

Unedited version

1. At SCF 26, the SCF compiled and analyzed 12 submissions, which contained rationale and the background of draft guidance to the operating entities of the Financial Mechanism, as proposed by the submitters. This work was technical, with the aim of assisting Parties to enhance consistency and practicality of guidance to the GCF, as referred to in decision 2/CP.21, paragraph 121(c).
2. The compilation and analysis was informed by the annual reports of the operating entities, the database of previous guidance and information provided from the secretariats of the operating entities on latest activities. Furthermore, the technical analysis included assessment of the submissions received by using the following criteria to ensure that the submissions are:
 - (i) In line with the mandates of the operating entities;
 - (ii) Not ongoing nor currently undertaken by the operating entities; and
 - (iii) Not contradictory or repetitive to previous guidance given to the operating entities.
3. The secretariat prepared compilations based on the submissions received, as found in annex I (GCF)¹ and annex II (GEF).² Based on these compilations the draft guidance co-facilitators undertook further work as found in the annex III (GCF) and annex IV (GEF). The SCF initiated engagement on annex III and IV without negotiating but was unable to prepare draft guidance.

¹ Numbering cross-references texts contained in the GCF annexes.

² Numbering cross-references texts contained in the GEF annexes.

Annex 1

Compilation of submissions on the draft guidance to the Green Climate Fund

#	Groups	Submitted draft guidance	Submitted rationale and/or sources	To be considered by	Proposed by
OPERATIVE PARAGRAPHS					
1	Replenishment	<i>Continues to express</i> concern that a number of developed and developing country Parties have still not confirmed their pledges made during the Initial Resource Mobilization phase into fully executed commitment agreement or arrangements and urges those Parties to do so as a matter of urgency.		COP/CMA	AGN
2	Independent evaluation	<i>Expresses</i> 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.		COP/CMA	AGN
3	Independent evaluation	<i>Notes</i> the findings of the "Independent evaluation of the adaptation portfolio and approach of the Green Climate Fund" by the GCF's Independent Evaluation Unit, regarding the GCF's adaptation approach and portfolio, and <i>encourages</i> the GCF to consider the recommendations from the report in its provision of support to the developing countries.	The GCF "Independent evaluation of the adaptation portfolio and approach of the Green Climate Fund" report identifies several key findings that are critical for the GCF's adaptation approach and portfolio and provides evidence-based recommendations to the GCF Board and Secretariat.	COP/CMA	AC
4	Adaptation (support)	<i>Expresses</i> concern regarding the Board's failure to conclude work on support to adaption as per COP decision. <i>Urges</i> the Board to conclude its support on support to adaptation as an urgent priority.		COP/CMA	AGN
5	Adaptation (guidance)	<i>Urges</i> the GCF to finalize guidance on the approach and scope for providing support for adaptation activities,	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).	COP/CMA	SCF member (Mr. Caruso)

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		taking into account best practices at other multilateral funds and other approaches.			
6	Adaptation (guidance)	<i>Encourages</i> the GCF Board to conclude its work on guidance on the approach and scope for providing support to adaptation activities, in line with decision 12/CP.25, paragraph 19(a), as an urgent priority.	In decision 12/CP.25, the COP “Encourages the Green Climate Fund to continue to enhance its support for adaptation and requests the Green Climate Fund to: (a) Swiftly conclude its work on guidance on the approach and scope for providing support to adaptation activities; and b) Continue to enhance its support for the implementation of national adaptation plans, in line with Board decisions on enhancing readiness programming;” The GCF Board has not opened any agenda item related to concluding its work on guidance on the approach and scope for providing support to adaptation since COP25. This mandate was approved by the Board in Decision 17/10 adopted in 2017. The Board mandated its Independent Evaluation Unit (IEU) to undertake an evaluation on the GCF’s support to adaptation. This Evaluation has not yet been considered by the Board.	COP/CMA	AC
7	Adaptation (support to vulnerable countries)	<i>Invites</i> accredited entities of the GCF to strengthen efforts to support developing country Parties, especially those that are particularly vulnerable to the adverse effects of climate change, in developing and submitting project proposals and for accessing funding from the GCF for implementing adaptation policies, projects and programmes identified in their national adaptation plans or other strategies and plans.	Developing fundable projects, to access international climate funds, was highlighted by many submissions to be difficult. Steps to address the gaps related to project development include training, technical assistance, mentoring and creating a community of practice with (write)workshops and retreats, in particular in developing countries, to incentivize experts to stay in posts and transfer their skills to others.	COP/CMA	AC
8	Adaptation (capacity building)	<i>Invites</i> the GCF and the GEF within their existing modalities to continue coordinate efforts, including in collaboration with relevant organizations, in building capacity to support the developing countries in accessing adaptation funding.	Capacity-building measures to improve access to international climate funds, however, have a narrower scope since they are specifically targeted at institutions that are either designated, or decide, to seek accreditation to an international climate fund. While the activities are diverse (support in issuing call for proposals, administrative support in accreditation process), the impacts are likely to be limited to the entity receiving support.	COP/CMA	AC

