rules of procedure.

Draft additional rules of procedure of the Board
including relevant provisions of the Governing Instrument and decisions 1/CP.28 and 5/CMA.5

Part I. Scope and applicability

1. These rules of procedure shall apply to the conduct of business of the Board of the Fund and, except as otherwise decided by the Board, mutatis mutandis to Committees, Panels, and expert bodies established by the Board.

Part II. Definitions

2. For the purpose of these rules:

(a) “Active observer” means any representative invited to participate in Board meetings and related proceedings pursuant to paragraph 20 of the Governing Instrument;

(b) “Adviser” means an expert providing advice to a member and/or alternate member during or in connection with Board meetings and similar activities related to the Fund;

(c) “Alternate member” means any one of the 26 alternate members of the Board referred to in paragraph 18 of the Governing Instrument;

(d) “Board” means the Board of the Fund;

(e) “Board member” means any one of the 26 members of the Board referred to in paragraph 17 of the Governing Instrument, and includes an Alternate member serving as the Board member pursuant to paragraph 18 of the Governing Instrument;

(f) “CMA” means the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement;

(g) “Co-Chair” means either one of the two Co-Chairs elected by the Board pursuant to paragraph 23 of the Governing Instrument;

(h) “Committee” means any standing or ad hoc subcommittee established by the Board pursuant to paragraph 22(h) of the Governing Instrument;

(i) “Convention” means the United Nations Framework Convention on Climate Change adopted in 1992, which entered into force on 21 March 1994;

(j) “COP” means the Conference of the Parties to the Convention;

(k) “Executive Director” means the Executive Director of the Fund referred to in paragraph 33 of the Governing Instrument;

(l) “Fund” means the fund established by decisions 2/CP.27 and 2/CMA.4 and operationalized by decisions 1/CP.28 and 5/CMA.5;

(m) “Governing Instrument” means the Governing Instrument of the Fund as contained in the annex to decisions 1/CP.28 and 5/CMA.5;

(n) “Meeting” means any formal meeting of the Board;

(o) “Observer” means any representative of a State, organization, or other entity accredited to participate in Board meetings as observer(s) pursuant to paragraph 27 of the Governing Instrument;

(p) “Panel” means any panel established by the Board pursuant to paragraphs 22(h) or 30 of the Governing Instrument;

(q) “Paris Agreement” means the Paris Agreement, adopted on 12 December 2015, which entered into force on 4 November 2016;

(r) [“Party” or “Parties” means party(ies) to the Convention and/or to the Paris Agreement;]

(s) “Regional Groups or Constituencies” means any of the regional groups and constituencies referred to in paragraph 17 of the Governing Instrument;

(t) “Secretariat” means the independent secretariat referred to in paragraph 32 of the Governing Instrument and, until the establishment of the independent secretariat, the interim secretariat referred to in paragraph 26 of decisions 1/CP.28 and 5/CMA.5;

- (u) “Trustee” means the trustee of the Fund.

Part III. Selection and Term of Board members and Alternate members

Relevant paragraphs of the Governing Instrument

17. The Board will comprise 26 members, as follows:
 - (a) 12 members from developed countries;
 - (b) 3 members from African States;
 - (c) 3 members from Asia-Pacific States;
 - (d) 3 members from Latin American and Caribbean States;
 - (e) 2 members from small island developing States;
 - (f) 2 members from the least developed countries;
 - (g) 1 member from a developing country not included in the regional groups and constituencies referred to in paragraph 17(b)–(f) above.
18. 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 a member from all or part of a meeting of the Board, its alternate will serve as the member.
19. The relevant regional groups and constituencies will nominate representatives with the appropriate technical, finance, loss and damage, and policy expertise, with due consideration given to gender balance, to serve as Board members, including alternate members.
24. Members and alternate members of the Board are to serve for a term of three years and are eligible to serve additional terms, as determined by their regional group or constituency, for a maximum of two consecutive terms.

Decisions 1/CP.28 and 5/CMA.5, common paragraph 9

9. The alternate member for the seat on the Board of the Fund referred to in paragraph 17(g) of annex I will rotate among the developing country Parties in the regional groups and constituencies listed in paragraph 17(b–f) of annex I.

