



Conference of the Parties

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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**

Sixth session

Baku, 11–22 November 2024

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Finance**

Report of the Standing Committee on Finance

Addendum

Draft guidance to the Global Environment Facility

1. By its 35th meeting, the Standing Committee on Finance (SCF) had received 11 submissions on its draft guidance for the Global Environment Facility.¹ A compilation of the submissions is contained in annex I.
2. As agreed by the SCF at its 35th meeting, information received from the secretariat of the Global Environment Facility on some of the proposed draft guidance is contained in annex II for consideration by Parties.
3. The content of the annexes is reproduced as compiled by the SCF, without formal editing.

¹ From the Adaptation Committee, the Arab Group, Australia, Canada, the European Union, the Independent Association for Latin America and the Caribbean, the least developed countries, the Least Developed Countries Expert Group, the Technology Executive Committee, the United Kingdom of Great Britain and Northern Ireland, and the United States of America.



Annex I

Compilation of submissions on draft guidance for the Global Environment Facility

I. Draft guidance from the Conference of the Parties

1. *Welcomes* the work undertaken by the GEF during its reporting period (01 July 2023 to 30 June 2024), including:
 - (a) Approval of 72 climate change projects and programmes during the reporting period under the GEF Trust Fund, the Least Developed Countries Fund, and the Special Climate Change Fund;
 - (b) Continued integration of climate change priority into its other focal areas and integrated programmes and the expected avoidance or sequestration of 404 Mt CO₂ equivalent achieved through such integration;
 - (c) Continued implementation of the Long-Term Vision on Complementarity, Coherence, and Collaboration with the Green Climate Fund, including through joint programs, outreach, and information sharing;
2. *Welcomes* the approval by the GEF Council of several ambitious work programs, especially the February 2024 work program for the GEF Trust Fund, which is the most ambitious work program to date, building on the second most ambitious work program of 2023;
3. *Welcomes* the Work Programs approved at the February and June 2024 Council Meetings, which total more than \$1.8 billion in GEF financing, including 72 climate change projects and programmes under the GEF Trust Fund, the Least Developed Countries Fund, and the Special Climate Change Fund;
4. *Welcomes* the largest ever LDCF Work Program, approved in June 2024, which totals \$203 million in LDCF financing across 14 projects and programs for adaptation in least developed countries;
5. *Recognizes* the GEF as a key instrument to support projects benefiting both climate action and action in other key areas, such as biodiversity or land and oceanic degradation;
6. *Welcomes* the creation of the “Global Biodiversity Framework Fund” (GBF Fund) by the Council at its 64th meeting in June 2023, its ratification by the Assembly in August 2023 and its full operationalization at its 66th meeting in February 2024 as well as the approval of the first set of projects at its 67th Council meeting in June 2024. The EU and its member states *underline* the crosscutting nature of the GBF and *welcome* its co-benefits for climate;
7. *Welcomes* that the GEF, in its programming directions for GEF-8, promotes and pursues an integrated vision through various integrated programmes and a coherent approach between focal areas;
8. *Recalls* that the GEF-8 Programming Directions calls for delivering climate change mitigation and climate co-benefits in all 11 Integrated Programs and *encourages* the GEF Secretariat to track and regularly report to the GEF Council the climate-related co-benefits of Integrated Programs;
9. *Welcomes* that 85 percent of GEF-8 investments as of June 2024 were focused on climate change or had climate change-related co-benefits;
10. *Welcomes* the GEF’s efforts to deliver the Integrated Programs and *encourages* the GEF to continue to examine the links with nature to help mitigate and adapt to climate change
11. *Encourages* the GEF to continue to support nature-based solutions programming that delivers climate impacts;