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9	Adaptation (procedures)	<i>Invites</i> the GCF within, existing modalities, to consider ways to simplify and streamline procedures and modalities for accessing funding for adaptation for the developing country Parties, especially those that are particularly vulnerable to the adverse effects of climate change	See above	COP/CMA	AC
10	Adaptation (portfolio balance)	<i>Urges</i> the Board to maintain the 50:50 balance in the overall portfolio as agreed by the COP.		COP/CMA	AGN
10b	Adaptation (portfolio balance)	<i>Welcomes</i> the targets set in the Fund's Updated Strategic Plan, including maintaining the 50:50 balance of adaptation and mitigation funding over time, calculated in grant-equivalent, and maintaining a minimum allocation floor of fifty per cent of adaptation funding, to be provided to developing countries that are particularly vulnerable to the adverse effects of climate change, including small island developing States, least developed countries and African States, taking into account their urgent and immediate needs, while aiming to build on initial resource mobilization outcomes. <i>Encourages</i> the Board of 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.		COP/CMA	EU
11	Adaptation (portfolio balance)	<i>Reiterates</i> the request to the GCF to balance the allocation of resources between adaptation and mitigation activities and ensure an appropriate allocation of resources for other activities; as called for in decision 4/CP.19, para. 9(a).	The following conclusions of the yet to be considered IEU Evaluation on adaptation. The adaptation portfolio has a large number of small size projects. Only 4 out of 67 funded GCF adaptation proposals are programmes. There is only one large-scale adaptation project; Mitigation projects are typically of significant scale with 71 percent of all mitigation projects categorized as large or medium compared to only 34 percent of all adaptation projects. It is concerning that the evaluation had further highlighted the gap between mitigation and adaptation. On average, adaptation projects take longer to complete the GCF approval process	COP/CMA	AC

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			compared to mitigation. Adaptation projects on average take over two years, 109 days more than mitigation projects to conclude the project approval process, including a legal agreement, in addition to the delays in disbursement, which are additional challenges. The finding on the GCF's private sector engagement has emphasized the limited investable opportunities that generate a financial return, especially when compared to mitigation for private sector engagement as a result of higher upfront costs and lack of predictability of the investments. 40% of all registered adaptation projects are withdrawn during the review process. This has been as a result of the difficulty- data and legal arrangement. As noted in the survey, climate rationale is the single most difficult hurdle for project development in both adaptation and cross-cutting projects.		
12	Adaptation (climate rationale)	<i>Use</i> of the presumptive existence of climate rationale for adaptation projects and activities – Using IPCC data and information, and traditional, local and indigenous knowledge as the basis for the assumption.		COP/CMA	AOSIS
13	Adaptation (quality of assessment)	<i>Urges</i> the Board to consult the AC and the scientific community regarding the most appropriate methods and criteria to evaluate the impact of adaptation projects		COP/CMA	AGN
14	Adaptation (support for data)	<i>Invites</i> the GCF within its existing modalities and in partnership with relevant international organizations to enhance the provision of support for developing countries to collect, synthesize and analyze hydrological and meteorological data and related information in order to build the evidence base for proposed adaptation options and contribute to informed decision-making for both policies and programming.	Submissions from Parties indicated that some of the main challenges in accessing adaptation funding include being able to establish the climate adaptation relevance, or “climate rationale” in the case of the GCF, partly owing to a lack of climate data, including insufficient vulnerability and climate risks assessment and partly owing to lack of skills and capacities needed in preparing the required (complex) project documentation; as well as proving a return on investment.	COP/CMA	AC
15	Adaptation (priorities of developing countries)	<i>Urges</i> the Board to respond to the needs and priority adaptation actions of developing countries as outlined in their NDCs and Adaptation Communications.		COP/CMA	AGN

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16	Accreditation (OAS)	<i>Encourages</i> 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	AILAC
17	Accreditation (OAS)	<i>Encourages</i> 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
18	Accreditation (national entities)	<i>Encourages</i> 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.	COP/CMA	AILAC
19	Accreditation (framework)	<i>Requests the</i> Board 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).	COP/CMA	SCF member (Mr. Caruso)
19b	Accreditation (framework)	<i>Requests</i> timely improvement of the accreditation process, including through an approval of an Accreditation Strategy, an updated accreditation framework (UAF) and an effective PSAA operationalization.		COP/CMA	EU
20	Policies, procedures and guidelines (NDA support)	<i>Requests the</i> Board to 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

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21	Policies, procedures and guidelines (instruments)	<i>Requests the Board to increase the amount of grants to be provided to middle and upper middle-income countries</i>	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	AILAC
22	Policies, procedures and guidelines (local currency)	<i>Encourages the GCF to provide loans in national currencies to ensure concessional funding.</i>	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
23	Policies, procedures and guidelines (currency hedging)	<i>Request the GCF should consider exploring exchange rate hedging in operations aimed at small business who normally don't have access to credit in foreign currency.</i>	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. 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.	COP/CMA	AILAC
24	Policies, procedures and guidelines (terms & conditions)	<i>Urges the GCF to finalize policies on the review of the financial terms and conditions of GCF instruments and concessionality, incremental costs, and co-financing.</i>	These policies have been discussed for several Board meetings and should be finalized during 2020. Source: GCF decision B.19/06, paragraph (d).	COP/CMA	SCF member (Mr. Caruso)
25	Policies, procedures and guidelines (small scale project fees)	<i>Encourages 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.</i>	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 activities, which	COP/CMA	AILAC

