

DRAFT TEXT
on
COP 17 agenda item 8
Green Climate Fund - report of the Transitional Committee
version of 9 December 2011 @ 21:40 hrs

Draft decision proposed by the Chair xxx/CP.17

The Conference of the Parties,

[*Recalling* its decision 1/CP.16;

1. *Welcomes* the report of the Transitional Committee (FCCC/CP/2011/6 and Add.1), *taking note with appreciation* of the work of the Transitional Committee in responding to its mandate given in decision 1/CP.16, paragraph 109;
2. [*Approves* the governing instrument for the Green Climate Fund annexed to this decision;]
3. *Decides* to designate the Green Climate Fund 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 Conference of the Parties and the Fund at the eighteenth session of the Conference of the Parties to ensure that it is accountable to and functions under the guidance of the Conference of the Parties to support projects, programmes, policies and other activities in developing country Parties;
4. *Notes* that the Fund will be guided by the principles and provisions of the Convention;
5. *Decides* to provide guidance to the Board of the Green Climate Fund, including on matters related to policies, programme priorities and eligibility criteria and matters related thereto, taking into account the Board's annual reports to the Conference of the Parties on its activities;
6. *Requests* the Board to operationalize the Fund in an expedited manner;
7. *Also requests* the Board to develop a transparent no-objection procedure to be conducted through national designated authorities referred to in paragraph 46 of the governing instrument, in order to ensure consistency with national climate strategies and plans and a country driven approach and to provide for effective direct and indirect public and private sector financing by the Green Climate Fund. *Further requests* the Board to determine this procedure prior to approval of funding proposals by the Fund;
8. *Further requests* the Board to balance the allocation of the Green Climate Fund's resources between adaptation and mitigation activities;
9. *Stresses* the need to secure funding for the Green Climate Fund taking into account paragraphs 29 and 30 of the governing instrument to facilitate its expeditious operationalisation and requests the Board to establish necessary policies and procedures, which will enable an early and adequate replenishment process;
10. *Invites* Parties, through their regional groupings and constituencies, to submit their nominations for the members of the Board to the interim secretariat by 31 March 2012, in accordance with paragraph 11 of the governing instrument for the Green Climate Fund.
11. *Decides* that the Green Climate Fund be conferred juridical personality and legal capacity and shall enjoy such privileges and immunities related to the discharge and fulfilment of its functions, in accordance with paragraphs 7 and 8 of the governing instrument;
12. *Invites* Parties, in line with the objectives set forth in paragraph 11 above, to submit to the Board expressions of interest for hosting the Green Climate Fund by 15 April 2012, based on the following criteria:
 - (i) The ability to confer and/or recognize juridical personality and legal capacity to the Fund for the protection of its interests and the exercise of its functions, to give

- effect to paragraphs 7 and 8 of the governing instrument, including but not limited to the ability to contract, acquire and dispose of immovable and movable property, and institute legal proceedings;
- (ii) The ability to provide privileges and immunities to the Fund as are necessary for the fulfilment of its purposes, and to the officials of the Fund as are necessary for the independent exercise of their official functions in connection with the Fund;
 - (iii) Financial arrangements, administrative and logistical support to the Fund;
 - (iv) Any other information the host country wishes to provide;
13. *Requests* the Board, following the receipt of expressions of interest, to conduct an open and transparent process for the selection of the host country, and decide on a host country for endorsement by the Conference of the Parties at its eighteenth session, in accordance with paragraph 22 of the governing instrument;
14. *Also requests* the Board and the host country of the Green Climate Fund to develop, in accordance with paragraphs 7 and 8 of the governing instrument, the legal and administrative arrangements for hosting the Fund and to ensure that juridical personality and legal capacity are conferred to the Fund and privileges and immunities as are necessary are granted to the Fund and its officials in an expedited manner;
15. *Further requests* the Board to establish the independent secretariat of the Green Climate Fund in the host country in an expedited manner as soon as possible, in accordance with paragraph 19 of the governing instrument;
16. *Invites* the Board to select the trustee of the Green Climate Fund through an open, transparent, and competitive bidding process in a timely manner to ensure there is no discontinuity in trustee services;
17. *Requests* the Board to initiate a process to collaborate with the Adaptation Committee and the Technology Executive Committee, as well as other relevant thematic bodies under the Convention, to define linkages between the Fund and these bodies, as appropriate;
18. *Recognising* the need to facilitate the immediate functioning of the Green Climate Fund and ensure its independence, *requests* [XX] to take the administrative steps necessary to host the interim secretariat of the Green Climate Fund as an autonomous unit without undue delay after the seventeenth session of the Conference of the Parties so that the interim secretariat can provide technical, administrative and logistical support to the Board until the independent secretariat of the Green Climate Fund is established;
19. *Decides* that the interim secretariat shall be fully accountable to the Board and shall function under its guidance and authority, and that its head shall report to the Board;
20. *Urges* the Board to move promptly to appoint the head of the interim secretariat;
21. *Decides* that the criteria for the selection of the head of the interim secretariat shall include, *inter alia*, expertise in the design or management of funds, relevant administrative and management experience, experience in or working with developing countries, and policy expertise;
22. *Requests* the interim secretariat to make arrangements for convening the first Board meeting by 30 April 2012;
23. *Welcomes* the offers of Switzerland and the Republic of Korea to host the first and second meetings of the Board respectively, and invites Parties to host subsequent meetings;
24. *Invites* Parties to make financial contributions for the start-up of the Green Climate Fund, including administrative costs of the Board and its interim secretariat;
25. *Welcomes* the generous offer of the Republic of Korea to contribute to the start-up cost of the Green Climate Fund.

Annex

Governing instrument for the Green Climate Fund

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[TEXT AS IN ANNEX I OF THE REPORT OF THE TRANSITIONAL COMMITTEE
(FCCC/CP/2011/6)]

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