

Revised

Approved by the MCDF Governing Committee on 20 April 2022

Rules of Procedure of the Governing Committee of the MCDF Finance Facility

I. INTRODUCTION

1.1. These Rules of Procedure (“Rules”) set out the procedures that will be followed by the Governing Committee (as this term is defined in paragraph 2.7 hereof) in the conduct of its business.

1.2. These Rules complement the provisions of the Governing Instrument of the MCDF Finance Facility (“Governing Instrument”).

II. DEFINITIONS

For the purposes of these Rules:

2.1. “**Administrator**” means the Asian Infrastructure Investment Bank (“AIIB”), acting as the Administrator of the MCDF in accordance with the Governing Instrument;

2.2. “**AIIB**” has the meaning ascribed to it in paragraph 2.1 hereof;

2.3. “**Alternate**” means an alternate to any Representative appointed in accordance with paragraph 3.3.1 of these Rules;

2.4. “**Chair**” means the Voting Member appointed by other Voting Members of the Governing Committee to preside over the Meetings and to perform other inter-sessional duties in accordance with these Rules and the Governing Instrument;

2.5. “**Chief Executive Officer (CEO)**” means the head of the MCDF Secretariat appointed by the Administrator with the concurrence of the Governing Committee in accordance with Article 15 of the Governing Instrument;

2.6. “**Contributor**” means a contributor to the MCDF Finance Facility in accordance with Article 3 paragraph 1 of the Governing Instrument;

2.7. “**Governing Committee**” means the Governing Committee of the MCDF Finance Facility established in accordance with Article 7 of the Governing Instrument;

2.8. “**Governing Instrument**” has the meaning ascribed to it in paragraph 1.2 hereof;

- 2.9. “**IFI Implementing Partner**” means an international financial institution (“IFI”) that has been accredited as an IFI Implementing Partner in accordance with Article 12 of the Governing Instrument and signed an IFI Implementing Partner Agreement;
- 2.10. “**MCDF**” means the Multilateral Cooperation Center for Development Finance acting in accordance with the Governing Instrument;
- 2.11. “**MCDF Finance Facility**” means the facility established pursuant to the Governing Instrument to provide grant resources to fund activities of the MCDF;
- 2.12. “**Meeting**” means any regular or special meeting of the Governing Committee;
- 2.13. “**Member**” means (i) a member of the Governing Committee representing all the public entities from the same country that are contributing to the MCDF Finance Facility, in accordance with Article 3 paragraph 1 and Article 7 paragraph 2 of the Governing Instrument, or (ii) a Contributor that is not a public entity, as approved by the Governing Committee and the Administrator in accordance with Article 3 paragraph 1 of the Governing Instrument.
- 2.14. “**Non-Voting Member**” means a Contributor that committed resources to the MCDF Finance Facility of an amount below the threshold level for Voting Members in accordance with Article 7 paragraph 1 (b) of the Governing Instrument;
- 2.15. “**Observer**” means those who are invited to observe a Meeting pursuant to Article 7 paragraph 3 and Article 8 paragraph 2 of the Governing Instrument;
- 2.16. “**Other Personnel**” means those who listed in paragraph 4.3 hereof;
- 2.17. “**Representative**” means a representative of the Member appointed to represent such Member in the Governing Committee;
- 2.18. “**Rules**” has the meaning ascribed to it in paragraph 1.1 hereof;
- 2.19. “**Secretariat**” means the Secretariat of the MCDF established to support the day-to-day operations of the MCDF in accordance with the Governing Instrument;
- 2.20 “**Secretary**” means an official of the Secretariat designated by the Chief Executive Officer (CEO) as the Secretary of the Meetings.
- 2.21. “**Session**” means a period of a Meeting; and
- 2.22. “**Voting Member**” means a Contributor that committed resources to the MCDF Finance Facility of an amount at or above the threshold level for Voting Members in accordance with Article 7 paragraph 1 (a) of the Governing Instrument.

III. GOVERNING COMMITTEE MEMBERS

3.1. Voting and Non-Voting Members

3.1.1. The Governing Committee shall be comprised of either Voting Members or Non-Voting Members as follows:

3.1.1.1. Voting Members: Contributors that commit USD ten (10) million or more for a period of not more than five years shall be Voting Members. Each Voting Member shall have one equal vote.

3.1.1.2. Non-Voting Members: Other Contributors shall be Non-Voting Members and shall have no vote.

3.1.2. Notwithstanding the number of public entities from the same country that may be Contributors to the MCDF Finance Facility, all such entities shall be represented by one Member.