12. *Encourages* the GEF to address, in a comprehensive and synergetic manner, the triple planetary crises of climate change, biodiversity loss and pollution in the broader context of achieving the Sustainable Development Goals, noting the vital importance of mitigation and adaptation action;
13. *Encourages* the GEF to support projects in the area of climate change that also provide co-benefits in the areas of environment preservation, pollution reduction, biodiversity and ocean conservation, and vice versa;
14. *Encourages* the GEF to prioritize projects and programs that deliver climate co-benefits across areas of environmental programming;
15. *Encourages* the GEF Secretariat to monitor that GEF investments directly and indirectly related to climate change amount to a minimum of 80 percent of all GEF funding commitments during the GEF-8 period, that GEF investments directly and indirectly related to climate change adaptation amount to a minimum of 45 percent of all GEF funding commitments during the GEF-8 period, and that GEF investments directly and indirectly related to climate change mitigation amount to a minimum of 65 percent of all GEF funding commitments during the GEF-8 period;
16. *Recalls* our welcoming of the successful replenishment of the GEF for its 8th replenishment period (GEF-8), with a total allocation of US\$5.33 billion provided by 29 donor governments, which represents a substantial increase, higher than 30%, and establishes a record pledge compared to GEF-7 and *calls* on all countries in a position to do so to contribute to ensure a successful replenishment;
17. *Invites* the GEF to consider consultation with relevant UNFCCC bodies when developing the drafts of the GEF programming directions for GEF-9, in particular the TEC and the CTCN for technology topics;
18. *Recalls* the Paris Agreement Article 10, paragraph 5, that mandates the Financial Mechanism of the Convention, for collaborative approaches to research and development, and facilitating access to technology, in particular for early stages of the technology cycle, to developing country Parties;
19. *Recalls* that the GEF is mandated by decision 3/CP.13 to provide financial support for the technology transfer framework of the convention, including the actions for its enhancement;
20. *Requests* the GEF to consider support for the early stages of the technology cycle in GEF-9 and to report to the Conference of the Parties the amount of funding provided for research, development and demonstration;
21. *Welcomes* the joint Action Plan on Complementarity and Coherence developed by the GEF, Green Climate Fund, Adaptation Fund and the Climate Investment Funds and *encourages* the funds to work together as a system to significantly enhance access to climate finance and maximize the impact of their financing;
22. *Welcomes* the development of the Multilateral Climate Funds Action Plan on Complementarity and Coherence and requests the GEF to review and implement, where appropriate, the conclusions and recommendations in the Joint Action Plan;
23. *Welcomes* the development of the Multilateral Climate Funds Action Plan on Complementarity and Coherence and requests the Council to review and implement, where appropriate, the conclusions and recommendations in the Joint Action Plan;
24. *Welcomes* the work undertaken by the GEF with the other funding mechanisms and institutions, especially the joint Action Plan on Complementarity and Coherence following the Joint Declaration at COP28 of GEF, GCF, CIFs and AF;
25. *Encourages* the GEF to explore modalities to develop joint initiatives that leverage the comparative advantages of the GEF, Green Climate Fund, Adaptation Fund, and Climate Investment Funds, and facilitate the scaling of successful projects funded by those funds, including simplified approval processes and fast tracking;

26. *Encourages* the GEF to continue collaboration with other multilateral climate funds to deliver on the goals outlined in the Multilateral Climate Funds Action Plan;
27. *Encourages* the GEF, in coordination with the Green Climate Fund, Adaptation Fund, and Climate Investment Funds, to align results monitoring indicators and reporting processes, where possible, to support efficient and effective reporting and results comparisons;
28. *Urges* the GEF, as it further develops its policies and procedures, to consider them in the context of the efforts to enhance coherence with other multilateral climate funds;
29. *Urges* the GEF to accelerate its efforts in aligning programming, policies and processes with other climate funds, and further strengthening complementarity and coherence with the broader climate finance architecture in order to enhance access to climate finance, improve its impact, play an enabling role in the international financial architecture and jointly work in a cost-efficient manner that increase the amount of climate finance dedicated to action on the ground;
30. *Encourages* further efforts to strengthen the complementarity and coherence between the Multilateral Climate Funds with a view to improving the access to developing countries and increasing the impact of the support provided;
31. *Urges* the GEF to closely analyze the upcoming G20 Sustainable Finance Working Group’s report jointly with the other Multilateral Climate Funds and implement the report’s recommendations as appropriate;
32. *Requests* the GEF family of funds to consider ways to coordinate with other sources, funds, processes, and initiatives relevant to the loss and damage funding arrangements, including the Fund for responding to Loss and Damage and the Santiago network, to promote coordination and complementarity in responding to loss and damage, consistent with its current mandate;
33. *Invites* the GEF to work with the Fund for responding to loss and damage and other funding arrangements to increase the coherence of and coordination across the loss and damage finance architecture, avoid the duplication of effort, maximize and leverage comparative advantages, share best practices and promote synergies;
34. *Welcomes* the efforts to streamline and harmonize processes and the project cycle across the funds and *looks forward* to the outcomes of the Working Group on exploring additional streamlining measures to be presented at the 68th Council meeting in December 2024;
35. *Notes with appreciation* the work of the Working group on streamlining the Global Environment Facility’s project approval processes;
36. *Welcomes* the GEF’s efforts to streamline and harmonise processes, including in relation to the project cycle;
37. *Welcomes* the ongoing work of the GEF to streamline the project cycle and *encourages* the GEF to continue its efforts to streamline and increase efficiency of GEF operations;
38. *Encourages* the GEF to continue its work in streamlining the GEF Project Cycle;
39. *Supports* the Working Group exploring additional streamlining options for consideration by the GEF Council;
40. *Requests* the GEF, in supporting developing country Parties, to tailor support and modalities of support to the special circumstances of different countries taking into consideration their socioeconomic conditions, needs and priorities;
41. *Encourages* the GEF to circulate intersessional work programs for Council review and approval to allow for quicker review of projects;
42. *Requests* the GEF to take measures to ensure that all developing country Parties are able to access resources from the fund without restrictions, including political restrictions on individual states;

