



Technology Executive Committee

19 September 2018

Seventeenth meeting

Bonn, Germany, 25–28 September 2018

Draft inputs for the draft guidance to the operating entities of the Financial Mechanism

Background paper

I. Introduction

A. Background

1. One of the functions of the Standing Committee on Finance (SCF) is to provide to the Conference of the Parties (COP) draft guidance to the operating entities of the Financial Mechanism of the Convention, with a view to improving the consistency and practicality of such guidance, taking into account the annual reports of the operating entities as well as relevant submissions from Parties.

2. The SCF has invited the Technology Executive Committee (TEC) to provide inputs to the SCF with regards to the draft guidance of the operating entities of the Financial Mechanism to be provided to COP 24 (December 2018). This activity has been reflected in the rolling workplan of the TEC for 2016–2018 (activity 16.2 of the workplan).

3. At its 16th meeting (TEC 16), the TEC requested its task force on climate technology financing (task force on finance) to prepare draft inputs for draft guidance to the operating entities of the Financial Mechanism for consideration at TEC 17.

B. Scope of the note

4. This background note provides draft inputs for the draft guidance to the operating entities of the Financial Mechanism, prepared by the task force on finance.

C. Possible action by the Technology Executive Committee

5. The TEC will be invited to consider the draft inputs prepared by the task force and agree on the TEC inputs for the draft guidance to the operating entities of the Financial Mechanism.

II. Process for preparing draft guidance to the operating entities of the Financial Mechanism

6. In its invitation to the TEC, the SCF provided the following information regarding the scope, format, timing of the inputs for the draft guidance, and how these will be processed:

(a) Scope: the annual reports of the operating entities should form the basis for the inputs provided;

(b) Format: the thematic bodies are invited to provide inputs using the same template as last year;

(c) Timing: the TEC is invited to provide the inputs ahead of the 19th meeting of the SCF, which has been tentatively scheduled to take place from 29 to 31 October 2018;

(d) Processing of inputs received: the SCF aims to recommend draft guidance for consideration by COP 24 through its annual report to the COP. The SCF will prepare the draft guidance based on the inputs, inter alia, received from the TEC. In order to ensure the consistency and practicality of guidance provided to the operating entities, the SCF will apply the following criteria to assess the inputs received, to see whether they are:

- (i) In line with the mandates of the operating entities;
- (ii) Ongoing and are being currently undertaken by the operating entities;
- (iii) Not contradictory to previous guidance given to the operating entities;
- (iv) Not duplicative of previous guidance given to the operating entities.

7. The TEC was encouraged to take note of the above mentioned criteria in preparing its inputs. Moreover, the SCF invited the TEC to utilize the Compilation and Analysis of previous guidance provided to the operating entities¹ in preparing its inputs, to ensure consistency and practicality of the inputs.

III. Draft inputs for the draft guidance to the operating entities of the Financial Mechanism

8. In preparing draft inputs for the draft guidance to the operating entities of the Financial Mechanism, the following documents were taken into account:

(a) Seventh Report of the Green Climate Fund to the Conference of the Parties to the United Nations Framework Convention on Climate Change, in particular the chapter on technology transfer;²

(b) Report of the Global Environment Facility to the twenty-fourth session of the Conference of the Parties to the United Nations Framework Convention on Climate Change, in particular the chapter on work related to technology;³

(c) Previous guidance provided to the operating entities of the Financial Mechanism on technology related matters.

9. In addition, work undertaken by other taskforces was taken into account, including the work of the taskforce on innovation and research, development and demonstration on technology incubators and accelerators and the work of the taskforce on technology needs assessments on mapping of barriers and enablers.

10. Annex I provides an overview of the draft inputs for the draft guidance to the operating entities of the Financial Mechanism, prepared by the task force on finance.

¹ Compilation and Analysis of past guidance to the GCF: <https://goo.gl/K7FE6z>.
Compilation and Analysis of past guidance to the GEF: <https://goo.gl/CPDOOe>.

² Available at: <http://goo.gl/zjFFqX>.

³ Available at: <http://goo.gl/yLaLjd>.

