



Standing Committee on Finance
Twenty-sixth meeting of the Standing Committee on Finance
12–14 October 2021

08 October 2021

Background paper on the draft guidance to the operating entities of the Financial Mechanism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The Standing Committee on Finance will be invited to prepare the draft guidance to the operating entities of the Financial Mechanism to be submitted to the Conference of the Parties at its twenty-sixth session and the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement at its third session.

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

1. The Standing Committee on Finance (SCF) may wish to prepare the draft guidance to the operating entities of the Financial Mechanism, based on the compilation of submissions received on the draft guidance to the Green Climate Fund (GCF) and the Global Environmental Facility (GEF), as contained in the annex I and II, respectively.
2. The co-facilitators will circulate to the SCF a preliminary draft guidance, which will reflect:
 - (a) Submissions on the draft guidance received up to 9 October 2021;
 - (b) Technical work undertaken by the secretariat to assess whether the submissions received 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 or duplicative to previous guidance given to the operating entities.
3. In considering the submissions and the preliminary draft guidance, the SCF may wish to utilize the database of previous guidance to the operating entities¹ and invite the representatives of the secretariats of the operating entities present at the meeting to provide any latest information or clarification, as required.

II. Background

4. On 16 April 2021, the SCF invited Parties and the Adaptation Committee (AC), Technology Executive Committee (TEC) and the Executive Committee on Warsaw International Mechanism on Loss and Damage (ExCom) to submit their submissions on the

¹ Available at: <https://unfccc.int/scf/scf-meetings-and-documents#eq-19>. This database contains all previous guidance provided to the operating entities and for instance, keyword searches can be undertaken to check repetitiveness or redundancies. The database was developed by the SCF, as part of its activities to improve the consistency and practicality of guidance to the operating entities.

draft guidance to the operating entities by 15 May 2021 and/or 15 September 2021, based on the available annual reports of the GCF and the GEF to the COP.

5. After conclusion of SCF 25, the secretariat notified Parties and the three constituted bodies that the deadline of submission on the draft guidance to the GCF will be extended to 9 October 2021, due to the delay of availability of the 2021 annual report of the GCF. The report is expected to be available after conclusion of the 30th meeting of the GCF Board (4–7 October 2021).

6. As of 5 October 2021, the SCF has received seven submissions on the draft guidance to the GCF and GEF as contained in Annex and II respectively and as summarized in table 1 below.

Table 1

Date, submitter and coverage of submissions received by 5 October 2021

Date of receipt	Submitter	Coverage
18 May 2021	The State of Palestine	Draft guidance to the GEF
22 August 2021	SCF Member (Mr. Randy Caruso)	Draft guidance to the GCF and the GEF
6 September 2021	The African Group of Negotiators	Draft guidance to the GCF
13 September 2021	Technology Executive Committee	Draft guidance to the GCF and the GEF
17 September 2021	Independent Alliance of Latin America and Caribbean	Draft guidance to the GCF and the GEF
17 September 2021	The European Union and its member States	Draft guidance to the GEF
5 October 2021	The Executive Committee of the Warsaw International Mechanism for Loss and Damage	Draft guidance to the GCF and the GEF

7. In preparing the draft guidance for the consideration of the COP and the CMA, the SCF may wish to recall its agreement,² that:

(a) A common set of draft guidance should be prepared for consideration both by the COP and the CMA;

(b) Should there be draft guidance that would need to be specifically considered by the CMA, this draft guidance should be clearly identified through a distinct heading within the common set of draft guidance.

8. Some submissions specify draft guidance for consideration by the COP and/or CMA, while others do not.

² Paragraph 29 of SCF/2019/20/9.

Annex I

Compilation of submissions received on the draft guidance to the Green Climate Fund³

