



Standing Committee on Finance

04 February 2026

Thirty-ninth meeting of the Standing Committee on Finance
11–12 February 2026
Bonn, Germany

Background paper on draft guidance to the operating entities of the Financial Mechanism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:

- a) Appoint co-facilitators for the work;
- b) Agree on the approach for the preparation of the draft guidance to the operating entities in 2026

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

1. The Standing Committee on Finance (SCF) may wish to agree on the approach for the preparation of draft guidance to the operating entities of the Financial Mechanism. In doing so, the SCF may wish to consider the proposed approach and indicative timeline of activities in 2026, outlined in Section IV.

II. Background

2. The Conference of the Parties (COP) decided that the SCF shall assist the COP in exercising its functions with respect to the Financial Mechanism of the Convention including through providing draft guidance for the operating entities of the Financial Mechanism of the Convention to the COP, with a view to improving the consistency and practicality of such guidance,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.¹ Furthermore, COP 21 decided that the SCF shall serve the Paris Agreement in line with its functions and responsibilities established under the COP,² which was confirmed at the Conference of the Parties serving as the Meeting of the Parties to the Paris Agreement (CMA) session 1.3.³

3. At COP 29, Parties decided that the COP will provide guidance to the Green Climate Fund (GCF) and the Global Environmental Facility (GEF) annually until 2026 and biennially thereafter and also at sessions held in the year immediately preceding the initiation of discussions on new replenishments.⁴ For the Fund for Responding to Loss and Damage (FRLD), guidance will continue to be provided annually.⁵

4. At COP 30 Parties noted the engagement of the SCF with Parties and the secretariats of the operating entities of the Financial Mechanism in the context of its workplan and noted

¹ Decision 2/CP.17, paragraph 121(c).

² Decision 1/CP.21, paragraph 63.

³ Decision 3/CMA.1, paragraph 6.

⁴ Decision 3/CP.29, para 18 and annex; decision 4/CP.29 para 17 and annex.

⁵ Decision 6/CP.29, para 4; decision 12/CMA.6, annex, para. 4.

with appreciation the efforts it has made to improve its working modalities in preparing draft guidance.⁶

III. Recapitulation: preparation of draft guidance in 2025

5. In 2025, the SCF enhanced its working modalities for preparing its draft guidance for the operating entities by strengthening the inclusivity and transparency of the process.

6. The SCF convened informal consultations with Parties at the beginning of 2025 and gathered general expectations regarding the purpose and format of draft guidance and sought Parties' views on substantive issues. Key findings from the consultation included that Parties agreed with the SCF that guidance should be strategic, actionable and forward-looking while remaining concise and directed to the Boards. Parties also called for the SCF not to negotiate the views expressed in submissions, to preserve core messages and maintain the integrity of Parties' negotiating positions.⁷

7. The outcome of the consultations informed the SCF's agreement at its 37th meeting on an inclusive and transparent approach: compiling and organizing submissions by clustering inputs thematically while preserving their core messages, respecting the integrity of differing views and not negotiating the content.

8. At its 38th meeting, in response to Parties' preference to preserve negotiating positions, the SCF compiled submissions, arranging them by thematic clusters, and not engaging in any further negotiations. The SCF submitted to COP 30 and CMA 7 the compiled submissions as draft guidance together with an explanatory note clarifying the preparation process and additional context, such as that some elements are not directed to the Boards and that the guidance does not reflect outcomes of Board meetings held after SCF 38 and before COP 30.

9. Following SCF 38, the Committee convened a series of webinars prior to COP 30, for each of the three operating entities to brief Parties on the SCF's work on draft guidance and to provide a space for Parties to reflect on the SCF's work and engage with the operating entities ahead of COP 30. The funds secretariats also shared the latest developments and decisions adopted at the final Board meetings of the funds prior to COP. Each webinar was attended by more than 50 participants from Parties and operating entity secretariats.

IV. Proposed approach for preparation of draft guidance by the SCF in 2026

10. Reflecting upon its experience in 2025, the SCF may wish to consider the following proposed approach for preparing draft guidance in 2026.

A. Objective:

11. Following the positive feedback received from Parties on enhancing the working modalities on preparing draft guidance in 2025, the proposed objective in 2026 is to build upon the approach taken in 2025 and further strengthen the SCF's engagement with Parties and other constituted bodies, in cooperation with the operating entities, with a view to preparing a more streamlined and focused draft guidance to be submitted to COP 31 and CMA 8. This is based on past experience indicating that substantive engagement on streamlining draft guidance at the SCF level may be limited due to Parties' preference to preserve negotiating positions, and that greater value may therefore be achieved by strengthening support earlier in the preparation of submissions.

⁶ Advanced unedited version available at:

https://unfccc.int/sites/default/files/resource/COP30_8b_SCF_auv.pdf, paragraph. 4.

⁷ Further details on the consultation, see [Background paper SCF/2025/36/5](#).

