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Item 8(b) of the provisional agenda
Matters relating to finance
**Matters relating to the Standing Committee on
Finance**

**Conference of the Parties serving as the meeting
of the Parties to the Paris Agreement**

Third session
Glasgow, 31 October to 12 November 2021

Item 8(a) of the provisional agenda
Matters relating to finance
Matters relating to the Standing Committee on Finance

Report of the Standing Committee on Finance

Addendum

**Draft guidance to the operating entities of the Financial Mechanism
proposed by the Standing Committee on Finance co-facilitators and
compilation and analysis of submissions received on the draft guidance**



Abbreviations and acronyms

AC	Adaptation Committee
AILAC	Independent Association for Latin America and the Caribbean
AOSIS	Alliance of Small Island States
CMA	Conference of the Parties serving as the meeting of the Parties to the Paris Agreement
COP	Conference of the Parties
CTCN	Climate Technology Centre and Network
GCF	Green Climate Fund
GEF	Global Environment Facility
GEF-7	seventh replenishment of the Global Environment Facility Trust Fund
GEF-8	eighth replenishment of the Global Environment Facility Trust Fund
GHG	greenhouse gas
IEU	Independent Evaluation Unit
LDC	least developed country
LDCF	Least Developed Countries Fund
LGBTQI	lesbian, gay, bisexual, transgender, queer and intersex
NAP	national adaptation plan
NDA	national designated authority
NDC	nationally determined contribution
NDE	national designated entity
OAS	online accreditation system
Readiness Programme	Readiness and Preparatory Support Programme
SCCF	Special Climate Change Fund
SCF	Standing Committee on Finance
SIDS	small island developing State(s)
STAR	System for Transparent Allocation of Resources
TEC	Technology Executive Committee
TNA	technology needs assessment
UNDP	United Nations Development Programme
WIM	Warsaw International Mechanism for Loss and Damage associated with Climate Change Impacts

1. SCF 26 compiled and analysed 12 submissions received on the draft guidance to the operating entities of the Financial Mechanism, which included rationale and background for the submitted proposals. The SCF undertook this work with the aim of assisting Parties to enhance the consistency and practicality of such guidance.¹
2. The compilation and analysis was informed by the annual reports of the operating entities, a database containing previous guidance given to the operating entities and information provided by the secretariats of the operating entities on their latest activities. On the basis of this information, the submitted proposals were assessed as to whether they are in line with the mandates of the operating entities; are ongoing or currently being undertaken by the operating entities; and do not contradict or repeat previous guidance given to the operating entities.
3. On the basis of the compilation and analysis, the co-facilitators prepared their proposed draft guidance to the operating entities for consideration by the SCF. The SCF initiated its consideration of the co-facilitators' proposal, without negotiating on the proposed draft guidance. The SCF was unable to conclude its deliberation on the draft guidance and agreed to submit to the COP and the CMA the compilation and analysis of submissions received as contained in annexes I and II and the co-facilitators' proposed draft guidance as contained in the appendix to each annex.

¹ Decision 2/CP.17, para. 121(c).

Annex I

Compilation and analysis of submissions received on the draft guidance to the Green Climate Fund

<i>Number</i>	<i>Groups</i>	<i>Submitted draft guidance</i>	<i>Submitted rationale and/or sources</i>	<i>Governing body to consider the draft guidance</i>	<i>Proposer</i>
Operative paragraphs					
1	Replenishment	Continues to express concern that a number of developed and developing country Parties have still not confirmed their pledges made during the initial resource mobilization phase by signing fully executed commitment agreements or arrangements and urges those Parties to do so as a matter of urgency.		COP/CMA	African Group
2	Independent evaluation	Expresses concern regarding ongoing delays by the Board in considering the reports of the IEU as required by the Governing Instrument for the GCF to ensure that the GCF is a learning institution and that policy decisions are informed by the Board's consideration of the evaluations.		COP/CMA	African Group
3	Independent evaluation	Notes the findings of the <i>Independent Evaluation of the Adaptation Portfolio and Approach of the Green Climate Fund</i> ^a by the IEU and encourages the GCF to consider the recommendations from the report in its provision of support to developing countries.	The report identifies several key findings that are critical for the GCF adaptation approach and portfolio and provides evidence-based recommendations to the GCF Board and secretariat.	COP/CMA	AC
4	Adaptation (support)	Expresses concern regarding the Board's failure to conclude work on support to adaptation as per decision 12/CP.25, paragraph 19(a). Urges the Board to conclude its work on support to adaptation as an urgent priority.		COP/CMA	African Group
5	Adaptation (guidance)	Urges 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.	GCF decision B.17/10, paragraph (c)(ii), requested guidance for consideration by the Board at its 19 th meeting. This should be finalized during 2020.	COP/CMA	SCF member
6	Adaptation (guidance)	Encourages the Board to conclude its work on guidance on the approach and scope for providing	In decision 12/CP.25, the COP "Encourages the Green Climate Fund to continue to enhance its support for adaptation and requests the Green	COP/CMA	AC

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		support to adaptation activities, in line with decision 12/CP.25, paragraph 19(a), as an urgent priority.	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 NAPs, in line with Board decisions on enhancing readiness programming". The 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 COP 25. This mandate was approved by the Board in GCF decision B.17/10, adopted in 2017. The Board mandated the IEU to undertake an evaluation of GCF support to adaptation. This evaluation has not yet been considered by the Board.		
7	Adaptation (support to vulnerable countries)	Invites 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 NAPs or other strategies and plans.	Developing fundable projects in order to access international climate funds was highlighted by many submissions as difficult. Steps to address the gaps related to project development include training, technical assistance, mentoring and creating a community of practice with writing workshops and retreats, in particular in developing countries, to incentivize experts to stay in post and transfer their skills to others.	COP/CMA	AC
8	Adaptation (capacity-building)	Invites the GCF and the GEF within their existing modalities to continue to coordinate efforts, including in collaboration with relevant organizations, in building capacity to support developing countries in accessing adaptation funding.	Capacity-building measures to improve access to international climate funds 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 requests for proposal, administrative support in the accreditation process), the impacts are likely to be limited to the entity receiving support.	COP/CMA	AC
9	Adaptation (procedures)	Invites the GCF, within its existing modalities, to consider ways to simplify and streamline procedures and modalities for accessing funding for adaptation for developing country Parties, especially those that	See above.	COP/CMA	AC

