

**RULES OF PROCEDURE
OF
THE GOVERNING COUNCIL**

GC / RULES / 1 / Rev.1

**COMMON FUND FOR COMMODITIES
Amsterdam, Netherlands, 1993**

RULES OF PROCEDURE OF THE GOVERNING COUNCIL

CONTENTS

Page

Introduction	v
Preamble	1

I. DEFINITIONS

Rule

1	Definitions	1
---	-------------------	---

II. MEETINGS

2	Annual Meeting; place of meetings	2
3	Special meetings	2
4	Notice of meetings of the Governing Council	2
5	Attendance of Executive Directors, advisers and observers at meetings of the Governing Council	3
6	Provisional agenda	3
7	Communication of the provisional agenda	3
8	Supplementary items	4
9	Adoption of the agenda	4
10	Quorum	4
11	Public and private meetings	4

III. OFFICERS

12	Election of Chairman and Vice-Chairmen	5
13	Acting Chairman	5
14	Voting rights of the Chairman	5

Rule

Page

IV. COMMITTEES

15	Establishment, membership and meetings	6
16	Rules of procedure	6

V. LANGUAGES

17	Official languages of the Governing Council	6
18	Interpretation	6
19	Languages of documents, reports and formal decisions	6

VI. SECRETARIAT

20	The Secretariat	7
21	Statements by the Managing Director	7
22	Estimates of expenditures	7

VII. CONDUCT OF BUSINESS AT MEETINGS

23	General powers of the Chairman	7
24	Points of order	8
25	Submission of proposals	8
26	Motions	8
27	Right of reply	8
28	Reconsideration of proposals	8

VIII. VOTING

29	Voting rights	9
30	Majority required	9
31	Method of voting	9
32	Conduct during voting	9
33	Order of voting on amendments and proposals	9
34	Voting without meeting	10

IX. ELECTIONS

35 Method 10

X. ELECTION OF EXECUTIVE DIRECTORS

36 Method 11
37 Vacancies 11

XI. APPOINTMENT OF MANAGING DIRECTOR

38 Method 11

XII. RECORDS AND REPORTS

39 Sound recordings 12
40 Reports 12

XIII. AMENDMENT AND SUSPENSION

41 Method of amendment 12
42 Method of suspension 13

INTRODUCTION

1. At the fifth plenary meeting of its First Annual Meeting, the Governing Council, on 14 July 1989, adopted the rules of procedure of the Governing Council (CF/GC/4).
2. In the light of the provisions of Article 20, paragraph 2 of the Agreement Establishing the Common Fund for Commodities and the general practice of International Financial Institutions, the Governing Council, at its first plenary meeting on 7 December 1992, during the course of its Fourth Annual Meeting, decided to dispense with the system of submitting and examining credentials of Governors and Alternate Governors attending meetings of the Governing Council. It also decided that as a consequence of this decision, rule 12 of the Rules of Procedure of the Governing Council should be deleted.

RULES OF PROCEDURE OF THE GOVERNING COUNCIL

Preamble

These rules of procedure of the Governing Council are adopted under the authority of the Agreement Establishing the Common Fund for Commodities; and they shall be construed accordingly. In the event of a conflict between anything in these rules of procedure and any provision or requirement of the Agreement, the Agreement shall prevail.

I. DEFINITIONS

Rule 1 - Definitions

For the purposes of these rules:

- (i) "Agreement" means the Agreement Establishing the Common Fund for Commodities;
- (ii) "Governing Council" means the Governing Council of the Fund;
- (iii) "Fund" means the Common Fund for Commodities;
- (iv) "Governor" means the person whom a Member has appointed as such for a meeting of the Governing Council and, except where otherwise specified, includes the Alternate appointed by such Member;
- (v) "Executive Board" means the Executive Board of the Fund;
- (vi) "Managing Director" means the Managing Director of the Fund;
- (vii) "Member" means a Member of the Fund;
- (viii) "Executive Director" means a member of the Executive Board;
- (ix) "Associated ICO" means an international commodity organization which is associated with the Fund pursuant to Article 7 of the Agreement;
- (x) "ICB" means an international commodity body designated in accordance with Article 7, paragraph 9, of the Agreement;
- (xi) "UNCTAD" means the United Nations Conference on Trade and Development;

- (xii) "Total voting power" means the sum of the votes held by all the Members of the Fund;
- (xiii) "Simple Majority" means more than half of all votes cast;
- (xiv) "Votes cast" means affirmative and negative votes;
- (xv) "Qualified Majority" means at least two thirds of all votes cast; and
- (xvi) "Highly Qualified Majority" means at least three fourths of all votes cast.