3.2 Representatives

3.2.1. Each Member shall appoint a Representative to the Governing Committee.

3.2.2. Unless the Member decides otherwise, each Representative shall serve for three years or until a new Representative is appointed by the Member. A Representative may be reappointed.

3.3. Alternates

3.3.1. Each Member shall appoint an Alternate. Alternates may attend the Meetings when the Representative is participating. The Alternate shall have full power to act for an absent Representative.

3.3.2. In the event that both the Representative and his/her Alternate are unable to attend a Meeting, the Representative may designate a temporary Alternate to act for him/her.

3.3.3. Except as may be expressly provided otherwise in these Rules, any reference in the Rules to a Representative shall be deemed to include his/her Alternate or temporary Alternate when such Alternate or temporary Alternate acts for such Representative.

IV. OBSERVERS AND OTHER PERSONNEL

4.1. The following shall be invited to participate in the Meetings as Observers:

- 4.1.1. the Chief Executive Officer (CEO);
- 4.1.2. one representative of each IFI Implementing Partner; and
- 4.1.3. one representative of the Administrator.

4.2. The Chair may invite, with the agreement of other Voting Members, additional persons as Observers to a Meeting as appropriate to the agenda items under discussion.

4.3. The following shall be invited to participate in the Meetings as Other Personnel:

4.3.1. the Secretary of the Meetings and members of the Secretariat as invited by the Chief Executive Officer (CEO);

4.3.2. additional personnel from each IFI Implementing Partner as invited by the representative of the IFI Implementing Partner; and

4.3.3. additional personnel from the Administrator as invited by the representative of the Administrator.

V. CHAIR

5.1. The Chair shall be a Voting Member appointed by the Voting Members. The Chair shall rotate annually among the Voting Members in the alphabetical order of the names of the Voting Members, unless otherwise decided by the Governing Committee.

5.2. The Chair shall preside at all Meetings and shall perform such other inter-sessional duties as may be agreed by the Governing Committee. The Chair is assisted by the Secretariat.

VI. MEETINGS

6.1. Regular and Special Meetings

6.1.1. The Governing Committee shall meet at least four times a year in regular Meetings. Special Meetings may be called by the Chief Executive Officer (CEO), in consultation with the Chair, when decisions have to be made that cannot wait for adoption at a regular Meeting, as determined by the Chief Executive Officer (CEO).

6.1.2. The Governing Committee shall meet at the seat of the Secretariat or at another location selected, based on consultation between the Chair and the Secretariat. Meetings may be held in virtual or hybrid format.

6.1.3. The Secretariat shall give notice of the date of each regular Meeting not less than three weeks prior to the date of such Meeting. The Secretariat shall give notice for any special Meeting not less than two weeks prior to the date of such Meeting, unless in light of the urgency of the business, as determined by the Chief Executive Officer (CEO), it is only feasible to transmit such notice within one week prior to the date of the special Meeting. Notice of the Meetings shall be conveyed to all Representatives, Alternates and Observers.

6.2. Executive Sessions

Executive Sessions of the Meetings may be held by decision of the Governing Committee. Executive Sessions shall be open only to the Representatives of Voting Members and, as applicable, their Alternates. The Chair, with the agreement of the Voting Members, may invite the Representatives of Non-Voting Members and their Alternates, and other invitees, as may be necessary, to attend an executive Session as Observers.

6.3. Quorum

A majority of the Voting Members shall constitute a quorum for any Meeting of, or decision-making by, the Governing Committee.

6.4. Agenda for Meetings

6.4.1. A provisional agenda for each regular Meeting shall be prepared by the Secretariat, and such provisional agenda shall be circulated by the Secretariat not less than three weeks prior to the date of such Meeting to all those invited to the Meeting.

6.4.2. Changes to the provisional agenda of a regular Meeting may be proposed by the Chair, the Chief Executive Officer (CEO) or any Voting Member, and incorporated in a revised provisional agenda, provided that all those invited to the Meeting are informed of such proposed amended agenda not less than one week prior to the opening of the Meeting. The final provisional agenda for the regular Meeting shall be transmitted by the Secretariat to all those invited to the Meeting as soon as possible prior to the opening of the Meeting.

