



Technology Executive Committee

02 September 2019

Nineteenth meeting

Bonn, Germany, 16–19 September 2019

Draft inputs for the draft guidance to the operating entities of the Financial Mechanism

Background paper

I. Introduction

A. Background

1. One of the functions of the Standing Committee on Finance (SCF) is to provide draft guidance to the operating entities of the Financial Mechanism of the Convention, with a view to improving the consistency and practicality of such guidance, taking into account the annual reports of the operating entities as well as relevant submissions from Parties.
2. The SCF has invited the Technology Executive Committee (TEC) to provide inputs to the SCF on the draft guidance to the operating entities of the Financial Mechanism for consideration by the COP and the CMA (December 2019). This activity has been reflected in the draft rolling workplan of the TEC for 2019–2022 (activity 4 of the support theme).

B. Scope of the note

3. This background note provides draft inputs for the draft guidance to the operating entities of the Financial Mechanism, prepared by the TEC task force on climate technology financing.

C. Possible action by the Technology Executive Committee

4. The TEC will be invited to consider the draft inputs prepared by the task force and agree on the TEC inputs for the draft guidance to the operating entities of the Financial Mechanism.

II. Process for preparing draft guidance to the operating entities of the Financial Mechanism

5. In its invitation to the TEC, the SCF provided the following information regarding the scope, format, timing of the inputs for the draft guidance, and how these will be processed:
 - (a) Scope: the annual reports of the operating entities to the COP and the CMA should form the basis for the inputs provided;
 - (b) Format: the TEC is invited to provide inputs using a revised template. The SCF encourages the TEC to be as specific as possible in providing the inputs and the rationale;
 - (c) Timing: the TEC is invited to provide the inputs ahead of the 21st meeting of the SCF, which has been tentatively scheduled to take place from 3 to 5 October 2019;
 - (d) Processing of inputs received: the SCF will prepare the draft guidance based on the inputs, inter alia, received from the TEC. In order to ensure the consistency and practicality of

guidance provided to the operating entities, the SCF will apply the following criteria to assess the inputs received, to see whether they are:

- (i) In line with the mandates of the operating entities;
- (ii) Ongoing and are being currently undertaken by the operating entities;
- (iii) Not contradictory to previous guidance given to the operating entities;
- (iv) Not duplicative of previous guidance given to the operating entities.

6. The SCF will recommend draft guidance for consideration by COP 25 and CMA 2 through its annual report. The TEC was encouraged to take note of the above-mentioned criteria in preparing its inputs. Moreover, the SCF invited the TEC to utilize the Compilation and Analysis (C&A) of previous guidance provided to the operating entities¹ in preparing its inputs, to ensure consistency and practicality of the inputs.

III. Draft inputs for the draft guidance to the operating entities of the Financial Mechanism

7. In preparing draft inputs for the draft guidance to the operating entities of the Financial Mechanism, the following documents were taken into account:

(a) Eighth Report of the Green Climate Fund to the Conference of the Parties to the United Nations Framework Convention on Climate Change, in particular the chapter on support for technology;²

(b) Report of the Global Environment Facility to the twenty-fifth session of the Conference of the Parties to the United Nations Framework Convention on Climate Change, in particular the chapter on technology transfer;³

(c) Previous guidance provided to the operating entities of the Financial Mechanism on technology related matters.

8. The annex provides an overview of the draft inputs for the draft guidance to the operating entities of the Financial Mechanism, prepared by the task force on finance.

¹ Compilation and Analysis of past guidance to the GCF: <https://goo.gl/K7FE6z>; Compilation and Analysis of past guidance to the GEF: <https://goo.gl/CPDOOe>.

² FCCC/CP/2019/3.

³ FCCC/CP/2019/5.

