



Technology Executive Committee

24 August 2021

Twenty-third meeting

Virtual meeting, 7-10 September and 13 September 2021 (TEC-CTCN joint session)

Draft inputs on draft guidance for the operating entities of the Financial Mechanism

Cover note

I. Background

1. As per activity 4 of the thematic area of Support of its workplan for 2019-2022, the TEC is to provide inputs to the Standing Committee on Finance (SCF) on draft guidance to the operating entities of the Financial Mechanism.
2. In its invitation to the TEC, the SCF further elaborated on the scope, format, and timing of the inputs to be provided and how these inputs will be processed. In doing so, it highlighted that the annual reports of the GCF and the GEF should form the basis for the inputs to be provided by the TEC.

II. Scope of the note

3. The annex to this note contains draft inputs on draft guidance to the operating entities of the Financial Mechanism, prepared by the TEC task force on support.

III. Expected action by the Technology Executive Committee

4. The TEC will be invited to consider and agree on the TEC's inputs on draft guidance to the operating entities of the Financial Mechanism.

IV. Process for preparing draft guidance to the operating entities of the Financial Mechanism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to the TEC, the SCF provided the following information regarding the scope, format, timing of the inputs for the draft guidance, and how these will be processed: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 GCF and the GEF to the COP for 2020 and 2021 should form the basis for the inputs provided;
 - (b) Format: the TEC is invited to provide its inputs by using the template developed by the SCF for this purpose;¹
 - (c) Timing: the TEC is invited to provide its submission on the draft guidance to the operating entities by Wednesday 15 September 2021;
 - (d) Processing of inputs received: once the submissions have been received, the SCF will:

¹ https://unfccc.int/sites/default/files/resource/Draft%20guidance_template.docx.

- (i) Prepare inter-sessionally a preliminary draft guidance in the form of a draft decision text, based on the compilation of submissions received and informed by the annual reports of the operating entities;
 - (ii) Organize informal working session(s) with those Parties and constituted bodies that provided submissions, as required, with the aim of clarifying the rationale behind the proposed draft guidance contained in the submissions;
 - (iii) Consider the preliminary draft guidance at its 26th meeting (11–14 October 2021) with a view to finalizing it for consideration at COP 26 and CMA 3.
6. In preparing draft inputs on draft guidance to the operating entities of the Financial Mechanism, the following documents and sections were considered by the task force:
- (a) The 2020 annual report of the GCF to the COP, in particular the sections on support for technology;²
 - (b) The 2020 annual report of the GEF to the COP, in particular the chapter on technology transfer;³
 - (c) The 2021 annual report of the GEF to the COP, in particular the chapter on technology transfer.⁴

² <https://unfccc.int/process/bodies/funds-and-financial-entities/green-climate-fund> (GCF annual report for 2021 was not yet available as of 23 August 2021).

³ <https://unfccc.int/topics/climate-finance/funds-entities-bodies/global-environment-facility>.

⁴ <https://unfccc.int/topics/climate-finance/funds-entities-bodies/global-environment-facility>.

Annex

Draft inputs on draft guidance for 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>
	Support for technology through the GCF Readiness and Preparatory Support Programme	Welcomes the enhanced support for technology through the GCF Readiness and Preparatory Support Programme, in particular in providing support for technical assistance through the CTCN.	(1)	By decision B.18/03, para. (d), the Board requested the Secretariat to continue collaborating with the Technology Mechanism in implementing support for technology.	GCF report to COP26, para 131 to 133 (FCCC/CP/2020/5)
Programme priorities	Strengthening linkages with the Technology Mechanism	Encourages the GCF, in collaboration with the CTCN, to facilitate communication among NDEs, NDAs and Accredited Entities at the national and regional level including with respect to technology-related aspects of NDC implementation and increasing ambition	(1)	By UNFCCC decision 14/CP.22, para. 9, the COP invited the operating entities of the Financial Mechanism to provide information on their actions in strengthening the linkages between the Technology Mechanism and the Financial Mechanism in their annual reports to the COP. By decision B.14/02, para. (d), the Board requested the Secretariat to provide recommendations on further steps to enhance cooperation and coherence for consideration by the Board, and in the context of the GCF operational framework on complementarity and coherence and the annual event with the thematic bodies of the UNFCCC. By UNFCCC decision 14/CP.24, para. 7, the COP invited the CTCN to consult with GCF and the GEF to identify ways to enhance information sharing among NDEs, NDAs and GEF focal points. Underlining the importance of coordination between NDEs and NDAs to guarantee continuation from readiness support through to funding proposal development. Such coordination is fundamentally important for the necessary inclusion of technology priorities in the GCF country programmes (programming priorities of developing countries submitted to the GCF), UNFCCC Nationally Determined Contributions (NDCs) and GCF entity work programmes (programming priorities of AEs submitted to GCF).	GCF report to COP26, para 139 to 142 (FCCC/CP/2020/5)

