



Standing Committee on Finance

11 March 2019

**Twentieth meeting of the Standing Committee on Finance
Bonn, Germany, 21–22 March 2019**

**Background paper on the draft guidance to the operating entities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 (SCF) will be invited to agree on:

- (a) The approach that the SCF will take to prepare draft guidance to the operating entities of the Financial Mechanism for the consideration by the Conference of the Parties (COP) and the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement (CMA);
- (b) Possible ways to further improve the quality of the draft guidance to the operating entities.

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

1. The SCF may wish to agree on its approach to prepare draft guidance to the operating entities of the Financial Mechanism for the consideration by the COP and the CMA. Given that it is the first year that the SCF will prepare the draft guidance for the operating entities for the CMA, the SCF may wish to consider the following elements in defining its approach:

(a) Possible elements of the draft guidance: identify possible elements of draft guidance to the operating entities on the policies, programming priorities and eligibility criteria related to the Convention and the Paris Agreement, respectively for the consideration of the COP and the CMA; and possible cross-cutting elements of draft guidance that may be considered by the both bodies;

(b) Sources of information: confirm that the SCF will continue to use the following as sources of information in preparing the draft guidance:

- (i) The annual reports of the operating entities and any addendums, which will include information on how the operating entities have undertaken the guidance provided by the COP and the CMA,¹
- (ii) Inputs provided by the members of the SCF, the AC and the TEC;
- (iii) Submissions received from Parties;²

(c) Format of the draft guidance: confirm that draft guidance will continue to be in draft decision format and that it will be forwarded to the COP and the CMA, as annex to the annual report of the SCF.

¹ See annex I and II for the list of COP and CMA decisions relating to the operating entities of the Financial Mechanism.

² Decision 2/CP.17, paragraph 121(c).

2. Furthermore, the SCF also may wish to agree on possible ways to improve the quality of the draft guidance. The SCF may wish to consider the following options:

- (a) **Option #1:** Encourage the providers of the inputs to submit their proposed draft text in advance of the meeting of the SCF and within the deadline to be communicated by the SCF;
- (b) **Option #2:** Encourage the input providers to present clear rationale of the proposed inputs and invite them to engage with the SCF for any clarifications that may be required on the inputs.

II. Background

3. The COP decided to establish the SCF under the COP to assist the COP in exercising its functions with respect to the Financial Mechanism.³ Furthermore, the COP at its 21st session decided that the SCF shall serve the Paris Agreement in line with its functions and responsibilities established under the COP,⁴ and this decision was confirmed by the CMA in Katowice.⁵

The Financial Mechanism of the Convention serving the Paris Agreement

4. The Financial Mechanism of the Convention is defined under Article 11 of the Convention,⁶ and its operating entities are accountable to and functions under the guidance of the COP, according to the Governing Instrument of the Green Climate Fund,⁷ the Arrangements between the COP and the GCF,⁸ and the Memorandum of Understanding between the COP and the GEF.⁹

5. Furthermore, the Financial Mechanism of the Convention, including its operating entities, serves as the Financial Mechanism of the Paris Agreement, as per its Article 9.8.¹⁰ At its 21st session, the COP decided that the GCF and the GEF, the entities entrusted with the operation of the Financial Mechanism of the Convention, as well as the LDCF and the SCCF, administered by the GEF, shall serve the Agreement.¹¹ The COP decided that the guidance to the entities entrusted with the operations of the Financial Mechanism of the Convention in relevant decisions of the COP, including those agreed before adoption of the Paris Agreement, shall apply mutatis mutandis to the Agreement.

Preparation of the draft guidance to the operating entities by the Standing Committee on Finance

6. The COP mandated the SCF to provide to the COP draft guidance for the operating entities of the Financial Mechanism of the Convention, with a view to improving their consistency and practicality of such guidance, taking into account the annual reports of the operating entities, as well as submissions from Parties.¹²

7. Furthermore, the CMA requested the SCF to prepare draft guidance for the entities entrusted with the operation of the Financial Mechanism, and on the LDCF and the SCCF, for consideration and adoption by the CMA at its second session (2–13 December 2019).¹³ This follows the recommendation by the COP,¹⁴ which was confirmed by the CMA in Katowice,¹⁵ that the CMA shall provide guidance to the entities entrusted with the operation of the Financial Mechanism of the

³ Decision 1/CP.16, paragraph 112.