3.1. Nominations for each new Board term

3. For each new term, each Regional Group or Constituency referred to in paragraph 17 of the Governing Instrument shall submit the nomination of their respective Board members and Alternate members, representing Parties, to the Secretariat. The nomination shall confirm that it is being made with the agreement of all members of the Regional Group or Constituency in accordance with their own respective consultation processes. Nominations shall be notified to the Secretariat by (i) the Regional Group or Constituency that selected the Board member or Alternate member in the case of developing countries and (ii) by the Co-Chair of the developed countries constituency that selected the Board member or Alternate member from a developed country.

3.2. Board member and Alternate member vacancies during a term

4. Any replacement of the Board member or Alternate member within a term shall be made and notified to the Secretariat by (i) the Regional Group or Constituency that selected the Board member or Alternate member in the case of a replacement of a Board member or Alternate member from the developing countries and (ii) by the Co-Chair of the developed countries constituency in the case of replacement of a Board member or Alternate member from the developed countries.

5. Any replacement Board member or Alternate member notified to the Secretariat pursuant to paragraph 4 above shall hold the position for the remainder of

the unexpired term and shall, unless otherwise notified to the Secretariat, assume the position of the outgoing Board member or Alternate member on any Committees.

3.3. *Term of membership*

6. The term of the Board members and Alternate members shall start on 1 January of the calendar year immediately following their nomination. Board members and Alternate members continue their functions until their successors have been nominated and their terms have commenced.

7. For each new term of Board membership, the term of the relevant Board members and Alternate members shall be considered to have begun on 1 January, notwithstanding delays in the nomination process.

3.4. *Secretariat acknowledgement*

8. Nominations under paragraphs 3 and 4 above shall contain the names and contacts details of the Board member or Alternate Member, as the case may be, as well as the effective date of any replacement under paragraph 4 above. Any such communications shall be acknowledged by the Secretariat, and copied to all Board members and Alternate members.

Part IV. Co-Chairs

Relevant paragraph of the Governing Instrument

- 23 The Board will elect two Co-Chairs from within its membership, one from a developed country and one from a developing country, who will serve a term of one year. The Co-Chairs may be re-elected. If a Board member is elected as Co-Chair, that member may request their alternate member to express the respective regional group's or constituency's viewpoint in Board deliberations. However, the Board member retains the right to vote.

4.1. *Co-Chair replacement*

9. In the event that one Co-Chair or both Co-Chairs are unable to attend a Meeting, the Board shall elect (an) other Board member(s) to assume the functions of Co-Chair(s) for the duration of the Meeting.

10. Where one Co-Chair or both Co-Chairs are unable to attend two consecutive Meetings, the Board shall elect (a) new Co-Chair(s) for the remainder of the term of the predecessor(s).

4.2. *Co-Chair duties in the conduct of meetings*

11. In the conduct of Board meetings, the Co-Chairs shall be guided by the best interest of the Fund.

12. The Co-Chairs shall share and allocate between themselves responsibility for chairing Meetings.

13. The Co-Chairs shall 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 all efforts at reaching consensus have been exhausted, 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 shall rule on points of order and any such determination shall be final unless a majority of Board members object. In that case, the Board shall consider the course of action to be taken.

4.3. *Co-Chair external duties*

14. The Co-Chairs may represent the Board at external meetings and shall report back to the Board on those meetings. They may delegate that function acting jointly.

4.4. *Co-Chair transition*

15. Co-Chairs shall continue their functions until the term of their successors has commenced or, if later, once they have been elected.

16. For proper knowledge transfer, the Secretariat shall prepare briefing materials and arrange regular engagement with incoming Co-Chairs, including engagements with the current Co-Chairs.

Part V. Participation of alternates and advisers

5.1. *Participation of Alternate members*

<p><u>Relevant paragraph of the Governing Instrument</u></p>
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| <p>18. 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 a member from all or part of a meeting of the Board, its alternate will serve as the member.</p> |
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17. A Board member may delegate their right to express the views of the seat to their Alternate member during all or part of a Meeting. Any such arrangement shall be declared at the opening of each relevant agenda or subagenda item and shall apply for the duration of that agenda or subagenda item. Such a delegation by the Board member shall have the effect that the Board member is deemed to be absent from the Meeting in respect of that agenda or subagenda item for the purposes of paragraph 18 of the Governing Instrument.

