

Concerns on process to design Climate Fund raised by developing countries

Bonn, 6 June (Meena Raman) – Representatives of several developing countries on the Transitional Committee (TC) for the design of the Green Climate Fund (GCF) under the United Nations Framework Convention on Climate Change (UNFCCC) raised serious concerns over the process to design the GCF at the first technical workshop of the TC held in Bonn, Germany from May 30- 1 June.

The developing countries also raised these concerns in their written submissions to the TC Secretariat following the first meeting of the TC held in Mexico City from 28-29 April.

The first two-days of the Bonn workshop consisted of exchanges between TC members and the Co-facilitators of the work-streams, while the last half-day on June 1 involved an exchange between the Co-facilitators, TC members and observer organizations.

[The four work-streams which were launched following the first meeting of the TC in Mexico City comprise of (1) scope, guiding principles and cross-cutting issues facilitated by Mr. Derek Gibbs (Barbados) and Ms. Alicia Montalvo (Spain); (2) governance and institutional issues facilitated by Mr. Tosi Mpanu Mpanu (Democratic Republic of Congo) and Mr. Bruno Oberle (Switzerland); (3) operational modalities facilitated by Mr. Farrukh Khan (Pakistan) and Mr. Ewen McDonald (Australia); and (4) monitoring and evaluation facilitated by Mr. Aparup Chowdhury (Bangladesh) and Mr. Jan Cedergren (Sweden)].

- The concerns raised by the developing countries about the process in the design of the GCF included:
- The absence of an adequate report of the first meeting of the TC in Mexico City despite a request by several developing country members of the TC for this. What was provided to TC members was a Co-chairs' summary report instead of a report or the

meeting subject to the adoption of Committee members. The Co-Chairs' report of the initial meeting was said to contain certain inaccuracies and also failed to reflect many important suggestions from developing countries, as in the case of proposals for an alternative agenda by the African Group as well as a proposal for a work plan for the TC by the Alliance of Small Island States;

- The role and level of engagement of the Co-chairs in the process (two of them did not attend the workshop, and one did not attend the initial Committee meeting);
- Questions about who was driving the TC process when it is supposed to be a process led by the members themselves;
- Lack of clarity on who was producing the documents for the meetings/workshops and
- Insufficient time allocated for the TC meetings and budgetary constraints for the completion of the task at hand. The members are concerned that only a few days of negotiations have been set aside for the TC between now and Durban, while there are many complex issues to resolve.

Sources indicate that only 2 official meeting days per meeting have been scheduled and with 3 meetings planned from now till Durban, the total number of days for completing the design of the GCF would only be 6 days. Several developing country delegates from the TC wondered how they were expected to execute the difficult and important task in such a short period of time.

Concerns were also raised along the corridors by some members of the TC from developing countries that when they raised issues to ensure transparency and to bring order to the TC meetings through proper documentation and keeping of records, they

are being perceived by some quarters as “blocking progress” in the efforts to design the GCF.

None of the Co-chairs were present at the opening session of the first technical workshop in Bonn on 30 May. Mr. Kjetil Lund of Norway attended parts of the session on the last two days. Another Co-chair Mr. Ernesto Cordero Arroyo from Mexico was not at the workshop while Co-Chair Mr. Trevor Manuel from South Africa was not at the workshop or at the first meeting of the TC in Mexico during which he was elected.

The absence of the Co-chairs during the technical workshop prompted members of the TC from Egypt, the Philippines, Nicaragua and Saudi Arabia to raise with Mr. Lund at the wrap up session on 31 May to consider the proposal by the Asian Group for a Vice-chair in addition to the 3 existing Co-chairs, as the existing Co-chairs were high-ranking officials with important responsibilities and might not be able to participate in all meetings.

The Asian Group had in Mexico City proposed Singapore’s TC representative, Ambassador Burhan Gafoor as the Vice-Chair. Saudi Arabia as Chair of the Asian Group wanted this issue of the Vice-chair to be addressed as a matter of priority in Japan at the next TC meeting.

Outside of the TC meeting or workshop, one senior developing country negotiator who is not a TC member remarked that it was “ridiculous to have 3 Co-chairs” and that there had never been such a precedent before in the UNFCCC. He stressed further that a Co-chair should not be an honorary role.

The Philippines, Egypt and Nicaragua stressed at the beginning of the technical workshop on 30 May that the process of work of the TC needed to be clear as to who was driving the process, i.e. whether it was the Co-chairs and Co-facilitators, or members of the TC themselves.

