



Standing Committee on Finance

16 June 2022

Twenty-eighth meeting of the Standing Committee on Finance
17–18 June 2022

Background note on the draft guidance to the operating entities of the Financial Mechanism

Expected actions by the Standing Committee on Finance

The Standing Committee on Finance (SCF) will be invited to take note of the co-facilitators' workplan to prepare draft guidance to the operating entities in 2022.

I. Possible actions for consideration by the Standing Committee on Finance

1. The SCF may wish to take note of the co-facilitators' proposed workplan to prepare draft guidance to the operating entities in 2022.

II. Co-facilitators' workplan

2. Recognizing the importance of the SCF to deliver on its mandate, co-facilitators have reflected on the experiences and lessons learned from 2022 and explored ways to improve the working modalities of the Committee to prepare the draft guidance. In this regard, paragraphs 3 to 11 below outline co-facilitators' workplan for the period between SCF 28 and SCF 29.

Inviting inputs to the draft guidance

3. The 2022 annual reports of the operating entities of the Financial Mechanism are expected to be available in mid-August. Once available, the secretariat will circulate the annual reports to Parties and relevant constituted bodies (Adaptation Committee, Technology Executive Committee and Executive Committee of the Warsaw International Mechanism for Loss and Damage) and invite them to provide inputs on the draft guidance by the first week of September.

Compilation of inputs and supplementary information

4. Once the inputs are received, the secretariat will compile them in a tabular format by thematically grouping the inputs. Furthermore, the compilation will include supplementary information that may relate to the inputs, such as: relevant information from the annual reports; latest information on ongoing (or planned) activities of the operating entities or; previous guidance given to the entities.

Assessment of the inputs

5. Once the compilation is available, the co-facilitators will assess the inputs to ensure they are:
 - (a) In line with the mandates of the operating entities;
 - (b) Not ongoing or being currently undertaken by the operating entities and;
 - (c) Not repetitive or contradictory to previous guidance provided to the operating entities.

6. This assessment is a key technical step to sort and identify inputs that could serve as useful basis to prepare for the draft guidance and thereby ensuring consistency and practicality of the draft guidance, as per mandate received from the Conference of the Parties.¹

7. Co-facilitators' assessment will be informed by: rationale and reference sources as provided by the submitters and; supplementary information identified by the secretariat, as referred to in paragraph 4. As outcome of the assessment, there will be four types of assessments on each input, namely:

(a) ☒ – a “tick-box,” if the submission passed all three criteria referred to in paragraph 5;

(b) **Ongoing**, if the operating entity is currently undertaking relevant work, or the matter is planned to be taken up by the Green Climate Fund Board or Global Environment Facility Council;

(c) **Repetitive or Contradictory**, if the submission overlaps or contradicts with previous guidance;

(d) **Need for clarification**, if the co-facilitators require additional information or clarification from the secretariats of the operating entities, or the submitter.

8. Annex I contains an example of the template that will be used by the co-facilitators to present the compilation of inputs, as well as their assessment.

9. Co-facilitators recall that, at SCF 26, the technical assessment was undertaken during the first and second days of the meeting. To save time at SCF 29, co-facilitators will prepare the technical assessment intersessionally and present it to SCF 29, as a basis for the preparation of the draft guidance. Initiating SCF 29 discussions based on the assessment (i.e., as opposed to simple compilation of inputs) will assist the Committee to move forward more expediently, especially given that members will have a high workload at the meeting.

Outreach

10. Inputs with clear justification and reference to sources are an essential basis for efficient and constructive engagement on the draft guidance. In this context, co-facilitators may reach out to the submitters of inputs, as required, to seek for clarifications and additional information during the assessment of the inputs. In addition, co-facilitators will engage with the chairs and appointed SCF liaison focal points of the Adaptation Committee, Technology Executive Committee and Executive Committee on Loss and Damage to encourage the bodies to prepare their inputs with clear justifications and reference to sources and address any questions they may have on draft guidance.

11. Indicative timeline of work between SCF 28 and SCF 29 is illustrated in Annex II.

¹ Decision 2/CP.17, paragraph 121(c): Providing to the Conference of the Parties draft guidance for 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 submissions from Parties.

Annex I

Template to be used by the co-facilitators to compile and assess inputs received on the draft guidance

#	Themes / Groups	Submitted input	Rationale and/or sources, as submitted	To be considered by (COP / CMA)	Input proposed by	Supplementary information: Latest information from the operating entities and / or Relevant previous decision(s)	Co-facilitators' assessment
1							
2							
3							

Annex II

An indicative timeline of work

	July	Mid-August	September				
			Week 1	Week 2	Week 3	Week 4	Week 5 (SCF 29)
Meeting between the co-facilitators and the chairs of Adaptation Committee, Technology Executive Committee and Executive Committee on Loss and Damage	X						
Annual reports of the operating entities published		X					
Invitation is sent to Parties and the constituted bodies to provide the inputs		X					
Deadline of inputs			X				
Compilation and technical assessment of inputs, including possible outreach to input submitters for clarifications			X	X	X	X	
Presentation of the technical assessment at SCF 29							X