B. Proposed activities to support the preparation of submissions

12. The SCF may wish to consider ways to assist Parties in preparing submissions for draft guidance, recognizing the limited scope for substantive intervention at later stages of the process. In this context, the SCF may wish to consider undertaking the following activities:

(a) **Informal consultations:** Convene informal consultations with Parties to present the approach to be taken by the SCF in preparing draft guidance process in 2026 and seek their feedback. Through this call, the SCF may also gauge Parties' priority issues in relation to policies and programming of the operating entities.

(b) **Engagement with operating entities:** Timing constraints linked to the scheduling of the final Board meetings of the operating entities are expected to persist in 2026, which may again limit the extent to which the draft guidance can fully reflect all activities and decisions. Moreover, the SCF may wish to explore, in cooperation with the operating entities, the feasibility of earlier or expedited release of their annual reports, to the extent possible following, their second Board meetings of the year (GCF and GEF in June; FRLD in early July), in order to better inform Parties' preparation of submissions ahead of the 17 August deadline.

(c) **Organization of webinars:** Organize informational webinars to facilitate communication between Parties and operating entities. While remaining mindful of the role of the operating entities as recipients of guidance, there is a shared interest in supporting the draft guidance process facilitated by the SCF to work towards clear, coherent and strategic guidance. The webinars would address any questions that Parties may have and provide clarifications before they initiate the preparation of submissions. The operating entities may also utilize this opportunity to provide updates and clarifications to Parties on the status of implementation of previous guidance. Additionally, in line with practice in 2025, a series of webinars may be convened following the final Board meetings of the funds in October, to brief Parties on latest developments and decisions adopted.

(d) **Enhancement of support tools:** Enhance tools made available to Parties which may include the development of an online tracking tool to allow Parties to view the status of implementation of previous guidance,⁸ the preparation of a guidance decisions booklet, and the preparation of non-prescriptive guidance notes to support the effective preparation of submissions.

(e) **Enhancing engagement with other constituted bodies:** Experience from the SCF's attendance at the Adaptation Committee (AC), the Technology Executive Committee (TEC), and the Executive Committee of the Warsaw International Mechanism for Loss and Damage (ExCom) has brought the benefits of raising awareness of the draft guidance process under the SCF, but also highlighted limitations in the scope for substantive interaction in the preparation of draft guidance. These limitations are primarily due to time constraints and varying levels of understanding regarding work of the SCF on the draft guidance and the relevance of each constituted body's work to the operating entities. In this context, the SCF may wish to convene meetings with designated focal points of constituted bodies to enhance awareness of the how draft guidance is prepared by the SCF and utilized by the COP. The meetings could also explore the relevance of each constituted body's work to the operating entities and the possible areas where constituted bodies' expertise could inform preparation of meaningful and practical draft guidance the operating entities. Such engagement can be undertaken inter-sessionally or in-person at the June sessions.

⁸ In addition to the Climate Finance Decisions Booklet, which compiles all climate finance decisions made by the COP, CMA, and CMP, including guidance to the operating entities.

C. Indicative timeline of activities related to draft guidance of the operating entities in 2026

13. Based on the approach outlined above, the SCF may wish to consider the following indicative timeline of activities in 2026:

Table 1. Indicative timeline of activities

Activity / Milestone	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov
SCF 39 – Consider and endorse the proposed approach and activities (11–12 Feb, Bonn)	X									
Informal consultations with Parties on draft guidance process in 2026		X	X	X						
Publication of online guidance tracking tool					X					
Engagement with other constituted bodies on enhancing timing, scope and focus of inputs on the draft guidance			X	X	X					
Informational webinars between Parties and secretariats of the operating entities					X	X				
Publication of annual reports of GCF, GEF and FRLD							X	X		
Webinar series with Parties and secretariats of operating entities related to final board meetings									X	
Submissions from Parties and constituted bodies								X		
SCF 41 – Finalize preparation of draft guidance for COP and CMA, based on submissions received (23–25 Sept)								X		

14. In organizing the activities described above, the SCF may wish to consider the scheduling of meetings of the operating entities and constituted bodies in 2026, as set out below:

GCF

- (a) 44th Board meeting: 25–28 March, Songdo, Republic of Korea
- (b) 45th Board meeting: 29 June – 2 July, Dushanbe, Tajikistan
- (c) 46th Board meeting: 26–29 October, Songdo, Republic of Korea

GEF

- (d) 71st Council meeting and GEF-8 Assembly: 30 May – 2 June, Samarkand, Uzbekistan
- (e) 72nd Council meeting: week of 14 December, (TBC)

FRLD

- (f) 8th Board meeting: 22–24 April, Livingstone, Zambia
- (g) 9th Board meeting: 8–10 July, Philippines (TBC)
- (h) 10th Board meeting: 7–9 October, Philippines (TBC)

TEC

- (i) TEC 32: 14–17 April, Songdo, Republic of Korea

(j) TEC 33: 15–17 September, Bonn, Germany

AC

(k) AC 29: 14–17 April, Bonn, Germany

WIM ExCom

(l) WIM ExCom meeting: 28 April – 1 May, Bonn, Germany

(m) WIM ExCom 25: September, (TBC