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			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. 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.		
26	Policies, procedures and guidelines (languages)	<i>Request</i> the GCF to 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
27	Policies, procedures and guidelines (PAP)	<i>Encourage</i> more efficiency over the GCF process, to avoid possible delays on funds delivery on the ground.	Encourage more efficiency over the GCF process, to avoid possible delays on funds delivery to the terrain.	COP/CMA	AILAC
28	Policies, procedures and guidelines (PAP)	<i>Welcomes</i> the GCF’s rapid scaling up of funding proposal approvals and <i>encourages</i> 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.	COP/CMA	SCF member (Mr. Caruso)
29	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.	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. Source: GCF Governing Instrument paragraph 36; B.07/03, paragraph (e)	COP/CMA	SCF member (Mr. Caruso)
30	Programmatic approaches	<i>Urge</i> for the urgent adoption of a programmatic approach policy in a manner address the unique climate challenges and climate financing needs that the SIDS face as well as transaction costs of working in SIDS. This should be included in the objective of the policy and be completed by the last Board meeting of 2022. The programmatic approach policy must also clearly mandate if there is a		COP/CMA	AOSIS

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		capable national or regional direct access entity within the proposed geographical scope of the proposed programme that the international access entity must approach the DAE seeking their interest on whether they are interested in partnering on the proposed programme. This should be done at the concept / project development stage.			
31	Policies, procedures and guidelines (policy gaps)	<i>Notes with concern</i> the significant number of outstanding policy gaps, recalling that 24 policy items remain to be 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:	As of the end of B.28, taking into account the Board's revised work plan, 24 policy items from 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]	COP/CMA	SCF member (Mr. Caruso)
32	Policies, procedures and guidelines (decision 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.	COP/CMA	SCF member (Mr. Caruso)
33	Policies, procedures and guidelines (SAP)	<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).	COP/CMA	SCF member (Mr. Caruso)
34	Policies, procedures and guidelines (SAP)	<i>Urge</i> the adoption of an updated simplified approval process.	The GCF IEU evaluation found that, overall, GCF modalities and processes do not effectively consider and take account of the urgent and unique climate challenges faced by SIDS.	COP/CMA	AOSIS
35	Policies, procedures and guidelines (SAP)	<i>Coherence</i> with other climate finance support providers standards (including international finance institutions, climate funds, bilateral support providers, etc.).	This should be done through simplified procedures for approval, access, and implementation across the board.	COP/CMA	AOSIS
36	Policies, procedures and guidelines (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)	COP/CMA	SCF member (Mr. Caruso)

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37	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	COP/CMA	SCF member (Mr. Caruso)
38	Policies, procedures and guidelines (sectoral guidance)	<i>Requests</i> the GCF to work with technical experts to finalize sectoral guidelines for GCF investments with the objective of establishing common understanding and expectations for GCF funded activities.		COP/CMA	SCF member (Mr. Caruso)
39	Investment criteria (co-benefits)	<i>Requests</i> the GCF to seek interventions 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
40	Privileges and Immunities	<i>Expresses</i> concern regarding the lack of engagement by the Board in response to the COP guidance and <i>requests</i> "to continue its efforts to ensure that the Green Climate Fund enjoys privileges and immunities."	2020 GCF report to the COP Third Biennial Report on privileges and immunities.	COP/CMA	AGN
41	Technology (CTCN)	<i>Encourages</i> 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 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	COP/CMA	TEC

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			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). Source: GCF report to COP26, para 139 to 142 (FCCC/CP/2020/5)		
42	Technology (strengthening TM linkages)	<i>Encourages</i> 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.		COP/CMA	TEC
43	Loss & Damage (collaboration)	<i>Requests</i> 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 consistent with the	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.	COP/CMA	ExCom

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		existing investment, results framework and funding windows and structures of the Green Climate Fund. ³			
44	Loss & Damage (support)	<i>Requests</i> 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.	COP/CMA	ExCom
45	Loss & Damage (facilitation)	<i>Requests</i> 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 ⁴	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.	COP/CMA	ExCom
46	Loss & Damage (readiness)	<i>Requests</i> 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	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	COP/CMA	ExCom

³ 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".

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".

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		<p>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, development or amendment of policy and regulatory documents, capacity development of key institutions and strengthening social safety programmes;⁵</p> <p>(b) <i>Encourages</i> Parties to enhance the use of the program referenced in (a) above.</p>	<p>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 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.</p>		
47	Policies, procedures and guidelines (Art. 2.1.c.)	<i>Requirement</i> all financial flows of the Operating Entities and Trustees of the Financial Mechanism to become consistent with a pathway towards low GHG emission, climate resilient development in line with Article 2(1)(c) of the Paris Agreement. ⁶		COP/CMA	AOSIS
48	Policies, procedures and guidelines (regional information)	<p>All GCF documents that present any data and/or information for the particularly vulnerable grouping under the GCF (LDCs, SIDS and African States) should include both the total amount as well as the following non-overlapping disaggregated amounts:</p> <ul style="list-style-type: none"> o SIDS that are not LDCs o SIDS that are not African States o SIDS that are not LDCs or African States o SIDS 	The GCF IEU evaluation found that, overall, GCF modalities and processes do not effectively consider and take account of the urgent and unique climate challenges faced by SIDS.	COP/CMA	AOSIS
49	Programme priorities (Direct Access facility)	Establishment of a USD 1 billion per year small grants facility for direct access by local NGOs.	The GCF IEU evaluation found that, overall, GCF modalities and processes do not effectively consider and take account of the urgent and unique climate challenges faced by SIDS.	COP/CMA	AOSIS

⁵ 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>.