They raised questions as to who was drafting the various documents for the consideration of the TC members for the workshop. They also stressed the need for more time for the meetings to carry out the work needed to be done by TC members.

These matters were also raised with Mr. Lund from Norway at the wrap up session of the workshop on May 31.

During the wrap up session, Egypt and the Philippines said that the financial resources needed for the TC meetings must be organized to do what is

needed to fulfill the huge tasks of the TC. They also stressed the need for more dedicated time for the duration of the future meetings to deliver the job.

Mr. Lund at the session said that he took note of the views of the TC members and would look into the issue of the length of the meetings. He said that the primary task was to ensure a good process and to find balance in working efficiently together with the engagement of all TC members.

Egypt and Philippines also raised their concerns in their written submissions to the TC Secretariat following the first meeting of the TC.

In his submission to the TC Secretariat, **Mr. Omar El-Arini** of **Egypt** said, that there should be a report of the first meeting of the TC and not a Co-Chairs’ summary, and this should be prepared and submitted to the TC members for adoption.

He submitted that “all documents prepared for the TC meetings, including reports of the meetings, should follow the same format as that of documents prepared for meetings of other bodies of the Convention. The format used by the Adaptation Fund Board for its meetings’ reports (for each agenda item/sub item, a summary of the discussion is provide, followed by the decision taken on the issue and the decision having a number that can be referred to in future documents) would be a good example to follow in the preparation of the TC meetings reports.”

He had also raised other issues including the election of offices, adoption of the agenda. working arrangements and work-plans.

Ms. Bernarditas Mueller of the **Philippines** in her submission said that there should be a clear delineation between a "Co-Chairs Summary" and a report of the first meeting of the TC, and these cannot be made in one document.

She said further that “ a Co-Chairs’ summary is prepared under their own responsibility as their appreciation of what occurred, which, in principle, cannot be subject to consideration and adoption of the TC. A Report of the Meeting is a document which comes at the end of the meeting, usually prepared under the guidance of a Rapporteur who is an officer of the meeting, and which informs on the discussions and results of each item of the agenda of the meeting.”

Ms. Mueller said that this was very important because it lays out the agreements, if any, reached at the

meeting held. She said that the Co-Chairs' summary report was incomplete and contained inaccuracies.

Ms. Mueller said that there was no understanding that the Co-Chairs were elected "on a permanent basis," as reflected in the Co-chairs' summary.

She submitted that "what was clear, was that the co-chairs remain under the authority and mandate of the TC, and that they are elected in their personal capacity and that I also later specifically clarified my understanding that the officers of the meeting, given its mandate, will end in Durban, and that a new set of officers would have to be elected should the mandate of the TC be extended, under a new decision by the Conference of Parties. At no moment was there agreement that the officers elected at this first meeting on a permanent basis", she said in the written submission.

She said further that there should be mention of the draft agenda presented and circulated by the TC members representing the African Group, with support from other TC members, and that the Co-chairs did not open discussions of this draft, although it remained on the table and could still be taken up.

"All submissions from TC members, including the draft agenda submitted by the African Group, should be compiled in a MISC. document of the meeting", submitted Ms. Mueller.

She submitted further that the very serious concerns raised over the issue of conflict of interest by some TC members should be mentioned in the report, and included in Annex I to the report.

(Developing countries on the TC had raised concerns that there could be a conflict of interest if World

Bank personnel are seconded to the Technical Support Unit to help in the design of the GCF.)

"There was even general agreement, including by the co-chair, that even the perception of a conflict of interest should be avoided. Mention must be made of the suggestion to delete the reference to the specific institution that will provide the different members of the TSU as stated in the Annex to document TC 1/4., in order not to prejudice the expertise that could be provided by other institutions, including at regional levels," she submitted further.

Ms. Mueller added further that she did not remember "that members in any way endorsed the TSU arrangements, but instead received the assurances of the Executive Secretary (of the UNFCCC) that all concerns raised will be further discussed."

She also submitted that "what should be stated (in the report) is that TC members of the Asian Group recalled its understanding that there will be a Vice-chair from Asia among the officers of the TC, to reflect regional balance, as well as balance of expertise which, with the three Co-chairs, only reflect financial expertise without climate expertise. The Asian Group offered a candidate that had both expertise. TC members from Africa and GRULAC (Group of Latin American and Caribbean Countries) supported the Asian proposal. It was agreed to revert to this issue at the next TC meeting."

The next TC workshop is to be held in Tokyo, Japan on 13-14 July, to be preceded by a second technical workshop on 12 July.