5.2. *Participation of Advisers*

18. The Board shall develop guidelines for the participation of Advisers in Meetings and meetings of Committees.

Part VI. Meetings

6.1. Meeting frequency

19. The Board shall meet as frequently as it deems necessary.

6.2. Meeting location

20. In-person Meetings shall take place in the host country of the Board at least once in each calendar year, or at an alternative location decided upon by the Board.

6.3. Meeting dates and notification

21. No later than 30 September each year, the Board shall decide upon dates for regular Meetings of the Board for the subsequent year, while retaining flexibility to amend dates, as appropriate.

22. The Secretariat shall notify all Board members, Alternate members, Advisers and Observers of the dates and venue of the Meetings and circulate a formal invitation for any regular Meeting at least six weeks before the first day of each Meeting. A notification shall also be posted on the Fund's website.

6.4. Extraordinary Meetings

23. In the case of an extraordinary Meeting, the Co-Chairs, acting jointly, shall determine the date by which notification to the Board members and Alternate members has to be made, taking into account the urgency of the matter, and the format of the meeting. The Board shall develop guidelines for convening extraordinary Meetings that shall be annexed to these additional rules of procedure. Such meetings may be held in person, virtually, or with virtual participation in hybrid format.

6.5. Format of Meetings

24. The Board shall decide on the format of each Meeting, which may be held in person, virtually, or with virtual participation in hybrid format.

25. If the number of Meetings in a given calendar year exceeds two, at least one Meeting shall be held virtually or with virtual participation in hybrid format, unless the Board decides otherwise.

26. If a Meeting, or part thereof, scheduled to be held in person cannot in the light of the circumstances be held in person, the Co-Chairs in consultation with the Board may decide to hold the Meeting, or part thereof, virtually or with virtual participation in hybrid format.

27. Meetings that are held virtually shall be deemed to have been held in the host country of the Board.

6.6. Meeting agenda

28. The Secretariat shall, in consultation with the Co-Chairs, prepare and distribute the provisional agenda for each regular Meeting at least 30 calendar days before the first day of each Meeting.

29. The Board shall, at the beginning of each Meeting, adopt the agenda for the Meeting.

6.7. Meeting documents

30. The Secretariat is responsible for preparing Meeting documents and shall transmit to Board members and Alternate members, copying all Advisers, the documentation relating to items on the provisional agenda at least 21 calendar days before the first scheduled day of the Meeting, except in the 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 Secretariat shall inform the Board at least 21 calendar days before the Meeting of the date by which the said documentation shall be transmitted.

31. Meeting documents shall 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.

32. Comments of Board members on Meeting documents shall be transmitted promptly by the Secretariat to all Board members and Alternate members.

6.8. *Meeting attendees*

33. In addition to Board members and Alternate members, Meetings, other than executive sessions referred to in paragraph 35, shall be open to attendance by designated Advisers of Board members and Alternate members, Secretariat staff, representatives of the Trustee, Active observers and other Observers pursuant to the procedures to be developed by the Board pursuant to paragraphs 20 and 27 of the Governing Instrument, and such other persons as the Board may authorize from time to time.

34. At the invitation of the Board, representatives of relevant thematic or constituted bodies under and/or serving the Convention and Paris Agreement and/or other relevant organizations, bodies, funds or funding arrangements, may attend Meetings, and may be invited to speak by the Co-Chairs.

6.9. *Executive sessions*

35. In exceptional circumstances, the Board may decide to hold all or part of its Meeting in executive session. Unless otherwise decided by the Board, executive sessions shall be open only to Board members, Alternate members, Advisers, necessary representatives of the Secretariat, and such other persons or institutions and organizations authorized or requested by the Board to attend, including the Trustee.

6.10. *Quorum*

Relevant paragraph of the Governing Instrument

25. A three-fourths majority of Board members must be present at a meeting to constitute a quorum.

36. Board members participating virtually shall be considered to be present at a Meeting.

37. The existence of a quorum shall be verified by the Co-Chairs at the beginning of a Meeting and at the time of the adoption of any decision at a Meeting, as well as at the time of adoption of the Meeting report, and at the request of a Board member.