⁶ GCF, Governing Instrument 2011, paras 1 & 2

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49b	Direct Access	<i>Stresses</i> the importance of building capacities in countries and promoting long-term sustainability of interventions beyond project lifetimes and thereby <i>emphasizes</i> the need to enhance direct access and strengthen country ownership.	In this regard, the EU welcomes the targets set in the Updated Strategic Plan and the GCFs progress in funding allocated through direct access entities. For recipient countries, this should lead to better outcomes, both in terms of direct action and indirect, long-lasting benefits, mainstreaming climate action within local, regional and international public and private operations.	COP/CMA	EU
50	Programme priorities (RfP Just Transition)	Establishment of a USD 1 billion per year Request for Proposal for the just transition of the workforce in developing countries, with a special carve out for SIDS.	The GCF IEU evaluation found that, overall, GCF modalities and processes do not effectively consider and take account of the urgent and unique climate challenges faced by SIDS.	COP/CMA	AOSIS
51	Programme priorities (envelope Readiness)	Establishment of DAE-specific envelope under the GCF Readiness and Preparatory Support Programme with at least USD 1 million per year for each DAE.	This envelope shall be new and additional to the USD 1 million per year for each NDA and will incorporate the DAE-specific Readiness Support created through the adoption of the Integrated Results Management Framework.	COP/CMA	AOSIS
52	Programme priorities (RfP Insurance)	Establishment of Request for Proposals to enhance the funding of parametric insurance for climatic events in risk insurance facilities at a national and regional level (for example African Risk Capacity, Pacific Catastrophe Risk Insurance Company, Caribbean Catastrophe Risk Insurance Facility). ⁷	The GCF IEU evaluation found that, overall, GCF modalities and processes do not effectively consider and take account of the urgent and unique climate challenges faced by SIDS.	COP/CMA	AOSIS
53	Eligibility (co-financing)	Reduction of the GCF Secretariat focus on co-financing needed for project development.		COP/CMA	AOSIS
54	Eligibility (inclusion)	Update the GCF strategic plan to include the further enhancement of social inclusion in all its funded activities		COP/CMA	AOSIS
54b	USP update	<i>Requests</i> the GCF Board to initiate work on an Updated Strategic Plan to be concluded ahead of the GCF-2 replenishment, further strengthening the GCF as setting the standard for excellence in climate action		COP/CMA	EU

⁷ This is to further the implementation of Article 8(4)(f) of the Paris Agreement

#	Groups	Submitted draft guidance	Submitted rationale and/or sources	To be considered by	Proposed by
		internationally, including in shifting global financing flows and mobilizing financing at scale, not least from the private sector as well as prioritizing funding proposals.			
55	Forests (joint activities)	<i>Notes</i> with concern the lack of progress of the GCF regarding support of alternative policy approaches, such as joint mitigation and adaptation approaches for the integral and sustainable management of forests as mandated in decisions 16/CP.21, paragraph 6, and 7/CP.21, paragraph 25, and requests the GCF to finish the necessary arrangements to establish a pilot programme for such approaches in accordance with Article 5.2 of the Paris Agreement no later than 2022.		COP/CMA	SCF member (Mr. Ivan Zambrana)
56		<i>Requirement</i> for the GCF Secretariat to consult, or at a minimum actively attempt to consult bilaterally, with all Board and Alternate Members individually on each different policy or Board matter prior to its consideration at the Board.		COP/CMA	AOSIS
PREAMBULAR AND WELCOMING PARAGRAPHS					
1	Preambular	<ul style="list-style-type: none"> • <i>Recognition</i> that agreement to the Paris Agreement's temperature goal of pursuing efforts to limit the increase of the global average temperature to 1.5 degrees Celsius but holding said increase to well below 2 degrees Celsius was a compromise made by developing countries, particularly SIDS. • <i>Recognition</i> that SIDS implicitly agreed to experience loss and damage at a certain temperature scenario (i.e. 1.5 degrees Celsius or well below 2 degrees Celsius) on the condition that adequate and predictable support would be received to adapt to these adverse effects as well as support our loss and damage response efforts to said effects. 		COP/CMA	AOSIS

#	Groups	Submitted draft guidance	Submitted rationale and/or sources	To be considered by	Proposed by
		<ul style="list-style-type: none"> • <i>Further noting</i> with concern that the current UNFCCC NDC synthesis report, global average temperature increases projected global average temperature to exceed the 1.5 and well below 2 degrees Celsius temperature increase limits very soon based on the current level of ambition. There is a clear need for adequate and predictable loss and damage response finance commensurate to the exceeded temperature increase scenario. • <i>Noting</i> with deep concern that developed country Parties are currently not meeting the existing collective mobilization goal of USD 100 billion per year. • <i>Recalling</i> of the importance of appropriate burden sharing among the developed country Parties in the implementation of climate finance obligations including in its contributions to the GCF.⁸ • <i>Recognition</i> of the inadequacy of accumulated GCF's confirmed pledges through to 2023 (USD 17.8 billion⁹) to create a paradigm shift or catalyze further climate finance in comparison to the trillions being spent on the root cause of climate through financing of, inter alia, fossil industry subsidies and support. It should be noted that this current state of play exposes developing countries Parties, particularly SIDS, to large political and transition risks. 			
2	Technology (readiness)	<i>Welcomes</i> the enhanced support for technology through the GCF Readiness and Preparatory Support Programme, 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

⁸ United Nations, UNFCCC 1992, Art 4(3); UNFCCC, Paris Agreement 2015, Art 9(1)