<i>Headings</i>	<i>Proposed draft guidance</i>	<i>Rationale and/or sources</i>	<i>To be considered by</i>	<i>Proposed by</i>
Replenishment	Continues to express concern that a number of developed and developing country Parties have still not confirmed their pledges made during the Initial Resource Mobilisation phase into fully executed commitment agreement or arrangements and urges those Parties to do so as a matter of urgency.	Decision 12/CP.25, paragraph 5.	COP/CMA	African Group (AGN)
Independent Evaluation Function	Expresses concern regarding ongoing delays by the Board is considering the reports of the Independent Evaluation Unit as required in the Governing Instrument to ensure the Fund is a learning Institutions and that policy decision are informed by the Board's consideration of these Evaluations.	Decision 3/CP.17, Annex, paragraphs 3 and 59.	COP/CMA	AGN
Adaptation Support	Expresses concern regarding the Board's failure to conclude work on support to adaption as per COP decision. Urges the Board to conclude its support on support to adaptation as an urgent priority.	Decision 3/CP.17 and decision 12/CP.25 paragraph 19.	COP/CMA	AGN
Adaptation support	<i>Urges</i> the GCF to finalize guidance on the approach and scope for providing support for adaptation activities, taking into account best practices at other multilateral funds and other approaches.	B.17/10 requested guidance for consideration at B.19. This should be finalized during 2020. Source: GCF decision B.17/10, paragraph (c)(ii)		SCF member (Mr. Randy Caruso)
Adaptation – portfolio balance	Urges the Board to maintain the 50:50 balance in the overall portfolio as agreed by the COP.	Decision 3/CP.17, paragraph 8.	COP/CMA	AGN
Accreditation	Encourage the GCF to review and update the process to grant access to the Online Accreditation (OAS) system for entities in the process of accreditation, and to improve the transparency of how and when it is granted.	There is significant delay in the process of accessing the OAS system to upload documents for accreditation process, including entities being supported through ongoing Readiness. Source: OAS request form, 2019.	COP/CMA	Independent Alliance of Latin America and Caribbean (AILAC)

³ The headings contained in the annexes are an indicative guide to navigate through the submissions received. The information in the columns are verbatim as per the submissions, except for minor editorial revisions.

<i>Headings</i>	<i>Proposed draft guidance</i>	<i>Rationale and/or sources</i>	<i>To be considered by</i>	<i>Proposed by</i>
Accreditation	Encourage the GCF to establish dialogue spaces between its staff and entities in process of accreditation prior to the submission of documents via the OAS system, to clarify doubts on accreditation requirements and thereby enhance efficiency in accreditation stages.	There are no manifest dialogue spaces or channels between the GCF and entities in process of accreditation prior to the submission of documents through the OAS system. Source: Annex IX: Report on the review of the accreditation framework, GCF/B.22/24.	COP/CMA	AILAC
	Encourage the GCF to pursue greater accreditation of national entities in those countries that have not been accredited.	Countries that do not have accredited entities often have difficulties in coordination with intermediary agencies and correctly reflecting specific national circumstances		
Accreditation	<i>Requests the Board</i> to finalize the review of its accreditation framework as soon as possible, so as not to disrupt the project and programme approval cycle during the first formal replenishment, and in view of the GCF's commitment to adopt a more strategic approach to accreditation.	The review of the accreditation framework, along with approval of the project-specific assessment approach, is critical to enhancing the GCF's accreditation function; B.24/06 determined that the PSAA should be considered by the Board at B.25. Source: B.24/06 (project-specific assessment approach); GCF Updated Strategic Plan 2020-2023, paragraph 26(a).		SCF member (Mr. Randy Caruso)
Policies, procedures and guidelines (NDA support)	Develop a 101-welcome package for NDAs.	When a new NDA is appointed, there is a learning curve to get acquainted with GCF processes that may take significant time in some countries (particularly those which have yet to develop institutional capacities on climate finance), having an impact on GCF related activities of accreditation and pipeline development. A tailored introduction package to some NDA-related GCF aspects could reduce	COP/CMA	AILAC
Policies, procedures and guidelines (Financial instrument)	Increase the amount of grants to be provided to middle and upper middle-income countries	Levels of indebtedness have significantly increased due to the COVID pandemic and as a result of the very provision of climate finance that is mainly in the form of loans for middle and upper middle-income countries over the last decade. These levels of indebtedness are	COP/CMA	AILAC

