

**Report of the second meeting of the Transitional Committee
for the design of the Green Climate Fund**

Tokyo, Japan
13–14 July 2011

I. Opening of the meeting

(Agenda item 1)

1. The second meeting of the Transitional Committee (TC) for the Design of the Green Climate Fund (GCF) was held at the United Nations University, Tokyo, Japan, from 13 to 14 July 2011.
2. The Co-Chairs opened the meeting on Wednesday, 13 July 2011, and welcomed all members of the TC and observers.
3. Mr. Yutaka Banno, State Secretary for Foreign Affairs, Japan, and Prof. Kazuhiko Takeuchi, Vice-Rector of the United Nations University (on behalf of the Rector, Mr. Konrad Osterwalder) delivered welcoming addresses. Opening remarks were also made by H.E. Mr. Yoshihiko Noda, Minister of Finance, on behalf of the Government of Japan.
4. Statements were delivered by representatives of environmental non-governmental organizations (NGOs), women and gender NGOs and youth NGOs as well as an intergovernmental organization, the South Centre.
5. A report by the co-facilitator of the workshop on relevant funds and institutions, which was held in Tokyo on 12 July 2011, was presented to the TC.

II. Adoption of the agenda

(Agenda item 2)

6. The TC considered document TC-2/1 containing the provisional agenda and annotations. Amendments were proposed to the provisional agenda based on submissions made by some TC members. In response, the Co-Chairs informed the meeting of the intention to present a road map for further work and information on the dates and venues of the next meetings under agenda item 9, namely Next steps. The agenda (TC-2/1/Rev.1) was adopted as amended, as follows:

1. Opening of the meeting.
2. Adoption of the agenda.
3. Election of officers.
4. Working arrangements for the Transitional Committee:
 - (a) Additional elements of the working arrangements for the Transitional Committee;
 - (b) Update on arrangements for the Technical Support Unit.

5. Workstream I: Scope, guiding principles and cross-cutting issues:
 - (a) Report by the co-facilitators;
 - (b) Discussion of the key issues.
6. Workstream II: Governance and institutional arrangements:
 - (a) Report by the co-facilitators;
 - (b) Discussion of the key issues.
7. Workstream III: Operational modalities:
 - (a) Report by the co-facilitators;
 - (b) Discussion of the key issues.
8. Workstream IV: Monitoring and evaluation:
 - (a) Report by the co-facilitators;
 - (b) Discussion of the key issues.
9. Next steps.
10. Other matters.
11. Report of the meeting.
12. Closure of the meeting.

III. Election of officers

(Agenda item 3)

7. H.E. Mr. Burhan Gafoor of Singapore and Mr. Ewen McDonald of Australia were unanimously elected to serve as Vice-Chairs of the TC. A TC member stated that of the five elected officers of the TC, three are from developed country Parties and two from developing country Parties, and furthermore requested that this statement be recorded in the report of the meeting.

IV. Working arrangements for the Transitional Committee

(Agenda item 4)

8. Document TC-2/2 on working arrangements for the TC, and document TC-2/3 on update on arrangements for the Technical Support Unit, were introduced. The Secretary to the TC reported to the meeting that a revision of document TC-2/3 would be circulated during the meeting (TC-2/3/Rev.1). Furthermore, the meeting was informed of the pledges of contributions by Germany and Denmark in order to support the work of the TC.

9. During the discussion, the TC member from Nicaragua raised an issue of conflict of interest in the GCF design, referring to the trusteeship arrangements for the GCF and the secondment of staff to the Technical Support Unit (TSU).

A proposal was submitted relating to the application of the rules and principles of the United Nations on conflict of interest in the GCF design, including the TSU.

10. There was insufficient agreement among the members of the TC on this matter so it had to stand down. It was concluded that this will be recorded as such in the report of the meeting. Furthermore, the Secretary to the TC was requested to provide further legal background information prior to the next TC meeting.

11. In conclusion the TC agreed to the working arrangements as set out in document TC-2/2.

V. Workstream I: Scope, guiding principles and cross-cutting issues
(Agenda item 5)

12. The co-facilitators of workstream I, Ms. Alicia Montalvo and Mr. Derek Gibbs, introduced documents TC-2/WSI/1 and TC/WSI/2 and reported to the meeting on the progress made in this workstream. Following an exchange of views by the TC, the co-facilitators made some concluding remarks, summarizing the discussion.

VI. Workstream II: Governance and institutional arrangements
(Agenda item 6)

13. The co-facilitator of workstream II, Mr. Tosi Mpanu Mpanu, introduced documents TC-2/WSII/1, TC/WSII/2, TC/WSII/3 and TC/WSIII/5 and reported to the meeting on the progress made in this workstream. Following an exchange of views by the TC, the co-facilitators made some concluding remarks, summarizing the discussion.

VII. Workstream III: Operational modalities
(Agenda item 7)

14. The co-facilitator of workstream III, Mr. Ewen McDonald, introduced documents TC-2/WSIII/1, TC/WSIII/2, TC/WSIII/3, TC/WSIII/4 and TC/WSIII/5 and reported to the meeting on the progress made in this workstream. Following an exchange of views by the TC, the co-facilitators made some concluding remarks, summarizing the discussion.