Annex

Draft inputs for the draft guidance to the operating entities of the Financial Mechanism

Annotated inputs for the draft guidance to the Green Climate Fund (GCF)

<i>Elements</i>	<i>Sub-elements</i>	<i>Proposed inputs</i>	<i>To be considered: (1) Commonly by the COP and the CMA or; (2) Specifically by the CMA</i>	<i>Rationale for the inputs</i>	<i>Source of information / reference</i>
Policies					
Programme priorities	Support for technology	Welcomes GCF's efforts to enhance the reporting of technology related activities in funding proposals and encourages the GCF to facilitate tracking of technology investments and its reporting, through harmonizing with existing indicators by other climate funds and international aid organizations.	(1)	The GCF Governing Instrument mandates (para 35 and 38) that GCF will finance agreed full and agreed incremental costs for activities to enable and support enhanced technology development and transfer, including innovative approaches.	GCF report, para .94
	Support for climate technology incubators and accelerators	Welcomes with appreciation efforts by the GCF to support climate technology, including by developing an approach to support incubators and accelerators, reporting of technology-related activities in funding proposals and conducting activities to strengthen the linkages with the Technology Mechanism and encourages the GCF to finalize the terms of reference for a request for proposals to support climate technology incubators and accelerators as soon as possible.	(1)	COP 24 urged the Board to address policy gaps, including on the request for proposals to support climate technology incubators and accelerators, in accordance with Board decision B.18/03 (decision 5/CP.24, paragraph 3 e).	GCF report, para. 90
Eligibility criteria					
Others					

Annotated inputs for the draft guidance to the Global Environment Facility (GEF)

Elements	Sub-elements	Proposed inputs	To be considered: (1) Commonly by the COP and the CMA or; (1) Specifically by the CMA.	Rationale for the inputs	Source of information / reference
Policies					
Programme priorities	Collaboration between the GEF and the CTCN	<p>Invites the GEF to enhance the information in its reports to the COP on:</p> <p>(a) How the GEF is responding to and aligning with the technology framework adopted by decision 15/CMA.1;</p> <p>(b) Private sector engagement in response to decision 10/CP.23 and how this is being done;</p> <p>(c) The outcomes of the collaboration between the Poznan strategic programme on technology transfer's climate technology and finance centres and the Climate Technology Centre and Network;</p> <p>(d) Its response to COP guidance on technology related matters by describing ways in which is responding.</p>	(1)	<p>(a) The technology framework under the Paris Agreement provides overarching guidance to the work of the Technology Mechanism in the thematic areas of innovation, implementation, enabling environment and capacity-building, collaboration and stakeholder engagement and support.</p> <p>(b) COP 23 encouraged the GEF to further enhance engagement with the private sector, including in its technology projects.</p> <p>(c) The Poznan strategic programme's regional climate technology transfer and finance centres were established to generate lessons learned to help inform the Technology Mechanism. In addition, there are potential synergies in the activities undertaken by the centres and the Climate Technology Centre and Network.</p> <p>(d) To enhance understanding of GEF's response to COP guidance.</p>	<p>GEF report to COP 25, part III, section 4</p> <p>GEF report to COP 25, Part II, section 2</p> <p>GEF report to COP 25, para. 158 and 161–164</p> <p>GEF report to COP 25, Part I (e.g. pg. 8)</p>
	Support for conducting technology needs assessments	<p>Welcomes the financial support provided by the GEF to developing countries for conducting technology needs assessments and encourages the GEF to continue to provide such support.</p>	(1)	<p>To determine their climate technology priorities, countries undertake technology needs assessments (TNAs). A TNA supports national sustainable development, builds national capacity and facilitates the implementation of prioritized climate technologies.</p>	<p>GEF report, para 180</p>
Eligibility criteria					
Others					

Guidelines in providing the inputs:

- “Sub-elements”: Describe the specific area of the proposed input (e.g. Policies relating to access, gender, environment & social safeguards, etc.);
- “Proposed inputs”: Propose the inputs in draft decision text format;
- “To be considered by”: Choose whether the proposed inputs need to be considered: (1) Commonly by the COP and the CMA or; (2) specifically by the CMA;
- “Rationale for the inputs”: Annotate the reason for proposing the inputs, so that the rationale can be clearly understood;
- “Source of information / reference”: Provide reference to the annual reports of the operating entities or decision(s) of the GEF Council / GCF Board.
- Some examples from the previous years can be found in the annexes of the following documents:
 - https://unfccc.int/sites/default/files/resource/SCF19_draft%20guidance.pdf#page=3;
 - https://unfccc.int/sites/default/files/draft_scf_bn_draft_guidance_scf16_13sept_1700.pdf#page=5;
 - https://unfccc.int/sites/default/files/draft_scf_bn_draft_guidance_28sept.pdf#page=4.