

Workstream I: Scope, Guiding Principles, and Cross-cutting Issues

**Second meeting of the Transitional Committee
for the Design of the Green Climate Fund**

Tokyo, Japan, 13-14 July 2011

Workstream I

- ❑ **Workstream I: Scope, guiding principles and cross-cutting issues**
 - Objectives and guiding principles
 - Thematic Scope (including thematic funding windows)
 - Size and scalability
 - Country-led and results-based approaches(direct access and results focus)
 - Complementarity and value added
 - [Methods to enhance complementarities between GCF activities and other mechanisms and institutions](#)

 - ❑ **Work under Workstream I**
 - Scoping paper presented at the first technical workshop
 - Working paper for consideration of the TC for its second meeting
 - Mapping of linkages with other workstreams
 - Background note on Comparison of relevant Funds and Institutions
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Documents for TC 2

- ❑ Working paper is based on
 - Submissions from TC members and observers
 - Views expressed at the first technical workshop of the TC
 - Mapping of linkages with other workstreams
 - ❑ Background note
 - Survey on 27 Funds and Institutions
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Working paper

- ❑ Contents of the working paper
 - **Scope of the Green Climate Fund**
 - **Overall guiding principles of the GCF**
 - **Guiding principles for**
 - ✓ **The objectives of the Green Climate Fund**
 - ✓ **The thematic scope of the Green Climate Fund**
 - ✓ **Country-led and results-based approaches of the Green Climate Fund**
 - ✓ **Size and scalability of the Green Climate Fund**
 - ✓ **Guiding principles for the complementarity and value-added**

**WSI SHOULD PROVIDE WITH THE TOP DOWN
PRINCIPLES: GUIDANCE IS NEEDED**

Working paper (1)

- ❑ Highlights areas of potential **convergence** and issues where **divergence** still remains, with a need for further discussion by the TC:
 - **Process of moving the work forward:**
 - ✓ Agreement is needed on the type of business model
 - ✓ Options:
 - Stand alone absorbing other mechanisms:
primary mechanism
 - Stand alone in parallel: fill the gaps
 - Middle ground options: What existing mechanisms could be absorbed?

Working paper (2)

- **Objective and Scope**

- ✓ **Convergence exists among TC Members: Promoting low emission and climate resilient development in developing countries consistent with SD priorities to contribute to the achievement of the ultimate objective of the Convention.**
 - ✓ **Clarification is needed on the specific drafting: 2°, enhanced implementation, etc. Are these elements substantially different and why?**
 - ✓ **Overall objectives: Catalytic role; Transformational; Ownership; Mobilize and Leverage; Attractive**
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Working paper (3)