VIII. Workstream IV: Monitoring and evaluation
(Agenda item 8)

15. The co-facilitators of workstream IV, Mr. Aparup Chowdhury and H.E. Mr. Jan Cedergren, introduced documents TC-2/WSIV/1, TC/WSIV/2 and TC/WSIV/3 and reported to the meeting on the progress made under this workstream. Following an exchange of views by the TC, the co-facilitators made some concluding remarks, summarizing the discussion.

IX. Next steps
(Agenda item 9)

16. Co-Chairs presented a note to the meeting on the workplan of the TC, outlining the proposed schedule for its remaining work in order to fulfill its mandate and provide operational documents for approval at the 17th session of the Conference of

Parties to the UNFCCC (COP 17) on 28 November – 9 December 2011 in Durban, South Africa.

17. TC members were encouraged to provide their views and comments by 29 July 2011 on issues raised during this meeting and those to be discussed at the next TC meeting. The meeting was informed and agreed that the Co-Chairs, the Vice-Chairs and the co-facilitators will prepare a draft outline of the report of the TC to COP 17, based on discussions at this meeting and written submissions by TC members. Furthermore co-facilitators will prepare additional papers as appropriate, on key issues requiring further work. These documents will be circulated to the TC members by 28 August 2011. Emphasis was made that the Transitional Committee should take collective ownership of the report of the TC to COP 17 and in order to have collective ownership, the TC should develop the documents in phases with milestones set for the remaining two scheduled TC meetings.

18. A joint submission entitled “Draft instrument for the establishment of the Green Climate Fund” was presented by the TC member from Egypt on behalf of the TC members from Argentina, Burkina Faso, China, Democratic Republic of the Congo, Egypt, El Salvador, Gabon, India, Morocco, Nicaragua, Philippines, Saudi Arabia and Zambia. He requested that the document be circulated to all TC members.

19. The meeting was also informed about the regional meeting with stakeholders that Japan and Australia are co-organizing in late August or early September 2011.

20. TC members were advised that the TSU would be in position to prepare, under the guidance of the Co-Chairs, additional documentation by 28 August 2011, if so requested in submissions made by 29 July 2011.

21. With regards to the workshop to be held preceding the next TC meeting, the Co-Chairs agreed that they will review the topics suggested by TC Members as well as the amount of time allocated for such a workshop, so as to ensure that time is optimally utilized. The meeting agreed to the workplan as amended (annexed to this report).

X. Other matters

(Agenda item 10)

22. Some TC members requested that the standard United Nations procedures be applied in terms of travel arrangements for eligible TC members.

23. A statement was delivered by the representative of Oxfam.

XI. Report of the meeting

(Agenda item 11)

24. The TC considered the draft report of its second meeting, contained in document TC-2/L.1 and requested the Secretary to the TC, under the guidance of the Co-Chairs, to finalize the report after the meeting and submit it for adoption by the TC at its third meeting.

XII. Closure of the meeting

(Agenda item 12)

25. The Co-Chairs thanked the members of the TC and the TSU for their work and the TC member from Japan as well as the Government of Japan for hosting the TC meeting in Tokyo. The meeting was closed on Thursday, 14 July 2011.

Annex

Workplan of the Transitional Committee

Note by the Co-Chairs

The Transitional Committee (TC) at its second meeting discussed the remaining work to be undertaken in order for the Committee to fulfill its mandate and present operational documents for approval by the Conference of Parties to the UNFCCC at its 17th session (COP 17). The workplan outlining the proposed schedule for the TC to undertake its remaining work is as follows:

Further submissions by TC members (until 29 July 2011)

TC members are encouraged to provide their views and comments on issues raised at the second meeting of the TC and issues to be discussed at third meeting of the TC.

Draft outline of the report of the TC to be prepared (by 28 of August 2011)

Based on discussion at the second meeting of the TC, as well as written submissions, the Co-Chairs, the Vice-Chairs, and the co-facilitators will prepare a draft outline of the report of the TC to COP 17. This will include the key issues to be covered and, where appropriate, substantive content where there is convergence among TC members or options where there is divergence, based on work undertaken in the workstreams.

In addition, and as appropriate, the workstream co-facilitators will prepare additional papers on key issues requiring further work. These will also be based on submissions from TC members.

Documents will be circulated two weeks before the third meeting on 28 August 2011.

Second Technical Workshop, Geneva, morning of 11 September 2011

The TC will have further interactions with representatives from CSO and private sector.

Third meeting of the TC, Geneva, 11–13 September 2011

The third meeting of the TC will discuss the draft outline of the report. The meeting will focus on those areas that require further discussion among members and the process for finalizing the report of the TC to COP 17. The aim is to consolidate the work of the four workstreams and identify the areas of convergence.

Draft report of the TC to COP 17 prepared

The Co-Chairs, the Vice-Chairs and the co-facilitators will prepare a draft report of the TC, based on discussions at the third meeting of the TC. This will include any operational documents that the TC deems appropriate.

Documents will be circulated two weeks before the fourth meeting.

Fourth meeting of the TC, Cape Town ([19-21] October 2011, TBC)

The fourth meeting will then discuss the draft report and adopt it.