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		are particularly vulnerable to the adverse effects of climate change.			
10a	Adaptation (portfolio balance)	Urges the Board to maintain the 50:50 balance in the overall portfolio as agreed by the COP.		COP/CMA	African Group
10b	Adaptation (portfolio balance)	<p>Welcomes the targets set in the GCF 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 50 per cent of adaptation funding, to be provided to developing countries that are particularly vulnerable to the adverse effects of climate change, including SIDS, LDCs and African States, taking into account their urgent and immediate needs, while aiming to build on initial resource mobilization outcomes.</p> <p>Encourages the Board 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.</p>		COP/CMA	European Union
11	Adaptation (portfolio balance)	Reiterates 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, paragraph 9(a).	The conclusions of the yet to be considered IEU evaluation on adaptation are as follows. The adaptation portfolio has a large number of small projects. Only 4 out of 67 GCF-funded adaptation proposals are programmes. There is only one large-scale adaptation project; mitigation projects are typically of a significant scale with 71 per cent of all mitigation projects categorized as large or medium-sized compared with only 34 per cent 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 than mitigation projects. Adaptation projects on average take over two years, 109 days more than mitigation projects, to conclude the project approval process, including a legal agreement,	COP/CMA	AC

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			in addition to the delays in disbursement, which are additional challenges. The finding on the GCF private sector engagement has emphasized the limited investable opportunities that generate a financial return, especially when compared with mitigation for private sector engagement as a result of higher upfront costs and lack of predictability of the investments. Forty per cent of all registered adaptation projects are withdrawn during the review process. 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)	Encourages the use of the presumptive existence of climate rationale for adaptation projects and activities, using data and information of the Intergovernmental Panel on Climate Change and traditional, local and indigenous knowledge as the basis for the assumption.		COP/CMA	AOSIS
13	Adaptation (quality of assessment)	Urges the Board to consult the AC and the scientific community regarding the most appropriate methods and criteria to evaluate the impact of adaptation projects.		COP/CMA	African Group
14	Adaptation (support for data)	Invites 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 analyse 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 the main challenges in accessing adaptation funding include establishing 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 the 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)	Urges the Board to respond to the needs and priority adaptation actions of developing countries as outlined in their NDCs and adaptation communications.		COP/CMA	African Group

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16	Accreditation (OAS)	Encourages the GCF to review and update the process to grant access to the OAS 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 to upload documents for the accreditation process, including entities receiving ongoing readiness support. Source: OAS request form, 2019.	COP/CMA	AILAC
17	Accreditation (OAS)	Encourages the GCF to establish dialogue spaces between its staff and entities in the process of accreditation prior to the submission of documents via the OAS 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 the process of accreditation prior to the submission of documents through the OAS. Source: GCF document GCF/B.22/24, annex IX: Report on the review of the accreditation framework.	COP/CMA	AILAC
18	Accreditation (national entities)	Encourages the GCF to pursue accelerated accreditation of national entities in those countries that do not have an accredited entity.	Countries that do not have accredited entities often have difficulties in coordinating with intermediary agencies and correctly reflecting specific national circumstances.	COP/CMA	AILAC
19a	Accreditation (framework)	Requests the Board to finalize the review of the accreditation framework as soon as possible, so as not to disrupt the project and programme approval cycle during the first formal replenishment period, and in view of the commitment of the GCF 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 accreditation function; the Board determined that the project-specific assessment approach should be considered by the Board at its 25 th meeting. Source: GCF decision B.24/06 (project-specific assessment approach); GCF updated strategic plan for 2020–2023, paragraph 26(a).	COP/CMA	SCF member
19b	Accreditation (framework)	Requests the Board to provide timely improvement of the accreditation process, including through an approval of an accreditation strategy, an updated accreditation framework and an effective project-specific assessment approach operationalization.		COP/CMA	European Union
20	Policies, procedures and guidelines (NDA support)	Requests the Board to develop a ‘GCF 101’ welcome package for NDAs.	When a new NDA is appointed, the learning curve in getting acquainted with GCF processes may take a significant amount of time in some countries (particularly those which have yet to develop institutional capacities on climate finance), which has an impact on the GCF-related activities of accreditation and pipeline	COP/CMA	AILAC

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			development. A tailored introduction package to some NDA-related GCF aspects could reduce the time taken.		
21	Policies, procedures and guidelines (instruments)	Requests the Board to increase the amount of grants to be provided to middle- and upper-middle-income countries.	Levels of indebtedness have significantly increased owing to the coronavirus disease 2019 pandemic and as a result of the provision of climate finance, which has been mainly in the form of loans for middle- and upper-middle-income countries over the past decade. These levels of indebtedness are particularly high in Latin American and Caribbean countries.	COP/CMA	AILAC
22	Policies, procedures and guidelines (local currency)	Encourages the GCF to provide loans in national currencies to ensure concessional funding.	In countries with high exchange rate volatility, the low interest rate of long-term loans loses its relevance if countries 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)	Requests the GCF to consider exploring exchange rate hedging in operations aimed at small businesses who normally do not have access to credit in foreign currencies.	Projects submitted by small and medium-sized companies in developing economies normally do not have access to long-term credit in foreign currencies, limiting their ability to apply for GCF funding. The benefits of GCF credit become less attractive in smaller amounts and shorter terms. Financial conditions should be reviewed to take into account not only the level of development of local economies but also the beneficiary population.	COP/CMA	AILAC
24	Policies, procedures and guidelines (terms and conditions)	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.	These policies have been discussed at several Board meetings and should be finalized during 2020. Source: GCF decision B.19/06, paragraph (d).	COP/CMA	SCF member
25	Policies, procedures and guidelines (small-scale project fees)	Encourages the GCF to reconsider its policy on fees, especially for micro and small projects, which account for a very small percentage of the overall cost of the project.	The managerial infrastructure that is conventionally required for an accredited entity to oversee 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	COP/CMA	AILAC