6.11. *Meeting report*

38. The Co-Chairs shall present a report of the main discussions and conclusions of the meeting after the Meeting. Any decision approved by the Board at a Meeting shall be appended to the report. The report and the decisions, other than those classified as confidential, shall be a public document.

6.12. *Webcasting and maintaining permanent records of Meetings*

- 39. Meetings of the Board, other than any executive sessions, shall be webcast.
- 40. The Secretariat shall keep meeting records and arrange for the preservation and custody of documents for the Meetings on behalf of the Board in accordance with applicable policies and relevant rules and procedures.

6.13. *Languages*

- 41. The working language for the Board shall be English. The Board may authorize or facilitate the interpretation of Meetings in one or more of the six United Nations languages for Board members and Alternate members in individual cases, if requested by a Board member in advance of a Meeting.
- 42. Documents for the Meetings shall be provided in English.
- 43. The Board may decide to have certain documents, including but not limited to operational policies and procedures, translated into other languages, supporting a multilinguistic approach.

6.14. *Arrangements for Meetings*

- 44. The Secretariat shall make the necessary arrangements for Meetings, including by providing secretariat services for the Board, and managing relevant support services and logistics.

Part VII. Committees, panels and expert bodies

Relevant paragraphs of the Governing Instrument

- 22 The Board will:
[...]
(h) Establish subcommittees, panels and expert bodies, as appropriate, and define their terms of reference;
- 30 The Board may establish expert and technical panels to support its work and to provide inputs to the Fund's activities. These panels may include representatives of relevant constituted bodies established under the Convention and the Paris Agreement.

45. The Board may establish Committees from among its Board members and/or Alternate members as may be required for the conduct of its business.

46. Committees shall assist the Board in its decision-making, and shall exercise any authority delegated to them by the Board, subject to revocation at the Board's discretion.

47. Except for standing Committees, all Committees established *ad hoc* should have a clearly defined timeline and end date, related to the execution of their functions. All Committees should be subject to review at regular intervals.

48. The Board may establish, on a permanent or temporary basis, panels and/or expert bodies to assist it in the performance of its functions. Panels and expert bodies may include but need not be limited to Board members and Alternate members. They generally shall have advisory functions only and shall not have any decision-making authority.

Part VIII. Observers, Active observers

Relevant paragraphs of the Governing Instrument

- 20 The Board will enhance the engagement of stakeholders by inviting active observers, including youth, women, Indigenous Peoples and environmental non-governmental organizations, to participate in its meetings and related proceedings.

- 27 The Fund will make arrangements to allow for the effective participation of observers in its meetings, including developing and carrying out an observer accreditation process.

- 28 The Fund will establish consultative forums to engage and communicate with stakeholders. The forums will be open to a wide range of stakeholders, including representatives of civil society organizations, environmental and development nongovernmental organizations, trade unions, Indigenous Peoples, youth, women, climate induced migrants, industries and sectors impacted by climate change, community-based organizations, bilateral and multilateral development cooperation agencies, technical and research agencies, the private sector and governments. Participation in such forums should reflect a balance among United Nations geographical regions.

- 29 The Fund will develop mechanisms to promote the input and participation of stakeholders, including private sector actors, civil society organizations and the groups most vulnerable to the adverse effects of climate change, including women, youth and Indigenous Peoples, in the design, development and implementation of the activities financed by the Fund.

49. The participation of Active observers and other Observers in Meetings shall be set out in the procedures to be developed by the Board pursuant to paragraphs 20 and 27 of the Governing Instrument. Such procedures shall aim at ensuring wide participation of stakeholders from developing countries while considering geographical balance between stakeholders.

Part IX. Decision-making and voting

Relevant paragraph of the Governing Instrument

26. Decisions of the Board will be taken by consensus. If all efforts at reaching consensus have been exhausted and no consensus is reached, decisions will be taken by a four-fifths majority of the members present and voting. The Board will develop procedures for determining when all efforts at reaching consensus have been exhausted. The Board will adopt procedures for taking decisions between meetings.

9.1. *Determining when all efforts to reach consensus have been exhausted*

50. The Board shall develop procedures for determining when all efforts at reaching consensus have been exhausted, which shall take into account the joint judgment and determination by the Co-Chairs regarding when all efforts at reaching consensus have been exhausted.