⁴ Decision 1/CP.21, paragraph 63.

⁵ Decision 3/CMA.1, paragraph 6.

⁶ See

<https://unfccc.int/files/essential_background/background_publications_htmlpdf/application/pdf/conveng.pdf#page=22>.

⁷ Decision 3/CP.17, annex.

⁸ Decision 5/CP.19, annex.

⁹ Decision 12/CP.2, annex.

¹⁰ See <https://unfccc.int/sites/default/files/english_paris_agreement.pdf#page=15>.

¹¹ Decision 1/CP.21, paragraph 58.

¹² Decision 2/CP.17, paragraph 121(c).

¹³ Decision 3/CMA.1, paragraph 8. The dates of the Conference have been confirmed by the Bureau on 7 March 2019. See <<https://unfccc.int/dates-of-cop-25-cmp-15-cma-2-confirmed>>.

¹⁴ Decision 1/CP.21, paragraph 61.

¹⁵ Decision 3/CMA.1, paragraph 9.

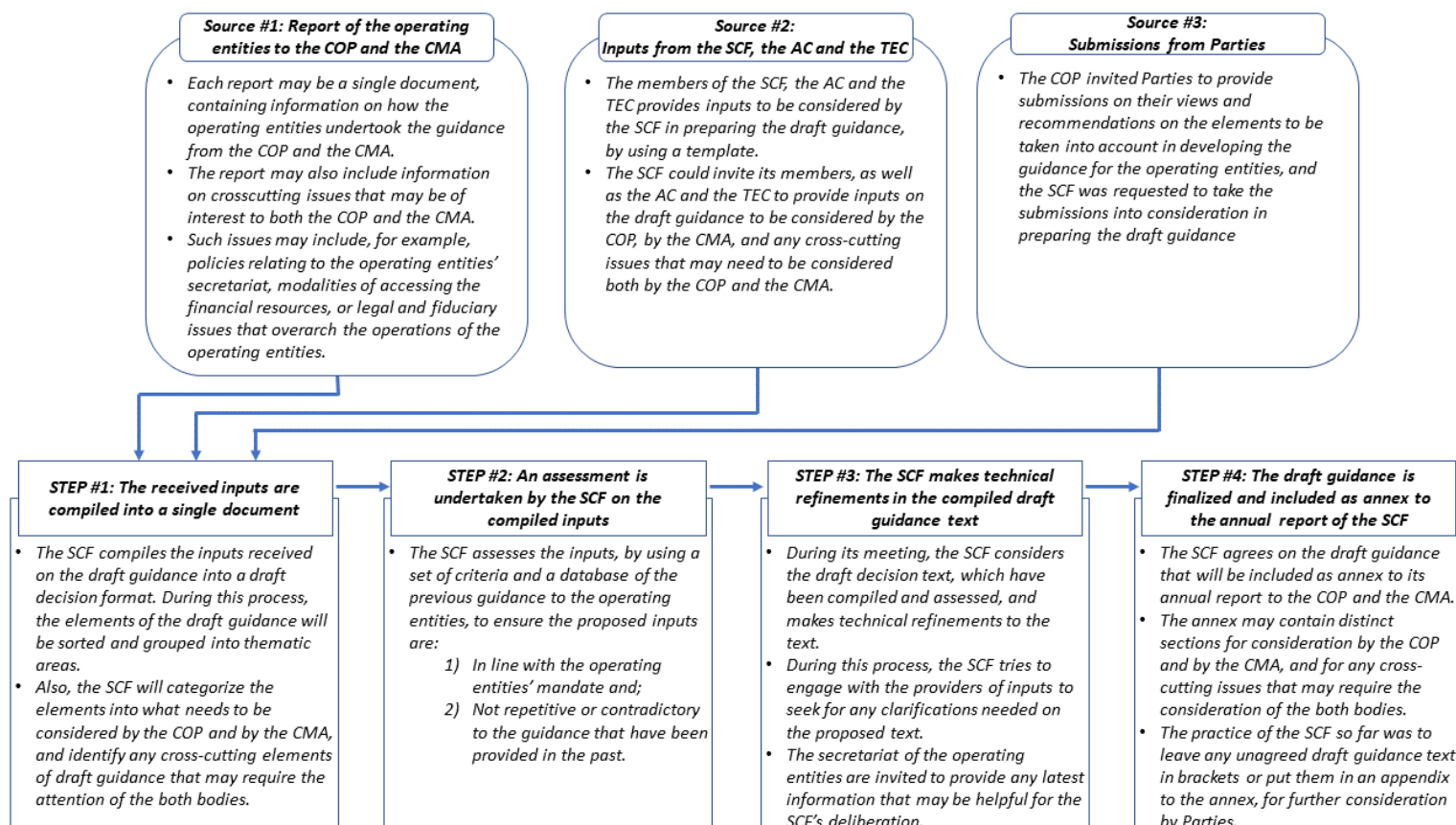
Convention on the policies, programme priorities and eligibility criteria related to the Agreement for transmission by the COP.