- **Overall guiding principles for the GCF:** Should the Convention's principles and provisions be complemented? (Paris Declaration; Accra agenda...). Risks associated.
 - **Other guiding principle-related issues:**
 - ✓ **Balanced allocation between adaptation and mitigation:** Is ex-ante allocation needed?
 - ✓ **Windows:**
 - Thematic areas + Different nature of funding + Other?? Dynamic approach is needed
 - **Decision-making for additional Windows: the Board?**
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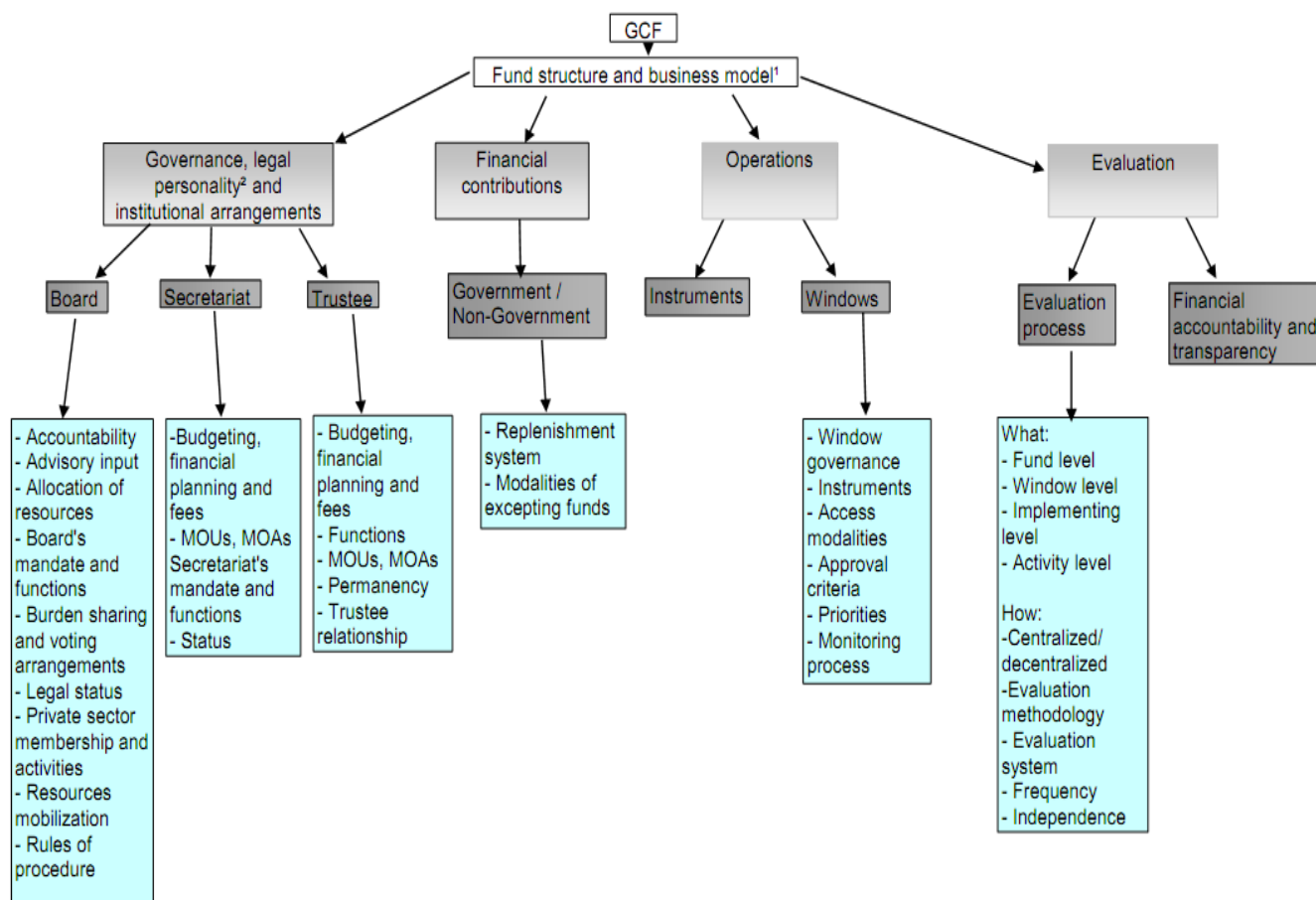
Working paper (4)

- **Other guiding principle-related issues:**
 - ✓ **Costs to be covered by the GCF:** Incremental/Full costs? Mitigation/Adaptation?
 - ✓ **Forms of finance: Grants/Concessional loans/Other**
 - ✓ **Country-led and Direct Access:** What kind of conditions are needed? Is there any role for LEDS; NAMAS; NAPs? Need for a National Implementing Entity or similar?
 - ✓ **Results-based approaches:** cross cutting question where clarification is needed. Are divergences relevant?
 - ✓ **Size and scalability:** Public/Private/Alternative sources. Are there different views?
 - ✓ **Complementarity:** Through Financial instruments and governance. Has the GCF to develop specific mechanisms? Beyond its mandate?
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Working paper

- ❑ Mapping of linkages of issues under Workstream I with other workstreams (annex I)
 - Key decisions in the design of the GCF
 - Inter-linkages between the first layer of key decisions in the design of the GCF.
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Key decisions in the design of the Green Climate Fund