<i>Headings</i>	<i>Proposed draft guidance</i>	<i>Rationale and/or sources</i>	<i>To be considered by</i>	<i>Proposed by</i>
		particularly high in Latin American and Caribbean countries		
Policies, procedures and guidelines (Loan currency)	Encourage the GCF to provide loans in national currencies to ensure concessional funding.	In countries with high exchange rate volatility, the low interest rate of long-term loans loses its relevance if they have to face the exchange risk, diminishing the interest in using the GCF resources. Source: Interviews with different second-tier banks.	COP/CMA	AILAC
Policies, procedures and guidelines (Financial conditions)	GCF should consider exploring exchange rate hedging in operations aimed at small business who normally don't have access to credits in foreign currency. The benefits of GCF credits become less attractive in smaller amounts and shorter terms. Financial conditions should be reviewed to take into account not only level of development of local economies but also the beneficiary population.	Projects submitted by small and medium size companies in developing economies normally don't have access to long term credits in foreign currency, limiting their ability to apply for GCF funds.	COP/CMA	AILAC
Policies, procedures and guidelines (Financial conditions)	<i>Urges</i> the GCF to finalize policies on the review of the financial terms and conditions of GCF instruments and concessionality, incremental costs, and co-financing.	These policies have been discussed for several Board meetings and should be finalized during 2020. Source: GCF decision B.19/06, paragraph (d)		SCF member (Mr. Randy Caruso)
Policies, procedures and guidelines (Exchange rates)	Encourage the GCF to reconsider their policy on fees specially for micro and small projects which are a very small percentage of the total amount of the project	"The managerial infrastructure that is conventionally required for an accredited entity to overseeing a GCF project is large. There are many requirements and conditions that need to be fulfilled by these entities over the time horizon of projects. The GCF policy on fees, currently establishes a difference in the allowed fee percentage of micro (>USD 10 million) and small (USD 10 to 50 million) and medium projects (USD 50 to 250 million) of 3,5 and 2 points, respectively. The logic behind here is understandable for major large projects but punishes small and micro projects. Also, in many cases, accredited entities must rely in domestic organizations to implement field	COP/CMA	AILAC

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		<p>activities, which increase administrative costs; further, it is very common that such domestic organizations are small and have limited infrastructure to accomplish all the requirements. Case studies from similar projects in Colombia show that a regular administrative fee can reach up to 17,5% of the total amount of the project. However, this can vary according to the type of project, activities involved, region, etc."</p> <p>Source: Alternative funding sources such as USAID incorporate schemes as the "NICRA" Negotiated Indirect Cost Agreement in order to define allowed administrative costs, in a case-by-case evaluation.</p>		
Policies, procedures and guidelines (Coordination)	Enhance coordination between the GCF and national entities, ideally through enhanced regional management in local language	Lack of coordination and support between the GCF and national entities.	COP/CMA	AILAC
Policies, procedures and guidelines (Project cycle)	Encourage more efficiency over the GCF process, to avoid possible delays on funds delivery to the terrain	Encourage more efficiency over the GCF process, to avoid possible delays on funds delivery to the terrain	COP/CMA	AILAC
Pipeline Management	<i>Welcomes</i> the GCF's rapid scaling up of funding proposal approvals and encourages the GCF to develop a structure for prioritization of proposals and for maximizing the impact of its funding for adaptation and mitigation.	Source: GCF Governing Instrument paragraph 3		SCF member (Mr. Randy Caruso)
Programmatic Approaches	<i>Requests</i> the GCF to promote the use of programmatic approaches, including national, regional, global, and cross-sectoral programs and to develop a programmatic approach modality to enable program development.	<p>Greater use of programmes is needed to allow GCF to reach the scale of operations it needs to tackle the climate challenge, yet policy and institutional barriers still exist. The most critical to address is development of a programmatic approach modality.</p> <p>Source: GCF Governing Instrument paragraph 36; B.07/03, paragraph (e)</p>		SCF member (Mr. Randy Caruso)
Policies, procedures	<i>Notes with concern</i> the significant number of outstanding policy gaps, recalling that [24] policy items remain to be	As of the end of B.28, taking into account the Board's revised work plan, 24 policy items from		SCF member (Mr. Randy Caruso)

