



Fact Sheet

9 September 2011

Green Climate Fund: issues to be resolved

The international Committee (Transitional Committee for the Design of the Green Climate Fund), which will meet from 11 to 13 September in Geneva, is specifically entrusted with the task of designing the structure and operations of the Green Climate Fund. The positions of emerging/developing (non-Annex I) and industrialised (Annex I and II) countries such as Switzerland still differ widely on the three central issues: Fund financing, access to funds and Fund governance.

Fund establishment

Many non-Annex I countries emphasise the need for new, additional, adequate and predictable public financing for climate change. Annex II countries generally stress the importance of mobilising the private sector, arguing that the public sector will not be able to deliver the amount of financing needed to address climate change. The carbon market and the possible establishment of new market-based mechanisms are ways to increase private sector participation in climate financing, but some non-Annex I countries are opposed to the use of markets.

Access to funds

It is also necessary to determine how public financial support will be provided (e.g. in the form of non-repayable grants or credits), clarify the allocation of funding between adaptation to climate change and mitigation of greenhouse gas emissions. In this regard, the roles of the public and private sectors will need to be clarified.

Fund governance

During the previous meetings of the Transitional Committee, it was decided that the Board governing the Fund will be comprised of 24 members (12 representatives from developing country Parties and 12 representatives from developed country Parties). The Fund will also have an independent secretariat that reports to a new oversight body known as the Finance Board.

Annex II countries want to strengthen existing institutions such as the World Bank and the Global Environmental Facility (GEF), foster synergies between them and better coordinate their use. The vast majority of countries would like the Conference of Parties to define the strategic priorities of the new Green Climate Fund through guidelines. The Fund will be accountable to the Convention on Climate Change. However, COP should not interfere with the conduct of operational affairs.