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			currently establishes a difference in the allowed fee percentage of micro (>USD 10 million), small (USD 10–50 million) and medium projects (USD 50–250 million) of 3, 5 and 2 points, respectively. The logic behind this is understandable for major large projects but punishes micro and small projects. Also, in many cases, accredited entities must rely on domestic organizations to implement field activities, which increase administrative costs; further, it is very common for such domestic organizations to be small and have limited infrastructure to accomplish all the requirements. Case studies from relevant projects in Colombia show that a regular administrative fee can reach up to 17.5 per cent of the total amount of the project. However, this can vary according to the type of project, activities involved, region, etc. Alternative funding sources such as the United States Agency for International Development incorporate such schemes as the Negotiated Indirect Cost Rate Agreement in order to define allowed administrative costs in a case-by-case evaluation.		
26	Policies, procedures and guidelines (languages)	Requests the GCF to enhance coordination between the GCF and national entities, ideally through enhanced regional management in the local language.	Lack of coordination and support between the GCF and national entities.	COP/CMA	AILAC
27	Policies, procedures and guidelines (proposal approval process)	Encourage more efficiency throughout the GCF process, to avoid possible delays in the delivery of funds on the ground.	Encourage more efficiency throughout the GCF process, to avoid possible delays on funds delivery on the ground.	COP/CMA	AILAC
28	Policies, procedures and guidelines (proposal approval process)	Welcomes the rapid scaling up by the GCF of funding proposal approvals and encourages the GCF to develop a structure for prioritizing proposals and maximizing the impact of its funding for adaptation and mitigation.	Source: GCF Governing Instrument, paragraph 3.	COP/CMA	SCF member

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29	Programmatic approaches	Requests the GCF to promote the use of programmatic approaches, including national, regional, global and cross-sectoral programmes and to develop a programmatic approach modality to enable programme development.	Greater use of programmes is needed to allow the GCF to reach the scale of operations necessary to tackle the climate challenge. Policy and institutional barriers still exist, the most critical of which is the need to address the development of a programmatic approach modality. Source: GCF Governing Instrument, paragraph 36; GCF decision B.07/03, paragraph (e).	COP/CMA	SCF member
30	Programmatic approaches	Urges the GCF to consider the urgent adoption of a programmatic approach policy in a manner that addresses the unique climate challenges and climate financing needs that the SIDS face as well as the 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 capable national or regional direct access entity within the proposed geographical scope of the proposed programme, that the international access entity approach the direct access entity seeking its interest in partnering on the proposed programme. This should be done at the concept/project development stage.		COP/CMA	AOSIS
31	Policies, procedures and guidelines (policy gaps)	Notes with concern the significant number of outstanding policy gaps, recalling that 24 policy items remain to be addressed in 2021 according to the Board's revised workplan, and urges the Board to prioritize closing these policy gaps.	As at the end of the 28 th meeting of the Board, taking into account the Board's revised workplan, 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 document GCF/B.29/03].	COP/CMA	SCF member
32	Policies, procedures and guidelines (decision process)	Requests the Board to prioritize the development of procedures for approving decisions between meetings that ensure such decisions are consistent	This policy is critical to allow the Board to take time-sensitive decisions between meetings in a consistent manner.	COP/CMA	SCF member

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		with the guiding principles of transparency and accountability.	Source: Rules of procedure of the Board, paragraphs 41–44.		
33	Policies, procedures and guidelines (simplified approval process)	Requests the Board to complete its work streamlining and simplifying approval processes, including for readiness support and NAPs.	This is verbatim from the 2019 COP guidance. GCF decision B.25/08 requested an updated simplified approval process for Board consideration by its 26 th meeting. Source: GCF decision B.25/08 (simplified approval process).	COP/CMA	SCF member
34	Policies, procedures and guidelines (simplified approval process)	Urge 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 (simplified approval process)	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	Policies, procedures and guidelines (guidelines)	Requests the Board to finalize updated general guidelines for committees.	This policy will accelerate the workflow of committees, which will contribute to the enhanced efficiency of the GCF. Source: GCF decision B.25/03, paragraph (e).	COP/CMA	SCF member
37	Private sector strategy	Requests the GCF to finalize its private sector 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 initiated consideration of the private sector strategy at its 19 th meeting; the strategy is key to ensuring that the Private Sector Facility continues to serve private sector needs effectively. The Board in decision B.07/08 decided to review the initial modalities for the operation of the GCF mitigation and adaptation windows and the Private Sector Facility, no later than three years after the initial resource mobilization of the GCF. Source: GCF decision B.19/17.	COP/CMA	SCF member
38	Policies, procedures and guidelines (sectoral guidance)	Requests the GCF to work with technical experts to finalize sectoral guidelines for GCF investments with the objective of establishing common		COP/CMA	SCF member

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		understanding and expectations for GCF-funded activities.			
39	Investment criteria (co-benefits)	Requests 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. To date, readiness proposals, concept notes and funding proposals focused on air quality have been rejected or have received negative reviews by the GCF, especially its 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	Expresses concern regarding the lack of engagement by the Board in response to the COP guidance and requests the Board to continue its efforts to ensure that the GCF enjoys privileges and immunities.	Source: FCCC/CP/2020/5; third biennial report on privileges and immunities of the GCF.	COP/CMA	African Group
41	Technology (CTCN)	Encourages the GCF, in collaboration with the CTCN, to facilitate communication among NDEs, NDAs and accredited entities at the national and regional level, including with respect to technology-related aspects of NDC implementation and increasing ambition.	By decision 14/CP.22, paragraph 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, paragraph (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 and coherence and the annual event with the thematic bodies of the UNFCCC. By decision 14/CP.24, paragraph 7, the COP invited the CTCN to consult with the 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	COP/CMA	TEC