Annex

Draft inputs for the draft guidance to the operating entities of the Financial Mechanism

Annotated inputs for the draft decision on the guidance to the Global Environment Facility (GEF)

<i>Elements</i>	<i>Sub-elements</i>	<i>Proposed inputs</i>	<i>Rationale for the inputs</i>	<i>Source of information / reference</i>
Policies	Barriers and enablers for technology development and transfer	[Placeholder on guidance to the GEF on barriers and enablers for technology development and transfer building on the key messages of the TEC task force on TNAs on mapping of barriers and enablers as identified in NDCs, TNAs and CTCN Technical Assistance]	TEC has undertaken a mapping of barriers and enablers as identified in NDCs, TNA and CTCN Technical Assistance. Some of the key messages emerging from this work are addressed to the operating entities of the Financial Mechanism	Report of the GEF to COP 24, paragraph 154 Draft paper on mapping barriers and enabling environments in TNAs, NDCs, and CTCN Technical Assistance
Programme priorities	Collaboration between the GEF and the Climate Technology Centre and Network	Invites the GEF to enhance the information in its reports to the COP on the outcomes of the collaboration between the PSP climate technology and finance centers and the Climate Technology Centre and Network	The PSP regional climate technology transfer and finance centers were established to generate lessons learned to help inform the Technology Mechanism. In addition, there are potential synergies in the activities undertaken by the centers and the CTCN.	Report of the GEF to COP 24, paragraph 159 and 161-165
Eligibility criteria				
Others				

Annotated inputs for the draft decision on the guidance to the Green Climate Fund (GCF)

<i>Elements</i>	<i>Sub-elements</i>	<i>Proposed inputs</i>	<i>Rationale for the inputs</i>	<i>Source of information / reference</i>
Policies				
Programme priorities	Collaboration between NDA and NDE	Encourages the GCF and the CTCN to strengthen collaboration between national designated authorities for the Green Climate Fund and national designated entities for technology development and transfer	COP decision 15/CP.22, Underlines the importance of well-functioning and strengthened collaboration between the national designated authorities for the Green Climate Fund, the focal points for the Global Environment Facility and the national designated entities for technology development and transfer	Seventh report of the GCF to the COP, chapter 4.2
	Tracking technology-related GCF support	Encourage the GCF to consider to develop quantitative indicators to track support for technology in collaboration with the Technology Executive Committee	Paragraphs 35 and 38 of the Governing Instrument mandate that GCF will finance full and agreed incremental costs for activities to enable and support enhanced technology development and transfer.	Seventh report of the GCF to the COP, chapter 4.3
	TOR for RFP on enablers and barriers	[Placeholder on guidance to the GCF on the TOR for the RFP on technology incubators and accelerators building on the key messages of the TEC task force on innovation and RD&D on technology incubators and accelerators]	By decision B.18/03, the GCF Board requested the GCF secretariat to develop the terms of reference for a RFP to support climate technology incubators and accelerators. In developing the TOR, the GCF secretariat has been collaborating with the TEC and the CTCN. The GCF secretariat continues to seek technical feedback and inputs from the TEC and the CTCN in the development of the RFP.	Seventh report of the GCF to the COP, chapter 4.4
Eligibility criteria				
Others				

The TEC may wish to take note of the below guidelines in providing the inputs:

- *“Sub-elements”*: Describe the specific area of the proposed input (e.g. Policies relating to access, gender, environment & social safeguards, etc.);
- *“Proposed inputs”*: Propose the inputs in draft decision text format;
- *“Rationale for the inputs”*: Annotate the reason for proposing the inputs, so that the rationale can be clearly understood;
- *“Source of information / reference”*: Provide reference to the annual reports of the operating entities or decision(s) of the GEF Council / GCF Board.
- *Some examples from the previous years can be found in the annexes of the following documents:*
 - https://unfccc.int/sites/default/files/draft_scf_bn_draft_guidance_scf16_13sept_1700.pdf#page=5
 - https://unfccc.int/sites/default/files/draft_scf_bn_draft_guidance_28sept.pdf#page=4