43. *Requests* the GEF to take measures to ensure that all developing country Parties are able to access resources from the fund without restrictions;
44. *Further requests* the Board to avoid adding any additional conditionalities for access, in particular for countries with significant capacity and institutional constraints;
45. *Recalls* that GEF-8 set a 36 percent floor for programming in least developed countries and small island developing states, and urges the GEF to prioritize climate change projects in LDCs and SIDS and to surpass this floor;
46. *Notes with concern* that as of June 2024, more than 30 percent of GEF-8 financing has gone to a single Implementing Agency, surpassing the ceiling of 30 percent for any Implementing Agency during GEF-8;
47. *Notes with concern* that as of June 2024, the GEF has not met the GEF-8 target of programming at least 10 percent of resources through the regional multilateral development banks and IFAD, and urges the GEF to meet this target;
48. *Urges* the GEF to ensure that a broad range of Implementing Agencies are engaged in GEF programming and to take steps to reduce concentration among a few Implementing Agencies;
49. *Urges* the GEF to assess and limit the risks induced by the current level of funding concentration on some of its Agencies;
50. *Calls* on the GEF to continue prioritizing its work on improving access and 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;
51. *Urges* the GEF, in its consideration of partnerships, to prioritize partnering with national and regional institutions to build local capacities, with a view to ensuring that projects are not only designed locally but also implemented and managed locally, enhancing sustainability and effectiveness;
52. *Recognizes* that developing country Parties have a higher number of needs for adaptation compared to other thematic areas and *requests* the GEF, in administering LDCF and SCCF, to ensure adaptation is adequately supported and to establish clear guidelines that differentiate between thematic areas;
53. *Requests* the GEF to take into account the adopted Global Goal on Adaptation and to explore manners to enable its full and effective implementation and develop clear and transparent mechanisms to track progress systems towards supporting the implementation of GGA targets;
54. *Encourages* the GEF to advance the implementation of transboundary and/or multi-country adaptation activities, including through the development and implementation of multi-country or regional adaptation plans, to enhance policy coherence and synergies, increase the efficient use of resources, and reduce trade-offs and the potential for maladaptation;
55. *Requests* the GEF, building on its Long-Term Vision on Complementarity, Coherence and Collaboration with the GCF and ongoing discussions on collaboration with other climate funds, to assist developing country Parties in developing short-, medium- and long-term adaptation finance and investment strategies with a view to enhancing their country ownership, access to the full range of existing financing sources and instruments and the expeditious and effective implementation of their adaptation priorities;
56. *Recalls* paragraph 6 of decision 13/CP.21, in which it is recognized that the definition and elaboration of linkages between the Technology Mechanism and the Financial Mechanism has the aim of ensuring financial resources for, and scaling up action on, technology development and transfer;
57. *Welcomes* the collaboration and cooperation between the Technology Mechanism and the Financial Mechanism, as highlighted on the submissions, synthesis report, workshop and

summary report referred to in paragraphs 10, 11, 12 and 14 of decision 10/CP.28, in particular the support by the GEF for conducting TNAs, and implementing TNA outcomes;

58. *Welcomes* continued efforts by the GEF to support the development of TNAs and *encourages* the GEF to continue explore ways to provide support;