II. MEETINGS

Rule 2 - Annual meeting; place of meeting

The annual meeting of the Governing Council shall be held at the headquarters of the Fund, unless the Governing Council decides otherwise and it does not involve additional expenditure to the Fund.

Rule 3 - Special meetings

(a) Special meetings of the Governing Council may be called at any time by the Governing Council, by 15 Governors holding at least one fourth of the total voting power, or by the Executive Board. Whenever any Governor makes a request for a special meeting of the Governing Council, the Managing Director shall notify all Members of the Fund of such request and of the reasons given therefor, and a special meeting of the Governing Council shall be called if 15 Governors holding at least one fourth of the total voting power concur with such request.

(b) Special meetings of the Governing Council shall be held at the headquarters of the Fund, unless the Governing Council decides otherwise and it does not involve additional expenditure to the Fund.

Rule 4 - Notice of meetings of the Governing Council

The Managing Director shall notify each Member and the persons referred to in rule 5 (a), (c), (d) and (e), of the time, place and expected duration of each meeting of the Governing Council. Notice of such meeting shall be dispatched not less than six weeks prior to the date set for the meeting, except that, in the case of special meetings, such notice shall be sufficient if dispatched in writing by any appropriate means of communication, including cable or telex, not less than 14 days prior to the date set for the meeting.

Rule 5 - Attendance of Executive Directors, advisers
and observers at meetings of the Governing Council

- (a) The Executive Directors and their alternates may attend all meetings of the Governing Council and may participate in such meetings, but an Executive Director or his alternate shall not be entitled to vote at any such meetings unless he is entitled to vote as a Governor or as an Alternate of a Governor.
- (b) A Governor or his Alternate may be accompanied by advisers.
- (c) Unless the Governing Council decides otherwise, the executive head of associated ICOs and of ICBs or their representatives, and the Secretary-General of UNCTAD or his representative, may attend any meeting of the Governing Council as observers.
- (d) Unless the Governing Council decides otherwise, representatives of the organizations of the United Nations system, other intergovernmental organizations, international financial institutions, non-governmental organizations and governmental agencies with which the Fund has entered into agreements under Article 29, paragraph 2, of the Agreement may attend any meetings of the Governing Council as observers.
- (e) The Governing Council or the Executive Board may invite any other observers to attend any meeting of the Governing Council when the purposes and activities of such observers are related to the deliberations of the Governing Council.

Rule 6 - Provisional agenda

- (a) The Managing Director shall submit, through the Executive Board, a provisional agenda for each meeting of the Governing Council.
- (b) The provisional agenda for a special meeting shall normally consist of only those items proposed in the decision, request or proposal for holding the meeting.

Rule 7 - Communication of the provisional agenda

The Managing Director shall normally transmit the provisional agenda for a meeting and the documentation relating to items thereon together with the notice referred to in rule 4.

Rule 8 - Supplementary items

After the communication of the provisional agenda pursuant to rule 7, any Governor, the Executive Board or the Managing Director may propose supplementary agenda items, which the Managing Director shall communicate, together with documentation relating thereto, at least 14 days before the meeting, to each Member and to the persons referred to in rule 5 (a), (c), (d) and (e).

Rule 9 - Adoption of the agenda

- (a) The Governing Council shall at the beginning of each meeting adopt the agenda for such meeting on the basis of the provisional agenda and the supplementary items.
- (b) During a meeting the Governing Council may revise the agenda by adding, deleting, deferring or amending items.
- (c) No supplementary item that is not communicated to Members at least 14 days before the session and no additional item included in the agenda pursuant to paragraph (b) above shall be considered until two days after it is placed on the agenda, unless the Governing Council decides otherwise.

Rule 10 - Quorum

A quorum for any meeting of the Governing Council shall be constituted by a majority of the Governors holding not less than two thirds of the total voting power.