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and guidelines (Policy gaps)	addressed in 2021 according to the Board's revised work plan and <i>urges</i> the GCF board to prioritize closing these policy gaps, including in particular:	the current workplan remained to be addressed. It is critical that the Board urgently take steps to close these outstanding gaps in order to increase effectiveness and provide clear guidance to GCF partners. Source: Tenth report of the GCF to the COP, paragraphs 14 and 21 [to be finalized, current version: GCF/B.29/03]		
Policies, procedures and guidelines (Decision making process)	<i>Requests</i> the GCF Board to prioritize development of procedures for approving decisions between meetings that ensure such decisions are consistent with the guiding principles of transparency and accountability.	This policy is critical to allow the Board to take time-sensitive decisions between meetings in a consistent manner. Source: GCF Rules of Procedure paragraphs 41–44.		SCF member (Mr. Randy Caruso)
Policies, procedures and guidelines (Simplified approval process)	<i>Requests</i> the Board to complete its work streamlining and simplifying approval processes, including for readiness support and national adaptation plans.,	This is verbatim from the 2019 COP guidance. B.25/08 requested an updated simplified approval process for Board consideration by B.26. Source: GCF decision B.25/08 (simplified approval process);		SCF member (Mr. Randy Caruso)
Policies, procedures and guidelines (Committee guidelines)	<i>Requests</i> the Board to finalize updated general guidelines for committees.	This policy will accelerate the workflow of committees, which will contribute to enhanced efficiency of the GCF. Source: GCF decision B.25/03 paragraph (e)		SCF member (Mr. Randy Caruso)
Private sector strategy	<i>Requests</i> the GCF to finalize its Private Sector Facility Strategy to serve as a strategic road map of the Secretariat for leveraging, mobilizing, and engaging domestic and international private sector actors; and complete its review of the modalities of the Private Sector Facility.	The Board requested the Private Sector Facility Strategy at B.19 and it is key to ensuring the private sector facility continues to serve private sector needs effectively. B.07/08 dictated that the GCF undertake a review of the initial modalities for the operation of the Fund's mitigation and adaptation windows and the PSF, no later than three years after the initial resource mobilization of the Fund. Source: GCF Decision B.19/17		SCF member (Mr. Randy Caruso)
Sectoral guidance	<i>Requests</i> the GCF to work with technical experts to finalize sectoral guidelines for GCF investments with the objective			SCF member (Mr. Randy Caruso)

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	of establishing common understanding and expectations for GCF funded activities.			
Investment criteria (Co-benefits)	GCF interventions should seek to leverage the link between climate change and air pollution. By assessing the impact of climate interventions on harmful air pollutants, GCF-funded interventions can quantify the multiple-impacts of these actions for human health. Despite this, to date, Readiness, CNs and FPs focused on air quality have been rejected or have received negative reviews by GCF, especially regional staff.	The linkage between air pollution and climate change has received little, if any, attention from the GCF. Source: Organizational experience developing GCF Readiness proposals across 38 countries	COP/CMA	AILAC
Needs and priorities of developing countries	Urges the Board to respond to the needs and priority adaptation actions of developing countries as outlined in their NDCs and Adaptation Communications.	Decision 3/CP.17 Decision 12/CP.25, paragraphs 16–18	COP/CMA	AGN
Adaptation – Quality of scientific assessments and coherence	Urges the Board to consult the AC and the scientific community regarding the most appropriate methods and criteria to evaluate the impact of adaptation projects	Decision 3/CP.17, Annex paragraph 70.	COP/CMA	AGN
Privileges and Immunities	Expresses concern regarding the lack of engagement by the Board in response to the COP guidance to “to continue its efforts to ensure that the Green Climate Fund enjoys privileges and immunities.”	Decision 3/CP.17, Annex para 8 2020 GCF report to the COP Third Biennial Report on privileges and immunities. Decision 12/CP.25, paragraphs 8–10.	COP/CMA	AGN
Technology	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.	By decision B.18/03, para. (d), the Board requested the Secretariat to continue collaborating with the Technology Mechanism in implementing support for technology. Source: GCF report to COP26, para 131 to 133 (FCCC/CP/2020/5).	COP/CMA	TEC
Technology	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.	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	COP/CMA	TEC

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		<p>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).</p> <p>Source: GCF report to COP26, para 139 to 142 (FCCC/CP/2020/5)</p>		
Strengthening linkages with the Technology Mechanism	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.			
Loss & Damage	Requests the Green Climate Fund, as an operating entity of the financial mechanism, to commence, to continue, and to explore potential ways of, as appropriate, enhancing the collaboration with the Executive Committee, including through relevant activities of the Expert Group on Action and Support to clarify how developing country Parties may access funding from the Green Climate Fund for the development of funding proposals related to the strategic workstreams of the five-year rolling workplan to the extent	As per decision 2/CMA.2, para 39 and noted by 2/CP.25, the Executive Committee was tasked to carry out this work in collaboration with the GCF. This is a counterpart guidance that requests the GCF to participate in this collaboration		ExCom