9.2. *Decision-making in the absence of consensus*

[Committee work to date]

51. [If all efforts at reaching consensus have been exhausted and no consensus is reached, the following voting procedures apply, as a last resort:

(a) Prior to any votes being cast, the Co-Chairs provide a final draft decision to each Board member. The draft decision shall be the version that, in the Co-Chairs' judgment, was supported by the greatest number of Board members;

(b) The Co-Chairs retain their right to vote;

(c) Option 1: Each Board member has one vote;

Option 2: Each Board member representing a Regional Group or Constituency shall have one vote, except in cases where the Board member is a representative of a regional economic integration organization, in which case such Board member shall refrain from voting as a representative of member States of such organization that are also represented on the Board;

(d) Decisions will be taken by a four-fifths majority of Board members present and voting.

52. For the purpose of this rule, the phrase "Board members present and voting" means Board members present at the meeting at which voting takes place and casting an affirmative or negative vote, including those Board members participating virtually. Board members abstaining from voting are considered as not voting for the purpose of determining the four-fifths majority.]

[Suggested abridged paragraph as an alternative to paragraphs 51–52 above]:

51. Procedures for determining when all efforts at reaching consensus have been exhausted shall include guidance on efforts to reach and exhaust consensus.

9.3. *Decisions between meetings*

[Committee work to date]

53. Decisions without a Meeting may occur when in the judgment of both Co-Chairs, including following a recommendation from the Executive Director, a decision needs to be taken by the Board that should not be postponed to the next Meeting. The Secretariat shall in such circumstances transmit to Board members and Alternate members a proposed decision with the invitation to Board members to

approve the decision on a no-objection basis, within a prescribed period [(generally 14 days but in urgent cases no less than 7 days and in urgent and exceptional cases no less than 2 days).] [Copies of such proposal shall be provided to the Active observers for their information, unless otherwise determined by the Co-Chairs in accordance with applicable rules.] At the expiration of the period prescribed for replies, the decision shall be deemed approved unless there is an objection in writing. If an objection has been received, the proposed decision shall be considered by the Board at the following Meeting unless otherwise provided for in the guidelines referred to in paragraph 54 below.

54. The Board shall develop guidelines to, among other things, determine in which cases decisions without a Board meeting may be requested. Prior to the adoption of such guidelines, the Co-Chairs shall determine on a case-by-case basis which decisions may be requested without a Board meeting.

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

[Suggested abridged paragraphs as alternative to above paras. 53–55]:

53. Decisions without a Meeting will occur when in the judgment of both Co-Chairs, including following a recommendation from the Executive Director, a decision could be considered and made between Meetings.

54. Pursuant to paragraph 26 of the Governing Instrument, the Board will adopt procedures for taking decisions between meetings. Prior to the adoption of such procedures, the Co-Chairs shall determine on a case-by-case basis which decisions may be requested without a Board meeting.

55. Decisions approved between Meetings shall be recorded in the report of the following Board Meeting.

Part X. Informal consultations

56. The Co-Chairs may invite all Board members and Alternate members to informal consultations between sessions of the Board with a view to advancing proposals for adoption at a Meeting. Such consultations may be conducted through in-person meetings and/or hybrid/virtual means of communications in coordination with the Secretariat. Summary reports of such consultations shall be posted on the Fund's web page, except where such deliberations are considered confidential.

Part XI. Conflicts of interest

57. The Board shall develop a conflicts of interest policy to safeguard against conflicts of interest in fulfilling its duties. Board members, Alternate members, Advisers, and Active observers are required to adhere to the Fund's conflict of interest policy as adopted by the Board.

58. At each meeting, Board members and Alternate members shall disclose any conflict of interest they may have in relation to any items on the agenda.

59. Board members and Alternate members shall recuse themselves by withdrawing from participation in deliberations or decision-making connected with a matter with respect to which they have a conflict of interest.

60. 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.

Part XII. Amendments to the rules of procedure

61. The additional rules of procedure, except for those that reproduce provisions from the Governing Instrument or COP or CMA decisions, may be amended by the Board pursuant to the rules set out in Part IX above.