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			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), NDCs and GCF entity work programmes (programming priorities of accredited entities submitted to the GCF). Source: FCCC/CP/2020/5, paragraphs 139–142.		
42	Technology (strengthening Technology Mechanism linkages)	Encourages further collaboration and engagement between the GCF, the TEC and the CTCN, through continued joint work, as well as collaboration in events, taking into consideration elements related to gender mainstreaming and observer constituencies engagement.		COP/CMA	TEC
43	Loss and damage (collaboration)	Requests the GCF, as an operating entity of the Financial Mechanism, to commence and continue, and to explore potential ways of, as appropriate, enhancing the collaboration with the WIM Executive Committee, including through relevant activities of the expert group on action and support, to clarify how developing country Parties may access GCF funding for the development of funding proposals related to the strategic workstreams of the five-year rolling workplan of the Executive Committee to the extent consistent with the existing investment, results framework and funding windows and structures of the GCF. ^b	The WIM Executive Committee was tasked with carrying out this work in collaboration with the GCF. This is a counterpart guidance that requests the GCF to participate in this collaboration.	COP/CMA	WIM Executive Committee
44	Loss and damage (support)	Requests the GCF 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, the 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 GCF, and to report on its	This recommendation is intended to push the idea that the GCF needs to do more, faster, without specifying a particular modality, and avoiding micromanaging and being prescriptive. There are strong arguments for each approach, which it is hoped the GCF will consider, as appropriate.	COP/CMA	WIM Executive Committee

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		progress thereon in its annual reports to the COP, starting from 2022.			
45	Loss and damage (facilitation)	Requests the GCF 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 GCF, and provide information thereon in its annual report to the COP. ^c	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. It should be noted that the 2020 and 2021 annual reports do not address this issue in detail.	COP/CMA	WIM Executive Committee
46	Loss and damage (readiness)	Requests the GCF to: (a) Continue, and strengthen efforts, to support developing countries through the Readiness Programme, in line with existing modalities and frameworks, to implement activities relevant to averting, minimizing and addressing loss and damage to improve enabling conditions at the national level, including impact and vulnerability studies (to inform policy), data collection and analysis, development or amendment of policy and regulatory documents, capacity development of key institutions and strengthening social safety programmes; ^d (b) Encourage Parties to enhance their use of the programme referenced in (a) above.	It is up to the country applying under the Readiness Programme to determine its needs for strengthening institutional capacities, governance mechanisms and planning and programming frameworks. So, if a country does not include loss and damage in its readiness applications, it may be that the national government lacks the awareness, capacity or information with respect to its needs for averting, minimizing and addressing loss and damage. It could be useful to help to increase awareness and build capacity for the operating entities to analyse 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: FCCC/CP/2020/5, annex, paragraph 52, and FCCC/CP/2021/8, annex, paragraph 38.	COP/CMA	WIM Executive Committee
47	Policies, procedures and guidelines (Article 2, para. 1(c), of the Paris Agreement)	Requirement all financial flows of the operating entities and trustees of the Financial Mechanism to become consistent with a pathway towards low-emission, climate-resilient development in line with Article 2, paragraph 1(c), of the Paris Agreement. ^e		COP/CMA	AOSIS
48	Policies, procedures and guidelines	All GCF documents that present any data and/or information for the particularly vulnerable grouping under the GCF (LDCs, SIDS and African States)	The IEU evaluation found that, overall, GCF modalities and processes do not effectively	COP/CMA	AOSIS

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	(regional information)	should include both the total amount and non-overlapping disaggregated amounts for the following: (a) SIDS that are not LDCs; (b) SIDS that are not African States; (c) SIDS that are not LDCs or African States; (d) SIDS.	consider and take account of the urgent and unique climate challenges faced by SIDS.		
49a	Programme priorities (direct access facility)	Establishment of a USD 1 billion per year small grants facility for direct access by local non-governmental organizations.	The 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
49b	Direct access	Stresses the importance of building capacities in countries and promoting long-term sustainability of interventions beyond project lifetimes and thereby emphasizes the need to enhance direct access and strengthen country ownership.	In this regard, the European Union welcomes the targets set in the updated strategic plan and the progress of the GCF in funding allocated through direct access entities. For recipient countries, this should lead to better outcomes, in terms of both direct action and indirect, long-lasting benefits, mainstreaming climate action within local, regional and international public and private operations.	COP/CMA	European Union
50	Programme priorities (request for proposal on 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 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 direct access entity specific envelope under the Readiness Programme with at least USD 1 million per year for each direct access entity.	This envelope shall be new and additional to the USD 1 million per year for each NDA and will incorporate the direct access entity specific readiness support created through the adoption of the integrated results management framework.	COP/CMA	AOSIS
52	Programme priorities (request for proposal on insurance)	Establishment of requests for proposal to enhance the funding of parametric insurance for climatic events in risk insurance facilities at the national and regional level (e.g. African Risk Capacity, Pacific Catastrophe Risk Insurance Company, Caribbean Catastrophe Risk Insurance Facility). ^f	The 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

<i>Number</i>	<i>Groups</i>	<i>Submitted draft guidance</i>	<i>Submitted rationale and/or sources</i>	<i>Governing body to consider the draft guidance</i>	<i>Proposer</i>
53	Eligibility (co-financing)	Reduction of the GCF secretariat focus on co-financing needed for project development.		COP/CMA	AOSIS
54a	Eligibility (inclusion)	Update the GCF strategic plan to include the further enhancement of social inclusion in all its funded activities.		COP/CMA	AOSIS
54b	Updating the GCF Strategic Plan	Requests the Board to initiate work on an updated strategic plan to be concluded ahead of the second GCF replenishment, further strengthening the GCF as setting the standard for excellence in climate action internationally, including in shifting global financing flows and mobilizing financing at scale, not least from the private sector, as well as prioritizing funding proposals.		COP/CMA	European Union
55	Forests (joint activities)	Notes 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, paragraph 2, of the Paris Agreement no later than 2022.		COP/CMA	SCF member
56	Consultation with Board members	Requirement 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 by the Board.		COP/CMA	AOSIS
Preambular and welcoming paragraphs					
57	Preambular	(a) Recognizing that agreeing to the Paris Agreement's goal of holding the increase in the global average temperature to well below 2 °C and pursuing efforts to limit the increase to 1.5 °C above pre-industrial levels was a compromise made by developing countries, particularly SIDS.		COP/CMA	AOSIS