⁹ This is total is disaggregated between: USD 8.3 billion confirmed from the Initial Resource Mobilization; and USD 9.5 billion confirmed from the GCF Replenishment 1 cycle (as at 30th September 2021)

#	Groups	Submitted draft guidance	Submitted rationale and/or sources	To be considered by	Proposed by
3	Loss & Damage (confirmation)	<i>Welcomes</i> 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.	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

Annex II

Compilation of submissions on the draft guidance to the Global Environment Facility

#	Groups	Submitted draft guidance	Rationale and/or sources	To be considered by	Proposed by
OPERATIVE PARAGRAPHS					
1	Policy (Financial instruments)	Requests the GEF to 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	AILAC
2	Policy (Gender)	Requests the GEF to update the GEF Policy on Gender Equality 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.	COP/CMA	SCF member (Mr. Caruso)
3	Policy (Efficiency of project cycle)	Requests the GEF to significantly enhance the efficiency of timings for the presentation proposals, resources allocation and finally implementation of projects, particularly in the context of the BTRs	Currently, the timing that starts in presenting a project proposal to its actual implementation can take several years	CMA	AILAC
4	Policy (co-benefits across focal areas)	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.		COP/CMA	European Union
5	Policies (GEF agencies)	Calls on the GEF to continue improving its governance framework related to partner agencies and the standards its implementing partners are held accountable		COP/CMA	European Union

#	Groups	Submitted draft guidance	Rationale and/or sources	To be considered by	Proposed by
6	Policies – GEF agencies	Calls on the GEF to assess and limit the risks induced by the current level of funding's concentration on some of its Agencies.		COP/CMA	
7	Policy (Access modalities)	Requests the GEF to open a new round of accreditation as implementing agency within the GEF partnership, focusing on national and regional entities particularly from SIDS		COP/CMA	AOSIS
8	Policy (Access modalities)	Calls 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.		COP/CMA	European Union
9	Policy (STAR allocation)	Requests the GEF to increase STAR Allocation floor for SIDS to at least USD 10 million		COP/CMA	AOSIS
10	Policy (STAR allocation)	Requests the GEF to use of the multidimensional vulnerability index in the calculation of the initial STAR Allocation		COP/CMA	AOSIS
11	Programming (Scale of resources)	Urges Parties contributing financial resources to the GEF to provide contributions to the GEF that are commensurate to the needs of developing countries, particularly SIDS		COP/CMA	AOSIS
12	Programming (Scale of resources)	Requests the GEF to increase the amount allocated to climate change focal area under the GEF-8 to support increase in ambition and implementation		COP/CMA	AOSIS

#	Groups	Submitted draft guidance	Rationale and/or sources	To be considered by	Proposed by
13	Programming (SIDS window under the SCCF)	Requests the GEF to establish the SIDS window under the SCCF for climate action with a minimum allocation floor of at least USD 10 million per SIDS		COP/CMA	AOSIS
14	Policy (GEF SGP ceiling)	Requests the GEF to increase the ceiling for GEF Small Grants Programme for local NGOs to USD 200,000 per project		COP/CMA	AOSIS
15	Policy (co-financing)	Requests the GEF to reduce co-financing aspiration and requirement for SIDS		COP/CMA	AOSIS
16	Policy (collaboration on access)	Invites the GCF and the GEF within their existing modalities to continue coordinate efforts, including in collaboration with relevant organizations, in building capacity to support the developing countries in accessing adaptation funding.	Capacity-building measures to improve access to international climate funds, however, have a narrower scope since they are specifically targeted at institutions that are either designated, or decide, to seek accreditation to an international climate fund. While the activities are diverse (support in issuing call for proposals, administrative support in accreditation process), the impacts are likely to be limited to the entity receiving support. Source: AC paper on capacity gaps in accessing adaptation funding (AC20/INFO/7A)	COP/CMA	AC

#	Groups	Submitted draft guidance	Rationale and/or sources	To be considered by	Proposed by
17	Eligibility criteria	Requests the operating entities of the Financial Mechanism 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 Rio 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 GEF to the Conference of the Parties, Addendum (FCCC/CP/2020/1/Add.1).	COP/CMA	The State of Palestine
18	Eligibility criteria	Requests 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. Caruso)
19	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 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
20	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	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	COP/CMA	TEC

#	Groups	Submitted draft guidance	Rationale and/or sources	To be considered by	Proposed by
		experiences and lessons learned from the support provided by the GEF for technology	(FCCC/CP/2020/1); GEF 2021 report to COP 26 paras. 201 to 214		
21	Technology	Encourages the GEF to consider the outcomes of TNA 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
22	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
23	Loss and damage (Programming)	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.	COP/CMA	ExCom
24	Loss and damage (Programming)	Encouragement of Parties to submit projects that cover approaches to address loss and damage			AOSIS

#	Groups	Submitted draft guidance	Rationale and/or sources	To be considered by	Proposed by
25	Loss and damage (Reporting)	Request the GEF 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 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.	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. 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.	COP/CMA	ExCom
26	Loss and damage (Nature-based Solutions)	Request the GEF, in its initiative to integrate the co-benefits of Nature-based Solutions (NbS) across GEF 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. NB: NbS is a stated focus of the work of the LDCF.	COP/CMA	ExCom
PREAMBULAR AND WELCOMING PARAGRAPHS					
27	Preambular (adaptation communications)	Reiterates its invitation from decision 9/CMA.1, paragraph 20, to the GEF, 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 NAP, a NDC as referred to in Article 4, paragraph 2, of	The AC would like to reiterate this invitation from decision 9/CMA.1, paragraph 20, in order to emphasize the importance of expediting support from the GEF to developing country Parties for the preparation and submission of their adaptation communications. Source: Decision 9/CMA.1	CMA	AC