Part XIII. Overriding authority of the Governing Instrument

62. 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 III

Board consultation matrix

Rule (or issue)	Draft proposal <i>(as presented in version at B.3)</i>	Feedback received <i>(through October 2024 consultation)</i>
Part II. Definitions 2. <i>For the purpose of these rules:</i>	<p>(r) [“Party” or] “Parties” mean[s] part[y [[(ies)] to the Convention and [/or to] the Paris Agreement;</p> <p><u>Co-Chairs proposal</u>: “Party” or “Parties” means party(ies) to the Convention and/or to the Paris Agreement;</p> <p>(s) <u>Option 1</u>: “Regional groups or constituencies” means any of the five United Nations regional groups, least developed countries and small island developing States]</p> <p style="padding-left: 80px;"><u>Option 2</u>: “Regional Groups or Constituencies” means any of the regional groups and constituencies referred to in paragraph 17 of the Governing Instrument;</p> <p><u>Co-Chairs proposal</u>: delete the definition of “Regional Groups and constituencies”</p>	<p>DK-FIN-SWE feedback:</p> <p>Para. 2 (r): Support the formulation where party/parties refers to parties to the Convention and/or the Paris agreement</p> <p>EU-IE feedback:</p> <p>“EU/IE seat position: Agree with co-chairs proposal on definition of party/ies in 2 (r), agree with the co-chairs proposal for deleting the definition of “Regional Groups and constituencies” in 2 (s) thus falling back on the GI”</p> <hr/> <p>DK-FIN-SWE feedback:</p> <p>Para. 2 (s): We do not see any potential to define ”regional groups or constituencies” in a manner that would be in conflict with the GI. We therefore prefer Option 2, which refers to para. 17 of the GI. As a compromise, we could also agree with deleting the definition altogether.</p> <hr/> <p>Oral Inputs: Oral feedback from constituency consultations was provided through the Committee Co-Chairs: Oral Inputs: <i>Developing country constituency:</i> Input made by Armenia with request to define regional groups and constituencies (with reference to the EEG).</p>
Part. III Selection and Term of Board	4. <u>Option 1</u> : Any replacement of the Board member or Alternate member within a term shall be made and notified	DK-FIN-SWE feedback:

<p>members and Alternate members</p> <p>3.2. <i>Board member and Alternate member vacancies during a term</i></p>	<p>to the Secretariat by the Regional Group or Constituency that selected the Board member or Alternate member.</p> <p><u>Option 2:</u> If a Board member or Alternate member resigns or is otherwise unable to complete the assigned term or functions, an individual from the same Party shall be nominated by that Party to replace that Board member or Alternate member for the remainder of that term. That Party may also, after consultation with the relevant Regional Group or Constituency, as applicable, name an individual from another Party in the same Regional Group or Constituency, as applicable, to replace the Board member or Alternate member. The Party shall notify the Secretariat, in writing, of the name and contact details of the nominated Board member or Alternate member, which will be subsequently communicated to the Board by the Secretariat.</p> <p><u>Co-Chairs proposal:</u> Any replacements of the Board members or Alternate members within a term shall be made and notified to the Secretariat in a manner agreed by the Regional Group or Constituency that selected the Board member or Alternate member and communicated to the Secretariat.</p>	<p>“para. 4: We have strong preference for Option 2 and find Option 1 an unnecessarily heavy procedure (noting this is only about replacing BM and ABM during a term). We would also be open to language that the replacements of BM or ABM shall be made in a manner agreed by the respective regional group or constituency.”</p> <p>EU-IE feedback: EU/IE seat position: agree with co-chair proposal: on replacement of BM/ABM to be done in manner agreed by regional group/constituency (3.2 (4))</p> <p>EU-IE feedback: EU/IE seat position: We can support the co-chairs proposal:</p> <p>“Any replacements of the Board members or Alternate members within a term shall be made and notified to the Secretariat in a manner agreed by the Regional Group or Constituency that selected the Board member or Alternate member and communicated to the Secretariat”</p>
<p>Part IV. Co-Chairs</p> <p><i>Draft Decision</i></p>	<p><i>Draft Decision:</i> (ii) With reference to part IV of the RoP, the Board shall decide no later than its fourth meeting on the end date of the term of the Co-Chairs;</p>	<p>Oral Inputs: Developing country constituency: Alignment of the current Co-Chairs’ term with the calendar year</p>
<p>Part IV. Co-Chairs</p> <p>4.3 <i>Co-Chairs external duties</i></p>	<p>14. The Co-Chairs may, after consultation with the Board, represent the Board at external meetings and shall report back to the Board on those meetings. They may delegate that function acting jointly</p>	<p>Oral Inputs: Developing country constituency: Removal of requirement for Co-Chairs to consult the Board ahead of each external engagement</p>
<p>Part V. Participation of alternates and advisers</p>	<p>17. A Board member may delegate their right to express the views of the seat to their Alternate member during all or part of a Meeting. Any such arrangement shall be declared at the opening of each relevant agenda or subagenda item and shall apply for the</p>	<p>DK-FIN-SWE feedback: “para. 17: We support para. 17 in its draft formulation and the idea that BM and ABM can flexibly divide the</p>