Rule 11 - Public and private meetings

Except as provided in rule 38 and unless the Governing Council decides otherwise, the meetings of the Governing Council shall be held in public and those of its committees shall normally be held in private.

III. OFFICERS

Rule 12 - Election of Chairman and Vice-Chairmen

- (a) At each annual meeting the Governing Council shall elect a Governor to act as Chairman and at least 6 other Governors to act as Vice-Chairmen from the end of such meeting until the end of the next annual meeting, except that at the first annual meeting a Chairman and Vice-Chairmen shall be elected at the beginning of such meeting for such meeting and shall remain in office until the end of the second annual meeting. A Chairman may be re-elected only for one successive term.
- (b) If a Chairman or Vice-Chairmen resigns or ceases to be a Governor, he shall cease to hold his office and a special election shall be held at the next meeting unless the vacancy is filled by a decision without a meeting.

Rule 13 - Acting Chairman

In the absence of the Chairman, the Vice-Chairman designated by the Chairman shall act in his place. If the Chairman has not made such a designation, the Vice-Chairman who shall act in his place shall be determined by the English alphabetical order of States Members until a new chairman is elected.

Rule 14 - Voting rights of the Chairman

The Chairman or an Acting Chairman shall participate in the meetings of the Governing Council in such capacity and not as the Governor of a Member. His right to vote shall be exercised by his Alternate or, in the absence of the latter, by another member of his delegation.

V. COMMITTEES

Rule 15 - Establishment, membership and meetings

- (a) The Governing Council may establish committees and refer to them any question for study and report.
- (b) Committees shall normally function only during meetings of the Governing Council.

Rule 16 - Rules of procedure

Unless specifically provided otherwise in these rules or otherwise decided by the Governing Council, these rules shall apply *mutatis mutandis* to committees, except that there shall not be voting.

VI. LANGUAGES

Rule 17 - Official languages of the Governing Council

The official languages of the Governing Council shall be the languages of Members which are also official languages of the United Nations.

Rule 18 - Interpretation

- (a) Speeches made in any of the official languages of the Governing Council shall be interpreted into the other official languages.
- (b) A speaker may speak in a language other than an official language of the Governing Council if he provides for interpretation into one of the official languages. Interpretation into the other official languages of the Governing Council may be based on the interpretation given in such official language.

Rule 19 - Languages of documents, reports and formal decisions

All documents and reports, including the texts of formal decisions of the Governing Council, shall be made available in the official languages of the Council.

VII. SECRETARIAT

Rule 20 - The Secretariat

The Managing Director shall direct the staff required by the Governing Council and shall be responsible for all arrangements necessary for its meetings, including those to be made with the host Government if a meeting is to be held elsewhere than at the headquarters of the Fund.

Rule 21 - Statements by the Managing Director

The Managing Director or a representative designated by him may make oral as well as written statements concerning any question under consideration by the Governing Council.

Rule 22 - Estimates of expenditures

Whenever the Governing Council is considering any proposal that might affect the administrative expenditure of the Fund, the Managing Director shall provide written estimates of the relevant amounts, which the Governing Council shall consider before taking a decision on the proposal.

VIII. CONDUCT OF BUSINESS AT MEETINGS

Rule 23 - General powers of the Chairman

(a) In addition to exercising the powers conferred on him elsewhere by these rules, the Chairman shall declare the opening and closing of each meeting of the Governing Council, direct the discussions, ensure observance of the rules, accord the right to speak, put questions to the vote and announce decisions. The Chairman, subject to these rules, shall have complete control of the proceedings of the Governing Council and over the maintenance of order at its meetings. He may propose to the Governing Council the closure of the list of speakers, a limitation on the time to be allowed to speakers and on the number of times a speaker may speak on any item, the adjournment or closure of the debate, and the suspension or adjournment of a meeting.

(b) The Chairman, in the exercise of his functions, shall remain under the authority of the Governing Council.

Rule 24 - Points of order

- (a) During the discussions of any matter, a Governor may at any time raise a point of order, which the Chairman shall decide immediately in accordance with these rules. Any Governor may appeal against the ruling of the Chairman. The appeal shall be put to the vote immediately and the ruling of the Chairman shall stand unless overruled by the Governing Council.
- (b) In raising a point of order, a Governor may not speak on the substance of the matter under discussion or make any proposal or motion.

