

UNFCCC Green Climate Fund Created

Laura Drummond

American University Washington College of Law

Follow this and additional works at: <http://digitalcommons.wcl.american.edu/sdlp>



Part of the [Environmental Law Commons](#)

Recommended Citation

Drummond, Laura. "UNFCCC Green Climate Fund Created." *Sustainable Development Law & Policy* 11, no. 2 (2011): 69-70.

This World News is brought to you for free and open access by the Washington College of Law Journals & Law Reviews at Digital Commons @ American University Washington College of Law. It has been accepted for inclusion in *Sustainable Development Law & Policy* by an authorized administrator of Digital Commons @ American University Washington College of Law. For more information, please contact fbrown@wcl.american.edu.

WORLD NEWS UPDATE

UNFCCC GREEN CLIMATE FUND CREATED

by Laura Drummond*

Between November 29, 2010 and December 10, 2010, the Parties to the United Nations Framework Convention on Climate Change (“UNFCCC” or “Convention”) met in Cancun, Mexico, for the sixteenth Conference of the Parties (“COP”) and the sixth Meeting of the Parties to the Kyoto Protocol.¹ One of the major decisions that emerged from this meeting was to establish the Green Climate Fund.² While the Fund has the potential to be a huge step forward in creating long-term, centralized climate change funding,³ its success will depend on how subsequent decisions on management shape its efficacy.

The idea for a climate change fund originates from Article 11 of the UNFCCC, which calls on the Parties to create a mechanism that allows developed countries to financially support developing countries in implementing the Convention.⁴ This concept formally took shape as part of the Copenhagen Accord, where Parties agreed to finance projects that address climate change impacts in developing countries.⁵ The finalized Fund includes provisions for technology development and transfer, and capacity-building to help developing countries implement effective mitigation and adaptation actions.⁶

In Cancun, the Ad Hoc Working Group on Long-term Cooperative Action, made up from representatives of all member countries, under the Convention put together the terms of the Fund.⁷ The terms include the creation of a governing body, who will contribute to it, and the trustees.⁸ The Fund has been developed under the guidance of and will be held accountable to the Conference of the Parties.⁹ The Parties established a Standing Committee, to manage the financial mechanism as well as verify and report financial support that developed countries will provide developing countries.¹⁰

The Green Climate Fund will be controlled by a governing board of twenty-four members, half each from developed and developing country Parties.¹¹ The Parties have designated the World Bank as the interim trustee of the Fund, and its status as trustee will be subject to review after three years of operating the fund.¹² The trustee will aid the governing board in managing the administrative portions of the Fund, such as the financial records and statements.¹³ The trustee is required to act in a manner consistent with decisions made by the governing board¹⁴ and is accountable to the board in performing its responsibilities.¹⁵

The Parties have also established the Transitional Committee to spearhead designing the operational components

of the Fund.¹⁶ The Committee includes fifteen members from developed countries and twenty-five members from developing countries.¹⁷ The Committee will design the legal and institutional arrangements for the Fund, including its governance structure; methods on gathering financial, technological, and capacity-building resources; and ways to ensure that the Fund’s activities work well with other funding mechanisms that already exist.¹⁸ The Transitional Committee is also responsible for creating mechanisms for independent review of the Fund, stakeholder input, environmental and social safeguards, and financial accountability.¹⁹ The Transitional Committee is temporary and will only exist long enough to establish these initial standards.²⁰

The Green Climate Fund helps create new funding for projects that will allow developing countries to better mitigate and adapt to global climate change. However, whether the Fund will be a major improvement over the current financial regime²¹ will largely depend on the effectiveness of the mechanisms that the Transitional Committee establishes. One of the greatest opportunities for the Fund is the creation of environmental and social safeguards, which currently do not exist with the other funds.²² Strong safeguards are essential in order to protect both the environment and human rights. The independent review mechanism will review decisions made by the governing board and help ensure that the Fund runs smoothly and effectively.²³ While the creation of the Fund can be hailed as a successful outcome of the UNFCCC’s COP-16, its true measure will be determined down the road.