5.1 <i>Participation of Alternate members</i>	duration of that agenda or subagenda item. Such a delegation by the Board member shall have the effect that the Board member is deemed to be absent from the Meeting in respect of that agenda or subagenda item for the purposes of paragraph 18 of the Governing Instrument.	<p>work load of various agenda items between themselves. In practice, we see no need for the BM to physically leave the meeting room if the ABM takes the seat. We consider this arrangement important especially for smaller administrations with limited capacity sharing a multi-country seat. However, we see that such a flexible arrangement would also benefit the whole board as it would improve inclusivity and allow for higher quality interventions from seats with smaller capacity/administrations.”</p> <p>EU-IE feedback: “EU/IE seat position: we would prefer to avoid the situation where the Member must stay out of the room for the duration of the agenda item on which she/he delegated expression of views to the alternate – we should have a more flexible approach here. One option can be that Member/alternate can swap for the duration of the agenda item/ or a remainder of an agenda item, but should be able to come back to the room (not to the main table) before the item closes.”</p> <p>Oral inputs: Developed country constituency: Support need for flexibility between BMs and ABMs.</p>
Part VI. Meetings 6.2. <i>Meeting Location</i>	20. In-person Meetings shall take place in the host country of the Board or at an alternative location decided upon by the Board.	DK-FIN-SWE feedback: part 6.2 (meeting location): with reference to the discussion at B.3, propose to add an additional paragraph that says ”At least one Meeting a year shall take place in person in the host country of the Board.”
Part VI. Meetings 6.5. <i>Format of Meetings</i>	<u>25. Option 1</u> : If the number of Meetings in a given calendar year exceeds two, at least one Meeting shall be held virtually or with virtual participation in hybrid format. Such virtual Meetings, or meetings with virtual participation held in hybrid format, shall	DK-FIN-SWE feedback: “para. 25: In addition to CO ₂ and cost considerations, our seat considers a high number of in-person meetings as a bar for participation for smaller administrations and

	<p>focus on administrative issues, reporting and formal Board approval issues.</p> <p><u>Option 2</u>: One regular Meeting in a given calendar year, or an extraordinary Meeting, may be held virtually or with virtual participation in hybrid format.</p> <p><u>Co-Chairs proposal</u>: If the number of Meetings in a given calendar year exceeds two, one regular Meeting or an extraordinary Meeting should be held virtually.</p>	<p>e.g. colleagues with family obligations, something that the Board should pay special attention to also from an inclusivity/gender point of view. We propose to amend as follows: "If the number of Meetings in a given calendar year exceeds two, one regular Meeting shall be held virtually, unless the Board decides otherwise." In the spirit of compromise, we propose to add in the draft decision a para. stating that in the first term of the board, all regular meetings shall be held in person unless otherwise decided."</p> <p>EU-IE feedback: "EU/IE seat position: the co-chair proposal is acceptable to us: "If the number of Meetings in a given calendar year exceeds two, one regular Meeting or an extraordinary Meeting should be held virtually"</p> <p>Our position is to make a reasonable use of virtual meetings to increase cost effectiveness in the functioning of the Fund. We acknowledge connectivity difficulties but we believe that innovative solutions should be pursued in the set up of this specific Fund (satellite connections, use of the offices of the WB as secretariat, etc.)."</p>
6.11 Meeting report	<p>38. The Co-Chairs shall present a joint summary of the main discussions and conclusions of the meeting within 5 business days after the Meeting. Any decision approved by the Board at a Meeting shall be appended to the Co-Chairs' joint summary. The Co-Chairs' joint summary and the decisions, other than those classified as confidential, shall be a public document.</p>	<p>Oral Inputs: Developed country constituency: Format of meetings should include virtual format.</p>
		<p>Oral Inputs: Developing country constituency: Removal of requirement for 5 days for Co-Chairs to develop summary report from Board meetings within 5 days.</p>