#	Groups	Submitted draft guidance	Rationale and/or sources	To be considered by	Proposed by
		the Paris Agreement, and/or a national communication.			
28	Preambular (adaptation communications)	Reiterates its invitation from decision 12/CP.18, paragraph 5, to developed country Parties to further contribute to the Least Developed Countries Fund (LDCF) and the Special Climate Change Fund (SCCF) to support the activities for the preparation of the process to formulate and implement national adaptation plans in accordance with decision 1/CP.16, including paragraph 18, and other relevant decisions of the Conference of the Parties, and encourages other Parties in a position to do so, as well as relevant organizations, to also contribute to the LDCF and the SCCF.	There were no new pledges to the SCCF from July 2020 to June 2021. According to information from paragraph 143 of the GEF report to the COP in 2021, support amounting to USD 5.1 million had been programmed to assist non-LDC developing countries with their country-driven processes to advance NAPs. Source: 2021 GEF annual report to the COP	COP/CMA	AC
29	Preambular (importance of financial resources)	Recalls that the availability and accessibility of adequate and predictable finance is essential for developing countries, particularly ramp up ambition and begin to aggressively pursue implementation in an effort to keep the goals of the Paris Agreement within reach		COP/CMA	AOSIS
30	Preambular (temperature goal)	Recognition that agreement to the Paris Agreement's temperature goal of pursuing efforts to limit the increase of the global average temperature to 1.5 degrees Celsius but holding said increase to well below 2 degrees Celsius was a compromise made by developing countries, particularly SIDS.		COP/CMA	AOSIS

#	Groups	Submitted draft guidance	Rationale and/or sources	To be considered by	Proposed by
31	Preambular (loss and damage)	Recognition that SIDS implicitly agreed to experience loss and damage at a certain temperature scenario (i.e. 1.5 degrees Celsius or well below 2 degrees Celsius) on the condition that adequate and predictable support would be received to adapt to these adverse effects as well as support our loss and damage response efforts to said effects.		COP/CMA	AOSIS
32	Preambular (NDC ambition)	Further noting with concern that the current UNFCCC NDC synthesis report, global average temperature increase is projected to exceed the 1.5 and well below 2 degrees Celsius temperature increase limits very soon based on the current level of ambition. There is a clear need for adequate and predictable loss and damage response finance commensurate to the exceeded temperature increase scenario.		COP/CMA	AOSIS
33	Preambular (burden sharing of obligations)	Recalling of the importance of appropriate burden sharing among the developed country Parties in the implementation of climate finance obligations including in its contributions to the GEF		COP/CMA	AOSIS
34	Preambular (inadequacy of GEF resources)	Recognition of the inadequacy of GEF's project funding since 1991 (USD 9.6 billion) ¹⁰ for climate change response in comparison to the trillions being spent on the root cause of climate through financing of, inter alia, fossil industry subsidies and support. It should be noted		COP/CMA	AOSIS

¹⁰ This is total is disaggregated between: USD 6.8 billion for mitigation; USD 1.9 billion for adaptation; USD 0.3 billion for the Small Grants Programme for climate change; USD 0.1 billion for CBIT; and USD 0.5 billion for enabling activities (as at 5 th August 2021); COP Report, p 41, 49, 52, 68, & 81

#	Groups	Submitted draft guidance	Rationale and/or sources	To be considered by	Proposed by
		that this current state of play exposes developing countries Parties, particularly SIDS, to large political and transition risks			
35	Preambular (Policy coherence on access)	Coherence with other climate finance support providers standards (including international finance institutions, climate funds, bilateral support providers, etc.). This should be done through simplified procedures for approval, access, and implementation across the board.		COP/CMA	AOSIS
36	Welcoming (Policy on minimum fiduciary standards)	Welcomes the GEF Secretariat's ongoing efforts to verify the extent of agency implementation and compliance with the GEF Minimum Fiduciary Standards, ¹¹ 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.	COP/CMA	SCF member (Mr. Caruso)
37	Welcoming (BTR)	Welcomes 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.	CMA	SCF member (Mr. Caruso)
38	Welcoming (Complementarity with the GCF)	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		COP/CMA	European Union

¹¹

GEF Minimum Fiduciary Standards.

#	Groups	Submitted draft guidance	Rationale and/or sources	To be considered by	Proposed by
		collaboration between the GCF and the GEF.”			
39	Welcoming (Complementarity with the GCF)	Welcomes the GEF’s efforts to enhance long-term complementarity, coherence, and collaboration with the 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.	COP/CMA	SCF member (Mr. Caruso)
40	Welcoming (Programme priorities)	Welcomes 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.	COP/CMA	SCF member (Mr. Caruso)
40	Welcoming (BTR)	Welcomes 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.	CMA	SCF member (Mr. Caruso)
41	Welcoming (Progress made)	Welcomes 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 GEF 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.	COP/CMA	SCF member (Mr. Caruso)