Endnotes: World News Update

¹ United Nations Framework Convention on Climate Change, Ad Hoc Working Group on Long-term Cooperative Action, Thirteenth Session, Cancun, Mex., Nov. 29-Dec. 10, 2010, *Outcome of the Work of the Ad Hoc Working Group on Long-term Cooperative Action Under the Convention*, UN Doc. FCCC/AWGLCA/2010/L.7 (Dec. 10, 2010), [hereinafter LCA Report], <http://unfccc.int/resource/docs/2010/awglca13/eng/107.pdf>.

² *Id.*

³ *Id.*

⁴ See United Nations Framework Convention on Climate Change art. 11, May 9, 1992, 1771 U.N.T.S. 107, <http://unfccc.int/resource/docs/convkp/conveng.pdf>.

Endnotes: World News Update *continued on page 98*

* Laura Drummond is a J.D. candidate, May 2011, at American University Washington College of Law.

ENDNOTES: WORLD NEWS UPDATE *continued from page 69*

⁵ United Nations Framework Convention on Climate Change, 15th Conference of the Parties, Copenhagen, Den. Dec. 7-19, 2009, *Copenhagen Accord*, 2/CP.15, in *Part Two: Action Taken*, U.N. Doc. FCCC/CP/2009/11/Add.1 (Mar. 30, 2010), <http://unfccc.int/resource/docs/2009/cop15/eng/11a01.pdf>.

⁶ *Id.* ¶ 10.

⁷ LCA Report, *supra* note 1

⁸ *Id.*

⁹ *Summary of the Cancun Climate Change Conference*, INT'L INSTITUTE FOR SUSTAINABLE DEVELOPMENT, <http://www.iisd.ca/download/pdf/enb12498e.pdf> (last visited Feb. 26, 2011).

¹⁰ LCA Report, *supra* note 1, ¶ 112.

¹¹ *Id.* ¶ 103.

¹² *UN Climate Change Talks in Cancun Agree a Deal*, BBC (Dec. 11, 2010), <http://www.bbc.co.uk/news/science-environment-11975470>.

¹³ LCA Report, *supra* note 1, ¶ 104.

¹⁴ *Id.* ¶ 105.

¹⁵ *Id.* ¶ 106.

¹⁶ Jennifer Morgan, *Reflections on Cancun Agreements*, WORLD RESOURCES INST. (Dec. 14, 2010), <http://www.wri.org/stories/2010/12/reflections-cancun-agreements>.

¹⁷ LCA Report, *supra* note 1, at Annex III.

¹⁸ *Id.*

¹⁹ *Id.*

²⁰ Elliot Diringer, *Sixteenth Session of the Convention of the Parties to the United Nations Framework Convention on Climate Change and Sixth Session of the Meeting of the Parties to the Kyoto Protocol*, PEW CTR. ON GLOBAL CLIMATE CHANGE (2010), <http://www.pewclimate.org/docUploads/cancun-climate-conference-cop16-summary.pdf>.

²¹ *Financial Mechanism*, UNITED NATIONS FRAMEWORK CONVENTION ON CLIMATE CHANGE, http://unfccc.int/cooperation_and_support/financial_mechanism/items/2807.php (last visited Feb. 26, 2010). Currently comprised of the Special Climate Change Fund, Least Developed Countries Fund, and the Adaptation Fund.

²² *See* United Nations Framework Convention on Climate Change, 7th Conference of the Parties, Marrakech, Morocco, Oct. 29-Nov.10, 2001, U.N. Doc. FCCC/CP/2001/12/Add.1; *Adaptation Fund*, UNITED NATIONS FRAMEWORK CONVENTION ON CLIMATE CHANGE, http://unfccc.int/cooperation_and_support/financial_mechanism/adaptation_fund/items/3659.php (last visited Feb. 26, 2011).

²³ LCA Report, *supra* note 1, at Annex III.