6.13 Languages	<p><u>43. Option 1:</u> Decisions taken and policies adopted by the Board shall be made publicly available via the Fund website in all six official languages of the United Nations.</p> <p><u>Option 2:</u> The Board may decide to have certain documents translated into all six official languages of the UN.</p> <p><u>Co-Chairs proposal:</u> The Board may decide to have certain documents, inter alia, operational policies and procedures, translated into other languages building on the agreed, where appropriate, United Nations languages, supporting a multilinguistic approach.</p>	<p>DK-FIN-SWE feedback: para. 43: Our seat is open to consider multilingualism of future operational/programming documents to improve access. However, we do not consider that regular translation of all board decisions and policies to all six UN languages is a useful way of spending the Fund's limited resources. We therefore strongly prefer option 2 and would not be able to approve option 1 without a clear discussion of costing. We can also agree with the Co-chairs' proposal.</p> <p>EU-IE feedback: "EU/IE seat: Agree with co-chairs proposal on: Languages (6.13(43): board may decide certain docs to be translated into UN languages to support multilinguist approach.</p> <p>As discussed at B2, it would be good to have some information on the cost implications of these different options."</p>
		<p>Oral Inputs: Developed country constituency: Budgetary implications regarding translations into other languages.</p>
Part VII. Committees, panels and expert bodies	45. The Board may establish Committees from among its Board members and/or Alternate members as may be required for the conduct of its business.	<p>Oral Inputs</p> <p>Developing country constituency: Request to include provision on Board consideration and approval of committee deliverables.</p>

<p>Part IX. Decision-making and voting</p> <p><i>9.2 Decision-making in the absence of consensus</i></p>	<p>51. If all efforts at reaching consensus have been exhausted and no consensus is reached, the following voting procedures apply, as a last resort:</p> <p>(a) Prior to any votes being cast, the Co-Chairs provide a final draft decision to each Board member. The draft decision shall be the version that, in the Co-Chairs' judgment, was supported by the greatest number of Board members;</p> <p>(b) The Co-Chairs retain their right to vote;</p> <p>(c) <u>Option 1</u>: Each Board member has one vote;</p> <p><u>Option 2</u>: Each Board member representing a Regional Group or Constituency shall have one vote, except in cases where the Board member is a representative of a regional economic integration organization, in which case such Board member shall refrain from voting as a representative of member States of such organization that are also represented on the Board; Decisions will be taken by a four-fifths majority of Board members present and voting.</p>	<p>EU-IE feedback:</p> <p>“EU/IE position:</p> <ul style="list-style-type: none"> • Only option 1 (c) can work. Option 2 (d) is not acceptable. The rationale for this is as follows: <ul style="list-style-type: none"> ○ The EU Board Member (Marjeta Jager in B.1 and B.2 and Jan Dusik in B.3) has been engaged in the deliberation of this Board during the first three meetings, including when the important decisions were taken, including the decision on the host country selection, on the approval of the hosting arrangements and the ED selection, including through participation in the ballot procedures for some of these decisions. ○ According to the GI, the Board will have an equitable and balanced representation of all Parties within a transparent system of governance. Excluding one Party to the UNFCCC and to the PA from the decision making of this Board would not be in line with the spirit of the GI. Each Board member should have one vote. ○ EU is not representing the other Board members from countries that are also EU members – EU is a UNFCCC and Paris Agreement party and as such are a fully-fledged member of the Board; in addition, this is underlined by Ireland being ABM for the EU on this shared seat.”
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Abbreviations: ABM = alternate member of the Board, B = meeting of the Board, BM = member of the Board, CO₂ = carbon dioxide, DK = Denmark, EEG = Eastern European Group, EU = European Union, FIN = Finland, GI = Governing Instrument, IE = Ireland, PA = Paris Agreement, SWE = Sweden, UNFCCC = United Nations Framework Convention on Climate Change, WB = World Bank.