<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>
	Strengthening linkages with the Technology Mechanism	<p>Encourages further collaboration and engagement between the GCF, TEC, and CTCN, through continued joint work, as well as collaboration in events, and to taking into consideration elements related to gender mainstreaming and observer constituencies engagement.</p> <p>Further encourages the GCF, in collaboration with the TEC and the CTCN, to consider the development of sectoral technology benchmarks as funding guidelines for achieving the goals of the Paris Agreement.</p>	(1)	<p>By UNFCCC decision 14/CP.22, para 9, the COP invited the operating entities of the Financial Mechanism to provide information on their actions in strengthening the linkages between the Technology Mechanism and the Financial Mechanism in their annual reports to the COP.</p> <p>By UNFCCC decision 14/CP.24, para 7, the COP invited the CTCN to consult with GCF and the GEF to identify ways to enhance information sharing among NDEs, NDAs and GEF focal points.</p> <p>GCF's 2020 report to COP26 further highlighted the importance of mainstreaming gender into policies, national frameworks, targeted trainings on gender mainstreaming to government institutions, financial institutions, local communities, and groups, to foster and enhance the enabling environment to address gender inequality and empowerment issues. Focus is also given to developing, documenting, and sharing knowledge on gender related issues as projects progress with the implementation of their respective gender action plans. The implementation of the gender action plans is supported through dedicated gender experts as well as budget.</p>	GCF report to COP26, paras 139 to 142 and 176 to 179 (FCCC/CP/2020/5)

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

<i>Elements</i>	<i>Sub-elements</i>	<i>Proposed inputs</i>	<i>To be considered: (1) Commonly by the COP and the CMA or; (1) Specifically by the CMA.</i>	<i>Rationale for the inputs</i>	<i>Source of information / reference</i>
Programme priorities	Poznan Strategic Programme on Technology Transfer	Welcomes the support provided by the GEF for the CTCN under the GEF Challenge Program for Adaptation Innovation. Further welcomes GEF's efforts to consult with the CTCN to enhance collaboration between the CTCN and the regional technology and finance centers and encourages the GEF to continue and enhance such efforts.	(1)	Strengthened collaboration between GEF country focal points and the national designated entities for technology development and transfer would enhance coherence between the support provided by the GEF and that provided by the CTCN for technology transfer activities.	GEF 2020 report to COP 26, paras. 184 to 199 (FCCC/CP/2020/1) GEF 2021 report to COP26 paras. 201 to 214

<i>Elements</i>	<i>Sub-elements</i>	<i>Proposed inputs</i>	<i>To be considered: (1) Commonly by the COP and the CMA or; (1) Specifically by the CMA.</i>	<i>Rationale for the inputs</i>	<i>Source of information / reference</i>
	Poznan Strategic Programme on Technology Transfer	Encourages the GEF to support CTCN efforts to strengthen cooperation between GEF country focal points and the national designated entities.	(1)	Strengthened collaboration between GEF country focal points and the national designated entities for technology development and transfer would enhance coherence between the support provided by the GEF and that provided by the CTCN for technology transfer activities.	GEF 2020 report to COP 26, paras. 184 to 199 (FCCC/CP/2020/1) GEF 2021 report to COP26 paras. 201 to 214
	Poznan Strategic Programme on Technology Transfer	Encourages the GEF to share all the terminal evaluation reports of the regional technology and finance centers and of the national climate technology activities, supported under the Poznan strategic programme, with the TEC and the CTCN with a view to share experiences and lessons learned from the support provided by the GEF for technology	(1)	Enhanced sharing of the evaluation reports of the remaining would enhance generating lessons learned to help inform the Technology Mechanism, in particular the CTCN, and facilitate coordination and cooperation on climate technology development and transfer.	GEF 2020 report to COP 26, paras. 184 to 199 (FCCC/CP/2020/1) GEF 2021 report to COP26 paras. 201 to 214
	Technology Needs Assessment	Encourages the GEF to enhance the implementation of TNA results through GEF funding proposals and to facilitate active communication among NDEs and GEF focal points at the national level.	(1)	To determine their climate technology priorities, countries undertake TNAs, which support national sustainable development, build national capacity and facilitate the implementation of prioritized climate technologies to support climate mitigation and adaptation actions.	GEF 2020 report to COP 25, paras. 200 to 209 (FCCC/CP/2020/1) GEF 2021 report to COP26 paras. 215 to 220
	Technology Transfer	Encourages the GEF to support further North-South and South-South collaboration projects of the CTCN and TEC, especially ones that engage with stakeholders at a local level, and to enhance its funding on projects related to technology training.	(1)	The Summaries of Climate Change Mitigation Stand-alone Projects and Programs Approved in FY21 of GEF's 2020 report to COP26 highlights the critical importance of local-level engagement, and stated that small grants will be targeted primarily towards local communities and CSOs, the poor and the vulnerable, to access appropriate level of funding as they develop their capacity, take measured risks in testing new methods and technologies, and innovate at the local level.	GEF 2020 report to COP 26, paras. 58 to 59 (FCCC/CP/2020/1)

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Other	Private sector engagement	Welcomes the GEF's efforts on mobilising private capital and encourages further engagement with the private sector.	(1)	The technology framework under Article 10, paragraph 4, of the Paris Agreement provides overarching guidance for the work of the Technology Mechanism through its key themes, and the actions and activities highlighted under its key themes of support include the importance of enhancing collaboration of the Technology Mechanism with the Financial Mechanism for enhanced support for technology development and transfer. As stated in paras 29 to 39 and 197 to 200 of the GEF's 2020 report to COP26, GEF acknowledges that to change the path of GHG emissions from these sectors, emerging cleantech solutions should be applied and deployed at scale; and as such, addresses key barriers that need to be addressed to deploy cleantech solutions in these other sectors, including the need for targeted deployment of the concessional capital (blended finance) to mobilize the private capital seeking commercial risk adjusted returns.	GEF 2020 report to COP 26, paras. 197 to 200 (FCCC/CP/2020/1)

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