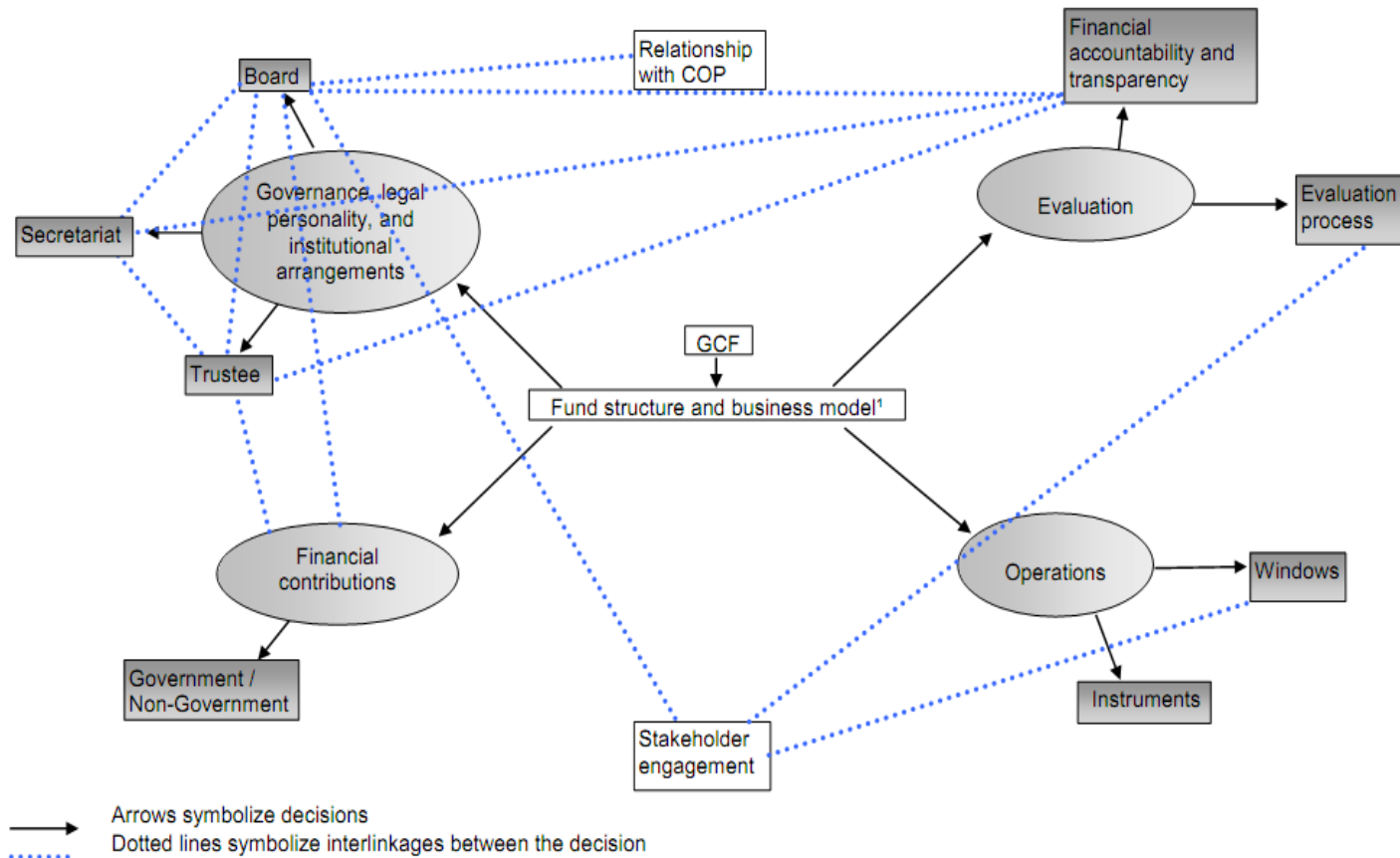


Footnotes:

1. Business model options are: a) Stand-alone, absorbing other existing multilateral sources; b) Stand-alone in parallel with the GEF, AF etc, c) any other model to be created.

2. Legal personality includes decisions on privileges and immunities, international juridical personality, and legal capacity.

Inter-linkages between the first layer of key decisions in the design of the 'GCF



Footnotes:

1. Business model options are: a) Stand-alone, absorbing other existing multilateral sources; b) Stand-alone in parallel with the GEF, AF etc, c) any other model to be created.