Number	Groups	Submitted draft guidance	Submitted rationale and/or sources	Governing body to consider the draft guidance	Proposer
58	Technology (readiness)	<p>(b) Recognizing that SIDS implicitly agreed to experience loss and damage at a certain temperature scenario (i.e. 1.5 °C or well below 2 °C) on the condition that adequate and predictable support would be received to adapt to these adverse effects as well as support loss and damage response efforts to these effects.</p> <p>(c) Noting with concern that the current UNFCCC NDC synthesis report shows that the global average temperature increase is projected to exceed the 1.5 and well below 2 °C 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 with the exceeded temperature increase scenario.</p> <p>(d) Noting with deep concern that developed country Parties are currently not meeting the existing collective mobilization goal of USD 100 billion per year.</p> <p>(e) Recalling the importance of appropriate burden-sharing among the developed country Parties in the implementation of climate finance obligations, including in their contributions to the GCF.^g</p> <p>(f) Recognizing the inadequacy of the accumulated GCF confirmed pledges through to 2023 (USD 17.8 billion^h) to create a paradigm shift or catalyse further climate finance in comparison with the trillions of United States dollars being spent on the root cause of climate change through financing of, inter alia, fossil industry subsidies and support. It should be noted that this current state of play exposes developing country Parties, particularly SIDS, to large political and transition risks.</p>	<p>By GCF decision B.18/03, paragraph (d), the Board requested the secretariat to continue collaborating with the Technology Mechanism in implementing support for technology. Source: FCCC/CP/2020/5, paragraphs 131–133.</p>	COP/CMA	TEC

<i>Number</i>	<i>Groups</i>	<i>Submitted draft guidance</i>	<i>Submitted rationale and/or sources</i>	<i>Governing body to consider the draft guidance</i>	<i>Proposer</i>
59	Loss and damage (confirmation)	Welcomes the Board's confirmation that the GCF continues to support loss and damage consistent with the existing investment, results framework and funding windows and structures of the GCF.	Note: the African Group 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	African Group

^a Available at <https://ieugreenclimate.fund/sites/default/files/document/210223-adaptation-final-report-top.pdf>.

^b Decision 2/CMA.2, para. 38–39.

^c See table note *a* above.

^d See FCCC/CP/2020/5, annex, para. 52, and FCCC/CP/2021/8, annex, para. 38.

^e GCF Governing Instrument, paras. 1–2.

^f This is to further the implementation of Article 8, para. 4(f), of the Paris Agreement.

^g Article 4, para. 3, of the Convention; Article 9, para. 1, of the Paris Agreement.

^h This total is disaggregated between USD 8.3 billion confirmed from the initial resource mobilization and USD 9.5 billion confirmed from the GCF first replenishment cycle (as at 30 September 2021).

Appendix

Co-facilitators' proposed draft guidance to the Green Climate Fund¹

The Conference of the Parties,

Noting the draft guidance to the Green Climate Fund prepared by the Standing Committee on Finance,²

1. *Welcomes* the reports of the Green Climate Fund to the Conference of the Parties, 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 by the Governing Instrument for the Green Climate Fund to ensure that 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 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 and traditional, local and indigenous knowledge; **(#12)**
5. *Urges* the Green Climate Fund to finalize 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, and respond to the needs and priority adaptation actions of developing countries, taking into consideration best practices at other multilateral funds and other approaches; **(#5, #6, #15)**
6. *Requests* timely improvement of the accreditation process, including through the approval of an accreditation strategy, an updated accreditation framework and effective operationalization of the project-specific accreditation approach; **(#19a, #19b)**
7. *Encourages* the Green Climate Fund to reconsider its policy on accredited entity fees for micro and small projects, which constitute a small percentage of the overall cost; **(#25)**
8. *Requests* the Green Climate Fund to enhance coordination with national entities, ideally through enhanced regional management in United Nations official languages; **(#26)**
9. *Encourages* the Green Climate Fund to continue the process of improving efficiency to avoid possible delays in the delivery of funds; **(#27)**
10. *Also encourages* the Green Climate Fund to develop a structure for prioritizing funding proposals and maximizing the impact of its funding for adaptation and mitigation; **(#28)**
11. *Requests* the Green Climate Fund to complete its work on streamlining the processes for readiness support and national adaptation plans; **(#33)**

¹ The number at the end of each paragraph corresponds to the number in the compilation of submissions contained in the table in annex I that the co-facilitators considered in preparing their proposed draft guidance.

² 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 can be found in the table in annex I.

12. *Urges* the Green Climate Fund to expedite the adoption of an updated simplified approval process; **(#34)**
13. *Takes note* of the significant number of outstanding policy gaps, recalling that 20 policy items remain to be addressed in 2021 according to the Board’s revised workplan; and *urges* the Board to prioritize closing these policy gaps; **(#31)**
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; **(#21, #24, #53)**
15. *Also urges* the Green Climate Fund to adopt a programmatic approach policy, in particular to facilitate efficient programming for small and medium-sized projects; **(#30)**
16. *Requests* the Green Climate Fund to prioritize the development of procedures for approving decisions between meetings to ensure that such decisions are consistent with international guiding principles of transparency and accountability; **(#32)**
17. *Also 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 guidance from the Conference of the Parties on privileges and immunities; and *requests* the Board to continue efforts to ensure that the Green Climate Fund enjoys privileges and immunities; **(#40)**
19. *Also takes note* of the continued effort of the Green Climate Fund to contribute to strengthening 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-emission and climate-resilient development; **(language from FCCC/CP/2021/9, p. 28)**
20. *Requests* the Green Climate Fund to consider all documents that present data and/or information to include both totals and non-overlapping disaggregated data, in particular for the least developed countries, small island developing States and African States; **(#48)**
21. *Also 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, the Technology Executive Committee and the Climate Technology Centre and 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 associated with Climate Change Impacts; **(#43)**
24. *Also 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 the results framework of the Green Climate Fund; **(#44)**
25. *Further requests* the Green Climate Fund to consider the establishment of a small grants facility for direct access by local non-governmental organizations; **(#49)**
26. *Requests* the Green Climate Fund to consider launching a request for proposal for the just transition of the workforce 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. *Also takes note* that several developed and developing country Parties have not yet confirmed their pledges made during the initial resource mobilization phase by signing fully executed contribution agreements or arrangements; and *urges* such Parties to do so as soon as possible. (#1)