Rule 25 - Submission of proposals

Proposals including substantive amendments to the proposals, shall normally be submitted in writing to the Managing Director, who shall circulate them to all Governors in all the official languages of the Governing Council. Unless the Governing Council decides otherwise, these shall not be discussed or put to the vote sooner than 24 hours after circulation.

Rule 26 - Motions

A Governor may present any of the following motions which the Chairman may put to the vote without or with limited debate and which shall have precedence in the indicated order over all proposals and other motions before the meeting:

- (a) To suspend the meeting;
- (b) To adjourn the meeting;
- (c) To adjourn the debate on the item under discussion;
- (d) To close the debate on the item under discussion;
- (e) To vote on a proposal under discussion.

Rule 27 - Right of reply

The Chairman shall accord the right of reply to any Governor who requests it, but may determine the time when such rights may be exercised and the maximum length of any reply.

Rule 28 - Reconsideration of proposals

When a proposal has been adopted or rejected, it may not be reconsidered at the same session unless the Governing Council so decides by a Qualified Majority.

IX. VOTING

Rule 29 -Voting rights

Each Governor shall be entitled to cast the votes of the Member or Members he represents. In his absence, the Alternate appointed by such Member shall be entitled to cast such votes.

Rule 30 - Majority required

Decisions in the Governing Council shall, whenever possible, be taken without vote. No decisions shall be taken unless there is a quorum as provided for in rule 10. All matters shall, except as otherwise provided in the Agreement or the rules and regulations of the Fund, be decided by a Simple Majority.

Rule 31 - Method of voting

(a) Subject to rule 35, voting shall normally be by roll call. Roll-call votes shall be taken in the English alphabetical order of the names of the Members, starting with the Member whose name is drawn by lot by the Chairman. The name of each Member shall be called in all roll calls, and its representative shall reply "yes", "no", or "abstention". Unless otherwise decided by the Governing Council, the vote of each Member participating in the roll call shall be recorded.

(b) The Governing Council may decide to vote by secret ballot on any question.

Rule 32 - Conduct during voting

(a) The Chairman shall announce the commencement of voting, after which no one shall be permitted to intervene until the results of the vote have been announced, except on a point of order in connection with the process of voting.

(b) Governors may, before the announcement of the commencement of voting or after the results of the vote have been announced, make brief statements consisting solely of explanation of their votes, except when the vote is by secret ballot.

Rule 33 - Order of voting on amendments and proposals

(a) An amendment is a proposal that does no more than add to, delete from, or revise part of another proposal.

(b) When an amendment is moved to a proposal, the amendment shall be voted on first. When two or more amendments are moved to a proposal, the amendment furthest removed in substance from the original proposal shall be voted on first, and then the amendment next furthest removed, and so on until all the amendments have been put to the vote. Where, however, the adoption of one amendment necessarily implies the rejection of another amendment, the later amendment shall not be put to the vote. If one or more amendments are adopted, the proposal as amended shall then be voted on. If no amendments are adopted, the proposal shall be put to the vote in its original form.

(c) Proposals, other than amendments, relating to the same questions shall be voted on in the order in which they were submitted, unless the Governing Council decides otherwise.

Rule 34 - Voting without meeting

Whenever, in the judgement of the Executive Board, any action by the Fund must be taken by the Governing Council before the next annual meeting of the Governing Council and does not warrant the calling of a special meeting of the Governing Council, the Executive Board through the Managing Director shall present to each Member by any appropriate means of communication, including cable or telex, a motion embodying the proposed action with a request for a vote by its Governor. Votes shall be cast during such period as the Executive Board may prescribe, provided that no Governor shall vote on any such motion until seven days after dispatch of the motion, unless he is notified that the Executive Board has waived this requirement. At the expiration of the period prescribed for voting, the Executive Board shall record the results and the Managing Director shall notify all members of such result. If the replies received did not include a majority of the Governors exercising two thirds of the total voting power of the Governing Council, the vote shall not be considered valid.

X. ELECTIONS

Rule 35 - Method

(a) Except as provided otherwise in respect of elections pursuant to rules 36 and 37, all elections shall be held by secret ballot, unless the Governing Council decides otherwise in an election where the number of candidates does not exceed the number of elective places to be filled.