59. *Welcomes* the collaboration of the GEF with the TEC and the CTCN, its continued support for TNAs in collaboration with UNEP, and its participation in the workshop at SB60 on linkages between the Technology Mechanism and the Financial Mechanism and encourages the continuation of such collaboration;

60. *Welcomes* the participation of the UNFCCC NDEs for technology development and transfer of Ghana, Jordan, Kazakhstan, Lebanon and Nigeria in their respective national dialogues and *encourages* the GEF to invite its Operational Focal Points to include UNFCCC NDEs in their national dialogues;

61. *Calls for* enhanced engagement with the Technology Mechanism (TM) to leverage the TM expertise in identifying technology needs and providing policy recommendations;

62. *Invites* the GEF to consider, in accordance with its respective mandate and modalities:

- (a) Establishment of key performance indicators to assess the linkage and its effectiveness;
 - (b) Facilitation of information required by constituted bodies for the assessment of the linkage between the Technology Mechanism and the Financial Mechanism;
 - (c) Actions to enhance the linkages with a view to increase;
 - (d) The provision of support through the Climate Technology Centre and Network;
 - (e) The number of Technology Needs Assessment conducted and updated, with a view to align the update of TNAs with the BTR cycle;
 - (f) The number of Technology Needs Assessment outcomes, including Technology Action Plans implemented;
 - (g) The number of Climate Technology Centre and Network technical assistance outcomes implemented;
 - (h) Support for the increase of the capacity of developing countries to request funds for conducting and updating TNAs, and translate TNAs outcomes and Climate Technology Centre and Network technical assistance results into GEF fundable proposals;
 - (i) The technology priorities identified by developing countries, the linkages, and invitation of inputs by the technology mechanism, when developing its future programming directions;
 - (j) Invitation to Technology Mechanism representatives to attend meetings and GEF activities, as appropriate;
 - (k) The successful approaches, lessons and gaps identified in the submissions, synthesis report, workshop and summary report referred to in paragraphs 10, 11, 12 and 14 of decision 10/CP.28;
 - (l) Work with the CTCN to more clearly define their roles with the aim of increased synergy;
 - (m) The involvement of stakeholders in all these efforts, in line with decision 1/CMA.5 para 105;
63. *Invites* the GEF to consider the recommendations and insights contained in the following reports by the TEC:
- (a) Technology and NDCs: Stimulating the Uptake of Technologies in Support of NDC Implementation;
 - (b) Mapping of initiatives that promote low and near zero emission production and products in hard-to- abate sectors of industry;

- (c) Future Needs in Research Development and Demonstration;
 - (d) The Climate Technology Progress Report 2023;
 - (e) Compilation of good practices and lessons learned on the setup and implementation of National Systems of Innovation;
 - (f) Gender-responsive technology and infrastructure for sustainable urban mobility;
 - (g) Innovative Approaches for Strengthening Coastal and Ocean Adaptation;
64. *Encourages* the GEF to increase initiatives for youth engagement in strengthening innovation, leveraging technologies, and fostering collaborations and capacity- building for long-term sustainability;
65. *Recalls* decision 5/CP.7 paragraphs 22-26 and *reaffirms* paragraph 19 of decision 5/CP.7;
66. *Requests* the GEF to provide an update on the requests referenced in paragraph 66 of this decision;
67. *Welcomes* the Policy on Gender Equality adopted by the GEF Council at its 53rd meeting and *underline* our support to its aim to ensure equal opportunities for women and men to participate in, contribute to and benefit from GEF-financed activities in support of the GEF's efforts to achieve global environment benefits. *We encourage* the GEF to ensure all its implementing partners fully comply with this policy in the implementation of GEF-supported projects for climate action;
68. *Welcomes* the work of the GEF to ensure gender is incorporated into GEF programmes/projects at all stages of the Project Management Cycle;
69. *Welcomes* the work of the GEF to ensure the substantive reflection of gender perspectives in all GEF-funded programs and *encourages* the GEF to continue to work with the UNFCCC Secretariat to support the review and development of a renewed work program on gender and climate change under the UNFCCC;
70. *Welcomes* the policy on gender equality adopted by the GEF Council and *encourages* the GEF to ensure that all its Implementing Agencies apply this policy;
71. *Takes note* of the GEF Council's decision to begin preparatory work related to protections for sexual orientation and gender identity;
72. *Requests* the GEF to update the GEF Policy on Gender Equality to include protections for sexual orientation and gender identity;
73. *Takes note* of the GEF's Gap Analysis of GEF Policies and Key Social Inclusion Issues and the findings that there are opportunities to facilitate additional knowledge sharing and consultation with Implementing Agencies to promote inclusion of persons with diverse sexual orientations and gender identities and *welcomes* the Timeline for Policy Actions endorsed by the GEF Council;
74. *Welcomes with appreciation* the references to the Inclusive GEF Assembly Challenge Program launched during Canada's hosting of the 7th GEF Assembly;
75. *Encourages* the GEF to clearly outline in each Work Program how Indigenous Peoples and Local Communities (IPLCs) are involved in the development of programmes/projects as well as the expected benefits to IPLCs from programmes/projects;
76. *Encourages* the GEF to clearly outline in the Work Program how Indigenous Peoples are involved in the design and delivery of projects;
77. *Invites* the GEF to, in line with the Guidelines for Engagement with Indigenous Peoples, enhance the inclusion of Indigenous Peoples, ensure safeguards for the rights of Indigenous Peoples, in particular free, prior and informed consent (FPIC) for funded actions and to incorporate Indigenous perspectives and diverse knowledge systems into the GEF's decision making;