Annex II

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

<i>Number</i>	<i>Groups</i>	<i>Submitted draft guidance</i>	<i>Rationale and/or sources</i>	<i>Governing body to consider the draft guidance</i>	<i>Proposer</i>
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 owing to the coronavirus disease 2019 pandemic and as a result of the provision of climate finance, which has been 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 members of the LGBTQIA+ community.	This element expresses support for the explicit inclusion of members of the LGBTQIA+ community in the GEF gender equity and gender mainstreaming efforts.	COP/CMA	SCF member
3	Policy (efficiency of project cycle)	Requests the GEF to significantly enhance the efficiency of the timing for the presentation proposals, resources allocation and final implementation of projects, particularly in the context of the biennial transparency reports.	Currently, it can take several years from presenting a project proposal to its actual implementation.	CMA	AILAC
4	Policy (co-benefits across focal areas)	Encourages 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		COP/CMA	European Union

<i>Number</i>	<i>Groups</i>	<i>Submitted draft guidance</i>	<i>Rationale and/or sources</i>	<i>Governing body to consider the draft guidance</i>	<i>Proposer</i>
		standards for which its implementing partners are held accountable.			
6	Policies (GEF agencies)	Calls on the GEF to assess and limit the risks induced by the current level of funding 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 the STAR allocation floor for SIDS to at least USD 10 million.		COP/CMA	AOSIS
10	Policy (STAR allocation)	Requests the GEF to use 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 that are commensurate with the needs of developing countries, particularly SIDS.		COP/CMA	AOSIS
12	Programming (scale of resources)	Requests the GEF to increase the amount allocated to the climate change focal area under GEF-8 to support an increase in ambition and implementation.		COP/CMA	AOSIS

<i>Number</i>	<i>Groups</i>	<i>Submitted draft guidance</i>	<i>Rationale and/or sources</i>	<i>Governing body to consider the draft guidance</i>	<i>Proposer</i>
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 Small Grants Programme ceiling)	Requests the GEF to increase the ceiling for the GEF Small Grants Programme for local non-governmental organizations to USD 200,000 per project.		COP/CMA	AOSIS
15	Policy (co-financing)	Requests the GEF to reduce the 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 developing countries in accessing adaptation funding.	Capacity-building measures to improve access to international climate funds 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 requests for proposal, 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
17	Eligibility criteria	Requests the operating entities of the Financial Mechanism to ensure accessibility of all eligible Parties to available resources.	The State of Palestine is working hard to fulfil its commitments under the Convention and the Paris Agreement. This includes reporting commitments in addition to implementing its climate-relevant plans and strategies, including an NDC. The GEF has for years denied the legitimate right of the State of Palestine (signatory to the three Rio Conventions) to access its resources, including STAR allocation, for political reasons. The GEF reports to the COP, which indicate how the GEF supports Parties not included in Annex I to the Convention in fulfilling their commitments, never mention the State of Palestine. This long-standing position of the GEF needs to be amended to ensure that the State of Palestine can	COP/CMA	State of Palestine

<i>Number</i>	<i>Groups</i>	<i>Submitted draft guidance</i>	<i>Rationale and/or sources</i>	<i>Governing body to consider the draft guidance</i>	<i>Proposer</i>
			appropriately respond to climate change challenges, which have severe implications for its sustainable development efforts and on its gross domestic product. Source: FCCC/CP/2020/1/Add.1.		
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 signals to many Parties the importance of the GEF following its policies and procedures.		SCF member
19	Technology	Encourages the GEF to support CTCN efforts to strengthen cooperation between GEF country focal points and NDEs.	Strengthened collaboration between GEF country focal points and the NDEs 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. Sources: FCCC/CP/2020/1, paragraphs 184–199; FCCC/CP/2021/9, paragraphs 201–214.	COP/CMA	TEC
20	Technology	Encourages the GEF to share all the terminal evaluation reports of the regional technology and finance centres and of the national climate technology activities, supported under the Poznan strategic programme on technology transfer, with the TEC and the CTCN with a view to sharing experience and lessons learned from the support provided by the GEF for technology.	Enhanced sharing of the evaluation reports would enhance generating lessons learned to help to inform the Technology Mechanism, in particular the CTCN, and facilitate coordination and cooperation on climate technology development and transfer. Sources: FCCC/CP/2020/1, paragraphs 184–199; FCCC/CP/2021/9, paragraphs 201–214.	COP/CMA	TEC
21	Technology	Encourages the GEF to consider the outcomes of TNAs 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 change mitigation and adaptation actions. Source: FCCC/CP/2020/1, paragraphs 200–209; FCCC/CP/2021/9, paragraphs 215–220.	COP/CMA	TEC