6.4.3. A provisional agenda for each special Meeting shall be prepared by the Secretariat, and such provisional agenda shall be circulated by the Secretariat not less than two weeks prior to the date of such Meeting to all those invited to the Meeting, unless in light of the urgency of the business, as determined by the Chief Executive Officer (CEO), it is only feasible to transmit such agenda within one week prior to the date of the special Meeting. The final provisional agenda for the special Meeting shall be transmitted by the Secretariat to all those invited to the Meeting as soon as possible prior to the opening of the Meeting.

6.4.4. The Governing Committee shall, at the beginning of each Meeting, adopt the agenda for the Meeting.

6.4.5. Any item included on the agenda of a Meeting, consideration of which has not been completed at that Meeting, shall, unless the Governing Committee decides otherwise, be automatically included in the provisional agenda for the next Meeting.

6.4.6. If any Member shall so request, action by the Governing Committee on any matter included in the agenda for a particular Meeting shall be postponed not more than once until the next meeting or decision without Meeting. A request for postponement shall be made prior to discussion by the Governing Committee on the matter concerned.

6.5. Transmittal of Documents

The Secretariat shall transmit the documentation relating to items on the provisional agenda of a Meeting to all those invited to the Meeting at least two weeks before the start of a regular Meeting and as early as possible before a special Meeting. The Secretariat shall transmit the documentation relating to new items on a revised provisional agenda for a regular Meeting at the time of transmitting such revised agenda.

VII. SECRETARIAT AND CHIEF EXECUTIVE OFFICER (CEO)

7.1. The Chief Executive Officer (CEO) shall be appointed by the Administrator with the concurrence of the Governing Committee.

7.2. The Secretariat is headed by the Chief Executive Officer (CEO). The Secretariat shall be administratively established by, but functionally independent from, the AIIB. Recognizing its functional independence, the Secretariat shall be accountable to the Governing Committee for its activities while remaining accountable to the Administrator for complying with its administrative rules and procedures.

VIII. SECRETARY OF THE MEETINGS

An official of the Secretariat designated by the Chief Executive Officer (CEO) shall serve as the Secretary of the Meetings.

IX. LANGUAGE

Meetings and all documents prepared for the Meetings shall be in English.

X. FUNCTIONS OF THE GOVERNING COMMITTEE AND CONDUCT OF BUSINESS

10.1. Functions

The functions of the Governing Committee shall include:

10.1.1. approving any amendments to the Governing Instrument;

10.1.2. adopting these Rules;

10.1.3. approving, at its first Meeting, a results framework for the MCDF Finance Facility (the “Results Framework”);

10.1.4. approving a risk framework to assist the Governing Committee in fulfilling its oversight responsibilities of the MCDF Finance Facility;

10.1.5. approving an accreditation process and criteria for IFI Implementing Partners in concurrence with the Administrator;

10.1.6. approving a policy on information disclosure, taking into account the IFI Implementing Partners’ respective rules, procedures on data protection, disclosure and access to information;

10.1.7. approving a policy on administrative fees;

10.1.8. approving new Contributors and IFI Implementing Partners, in concurrence with the Administrator;

10.1.9. keeping under review the operation of the MCDF Finance Facility consistent with its purpose, scope, and objectives;

10.1.10. directing the utilization of the MCDF Finance Facility resources and keeping under review the financial sustainability of the MCDF Finance Facility;

10.1.11. approving and periodically reviewing operational modalities of the MCDF Finance Facility (including the operations manual);

10.1.12. approving and periodically reviewing funding priorities and project selection criteria, including incentives to promote collaboration between IFI Implementing Partners and New Partners (as defined in the Governing Instrument);

10.1.13. approving funding from the MCDF Finance Facility to support IFI Implementing Partner funding proposals;

- 10.1.14. approving funding from the MCDF Finance Facility for activities to support the Collaboration Platform (as defined in the Governing Instrument);
- 10.1.15. approving policies for the transfer of resources for approved MCDF-financed activities and/or administrative budget to the IFI Implementing Partners, the Secretariat, and the Administrator;
- 10.1.16. monitoring and evaluating progress in implementation of the approved work programs and providing guidance to the Secretariat and IFI Implementing Partners;
- 10.1.17. arranging for the expertise of independent experts to provide objective advice and recommendations as needed;
- 10.1.18. approving arrangements and financing for independent evaluations of the MCDF;
- 10.1.19. approving the MCDF annual report;
- 10.1.20. reviewing the audited financial statements of the MCDF Finance Facility;
- 10.1.21. reviewing and approving the MCDF administrative budget to cover the costs of the Secretariat and the services provided by the Administrator;
- 10.1.22. approving a policy to cover the additional administrative costs of the IFI Implementing Partners, taking into account the cost recovery policies of the IFI Implementing Partners;
- 10.1.23. approving termination of the MCDF Finance Facility after taking into account the views and recommendations of the IFI Implementing Partners and the Administrator; and
- 10.1.24. exercising such other functions as appropriate to fulfill the purposes of the MCDF Finance Facility.