An overview of the approach to prepare draft guidance to the operating entities for consideration by the COP and the CMA

8. Figure 1 below contains a flowchart that was prepared to assist the SCF's deliberation in defining the approach to prepare draft guidance for the consideration by the COP and the CMA, along the lines of the proposed elements listed under paragraph 1(a)–(d) above.

Figure 1

An indicative approach of preparing the draft guidance to the operating entities for the consideration by the COP and the CMA



Possible ways to further improve the quality of the draft guidance to the operating entities

9. To date, the SCF undertook various activities to improve the quality of the draft guidance to the operating entities with a view to enhancing the consistency and practicality of the guidance.¹⁶ However, during the 17th and 19th meetings, many SCF members stressed that the SCF, in order to successfully fulfil the mandate of assisting the COP, needs to make additional efforts to improve the quality of the draft guidance and aim to prepare draft guidance without any appendix or brackets. Since 2015, when the SCF started to prepare the draft guidance in the form of draft decision text,¹⁷ the draft guidance contained bracketed texts or an appendix attached to it, including any issues that the SCF could not conclude its discussions on.

¹⁶ The SCF has established an Excel database of previous guidance to the operating entities and set a number of criteria to assess the inputs to the draft guidance to prevent the provision of any repetitive or contradictory guidance to the operating entities. More information on these works can be found in the previous reports of the SCF to the COP.

¹⁷ See FCCC/CP/2015/8, paragraph 23.

10. This background information aims to:

- (a) Identify possible issues that may have been undermining the quality of the draft guidance, based on the SCF's experience from past 3 years and;
- (b) Explore possible actions that the SCF could take to resolve such issues.

Issue #1: Late inputs from the input providers

11. In 2018, a total number of 12 input providers¹⁸ submitted to the SCF their proposed draft guidance to the operating entities. 6 provided inputs on time prior to the 19th SCF meeting and the rest presented their proposed texts during the meeting, which was held 29–31 October. In 2017, out of the 7 input providers, 3 presented their proposals during the 16th meeting of the SCF, which was held on 18–21 September. In 2016, total 8 input providers submitted their proposed text to the SCF at its 14th meeting (3–5 October), and 3 presented their proposals during the meeting.

12. The late inputs made it challenging for the SCF to assess the rationale of the proposed text, find an agreeable solution to incorporate the text into the draft guidance and conclude all work within the limited time during the last SCF meeting of the year. The problem was exacerbated, when the late inputs had a lengthy list of proposed text and the SCF had to assess and clarify to ensure that the proposed text is not repetitive or contradictory to previous guidance.

13. From 2019, the SCF was mandated with additional tasks by the COP and the CMA, including the preparation of the draft guidance related to the Paris Agreement, and this will make the time resources available to the SCF at its last meeting even more scarce.

Potential solutions

14. The timely submission of inputs is crucial to ensure active and meaningful engagement between the SCF and the providers of inputs and mitigate the risk of having brackets and appendices in the draft guidance. It should be noted that the COP encouraged Parties and other constituted bodies to provide their submissions in a timely manner.¹⁹

15. To resolve this issue, the SCF could urge the input providers to submit their proposals within the deadline set by the SCF, so that the Committee can be make more efficient use of its limited time to assess the rationale and viability of the proposed inputs. Furthermore, the SCF members could play a key role to communicate to the members of their constituencies the importance of coordinating timely inputs to the SCF. To facilitate this process, the secretariat could be requested to continue to send reminder emails to the providers of the inputs and post the deadlines on the SCF webpage.