<i>Number</i>	<i>Groups</i>	<i>Submitted draft guidance</i>	<i>Rationale and/or sources</i>	<i>Governing body to consider the draft guidance</i>	<i>Proposer</i>
22	Technology	Encourages the GEF to support further South–South and triangular collaboration projects of the CTCN and the TEC, especially those that engage with stakeholders at the local level, and to enhance its funding on projects related to technology training.	The summaries of climate change mitigation stand-alone projects and programmes approved in fiscal year 2021 contained in FCCC/CP/2020/1 highlight the critical importance of local-level engagement, and state that small grants will be targeted primarily at local communities and civil society organizations, the poor and the vulnerable, to facilitate access to an 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: FCCC/CP/2020/1, paragraphs 58–59.	COP/CMA	TEC
23	Loss and damage (programming)	Requests 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 WIM 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	WIM Executive Committee
24	Loss and damage (programming)	Encourages Parties to submit projects that cover approaches to address loss and damage.			AOSIS
25	Loss and damage (reporting)	Requests the GEF to analyse 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 WIM Executive Committee with the aim of informing the work of the Executive Committee and its expert group on action and support.	It would be useful to help to 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 analyse what funding is available under its existing mandates and structures, including the Country-support Programme and the Small Grants Programme, and how funding is being used to fund relevant priorities under the WIM Executive Committee’s five-year rolling workplan, would serve as a first step towards building the awareness and capacity of developing countries to access this funding within the Executive Committee’s work.	COP/CMA	WIM Executive Committee

<i>Number</i>	<i>Groups</i>	<i>Submitted draft guidance</i>	<i>Rationale and/or sources</i>	<i>Governing body to consider the draft guidance</i>	<i>Proposer</i>
26	Loss and damage (nature-based Solutions)	Request the GEF, in its initiative to integrate the co-benefits of nature-based solutions across GEF programming, to include consideration of how nature-based solutions is relevant to the strategic workstreams of the five-year rolling workplan of the WIM Executive Committee.	There are nature-based solutions 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 GHG 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 WIM Executive Committee's five-year rolling workplan, namely, slow onset events, non-economic losses, comprehensive risk management, human mobility, and action and support. It should be noted that nature-based solutions are a stated focus of the work of the LDCF.	COP/CMA	WIM Executive Committee
Preambular and welcoming paragraphs					
27	Preambular (adaptation communications)	Reiterating its invitation in 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, an NDC as referred to in Article 4, paragraph 2, of the Paris Agreement, and/or a national communication.	The AC would like to reiterate this invitation 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
28	Preambular (adaptation communications)	Reiterating its invitation from decision 12/CP.18, paragraph 5, to developed country Parties to further contribute to the LDCF and the SCCF to support the activities for the preparation of the process to formulate and implement NAPs in accordance with decision 1/CP.16, including paragraph 18, and other relevant COP decisions, and	There were no new pledges to the SCCF from July 2020 to June 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: FCCC/CP/2021/9, paragraph 143.	COP/CMA	AC

<i>Number</i>	<i>Groups</i>	<i>Submitted draft guidance</i>	<i>Rationale and/or sources</i>	<i>Governing body to consider the draft guidance</i>	<i>Proposer</i>
		encourages other Parties in a position to do so, as well as relevant organizations, to also contribute to the LDCF and the SCCF.			
29	Preambular (importance of financial resources)	Recalling that the availability and accessibility of adequate and predictable finance is essential for developing countries, particularly to 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)	Recognizing that agreeing to the Paris Agreement's goal of holding the increase in the global average temperature to well below 2 °C and pursuing efforts to limit the increase to 1.5 °C above pre-industrial levels was a compromise made by developing countries, particularly SIDS.		COP/CMA	AOSIS
31	Preambular (loss and damage)	Recognizing that SIDS implicitly agreed to experience loss and damage at a certain temperature scenario (i.e. 1.5 °C or well below 2 °C) on the condition that adequate and predictable support would be received to adapt to these adverse effects as well as support loss and damage response efforts to these effects.		COP/CMA	AOSIS
32	Preambular (NDC ambition)	Noting with concern that the current UNFCCC NDC synthesis report shows that the global average temperature increase is projected to exceed the 1.5 and well below 2 °C limits very soon based on the current level of ambition. There is a clear		COP/CMA	AOSIS

<i>Number</i>	<i>Groups</i>	<i>Submitted draft guidance</i>	<i>Rationale and/or sources</i>	<i>Governing body to consider the draft guidance</i>	<i>Proposer</i>
		need for adequate and predictable loss and damage response finance commensurate to the exceeded temperature increase scenario.			
33	Preambular (burden-sharing of obligations)	Recalling the importance of appropriate burden-sharing among the developed country Parties in the implementation of climate finance obligations, including in their contributions to the GEF.		COP/CMA	AOSIS
34	Preambular (inadequacy of GEF resources)	Recognizing the inadequacy of GEF project funding since 1991 (USD 9.6 billion) ^a for climate change response in comparison with the trillions of United States dollars 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.		COP/CMA	AOSIS
35	Preambular (policy coherence on access)	Coherence with the standards of other climate finance support providers (including international finance institutions, climate funds, bilateral support providers).	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, including through the ongoing independent third-party review of UNDP.	This element looks forward to the final report on the remedial efforts of UNDP to address its fiduciary shortcomings, the expedited UNDP independent third-party review, and the wider third-party review of GEF agencies' compliance with the GEF Minimum Fiduciary Standards.	COP/CMA	SCF member
37	Welcoming (biennial transparency reports)	Welcomes the GEF secretariat's continued efforts in relation to the	This element voices support for the GEF secretariat's financing of biennial transparency reports, including associated modalities and streamlined process.	CMA	SCF member

<i>Number</i>	<i>Groups</i>	<i>Submitted draft guidance</i>	<i>Rationale and/or sources</i>	<i>Governing body to consider the draft guidance</i>	<i>Proposer</i>
		provision of adequate financing for the biennial transparency reports.			
38	Welcoming (complementarity with the GCF)	Welcomes the recent work undertaken by the two operating entities of the Financial Mechanism on complementarity and coherence and encourages further division of labour, taking into consideration the comparative advantages of each entity in an evolving climate finance architecture in order to enhance effectiveness and efficiency, building on the long-term vision on complementarity, coherence and collaboration between the GCF and the GEF.		COP/CMA	European Union
39	Welcoming (complementarity with the GCF)	Welcomes the efforts of the GEF 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 the GCF.	COP/CMA	SCF member
40	Welcoming (programme priorities)	Welcomes the continued efforts of the GEF to mainstream climate programming throughout its portfolio through the ongoing use of integrated programming.	This element expresses support for the efforts of the GEF to continue its integrated programming approach.	COP/CMA	SCF member
41	Welcoming (biennial transparency reports)	Welcomes the continued efforts of the GEF 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 decision 13/CP.25 to enhance efforts to streamline the project and programme cycle process.	CMA	SCF member

