

CSO UPDATE: GCF BOARD MEETING 29



28 JUNE - 1 JULY 2021 | ONLINE

Note: Transcript of CSO Interventions for GCF B29 can be accessed here: https://docs.google.com/document/d/1qV_JBaOEo-fkgTCZ8VLqZORFpsOCfo6rsMXt13LdqBM/edit?usp=sharing

DAY 3 - Jun 30, 2021

Day 3 started more than half an hour late and the entire session was spent on a procedural fight between developed and developing country BMs. Picking up from the suspended discussion on the **Integrated Results Management Framework (IRMF)**, the co-chair asked the selected BMs tasked to engage into further consultations and resolve differences with the IRMF's content and language, to present progress towards achieving consensus. He also asked the GCF Secretariat, who facilitated and documented the small group consultations, to present the revised IRMF document from the said consultations.

Below are the key changes made to the document from the Board consultations:

1. On paradigm shift potential - the reference to sustainable development has been removed in order to be aligned with the GCF Investment Framework and the Governing Instrument. Sustainable development will now be the context on which paradigm shift potential is expected to be occurring within.
2. On the different dimensions of paradigm shift - Co-benefits is now removed as one of the three dimensions of paradigm shift. In the presented version, scale, replicability, and sustainability are the different dimensions of paradigm shift observed.
3. On enabling environment - this is now presented as a separate outcome level from the mitigation and adaptation impact indicators.
4. All of the text and language referring to paradigm shift potential and sustainable development have been improved to be aligned with past GCF Board policies.

Despite the progress reflected in the outcome of consultations, some developed country BMs insist a voting procedure should be done, as earlier suggested by BMs from US and Sweden. They believe the Board already spent a significant amount of time debating on the IRMF and that in order to arrive at a decision and move forward with other agenda items, the Board should resolve the issue by voting. Developing country BMs argued significant progress has already been made towards consensus building, although more time is needed as some items (i.e. IRMF handbook and the alignment of the IRMF text with GCF Investment Framework and Article 2 of the Paris Agreement), have not yet been discussed. The developing country BMs asked for more time to engage in further consultations.

After hearing these views, the co-chair suspended the session again to consult his fellow co-chair from Mexico about how to address the "point of order" raised by the BM from the US, who suggested that the co-chairs determine whether or not all efforts have been exhausted to reach a Board consensus on the IRMF. In case the co-chairs believe all efforts have been exhausted, a voting procedure may commence. However, upon the resumption of the session, the co-chairs declared not all efforts have been exhausted to reach a Board consensus, which means the Board can still resolve issues on the IRMF via consultations.

Several developed country BMs disagreed and raised their objections to the determination of the Co-Chairs. Citing the Rules of Procedure (RoP), the co-chair decided to proceed with votation on whether or not the Board was in favor of the determination of the Co-Chairs that not all means have been exhausted towards reaching a

consensus on the IRMF. The developing country BMs intervened and raised points of order stating that a vote is only allowed under a Board decision from B23 if the Co-Chairs have determined that all means have been exhausted towards reaching a consensus. Since the co-chairs clearly said not all measures have been exhausted, BMs from Saudi Arabia, Egypt and Pakistan argued that the proposed voting procedure is not allowed under the B23 decision and proceeding with a vote would be illegal under the RoP. The BM from Saudi Arabia also stated that the co-chair must not only consult his fellow co-chair but also the entire Board on this matter.

As the interpretation of the co-chair differed from the points raised by some developing country BMs, he asked the GCF General Counsel for legal interpretation of the rules governing such issues. The General Counsel agreed with the co-chair which allowed the co-chair to proceed with the voting procedure among Board Members. The co-chair also clarified that in case the results of the voting procedure is against the Co-Chairs' determination — that not all means have been exhausted towards reaching a consensus — it will not automatically mean that the Co-Chairs determine that all means have been exhausted towards reaching a consensus. The BM from Egypt and Saudi Arabia believed it was a waste of time and expressed their dismay on how the co-chair interpreted the RoP. Nevertheless, the voting procedure happened and resulted to the following tally of votes:

VOTING PROCEDURE ON THE DETERMINATION OF THE CO-CHAIR THAT NOT ALL MEANS HAVE BEEN EXHAUSTED TOWARDS BUILDING A CONSENSUS ON THE IRMF:

In Favor	Against	Abstain
<ol style="list-style-type: none"> 1. Mauritius 2. Mexico 3. Egypt 4. South Korea 5. Pakistan 6. Tanzania 7. Saudi Arabia 8. Liberia 9. Argentina 10. Senegal 11. Dominican Republic 12. Canada 	<ol style="list-style-type: none"> 1. Albania 2. United States 3. Germany 4. Norway 5. Sweden 6. Japan 7. Finland 8. Luxembourg 	<ol style="list-style-type: none"> 1. Spain 2. Italy 3. France 4. United Kingdom

Based on the B23 decision governing the consensus-building procedures of the GCF Board, 4/5ths of the Board or at least 20 Board Members must vote "In Favor" for a determination to be upheld. Should a vote result in the determination of the Co-Chairs not being upheld, this will not automatically mean that the Co-Chairs determine that all means have been exhausted towards building a consensus. Thus, the co-chair again suspended the session to consult with his fellow co-chair from Mexico on the way forward given the results.

Upon resumption, the co-chair proposed that the small groups from Day 2 continue the offline consultations for the remaining contentious items on the IRMF. No specific time was set for the deadline of the said consultations. However, several developed country BMs said they are willing to engage into consultations within a limited time only, which is until the start of Day 4 of B29. The BM from Egypt responded to this point by saying that the developing country constituency will not engage in consultations if it is filled with threats and conditions like forcing a vote if consensus is still not reached by a certain time and if demands and positions are not met during the consultations, as expressed by the developed country BMs. As a way forward, the co-chair encouraged the Board to avoid making threats and conditions and engage in consultations about the IRMF in good faith.

The debate on the IRMF went for more than 4 hours. As there are other agenda items lined up for Day 3, including the Consideration of Funding Proposals and Consideration of Accreditation Proposals, the co-chair requested the Board for a 1-hour extension. But his request was objected by BM from Saudi Arabia who believed that the unnecessary voting procedure and the ineffective facilitation of the co-chair deprived the Board from having enough time to discuss more pressing issues and crucial agenda items. He refused to stay another hour

for the meeting. Although some BMs agreed with the co-chair and appealed for an extension, the co-chair adjourned the meeting and ended Day 3 of B29 5 minutes past the schedule.

You can catch the recorded proceedings of the GCF B29 at:

<https://www.greenclimate.fund/boardroom/meeting/b29#videos>