(b) When one or more elective places are to be filled at one time under the same conditions, those candidates, in a number not exceeding the number of such places, shall be elected who obtain in the first ballot the largest number of votes and a Simple Majority. If the number of candidates so elected is less than the number of places to be filled, additional ballots shall be held to fill the remaining places, from each of which in succession that candidate shall be eliminated who received the lowest number of votes in the previous ballot, until the number of candidates listed on an additional ballot does not exceed twice the number of places remaining to be filled.

XI. ELECTION OF EXECUTIVE DIRECTORS

Rule 36 - Method

Election of Executive Directors shall take place in accordance with Article 22, paragraph 2, and Schedule E of the Agreement.

Rule 37 - Vacancies

(a) Whenever a new Executive Director must be elected because of a vacancy requiring an election, the Managing Director shall notify the Members who elected the former Executive Director of the existence of the vacancy. The new Executive Director and his Alternate shall be elected together as a single candidature. For this purpose the seat of the Alternate to the Executive Director whose seat has fallen vacant shall be deemed to have also fallen vacant. The Managing Director shall, by appropriate means of communication, including cable or telex, and exclusively for the purpose of electing a new candidature, request nominations from, and conduct ballots among, the Governors of Members who elected the former Executive Director. Successive ballots shall be cast until one candidature has a majority. After each ballot, the candidature with the smallest number of votes shall be dropped from the next ballot.

(b) An Executive Director elected to fill a vacancy shall hold the position of Executive Director until the next regular election of the remaining Executive Directors, at which time the position to which he has been elected shall also be voted for.

(c) Whenever the seat of an Alternate to an Executive Director fall vacant, it shall be filled *mutatis mutandis* by the procedure described in the preceding paragraph except that only the Alternate to the Executive Director shall be elected.

XII. APPOINTMENT OF MANAGING DIRECTOR

Rule 38 - Method

(a) The appointment of the Managing Director shall be considered by the Governing Council at a private meeting, and voting shall be in accordance with rule 35 (a).

(b) The Governing Council shall appoint the Managing Director by a Qualified Majority. In the case of more than one nominee, if no nominee received the required number of votes on the first ballot, a second ballot shall be taken in which the nominee who received the fewest votes shall not participate. This procedure shall be repeated until one nominee receives at least a Qualified Majority or the Council decides that such balloting be discontinued and a decision be taken on another date. Each Governor casting the votes of the Member he represents shall cast them in favour of a single person.

XIII. RECORDS AND REPORTS

Rule 39 - Sound recordings

- (a) Sound recordings of the meetings of the Governing Council shall be made and kept by the Secretariat. Such recordings may also be made and kept of the meetings of committees if so decided by the Governing Council.
- (b) In respect of meetings or portions thereof that are held in private, access to such recordings shall be restricted to the representatives of Members that were members of the body concerned at the time of the meeting and to any other participants in the meeting; however, the Governing Council may allow access to such records to the representatives of other Members as well as to the Public at such time and under such conditions as it may decide.

Rule 40 - Reports

- (a) The Managing Director shall prepare, in the official languages of the Governing Council, reports of the proceedings of its public meetings, which he shall transmit promptly to each Member, to the executive heads of associated ICOs and of ICBs, to the Secretary-General of UNCTAD, to each co-operating international organization or institution with which the Fund may have entered into agreements under Article 29, paragraph 2, of the Agreement, and, for its guidance, to the Executive Board. he shall subsequently publish and similarly transmit any corrections to the reports that are communicated to him within one month of the transmission of the reports; any disagreement concerning such corrections shall be resolved by the Chairman.
- (b) Any report of meetings of the Governing Council or of its committees held in private shall also be distributed to all Members.

XIV. AMENDMENT AND SUSPENSION

Rule 41 - Method of amendment

These rules may be amended by the Governing Council by a Highly Qualified Majority, to the extent that such amendment is consistent with the Agreement or other rules and regulations of the Fund and after considering a report of the Chairman and Vice-Chairmen on the proposed amendment.

Rule 42 - Method of suspension

These rules may be suspended by the Governing Council by a Highly Qualified Majority, to the extent that such suspension is consistent with the Agreement, provided that 24 hours notice of the proposal for the suspension has been given, which may be waived if no Governor objects. Any suspension shall be limited to a specific and stated purpose and to the period required to achieve it.