#	Groups	Submitted draft guidance	Rationale and/or sources	To be considered by	Proposed by
		(c) The endorsement and implementation of the Private Sector Engagement Strategy; (d) The implementation of recommendations from the Working Group on Governance; (e) The approval of the Long-Term Vision on Complementarity, Coherence, and Collaboration between the GCF and the GEF.			
42	Welcoming (Progress made)	Welcome the approval by the GEF Council of several ambitious work programs since guidance to the GEF was provided last time.		COP/CMA	European Union
43	Welcoming (Integrated Approach)	Welcomes the GEF's continued efforts to evaluate the effectiveness of the GEF Integrated Approach to address the drivers of environmental degradation. ¹²	This element welcomes continued efforts to quantify the effectiveness of the GEF Integrated Approach.	COP/CMA	SCF member (Mr. Caruso)
44	Welcoming (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
45	Welcoming (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	COP/CMA	TEC

¹²

GEF Independent Evaluation of the Integrated Approach for the Drivers of Environmental Degradation.

#	Groups	Submitted draft guidance	Rationale and/or sources	To be considered by	Proposed by
			<p>of support include the importance of enhancing collaboration of the Technology Mechanism with the Financial Mechanism for enhanced support for technology development and transfer.</p> <p>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.</p> <p>Source: GEF 2020 report to COP 26, paras. 197 to 200 (FCCC/CP/2020/1).</p>		
46	Welcoming (Technology)	Welcomes 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.	COP/CMA	European Union
47	Welcoming (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		COP/CMA	European Union
48	Welcoming (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.		COP/CMA	European Union

Co-facilitators' work on draft guidance to the Green Climate Fund

The Conference of the Parties,

Noting the draft guidance to the Green Climate Fund prepared by the Standing Committee on Finance,¹³

1. *Welcomes* the reports of the Green Climate Fund to the Conference of the Parties and its addendum, including the list of actions taken by the Board of the Green Climate Fund in response to guidance received from the Conference of the Parties;
2. *Takes note* of the delays by the Green Climate Fund in considering the reports of the Independent Evaluation Unit as required in the Governing Instrument to ensure the Fund is a learning institution and *requests* the Green Climate Fund to consider the reports and the recommendations therein including that policy decisions be informed by the Board's consideration of these evaluations; **(#2, #3)**
3. *Reiterates* the request to the Green Climate Fund to maintain the 50:50 balance in the allocation of resources between adaptation and mitigation activities and ensure an appropriate allocation of resources for other activities as per decision 4/CP.19, paragraph 9(a); **(# 10, #11)**
4. *Encourages* the Green Climate Fund to use the presumptive existence of climate rationale as the basis for the assessment and assumption of adaptation projects and activities with data and information from inter alia the Intergovernmental Panel on Climate Change, traditional, local and indigenous knowledge; **(#12)**
5. *Urges* the Green Climate Fund to finalize guidance on the approach and scope for providing support for adaptation activities, in line with decision 12/CP.25, paragraph 19(a), as an urgent priority, and respond to the needs and priority adaptation actions of developing countries considering best practices of other multilateral funds and other approaches; **(#5, #6, #15)**
6. *Requests* timely improvement of the accreditation process, including through an approval of an accreditation strategy, an updated accreditation framework and effective operationalization of the project specific accreditation approach; **(#19, #19b)**
7. *Encourages* the Green Climate Fund to reconsider their policy on Accredited Entity fees for micro and small projects, which constitutes a small percentage of the overall cost; **(#25)**
8. *Request* the Green Climate Fund to enhance coordination with national entities, ideally through enhanced regional management in United Nations official languages; **(#26)**
9. *Encourage* the Green Climate Fund to continue the process of efficiency improvements to avoid possible delays in the delivery of funds; **(#27)**
10. *Encourages* the Green Climate Fund to develop a structure for prioritization of proposals and for maximizing the impact of its funding for adaptation and mitigation; **(#28)**
11. *Requests* the Green Climate Fund to complete its work streamlining the processes for readiness support and national adaptation plans; **(#33)**
12. *Urges* the Green Climate Fund to expedite the adoption of an updated simplified approval process; **(#34)**
13. *Takes notes* of the significant number of outstanding policy gaps, recalling that twenty policy items remain to be addressed in 2021 according to the Board's revised work plan and urges the Board to prioritize closing these policy gaps; **(#31)**

¹³ Submissions received on the draft guidance contained preambles and paragraphs that welcome the progress made by the Green Climate Fund during its reporting period. They are included in the compilation of submissions, contained in the annex.