10.2. Interventions

- 10.2.1. The Chair shall preside over the Meeting, declare the opening and closing of the Meeting, submit to the Governing Committee for consideration all matters appearing on the adopted agenda of the Meeting and give the floor to the Representatives in the order in which they signify their desire to speak.
- 10.2.2. The Chair may call a speaker to order if his/her remarks are not relevant to the subject under discussion. Any Representatives may, at any time during discussion of any matter, raise a point of order, or make a request for intervention, which shall be decided immediately by the Chair.
- 10.2.3. With the consent of the Representatives, the Chair may limit the time allowed to speakers and the number of times a speaker may speak on any question.
- 10.2.4. During the course of the proceedings, the Chair may announce the list of speakers and, with the consent of the Representatives, declare the list closed. When there are no more speakers on the list, the Chair shall declare the discussion closed.
- 10.2.5. The Chair may invite the Observers to address the Meeting on matters involving strategic discussions or of direct concern to the Observers.

XI. DECISION-MAKING

Decisions of the Governing Committee shall be made by consensus among the Voting Members. Consensus shall be established in the absence of a request for a formal vote by any Voting Member. In the case of a formal vote, unanimity among Voting Members participating in the vote shall be reached for all decisions otherwise requiring consensus.

XII. DECISIONS WITHOUT MEETING

12.1.1. Whenever, in the judgement of the Chair and the Chief Executive Officer (CEO), a decision must be taken by the Governing Committee that should not be postponed until the next regular Meeting but does not warrant the calling of a special Meeting, the Secretariat shall transmit to each Voting Member, by any means of communication, a proposed decision with a request to adopt the decision on a no-objection basis by a specified date, with the possibility to provide comments. Such communication shall also be transmitted to all those who would have been invited to the Meeting, had this decision been taken in a Meeting.

12.2. Any Voting Member's comments on the proposed decision shall be sent to the Secretariat during the period prescribed in the communication. Any comments received by the Secretariat shall be shared with all those that received the communication. The revised proposed decision incorporating the comments received shall be recirculated for approval on a no-objection basis.

12.1.3. At the expiration of the period prescribed for comments, the decision shall be deemed approved unless there is an objection to adopting the decision by a Voting Member. If there is such an objection, the Secretariat shall include consideration of the proposed decision as an item in the agenda for the next Meeting. The Secretariat shall inform all those that received the communication regarding the proposed decision of the action that is taken pursuant to this paragraph.

XIII. CHAIR'S SUMMARY AND MINUTES OF THE MEETING

13.1. The Secretary shall prepare, under the guidance of the Chair, a Chair's summary of the Meeting which records the conclusions and decisions reached at the Meeting. The Chair's summary shall be circulated to all those invited to the Meeting as quickly as possible after the Meeting for approval on a no-objection basis.

13.2. The Secretary shall prepare the minutes of the Meeting which records the conclusions and decisions reached, and the key points raised, at the Meeting. The minutes shall be circulated to all those invited to the Meeting as quickly as possible after the Meeting for approval on a no-objection basis.

XIV. CONFLICTS OF INTEREST

The Representatives, Alternates, Observers and Other Personnel shall avoid any situation involving an actual or perceived conflict of interest. At the Meetings, the Representatives,

Alternates, Observers and Other Personnel shall reveal any conflicts of interest they may have regarding the Governing Committee business and the Meeting agenda items and excuse themselves from attendance and participation in deliberations or decision-making connected with those matters. A Member submitting a proposal to the Secretariat and its Representatives and Alternates shall not be deemed to have a conflict of interest with respect to such item solely due to their submission. In case of a dispute between the Members, Representatives, Alternates or Observers on whether a situation represents a conflict of interest, the Chair will resolve the matter in consultation with the Members which are not parties to such dispute.

XIV. AMENDMENTS TO THE RULES

These Rules may be amended by consensus of the Governing Committee.

XV. OVERRIDING AUTHORITY OF THE GOVERNING INSTRUMENT

In the event of any conflict between any provision of these Rules and any provision of the Governing Instrument, the provisions of the Governing Instrument shall prevail.