<i>Headings</i>	<i>Proposed draft guidance</i>	<i>Rationale and/or sources</i>	<i>To be considered by</i>	<i>Proposed by</i>
	consistent with the existing investment, results framework and funding windows and structures of the Green Climate Fund. ⁴			
Loss & Damage	Requests the Green Climate Fund to facilitate efficient access for activities relevant to averting, minimizing, and addressing loss and damage in developing country Parties, to the extent consistent with the existing investment, results framework and funding windows and structures of the Green Climate Fund, and provide information thereon in their annual report ⁵	As per decisions 12/CP.25, para 21 and 6/CMA.2, para 8. While the word ‘facilitate’ is used in both quoted paragraphs, the repetition of this request is intended to emphasize the urgency of the need of developing countries for access to funding for activities to avert, minimize and address loss and damage. Note, the 2020 and 2021 annual reports do not address this issue in detail		ExCom
Loss & Damage	Request the Green Climate Fund to (a) Continue, and strengthen efforts, to support developing countries through the readiness and preparatory support program, in line with existing modalities and frameworks, to implement activities relevant to averting, minimizing and addressing loss and damage to improve enabling conditions at the national level, including impact and vulnerability studies (to inform policy), data collection and analysis,	It is up to the country applying under the readiness programme to determine what needs it has for strengthening institutional capacities, governance mechanisms, and planning and programming frameworks. So, if a country is not including loss and damage in its readiness applications, it may be that the national government lacks the awareness, capacity or information with respect to its needs for averting, minimizing and addressing loss and		ExCom

⁴ Decision 2/CMA.2: https://unfccc.int/sites/default/files/resource/cma2_auv_6_WIM.pdf

38. “Takes note of decision -/CMA.2,6 paragraph 8, whereby the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement invited the Board of the Green Climate Fund to continue providing financial resources for activities relevant to averting, minimizing and addressing loss and damage in developing country Parties, to the extent consistent with the existing investment, results framework and funding windows and structures of the Green Climate Fund, and to facilitate efficient access in this regard, and in this context to take into account the strategic workstreams of the five-year rolling workplan of the Executive Committee”.

39. “Requests the Executive Committee, in collaboration with the Green Climate Fund, as an operating entity of the Financial Mechanism, to clarify how developing country Parties may access funding from the Green Climate Fund for the development of funding proposals related to the strategic workstreams of the five-year rolling workplan of the Executive Committee, consistently with paragraph 38 above, and to include information thereon in its annual reports”.

⁵ Decision 2/CMA.2: https://unfccc.int/sites/default/files/resource/cma2_auv_6_WIM.pdf

38. “Takes note of decision -/CMA.2,6 paragraph 8, whereby the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement invited the Board of the Green Climate Fund to continue providing financial resources for activities relevant to averting, minimizing and addressing loss and damage in developing country Parties, to the extent consistent with the existing investment, results framework and funding windows and structures of the Green Climate Fund, and to facilitate efficient access in this regard, and in this context to take into account the strategic workstreams of the five-year rolling workplan of the Executive Committee”.

<i>Headings</i>	<i>Proposed draft guidance</i>	<i>Rationale and/or sources</i>	<i>To be considered by</i>	<i>Proposed by</i>
	development or amendment of policy and regulatory documents, capacity development of key institutions and strengthening social safety programmes; ⁶ (b) Encourage Parties to enhance the use of the program referenced in (a) above.	damage. It could be useful to help increase awareness and build capacity for the operating entities to analyze what readiness support is being used for and determine what aspects of the five-year rolling workplan's thematic areas are being/are not being funded and to request the GCF to make recommendations based on that analysis. Source: 9th GCF report para 52 and 10th GCF report para 38.		
Loss & Damage	Welcome the Board's confirmation that the Fund continues to support loss and damage consistent with the existing investment, results framework and funding windows and structures of the Green Climate Fund.	Decision 12/CP.25 paragraph 19 Note: The AGN does not support any additional guidance on loss and damage under the GCF as the Board has confirmed and acted on the guidance already provided by the COP.	CMA	AGN
Loss & Damage	Requests the Green Climate Fund to consider how to most effectively support activities relevant to averting minimizing and addressing loss and damage with the aim of expediting support for averting, minimizing and addressing loss and damage, including through using the readiness programme, project preparation facility, and the 'request for proposals' modality, to the extent consistent with the existing investment, results framework and funding windows and structures of the Green Climate Fund, and to report on its progress thereon in its annual report to the COP, starting from 2022.	This recommendation is intended to push the idea that the GCF needs to do more, faster without specifying a particular modality, avoiding micro-managing or being prescriptive. There are strong arguments for each of these approaches, which we hope the GCF will consider, as appropriate.		ExCom

⁶ See paragraph 52 in the Ninth Report of the Green Climate Fund to the Conference of the Parties to the United Nations Framework Convention on Climate Change https://unfccc.int/sites/default/files/resource/cp2020_05E.pdf and paragraph 38 in the Tenth Report of the Green Climate Fund to the Conference of the Parties to the United Nations Framework Convention on Climate Change <https://www.greenclimate.fund/sites/default/files/document/gcf-b29-03.pdf#page=18>.