Reason #2: Unclear rationale of the inputs and the absence of the input providers at the SCF meeting

16. The SCF uses a template to solicit the inputs, which requires the provider of the inputs to support their argument by presenting the rationale of such inputs and any supporting reference materials.²⁰ However, in the past 3 years, the providers of the inputs sometimes did not use the template in providing the inputs, thereby providing no explanation of the rationale, or provided little information in the template. As a result, the SCF faced challenges in understanding some of the inputs, which were composed in unclear language or had unclear intention. The SCF has endeavoured to clarify with the provider of such inputs, but in case the providers did not attend the SCF meeting or were not reachable, the SCF had to leave such inputs in brackets or in the appendix, for further clarifications by Parties at the COP.

Potential solutions

17. The SCF could encourage the input providers to be as specific as possible in providing their proposed inputs and rationale. Furthermore, the template, which to date was accessible only by the members of the SCF, the AC and the TEC, could be uploaded on the SCF webpage for Parties' easy access, accompanied with instructions and examples.

¹⁸ Including the members of the SCF, the AC and the TEC, as well as Parties.

¹⁹ Decision 8/CP.23, paragraph 9.

²⁰ The template is available in the annex of the previous background notes on the draft guidance to the operating entities, available at: <<https://unfccc.int/topics/climate-finance/meetings--events/scf-committee-meetings>>.

18. Furthermore, the secretariats of the operating entities could be invited to submit any relevant information relating to the proposed inputs to be shared by the SCF, based on the inputs that will be uploaded on the SCF webpage ahead of the SCF meeting. The relevant information submitted by the SCF may help its members to enhance their understanding on the inputs and the background that surrounds the proposed inputs, in order to be better prepared to engage deeper during the meeting.

19. Moreover, the providers of the inputs should be encouraged to be available to engage with the SCF for any clarification that the SCF may require on the submitted inputs. The availability of the input providers to engage with the SCF to follow-up and clarify their intention could help in reducing the possibility of leaving the inputs in brackets or appendix, due to unclear rationale or intention.

Annex I

List of the decisions relating to the operating entities to the Financial Mechanism from the twenty-fourth session of the Conference of the Parties

Decision 1/CP.24: Preparations for the implementation of the Paris Agreement and the first session of the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement

8. *Welcomes with appreciation* the pledges and announcements of Parties, including pledges to the Green Climate Fund, the Least Developed Countries Fund and the Adaptation Fund, and of international financial institutions, which provide further clarity to and predictability of climate finance flows to 2020;

11. *Also notes* that the dialogue highlighted the recently initiated replenishment process of the Green Climate Fund as a clear opportunity for enhancing ambition, as well as the importance of transparency and predictability of climate finance, clear eligibility criteria for funding and strong national policy and regulatory frameworks to enhance the mobilization of and access to climate finance;

Decision 4/CP.24: Report on the Standing Committee on Finance

4. *Requests* the Standing Committee on Finance, in preparing on the determination of the needs of developing country Parties related to implementing the Convention and the Paris Agreement, for consideration by the Conference of Parties, starting at its twenty-sixth session (November 2020), and the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement, starting at its third session (November 2020), to collaborate, as appropriate, with the operating entities of the Financial Mechanism, the subsidiary and constituted bodies, multilateral and bilateral channels, and observer organizations;

Decision 5/CP.24: Report of the Green Climate Fund to the Conference of the Parties and guidance to the Green Climate

Noting the draft guidance to the Green Climate Fund prepared by the Standing Committee on Finance,

Recalling decision 10/CP.22, paragraph 5,

1. *Welcomes* the report of the Green Climate Fund to the Conference of the Parties at its twenty-fourth session and its addendum, including the list of actions taken by the Board of the Green Climate Fund (hereinafter referred to as the Board) in response to guidance received from the Conference of the Parties;

2. *Also welcomes* the progress of the Green Climate Fund in 2018, including:

(a) That funding approved by the Board has reached USD 5.5 billion, including USD 4.6 billion in loans, grants, equities and guarantees in the past three years for the implementation of 93 funding proposals for adaptation and mitigation in 96 developing countries;

(b) The work to strengthen the Green Climate Fund's institutional capacity, standards and safeguards, transparency, inclusiveness, pipeline and role within the climate finance landscape;

(c) The decision of the Board³ to initiate a review of the performance of the Green Climate Fund to assess the progress of the Fund in delivering on its mandate as set out in its Governing Instrument;

(d) The decision of the Board⁴ concerning the selection process for the appointment of the Executive Director of the Green Climate Fund secretariat;

(e) The decision of the Board to select and appoint the International Bank for Reconstruction and Development as the trustee of the Green Climate Fund;

(f) Efforts made to improve access to the Green Climate Fund through the structured dialogues and the Readiness and Preparatory Support Programme;

(g) The increase in the number of entities accredited by the Board, including direct access entities;

(h) The implementation of the simplified approvals process, including the approval of four projects worth USD 30.1 million in Green Climate Fund funding to date;

(i) The collaboration in 2018 between the Green Climate Fund and the Technology Executive Committee and the Climate Technology Centre and Network;

(j) The decision of the Board on financial planning in 2019 and the allocation of up to USD 600 million to fund projects submitted in response to requests for proposals and pilot programmes, including the requests for “proposals on REDD-plus results-based payments”, mobilizing funds at scale, micro, small and medium-sized enterprises, enhanced direct access and the simplified approvals process;

(k) The first annual report on complementarity and coherence with the Green Climate Fund and other climate finance channels;

3. *Further welcomes* the report on the implementation of the 2018 workplan and the approval of the 2019 workplan of the Board, and urges the Board to address remaining policy gaps, including on, as specified in the Fund’s Governing Instrument and its rules of procedure:

(a) Policies relating to:

(i) The approval of funding proposals, including project and programme eligibility and selection criteria, incremental costs, co-financing, concessionality, programmatic approach, restructuring and cancellation;

(ii) Prohibited practices as well as the implementation of the anti-moneylaundering and countering the financing of terrorism policy;

(b) Review of the accreditation framework;

(c) Pursuing privileges and immunities for the Green Climate Fund;

(d) Consideration of alternative policy approaches, such as joint mitigation and adaptation approaches for the integral and sustainable management of forests;

(e) The requests for proposals to support climate technology incubators and accelerators, in accordance with Board decision B.18/03;

4. *Urges* the Board to continue its consideration of procedures for adopting decisions in the event that all efforts at reaching consensus have been exhausted, as specified in the Fund’s Governing Instrument;

5. *Welcomes* the launching of the first formal replenishment process and the Board’s decisions on the inputs and processes related to the Fund’s replenishment, which take into account the needs of developing countries;

6. *Stresses* the urgency to reach pledges for the first formal replenishment process aiming to conclude the process in October 2019;

7. *Takes note* of the independent evaluations of the readiness and preparatory support programme and encourages the Board to address the recommendations contained therein, in accordance with paragraph 59 of the Governing Instrument, with a view to improving access to the Green Climate Fund and increasing the Fund’s efforts to support country ownership and country programming;

8. *Reaffirms* the necessity to focus on implementation and to speed up disbursement of funds to already approved projects as a key element of the Green Climate Fund’s operations in line with agreed disbursement schedules;

9. *Invites* Parties to submit to the secretariat via the submission portal,⁸ no later than 10 weeks prior to the twenty-fifth session of the Conference of the Parties, their views and recommendations on elements to be taken into account in developing guidance for the Board;

10. *Requests* the Standing Committee on Finance to take into consideration the submissions referred to in paragraph 9 above when preparing its draft guidance for the Board for consideration by the Conference of the Parties;

11. *Also requests* the Board to include in its annual report to the Conference of the Parties information on the steps that it has taken to implement the guidance provided in this decision;

12. *Decides*, in accordance with decision 1/CP.21, paragraph 61, to transmit to the Green Climate Fund the guidance from the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement contained in the decisions referred to in decision 3/CMA.1, paragraph 4.