14. *Urges* the Green Climate Fund to finalize policies on the review of the financial terms and conditions of financial instruments, concessionality, incremental costs, and co-financing; **(#24, #53, #21)**
15. *Urges* the Green Climate Fund to adopt a programmatic approach policy in particular to facilitate efficient programming for small and medium size projects; **(#30)**
16. *Requests* the Green Climate Fund to prioritize development of procedures for approving decisions between meetings that ensure that such decisions are consistent with international guiding principles of transparency and accountability; **(#32)**
17. *Requests* the Green Climate Fund to finalize its Private Sector Strategy to serve as a strategic road map for the Secretariat in leveraging, mobilizing, and engaging domestic and international private sector actors and to complete its review of the modalities of the Private Sector Facility; **(#22, #23, #37)**
18. *Takes note* of the lack of engagement by the Green Climate Fund in response to the COP guidance on privileges and immunities and *requests* it to continue efforts to ensure that the Green Climate Fund enjoys privileges and immunities; **(#40)**
19. *Takes note* of the continued effort of the Green Climate Fund to contribute to strengthen the global response to the threat of climate change, in the context of sustainable development and efforts to eradicate poverty, including by making finance flows consistent with a pathway towards low greenhouse gas emissions and climate-resilient development; **(language from the 2021 annual report of the GCF to the COP, p. 28)**
20. *Request* the Green Climate Fund to consider all documents that present any data and/or information to include both total as well as non-overlapping disaggregated data in particular for least developed countries, small island developing States and African States; **(#48)**
21. *Requests* the Green Climate Fund to initiate work on a new Updated Strategic Plan to be concluded ahead of the second Green Climate Fund replenishment period; **(#54b)**
22. *Encourages* further collaboration and engagement between the Green Climate Fund, Technology Executive Committee, and Climate Technology Centre & Network, through continued joint work, as well as collaboration in events, and taking into consideration elements related to gender mainstreaming and observer constituencies engagement; **(#42)**
23. *Requests* the Green Climate Fund to explore potential ways of, as appropriate, enhancing the collaboration with the Executive Committee of the Warsaw International Mechanism for Loss and Damage; **(#43)**
24. *Requests* the Green Climate Fund to consider how to effectively support activities relevant to averting minimizing and addressing loss and damage including through using the Request for Proposal modality consistent with the existing investment, and results framework of the Green Climate Fund; **(#44)**
25. *Request* the Green Climate Fund to consider the establishment of a small grant facility for direct access by local Non-Government Organizations; **(#49)**
26. *Request* the Green Climate Fund to consider the launching of a Request for Proposal for just transition in developing countries and a Request for Proposal to enhance the funding of parametric insurance for climatic events; **(#50, #52)**
27. *Takes note* of the lack of progress of the Green Climate Fund regarding the support of alternative policy approaches, such as joint mitigation and adaptation approaches for the integral and sustainable management of forests as mandated in decisions 16/CP.21, paragraph 6, and 7/CP.21, paragraph 25, and *requests* the Green Climate Fund to finish the necessary arrangements to establish a pilot programme for such approaches; **(#55)**
28. *Takes note* that several developed and developing country Parties have not confirmed their pledges made during the Initial Resource Mobilization phase into fully executed contribution

agreements or arrangements and *urges* those Parties that have not done so to do so as soon as possible. (#1)

Co-facilitators' work on draft guidance to the Global Environment Facility

The Conference of the Parties,
*Noting the draft guidance to the Global Environment Facility prepared by the Standing Committee on Finance,*¹⁴

1. *Welcomes* the reports 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. *Calls* on the Global Environment Facility to continue to improve its governance framework for its agencies and the standards to which the implementing partners are accountable; **(#5)**
3. *Calls* on the Global Environment Facility to assess and limit the risks induced by the current level of concentration of funding on some of its agencies; **(#6)**
4. *Requests* the Global Environment Facility to open a new round of accreditation as implementing agency within the Global Environment Facility partnership, focusing on national and regional entities from developing countries; **(#7)**
5. *Calls* on the Global Environment Facility to ensure that recipient countries have appropriate access to its resources through its diverse network of implementing agencies and that special attention is given to developing country Parties that are particularly vulnerable to the adverse effects of climate change; **(#8)**
6. *Takes note* of the ongoing discussion, under the eighth replenishment process of the Global Environment Facility, on System for Transparent Allocation of Resources allocation policies and on possible application of vulnerability index in the calculation of the initial System for Transparent Allocation of Resources allocation; **(#9, #10)**
7. *Requests* the Global Environment Facility to increase the amount allocated to climate change focal area under the eighth replenishment of the Global Environment Facility; **(#12)**
8. *Calls* on developed country Parties and other Parties in a position to do so to contribute to the Special Climate Change Fund; **(#13)**
9. *Takes note* of the ongoing discussion on Small Grants Programme under the eighth replenishment process of the Global Environment Facility and *requests* the Global Environment Facility to increase the ceiling per project under the Small Grants Programme; **(#14)**
10. *Requests* the Global Environment Facility to update its policy on gender equality to include LGBTQIA+; **(#2)**
11. *Encourages* the Global Environment Facility to pursue a coherent approach across its focal areas in prioritizing projects with co-benefits; **(#4)**
12. *Encourages* the Global Environment Facility to support further South-South and triangular collaboration projects with the Climate Technology Centre and Network and the Technology Executive Committee, especially ones that engage with stakeholders at a local level, and to enhance its funding on projects related to technology training; **(#22)**
13. *Requests* the Global Environment Facility, as an operating entity of the Financial Mechanism of the Convention entrusted with the operation of the Least Developed Countries Fund, to consider including programming related to activities relevant to averting, minimizing and addressing loss and damage in developing country Parties; **(#23)**
14. *Requests* the operating entities of the Financial Mechanism to ensure accessibility of all eligible Parties to available resources; **(#17)**
15. *Requests* the Global Environment Facility 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. **(#18)**

Draft guidance to the Global Environment Facility (CMA)

The Conference of the Parties serving as the meeting of the Parties to the Paris Agreement,

¹⁴ Submissions received on the draft guidance contained many preambles and paragraphs that welcome the progress made by the Global Environment Facility during its reporting period. They are included in the compilation of submissions, contained in the annex.

1. *Requests* the Global Environment Facility, in accordance with decision 18/CMA.1, paragraphs 9–10, to expedite its support for biennial transparency reports. (#3)