Annex II

Compilation of submissions received on the draft guidance to the Global Environment Facility⁷

<i>Headings</i>	<i>Proposed draft guidance</i>	<i>Rationale and/or sources</i>	<i>To be considered by</i>	<i>Proposed by</i>
Eligibility criteria	The COP requests the operating entities of the Financial Mechanism (including the Global Environment Facility) to ensure accessibility of all eligible Parties to available resources	State of Palestine is working hard to fulfil its commitments to UNFCCC and PA. This includes reporting commitments in addition to implementing its climate relevant plans and strategies including NDC. GEF for years denied the legitimate right of State of Palestine (signatory to three Rion conventions) to access its resources for political reasons, this includes STAR allocation. The GEF report to COP never mentions Palestine in its report. It indicates how GEF is supporting NAI parties in fulfilling their commitments. This longstanding position of GEF needs to be amended to ensure that Palestine can appropriately responds to climate change challenge which have severe implications on the sustainable development efforts and on its GDP. Source: Report of the Global Environment Facility to the Conference of the Parties, Addendum (FCCC/CP/2020/1/Add.1).	COP/CMA	The State of Palestine
Eligibility criteria	<i>Requests</i> the GEF to take appropriate measures to ensure that its policies and procedures related to the consideration and review of funding proposals are duly followed in an efficient manner.	This element is important to many Parties to signal the importance of the GEF following its policies and procedures.		SCF member (Mr. Randy Caruso)
Policy (Financial instruments)	Increase the amount of grants to be provided to middle and upper middle-income countries	Levels of indebtedness have significantly increased due to the COVID pandemic and as a result of the very provision of climate finance that is mainly in the form of loans for middle and upper middle-income countries over the last decade. These levels of indebtedness are particularly high in Latin American and Caribbean countries	COP/CMA	Independent Alliance of Latin America and Caribbean (AILAC)

⁷ The headings contained in the annexes are only meant as an indicative guide to navigate through the submissions received. The rest of the columns are as received from the submissions, except for minor editorial revisions.

<i>Headings</i>	<i>Proposed draft guidance</i>	<i>Rationale and/or sources</i>	<i>To be considered by</i>	<i>Proposed by</i>
Policy (Minimum fiduciary standards)	<i>Welcomes</i> the GEF Secretariat's ongoing efforts to verify the extent of agency implementation and compliance with the GEF Minimum Fiduciary Standards, ⁸ including through the ongoing Independent Third Party Review of UNDP.	This element looks forward to the final report on UNDP's remedial efforts to address its fiduciary shortcomings, the expedited UNDP Independent Third-Party Review, as well as to the wider third-party review of GEF Agencies' compliance with the GEF Minimum Fiduciary Standards.		SCF member (Mr. Randy Caruso)
Programme priorities	<i>Welcomes</i> the GEF Secretariat's continued efforts in relation to the provision of adequate financing for the biennial transparency reports.	This element voices support for the GEF Secretariat's financing of biennial transparency reports including associated modalities and streamlined process.		SCF member (Mr. Randy Caruso)
Programme priorities	<i>Welcomes</i> the GEF's efforts to enhance long-term complementarity, coherence, and collaboration with the Green Climate Fund (GCF), including the annual joint progress report to be submitted to the GEF Council and the GCF Board.	This element expresses support for efforts to enhance complementarity between the GEF and GCF.		SCF member (Mr. Randy Caruso)
Programme priorities	<i>Welcomes</i> the GEF's continued efforts to mainstream climate programming throughout its portfolio through the ongoing use of integrated programming.	This element expresses support for the GEF's efforts to continue its integrated programming approach.		SCF member (Mr. Randy Caruso)
Programme priorities	<i>Welcomes</i> the GEF's continued efforts to minimize the time between the approval of project concepts, the development and approval of the related projects, and the disbursement of funds by its implementing/executing agencies to the recipient countries of those projects, including for the biennial transparency reports.	This element builds on the invitation in 13/CP.25 to enhance efforts to streamline the project and program cycle process.		SCF member (Mr. Randy Caruso)
Programme priorities	<i>Welcomes</i> the work undertaken by the GEF during its reporting period (1 July 2020 to 30 June 2021), including: (a) The approval of climate change projects and programmes approved during the reporting period under the Global Environment Facility Trust Fund, the Least Developed Countries Fund, and the Special Climate Change Fund; (b) The continued support of projects under the Capacity Building Initiative on Transparency;	This element welcomes GEF activities undertaken in the current reporting period.		SCF member (Mr. Randy Caruso)