Decision 6/CP.24: Report of the Global Environment Facility to the Conference of the Parties and guidance to the Global Environment Facility

Noting the draft guidance to the Global Environment Facility prepared by the Standing Committee on Finance,

1. *Welcomes* the report of the Global Environment Facility to the Conference of the Parties and its addendum, including the responses of the Global Environment Facility to guidance from the Conference of the Parties;

2. *Also welcomes* the seventh replenishment of the Global Environment Facility (July 2018 to June 2022);

3. *Recognizes* with concern the decrease in allocation to the climate change focal area, including the System for Transparent Allocation of Resources, compared with the sixth replenishment;

4. *Urges* all Parties that have not made pledges for the seventh replenishment of the Global Environment Facility to do so as soon as possible;

5. *Acknowledges* the increased integration of climate change priorities into other focal areas and the impact programmes in the seventh replenishment of the Global Environment Facility, as well as the increased focus on innovation and enhanced synergies with other focal areas;

6. *Highlights* the importance of enhancing country ownership in the impact programmes of the seventh replenishment of the Global Environment Facility;

7. *Requests* the Global Environment Facility, as appropriate, to ensure that its policies and procedures related to the consideration and review of funding proposals be duly followed in an efficient manner;

8. *Looks forward* to the projected delivery of greenhouse gas emission reductions in the seventh replenishment period, which is twice the amount planned for the sixth replenishment;

9. *Acknowledges* the updated policy on co-financing of the Global Environment Facility, which sets out an ambition for the overall portfolio of the Global Environment Facility to reach an increased ratio of co-financing to its project financing;

10. *Recognizes* that the Global Environment Facility does not impose minimum thresholds and/or specific types or sources of co-financing or investment mobilized in its review of individual projects and programmes;

11. *Welcomes* the inclusion of support for the Capacity-building Initiative for Transparency in the seventh replenishment of the Global Environment Facility, which enhances predictability of funding for the Initiative;

12. *Requests* the Global Environment Facility to continue to manage the Capacity-building Initiative for Transparency to fund a diversity of countries and regions, taking into account each country's capacity, in line with priorities of support as contained in the programming directions of the Capacity-building Initiative for Transparency;

13. *Invites* the Global Environment Facility to enhance the information in its reports to the Conference of the Parties on 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;

14. *Requests* the Global Environment Facility to continue to monitor the geographic and thematic coverage, as well as the effectiveness, efficiency and engagement, of the Global Environment Facility Partnership, and to consider the participation of additional national and regional entities, as appropriate;

15. *Welcomes* the establishment of the private sector advisory group;

16. *Encourages* a balanced composition of the private sector advisory group in terms of gender and geographical coverage;

17. *Welcomes* the Global Environment Facility Council's decision to begin the process of developing improved fiduciary standards, including anti-money-laundering and counterterrorism finance policy and requests the Global Environment Facility to include updates on this work in its report to the Conference of the Parties at its twenty-fifth session;

18. *Requests* the Global Environment Facility to review and, if necessary, update or adopt policies for preventing sexual harassment and the abuse of authority with the aim of protecting the staff of the Global Environment Facility secretariat as well as its partner organizations against unwanted sexual advances, preventing inappropriate behaviour and abuse of power and providing guidelines for reporting incidents;

19. *Invites* Parties to submit to the secretariat via the submission portal, no later than 10 weeks prior to the twenty-fifth session of the Conference of the Parties, their views and recommendations on elements to be taken into account in developing guidance for the Global Environment Facility;

20. *Requests* the Standing Committee on Finance to take into consideration the submissions referred to in paragraph 19 above when preparing its draft guidance for the Global Environment Facility for consideration by the Conference of the Parties;

21. *Also requests* the Global Environment Facility to include in its annual report to the Conference of the Parties information on the steps that it has taken to implement the guidance provided in this decision;

22. *Decides*, in accordance with decision 1/CP.21, paragraph 61, to transmit to the Global Environment Facility the guidance from the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement contained in the decisions referred to in decision 3/CMA.1, paragraph 4.