<i>Number</i>	<i>Groups</i>	<i>Submitted draft guidance</i>	<i>Rationale and/or sources</i>	<i>Governing body to consider the draft guidance</i>	<i>Proposer</i>
42	Welcoming (Progress made)	<p>Welcomes the work undertaken by the GEF during its reporting period (1 July 2020 to 30 June 2021), including:</p> <p>(a) The approval of climate change projects and programmes approved during the reporting period under the GEF Trust Fund, the LDCF and the SCCF;</p> <p>(b) The continued support of projects under the Capacity-building Initiative for Transparency;</p> <p>(c) The endorsement and implementation of the Private Sector Engagement Strategy;</p> <p>(d) The implementation of recommendations from the Working Group on Governance;</p> <p>(e) The approval of the long-term vision on complementarity, coherence and collaboration between the GCF and the GEF.</p>	This element welcomes GEF activities undertaken in the current reporting period.	COP/CMA	SCF member
43	Welcoming (progress made)	Welcomes the approval by the GEF Council of several ambitious work programmes since guidance to the GEF was provided last time.		COP/CMA	European Union
44	Welcoming (integrated approach)	Welcomes the continued efforts of the GEF to evaluate the effectiveness of the GEF integrated approach to address the drivers of environmental degradation. ^b	This element welcomes continued efforts to quantify the effectiveness of the GEF integrated approach.	COP/CMA	SCF member
45	Welcoming (technology)	Welcomes the support provided by the GEF for the CTCN under the GEF Challenge Program for Adaptation Innovation.	Strengthened collaboration between GEF country focal points and the NDEs 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.	COP/CMA	TEC

<i>Number</i>	<i>Groups</i>	<i>Submitted draft guidance</i>	<i>Rationale and/or sources</i>	<i>Governing body to consider the draft guidance</i>	<i>Proposer</i>
		Also welcomes the efforts of the GEF to consult with the CTCN to enhance collaboration between the CTCN and the regional technology and finance centres and encourages the GEF to continue and enhance such efforts.	Source: FCCC/CP/2020/1, paragraphs 184–199; FCCC/CP/2021/9, paragraphs 201–214.		
46	Welcoming (technology)	Welcomes the efforts of the GEF 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; the actions and activities highlighted under its key themes of support include the importance of enhancing the collaboration between the Technology Mechanism and the Financial Mechanism for enhanced support for technology development and transfer. The GEF acknowledges that, to change the path of GHG emissions from the private sector, emerging cleantech solutions should be applied and deployed at scale; and as such, it addresses key barriers that need to be addressed to deploy cleantech solutions, including the need for targeted deployment of the concessional capital (blended finance) to mobilize the private capital seeking commercial risk adjusted returns. Source: FCCC/CP/2020/1, paragraphs 29–39 and 197–200.	COP/CMA	TEC
47	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 the utmost importance.	COP/CMA	European Union
48	Welcoming (private sector strategy)	Welcomes the adoption of the Private Sector Engagement Strategy by the GEF Council at its 59 th meeting and encourages the GEF to reinforce its efforts to mobilize and engage with the private sector during GEF-8.		COP/CMA	European Union

<i>Number</i>	<i>Groups</i>	<i>Submitted draft guidance</i>	<i>Rationale and/or sources</i>	<i>Governing body to consider the draft guidance</i>	<i>Proposer</i>
49	Welcoming (financial management)	Welcomes the adoption of the Sustainable Bond Strategy by the GEF Council during its 59 th meeting and looks forward to additional steps to ensure that the asset management by the GEF Trustee is aligned with the goals set in the Paris Agreement.		COP/CMA	European Union

^a This 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; USD 0.1 billion for the Capacity-building Initiative for Transparency; and USD 0.5 billion for enabling activities (as at 5 August 2021). Source: FCCC/CP/2021/9, pages 41, 49, 52, 68 and 81.

^b GEF Independent Evaluation of the Integrated Approach for the Drivers of Environmental Degradation. See <https://www.gefio.org/>.

Appendix

Co-facilitators' proposed draft guidance to the Global Environment Facility¹

The Conference of the Parties,

Noting the draft guidance to the Global Environment Facility prepared by the Standing Committee on Finance,²

1. *Welcomes* the reports of the Global Environment Facility to the Conference of the Parties and their addenda, 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 for which the implementing partners are accountable; **(#5)**
3. *Also 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 of agencies 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 of the Global Environment Facility, on the allocation policies of the System for Transparent Allocation of Resources and on the possible application of the vulnerability index in the calculation of the initial allocation of the System for Transparent Allocation of Resources; **(#9, #10)**
7. *Requests* the Global Environment Facility to increase the amount allocated to the 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 the Small Grants Programme under the eighth replenishment 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 members of the lesbian, gay, bisexual, transgender, queer and intersex community; **(#2)**
11. *Encourages* the Global Environment Facility to pursue a coherent approach across its focal areas in prioritizing projects with co-benefits; **(#4)**
12. *Also 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 those that engage with stakeholders at the local level, and to enhance its funding on projects related to technology training; **(#22)**

¹ The number at the end of each paragraph corresponds to the number in the compilation of submissions contained in the table in annex II that the co-facilitators considered in preparing their proposed draft guidance.

² Submissions received on the draft guidance contained preambles and paragraphs that welcome the progress made by the Global Environment Facility during its reporting period. They can be found in the table in annex II.

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 concerning activities relevant to averting, minimizing and addressing loss and damage in developing country Parties; **(#23)**

14. *Also requests* the operating entities of the Financial Mechanism to ensure the accessibility of all eligible Parties to available resources; **(#17)**

15. *Further 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,

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