⁸ [GEF Minimum Fiduciary Standards.](#)

<i>Headings</i>	<i>Proposed draft guidance</i>	<i>Rationale and/or sources</i>	<i>To be considered by</i>	<i>Proposed by</i>
	(c) The endorsement and implementation of the Private Sector Engagement Strategy ⁹ ; (d) The implementation of recommendations from the Working Group on Governance ¹⁰ ; (e) The approval of the Long-Term Vision on Complementarity, Coherence, and Collaboration between the Green Climate Fund and the Global Environment Facility ¹¹ ;			
Programme priorities	<i>Requests</i> the GEF to update the GEF Policy on Gender Equality ¹² to include LGBTQIA+ people.	This element expresses support for the explicit inclusion of LGBTQIA+ people in the GEF's gender equity and gender mainstreaming efforts.		SCF member (Mr. Randy Caruso)
Programme priorities	<i>Welcomes</i> the GEF's continued efforts to evaluate the effectiveness of the GEF Integrated Approach to address the drivers of environmental degradation. ¹³	This element welcomes continued efforts to quantify the effectiveness of the GEF Integrated Approach.		SCF member (Mr. Randy Caruso)
Policy (Efficiency of project cycle)	Significantly enhance the efficiency of timings for the presentation proposals, resources allocation and finally implementation of projects, this is particularly important for the bienniality of BTRs	Currently, the timing that starts in presenting a project proposal to its actual implementation can take several years	COP/CMA	AILAC
Technology	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.	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. Source: GEF 2020 report to COP 26, paras. 184 to 199 (FCCC/CP/2020/1), GEF 2021 report to COP26 paras. 201 to 214	COP/CMA	TEC
Technology	Encourages the GEF to support CTCN efforts to strengthen cooperation between GEF country focal points and the national designated entities.	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	COP/CMA	TEC

⁹ GEF [Private Sector Engagement Strategy](#).

¹⁰ [Report of the GEF Working Group on Governance](#).

¹¹ [Long-Term Vision on Complementarity, Coherence and Collaboration between the Green Climate Fund and the Global Environment Facility \(thegef.org\)](#)

¹² [GEF Policy on Gender Equality](#).

¹³ [GEF Independent Evaluation of the Integrated Approach for the Drivers of Environmental Degradation](#).

<i>Headings</i>	<i>Proposed draft guidance</i>	<i>Rationale and/or sources</i>	<i>To be considered by</i>	<i>Proposed by</i>
		transfer activities. Source: GEF 2020 report to COP 26, paras. 184 to 199 (FCCC/CP/2020/1) GEF 2021 report to COP26 paras. 201 to 214		
Technology	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	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. Source: GEF 2020 report to COP 26, paras. 184 to 199 (FCCC/CP/2020/1); GEF 2021 report to COP 26 paras. 201 to 214	COP/CMA	TEC
Technology	Encourages the GEF to consider the outcomes of Technology Needs Assessments and enhance the implementation of the Technology Action Plans resulting from the TNA process through GEF funding proposals, and to facilitate active communication among NDEs and GEF focal points at the national level.	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. Source: GEF 2020 report to COP 25, paras. 200 to 209 (FCCC/CP/2020/1) GEF 2021 report to COP26 paras. 215 to 220	COP/CMA	TEC
Technology	Encourages the GEF to support further South-South and triangular 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.	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. Source: GEF 2020 report to COP 26, paras. 58 to 59 (FCCC/CP/2020/1).	COP/CMA	TEC
Technology	Welcomes the GEF's efforts on mobilizing private capital and encourages further engagement with the private sector.	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.	COP/CMA	TEC