Decision 12/CP.24: Review of the Climate Technology Centre and Network

4. *Also invites* the operating entities of the Financial Mechanism to consider implementing the relevant recommendations of the independent review of the effective implementation of the Climate Technology Centre and Network when implementing their further activities relevant to the work of the Climate Technology Centre and Network;

Decision 13/CP.24: Enhancing climate technology development and transfer through the Technology Mechanism

5. *Notes with appreciation* the enhanced engagement and collaboration of the Technology Executive Committee, the Climate Technology Centre and Network and the Green Climate Fund on innovation and collaborative research, development and demonstration, including the promotion of climate technology incubators and accelerators and encouraged their continued and enhanced collaboration;

6. *Took note* of the collaboration of the Technology Executive Committee and the Climate Technology Centre and Network with the operating entities of the Financial Mechanism, constituted bodies under the Convention and other relevant organizations;

11. *Encouraged* the enhanced engagement of the Climate Technology Centre and Network with the Green Climate Fund, including through the strengthening of the collaboration between national designated authorities for the Green Climate Fund and national designated entities for technology development and transfer;

Decision 14/CP.24: Linkages between the Technology Mechanism and the Financial Mechanism of the Convention

1. *Welcomes* the information provided by the Technology Executive Committee, the Climate Technology Centre and Network, the Global Environment Facility and the Green Climate Fund on their actions in strengthening the linkages between the Technology Mechanism and the Financial Mechanism in their annual reports to the Conference of the Parties in response to decision 14/CP.22, paragraph 9;
2. *Acknowledges* the ongoing coordination between the national designated entities for technology development and transfer and the national designated authorities of the Green Climate Fund as well as the Global Environment Facility focal points, and encouraged enhanced coordination in this area;
3. *Welcomes with appreciation* the increased engagement between the Climate Technology Centre and Network and the Green Climate Fund with respect to using the Readiness and Preparatory Support Programme of the Fund, and noted with appreciation the support provided by the Fund for readiness requests submitted by national designated authorities;
4. *Invites* the Climate Technology Centre and Network and the Green Climate Fund to continue enhancing collaboration, wherein the services and expertise of the Climate Technology Centre and Network can be used to strengthen proposals seeking support under the Readiness and Preparatory Support Programme of the Fund, noting the need for such engagement in supporting developing country Parties in building their capacity for undertaking technology projects and programmes;
5. *Welcomes* the support provided for technology development and transfer by the Global Environment Facility and the Green Climate Fund through projects and programmes, including for projects resulting from technology needs assessments;
6. *Invites* developing country Parties to seek support from the Climate Technology Centre and Network to develop and submit technology-related projects, including those resulting from technology needs assessments and from the technical assistance of the Climate Technology Centre and Network, to the operating entities of the Financial Mechanism for implementation, in accordance with their respective policies and processes;
7. *Invites* the Climate Technology Centre and Network to consult with the Green Climate Fund and the Global Environment Facility to identify ways to enhance information sharing among national designated entities, national designated authorities and Global Environment Facility focal points;
8. *Welcomes with appreciation* the collaboration between the Technology Executive Committee, the Climate Technology Centre and Network and the Green Climate Fund on climate technology incubators and accelerators, noting that this will help inform the Green Climate Fund as it develops the terms of reference for a request for proposals to support climate technology incubators and accelerators, in response to decision 13/CP.21;
9. *Requests* the Subsidiary Body for Implementation, at its fifty-third session (November 2020), to take stock of progress in strengthening the linkages between the Technology Mechanism and the Financial Mechanism with a view to recommending a draft decision on this matter, including on the consideration of a conclusion on this matter, for consideration and adoption by the Conference of the Parties at its twenty-sixth session (November 2020).

Decision 15/CP.24: Annual technical progress report of the Paris Committee on Capacity-building for 2018

2. *Invites* Parties, the operating entities of the Financial Mechanism, the constituted bodies under the Convention, United Nations organizations, observers and other stakeholders to consider the recommendations in the annual technical progress report of the Paris Committee on Capacity-building for 2018 and to take any necessary action, as appropriate and in accordance with their mandates;

Decision 16/CP.24: Least developed countries work programme

4. *Notes* that support for the work programme should come from a variety of sources, including the Least Developed Countries Fund, the Global Environment Facility, the Green Climate Fund, and other bilateral and multilateral sources within their respective mandates, and the private sector, as appropriate.

