



Co-chairs note on procedural aspects of the initiation of work on the development of the arrangements between the COP and the Green Climate Fund

I. Background

1. At the 17th session of the Conference of the Parties (COP), the COP decided to approve the governing instrument for the Green Climate Fund (GCF). It decided to designate the GCF as an operating entity of the financial mechanism of the Convention, in accordance with Article 11 of the Convention, with arrangements to be concluded between the COP and the Fund at COP 18 to ensure that it is accountable to and functions under the guidance of the COP to support projects, programmes, policies and other activities in developing country Parties.¹
2. At COP 18, Parties recognized that the provisions contained in Article 11, paragraph 3, and decision 3/CP.17 and the governing instrument of the GCF as contained in the annex to 3/CP.17 form the basis for the arrangements between the COP and the GCF. The COP requested the Standing Committee on Finance (SCF) and the GCF Board to develop the arrangements between the COP and the GCF in accordance with said provisions, for agreement by the GCF Board and subsequent agreement by COP 19.²
3. The aim of this procedural note prepared by the co-chairs is to provide SCF with timelines, proposals for working modalities, and possible options for the initiation of the work on the arrangements between the GCF Board and the SCF. Based on this, as well as the initial discussions during the first virtual meeting of the SCF in January 2013, the conference call with interested SCF members on the COP – GCF arrangements 28 February 2013, as well as submissions by members on the issue of the arrangements between the COP and the GCF³, the SCF may wish to discuss how to proceed on this matter.

II. Provisional timeline for the development of the arrangements

4. The development of the arrangements between the COP and the GCF is faced by time constraints. In order for the arrangements to be finalized before the last meeting of the GCF Board in 2013 for its agreement, and independent of the specific working modalities, it seems advisable to aim for a first draft of the recommendations on the arrangements between the COP and the GCF by June 2013. This would in turn give both bodies sufficient opportunity to discuss and further amend such an initial draft.
5. Extensive use of online collaboration tools in between physical meetings may also seem highly advisable to make optimal use of the limited time available.

Tentative schedule of SCF and GCF Board activities 2013

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
3rd meeting of the SCF			X									
3rd meeting of the GCF Board			X									
4th meeting of the SCF						X						
4th meeting of the GCF Board						X						
5th meeting of the SCF									X			
5th meeting of the GCF Board									X			
Online collaboration												

¹ Decision 3/CP.17, paragraph 3.

² As contained in FCCC/CP/2012/L.18.

³ SCF/2013/3/MISC.1.



III. Working modalities

6. In order for the work on the development of the arrangements to commence in a timely fashion and to make use of the limited time available in the most effective way, the SCF may wish to agree on working modalities for this task during its third meeting.
7. Possible approaches include:
 - a. The formation of a subgroup, task force or working group of interested members, which undertakes the in-depth technical work on this issue. Such a group would be open-ended and its work would at all times be transparent to all other SCF members. This group may wish to, should the GCF Board follow a similar approach, collaborate closely with the group established by the GCF Board.
 - b. The co-chairs of the two bodies collaborate closely on this matter and initiate the work; subsequently, all technical work is undertaken within the SCF plenary.
 - c. Exclusively the co-chairs of the two bodies collaborate on this matter inter-sessionally including technical work; subsequently, the SCF plenary adopts the conclusions prepared by the co-chairs.
 - d. The SCF plenary works and agrees on a set of recommendations that are submitted to the GCF Board for its consideration.
8. During its third meeting, the SCF may additionally wish to initiate discussions on the main elements of the arrangements, for inclusion in a list of bullets as basis for further discussions and elaboration.
9. The SCF may wish to communicate to the GCF Board a proposal with regards to the working modalities, as well as the list of elements identified during the third meeting. Options for this communication are outlined below.

IV. Options for the initiation of work on the development of the arrangements between the COP and the GCF

10. As two separate bodies have been mandated to undertake a common task, procedural and logistical issues arise especially with regards to the initiation of the process, as well as the subsequent cooperation between the bodies. The first meeting of the SCF takes place a few days before the first meeting of the GCF Board in 2013 and will take up the issue of the arrangements between the COP and the GCF, including working modalities of the SCF on this issue.
 11. The agenda of the third meeting of the GCF Board contains a discussion on the issue of the arrangements between the COP and the GCF. At this point in time, the outcome of this discussion, as well as its implications both, in terms of procedural aspects as well as the content of the arrangements is unclear. In light of the time constraints the SCF and the GCF Board are faced with in regard to the development of the arrangement – the arrangements need to be finalized for the GCF Board's agreement before the last meeting of the GCF Board, to take place tentatively in September 2013 – prompt and proactive action by the SCF may be needed in order to progress on this issue.
 12. Notwithstanding the outcome of the discussions within the GCF Board, the SCF may wish to consider the following options to communicate its proposal to the GCF Board:
 - a. As there is no formal invitation by the GCF Board to present the proposal, the SCF may wish to provide the GCF Board with an official communication, outlining the agreements reached on working modalities during the third meeting of the SCF on this issue.
 - b. The co-chairs and/or other members attending the Board meeting could interact with GCF Board members informally during the Board meeting.
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