<i>Headings</i>	<i>Proposed draft guidance</i>	<i>Rationale and/or sources</i>	<i>To be considered by</i>	<i>Proposed by</i>
		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. Source: GEF 2020 report to COP 26, paras. 197 to 200 (FCCC/CP/2020/1).		
Technology	Welcome the actions taken by the GEF on incorporating innovation and technology development and transfer into the overall GEF-7 Climate Change Focal Area Strategy.	The shift towards low-GHG-emission and climate-resilient development pathways to support the overall mitigation targets of and adaptation efforts under the Paris Agreement is of utmost importance.		European Union
Private sector strategy	Welcome the adoption of the "Private Sector Engagement Strategy" by the GEF Council at its 59th meeting and encourage the GEF to reinforce its efforts to mobilize and engage with the private sector during GEF-8			European Union
Complementarity	Welcomes the recent work undertaken by the two operating entities of the FM on complementarity and coherence and encourages further division of labor taking into consideration the comparative advantages of each entity in an evolving climate finance architecture in order to enhance effectiveness and efficiency, building on the "Long-term vision on complementarity, coherence and collaboration between the Green Climate Fund and the Global Environment Facility."			European Union
Co-benefits	Encourage the GEF to pursue a coherent approach between focal areas by prioritizing projects with co-benefits across various areas, in particular by prioritizing projects in the area of climate change that also provide co-benefits in the areas of environment preservation and biodiversity and ocean conservation.			European Union
GEF agencies	Call on the GEF to continue improving its governance framework related to partner agencies and the standards its implementing partners are held accountable			European Union

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GEF agencies	Call on the GEF to ensure that recipient countries have appropriate access to the GEF resources through its diverse network of implementing agencies, and that special attention is given to those most in need, such as LDCs and SIDS.			European Union
GEF agencies	Call on the GEF to assess and limit the risks induced by the current level of funding's concentration on some of its Agencies.			European Union
Work programs	Welcome the approval by the GEF Council of several ambitious work programs since guidance to the GEF was provided last time.			European Union
Financial management	The EU and its Member States welcome the adoption of the "Sustainable Bond Strategy" by the GEF Council during its 59th meeting and look forward to additional steps to ensure that the asset management by the trustee is aligned with the goals set in the Paris Agreement.			European Union
Loss and damage	Request the LDCF/SCCF Council to consider including programming related to activities relevant to averting, minimizing and addressing loss and damage in developing country Parties across the strategic workstreams of the five-year rolling workplan of the Executive Committee, to the extent consistent with existing funding mandates and structures.	LDCF/SCCF priority funding areas include agriculture and food security; natural resource management; water resources; disaster risk management and prevention; coastal zone management; climate information services; infrastructure; and climate change induced health risks, each of which is relevant to approaches to avert, minimize and address loss and damage.		ExCom
Nature-based Solutions	Request the Global Environment Facility, in its initiative to integrate the co-benefits of Nature-based Solutions (NbS) across Global Environment Facility programming, to include consideration of how NbS is relevant to the strategic workstreams of the five-year rolling workplan of the Executive Committee.	There are NbS that are relevant to averting, minimizing and addressing loss and damage, such as the planting of mangroves in coastal areas, which not only protect coastal areas from erosion due to rising seas, increased tidal impacts and tropical cyclones, but also serve to mitigate greenhouse gas emissions and restore habitats on which coastal communities depend for their livelihoods. A case can be made that this single example covers each of the five workstreams in the Executive Committee's five-year rolling workplan, i.e., Slow onset events, Non-economic losses, Comprehensive risk management, human mobility, and action and support. <i>NB: NbS is a stated focus of the work of the LDCF.</i>		ExCom
Reporting on programming	Request the Global Environment Facility to analyze and include information in its report to the COP on programming under its existing funding mandates and structures, including the use of the Country-support Programme and the	It would be useful to help increase awareness and build capacity in developing countries as to what funding is available to them under the GEF to avert, minimize and address loss and damage.		ExCom

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	Small Grants Programme, that is relevant to the strategic workstreams of the five-year rolling workplan of the Executive Committee with the aim of informing the work of the Executive Committee and its Action and Support Expert Group.	Therefore, this request to the GEF to analyze what funding is available under its existing mandates and structures, including Country-support and Small Grants programme funding is being used to fund relevant priorities under the Executive Committee's five-year rolling workplan, would serve as a first step toward building the awareness and capacity of developing countries to access this funding within the Executive Committee's work.		