Annex II

List of the decisions relating to the operating entities to the Financial Mechanism from the third part of the first session of the Conference of the Parties serving as the meeting of Parties to the Paris Agreement

Decision 3/CMA.1: Matters relating to the implementation of the Paris Agreement

6. *Confirms* that the Standing Committee on Finance shall serve the Paris Agreement;
7. *Also confirms* that the Least Developed Countries Fund and the Special Climate Change Fund shall serve the Paris Agreement;
8. *Requests* the Standing Committee on Finance to prepare draft guidance for the entities entrusted with the operation of the Financial Mechanism, and on the Least Developed Countries Fund and the Special Climate Change Fund, for consideration and adoption by the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement at its second session (November 2019);
9. *Confirms* that it shall provide guidance to the entities entrusted with the operation of the Financial Mechanism of the Convention on the policies, programme priorities and eligibility criteria related to the Paris Agreement for transmission by the Conference of the Parties;
10. *Recommends* that, in accordance with decision 1/CP.21, paragraph 61, the Conference of the Parties transmit to the operating entities of the Financial Mechanism the guidance contained in the decisions referred to in paragraph 4 above;

Decision 4/CMA.1: Further guidance in relation to the mitigation section of decision 1/CP.21

1. *Reaffirms* and *underscores* that, in accordance with Article 4, paragraph 5, of the Paris Agreement, support shall be provided to developing country Parties for the implementation of Article 4 of the Paris Agreement, including to continue to enhance the capacity of developing country Parties in preparing, communicating and accounting for their nationally determined contributions;
2. *Encourages* the relevant operating entities of the Financial Mechanism and constituted bodies under the Convention serving the Paris Agreement to continue to provide, within their mandates, support for capacity-building as referred to in paragraph 1 above;

Decision 9/CMA.1: Further guidance in relation to the adaptation communications, including, inter alia, as a component of nationally determined contributions, referred to in Article 7, paragraphs 10 and 11, of the Paris Agreement

20. *Invites* the Global Environment Facility, in line with its existing mandate, to consider channelling support to developing country Parties for the preparation and submission of their adaptation communications, as a component of or in conjunction with other communications or documents, including a national adaptation plan, a nationally determined contribution as referred to in Article 4, paragraph 2, of the Paris Agreement, and/or a national communication;
21. *Encourages* the Green Climate Fund, the Global Environment Facility, the Adaptation Fund, the Climate Technology Centre and Network and the Paris Committee on Capacity-building, in line with their existing mandates and governing instruments, to continue channelling support to developing country Parties for the implementation of their adaptation plans and actions in accordance with the priorities and needs outlined in their adaptation communication;

Decision 11/CMA.1: Matters referred to in paragraphs 41, 42 and 45 of decision 1/CP.21

25. *Takes note* of the resources available through the operating entities of the Financial Mechanism for strengthening developing country Parties' institutional capacity for programming their priority climate actions and for tracking and reporting climate finance;

28. *Invites* the operating entities of the Financial Mechanism, in line with their mandates, to seek to ensure that the provision of financial support to developing country Parties is balanced between adaptation and mitigation activities;

Decision 18/CMA.1: Modalities, procedures and guidelines for the transparency framework for action and support referred to in Article 13 of the Paris Agreement

8. *Urges and requests* the Global Environment Facility, as an operating entity of the Financial Mechanism, throughout its replenishment cycles to support developing country Parties in preparing their first and subsequent biennial transparency reports;

9. *Encourages* the Global Environment Facility to consider options for improving the efficiency of the process for providing support for reporting under Article 13 of the Paris Agreement, in particular for addressing the challenges in the application process, including by possibly providing an avenue for Parties to apply for funding for more than one report through the same application in each replenishment period;

10. *Urges* the Global Environment Facility and its implementing and executing agencies, and encourages the Global Environment Facility Council, to consider options for improving the efficiency of the process for providing support for reporting under Article 13 of the Paris Agreement, including through better streamlining of the processes related to applications, implementation plans and signing of grant agreements;

11. *Requests* the Global Environment Facility to continue to support the operation of the Capacity-building Initiative for Transparency as a priority reporting-related need.
