
Annex II: Selection of the host country of the Fund

Evaluation criteria

Decision 3/CP.17 of the Conference of the Parties (COP) of the United Nations Framework Convention on Climate Change (UNFCCC) and the Governing Instrument set the following criteria for the selection of the host country of the Fund:

- (a) 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;
- (b) The ability to provide privileges and immunities to the Fund as are necessary for the fulfillment 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;
- (c) Financial arrangements, administrative and logistical support to the Fund; and
- (d) Any other information that the host country wishes to provide.

Expanding on the criteria listed above, the Board agreed on the following supplementary criteria:

Legal status

- (a) The ability, commitment, process and timeline to confer and/or recognize the legal status of the Green Climate Fund so that it can operate effectively internationally, including both juridical personality and legal capacity as is necessary for the exercise of its functions and the protection of its interests;
- (b) The timeline for the conclusion of a headquarters agreement for the Fund and its Secretariat, in order to be able to terminate the Interim Secretariat arrangements by December 2013, as foreseen in decision 3/CP.17.

Privileges and immunities

- (a) The ability, commitment, process and timeline to confer the Fund and its officials (including Board members/alternate members, the Secretariat staff and other key officials) with the necessary privileges and immunities, including tax benefits and related matters;
- (b) The timeline for the conclusion of a headquarters agreement for the Fund and its Secretariat, in order to be able to terminate the Interim Secretariat arrangements by December 2013, as foreseen in decision 3/CP.17.

Financial arrangements, administrative and logistical support to the Fund

Information on the facilities to be made available to the Fund for its work, including its premises, meeting facilities, other required general services and the duration that those facilities will be available to the Fund.

- (a) The basis for placing the facilities at the disposal of the Fund, including ownership rights and any rental arrangements;
- (b) The extent to which the facilities will be furnished and equipped by the host country or the extent to which the financial resources will be provided to this end;
- (c) The responsibility for the payment of and administrative support for:
 - i. Major maintenance and repairs of the facilities;
 - ii. Normal maintenance;
 - iii. Logistical infrastructure, including telecommunications, electricity, water facilities, security, etc.
- (d) The confirmation that the facilities meet the security requirements of an international institution;
- (e) The environmental standards of the facilities;
- (f) Any additional direct financial contributions to be made by the host Government to support the costs of operations of the Fund.

In addition to these requirements, three additional criteria specific to the particular needs of the Fund as an international financial institution could be used to assess whether the host city is in position to ensure that the Fund can operate as a highly effective institution capable of delivering its mission. These criteria could be:

- (a) The ability to swiftly recruit and retain staff with the necessary specialist expertise and experience (fund management, climate change and development finance) over the long term;
- (b) The quality of financial transaction system in the host city;
- (c) Cost of living considerations.

Local facilities and conditions

- (a) Diplomatic representation in the host city;
- (b) Presence of other international organizations, including inter-governmental, non-governmental and private financial institutions active in the field of climate change and development;
- (c) Availability of international meeting facilities and the conditions for their use (free of charge, rent, etc.);
- (d) State-of-the-art tele- and video-communication facilities (tele- and video-conference, web-based interactive platforms, etc.)
- (e) International transport facilities;
- (f) Local transport facilities;

- (g) Health facilities;
- (h) Hotel facilities.
- (i) Suitable conditions for employment of spouses, including work permits and other matters;
- (j) Availability of adequate housing, schools and social networks for international staff;
- (k) Availability of local trained personnel to service the work of the Fund, taking into account language requirements and other relevant skills;
- (l) Arrangements for the processing of visas for Board members and alternate members, staff, experts, representatives of States and other officials performing functions for the Fund or invited to attend Fund meetings, in accordance with international practice.

Other relevant information

Any other information that the host country may deem relevant.

Selection process

The Board recognizes the critical importance of the selection of the host country for the further operationalization of the Fund. In light of the importance of the process and the need to present a candidate for endorsement to COP18, the Co-Chairs propose that the Board agree to the below exceptional, one-off process noting this does not set or determine future precedents for the operation of the Board in any area.

Composition of the Committee

- (a) The Committee will be constituted of six members with equal representation between developed and developing countries;
- (b) The Co-Chairs will work with respective constituencies to determine membership;
- (c) Members, or their alternate in their place, may serve on the Committee;
- (d) The Committee will elect its Chair from among its members. The Chair of the Committee must be a Board member and not the alternate;
- (e) Members and alternates that represent a candidate country will not participate in the Committee;
- (f) Committee members will sign an undertaking of impartiality and confidentiality, including disclosure of any potential or perceived conflicts of interest.

Role of the Committee

- (a) The responsibility of the Committee will be to conduct an open and transparent process to assess the proposals received, based on the evaluation criteria decided by the Board;
- (b) In order to facilitate the host country selection by the Board, the Committee will prepare a consensus written report providing an evaluation of the offers against the criteria decided by the Board but not a ranking or recommendation;
- (c) If required, the Chair of the Committee can task the Interim Secretariat to assist in these responsibilities.

Evaluation process

- (a) The Committee will decide on most equitable, efficient and effective method of conducting its evaluation;
- (b) The candidate countries will be provided with the Committee's draft evaluation of their respective offers to review for accuracy prior to finalization of the report;
- (c) In determining its work programme, the Committee will stipulate how it intends to ensure full, equitable and proper consultation with candidate countries taking into account the limited time available to the Committee between now and the next Board meeting;
- (d) In carrying out its work, the Committee may solicit additional information as it deems appropriate. Likewise, the candidate countries may provide additional information. The Committee may set a deadline for providing any additional information;
- (e) The Committee will also invite six candidate countries for a meeting to make a presentation and provide any additional information on a location in a country other than six candidate countries;
- (f) The Committee may decide to send two of its members, one from a developed and the other from a developing country, for a site visit to host city in the candidate countries. The Interim Secretariat will accompany the Committee members to any such site visit.

Selection of the successful candidate

- (a) The Committee's report will be circulated to the Board and all host country candidates for their review two weeks before the next Board meeting;
- (b) The Chair of the Committee will make a presentation of its findings at the next Board meeting;
- (c) Each candidate country should be allowed the opportunity to provide a written statement regarding its offer and the Committee's report prior to selection of the host country at the next Board meeting. The candidate countries will also be invited to the next Board meeting to provide their comments on the Committee's report;
- (d) With a view to achieving an equitable, transparent, and open process, the Board will undertake the following steps towards adopting an outcome by consensus;
- (e) The Co-Chairs will first consult with members of the Board on a confidential basis to determine whether a consensus exists;
- (f) Failing that, the Board may utilise the following decision-making process:
 - i. A series of confidential ballots of Board members to determine the successful candidate;
 - ii. Following each round of balloting, the candidate country with the least support will be eliminated;
 - iii. Each member is permitted one ballot in each round;
 - iv. In the final round of two candidate countries, the candidate country receiving the majority of support will be selected for the Board to then be endorsed by consensus;
 - v. In the event of a tie, the balloting process is repeated until a majority is reached.

- (g) The Board will adopt the outcome of the process by consensus;
 - (h) The outcome of the Board selection process will be communicated to the COP for endorsement through the report of the Board.
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