78. *Welcomes* the GEF's efforts thus far to catalyse strong co-financing results for GEF-8 but supports more innovative funding sources, including from the private sector;
79. *Welcomes* the GEF's efforts to effectively engage and mobilize the private sector for innovative blended finance solutions in GEF-8 and *encourages* the GEF to continue strong co-financing of projects to further facilitate the expansion of supported initiatives as the GEF reaches the halfway point of the GEF-8 replenishment;
80. *Underlines* the potential of GEF's funding to contribute to the broader resource mobilization for climate change, including through enhanced mainstreaming of climate objective; in this regard, *welcomes* GEFs efforts to prioritize partnerships with the private sector in GEF-8 to promote technology deployment and transfer, to continue to improve policy frameworks to reduce investment risks and to continue, at transaction level, providing concessional financing through blended finance structures;
81. *Encourages* the GEF to report on co-finance that represents additional finance mobilized and highlights that co-finance targets are program-wide;
82. *Encourages* the GEF to expand programming through non-grant instruments, to further enable risk-taking and foster innovation in the context of its programming in order to use its concessional financing more effectively and mobilize additional private funds;
83. *Welcomes* the Global Environment Facility's statement on risk appetite, enabling increased support for innovative approaches to address the multiple drivers of environmental degradation;
84. *Supports* the prompt integration of appropriate risk appetite into management and operational arrangements, particularly the 'High' risk appetite for innovation, noting the importance of harnessing more innovative and transformational financing to address the scale of environmental challenges;
85. *Recalling* decision 6/CP.8 that reaffirms that capacity-building for developing country Parties is essential to enable them to participate fully in, and to implement effectively their commitments under, the Convention;
86. *Welcomes* the GEFs efforts on enhancing coherence and integration between NDCs, NAPs, and LTS's at the national, regional, and local levels and encourage the GEF to continue such efforts;
87. *Stresses the importance* of coherence and integration at the national and regional levels between the different planning processes, such that the NAPs, NDCs, LTS's, TNAs and TAPs of Parties are aligned and compatible with a 1.5 degree pathway;
88. *Encourages* the GEF to support recipients in cross-government efforts to improve policy coherence that catalyzes climate action;
89. *Requests* the GEF to consider ways to better serve different regions, including by taking into account the developing country Parties needs and challenges faced in implementing their transparency requirements under both the Convention and its Paris Agreement;
90. *Welcomes* the GEF's support for 207 Biennial Update Reports (BURs) in 132 countries, 558 National Communications (NCs) in 152 countries, and 144 Biennial Transparency Reports (BTRs) in 102 countries;
91. *Requests* the GEF to continue to enhance support for the formulation and implementation of National Communications and to enable developing country Parties to implement national reporting including costing of needs and to best assess the effectiveness of support provided;
92. *Requests* the Board to address the needs and challenges of developing country Parties in implementing the reporting requirements as per the Convention and its Paris Agreement and as provided for in Article 4, paragraph 8 of the Convention, considering the lack of accessibility for states that have not accessed the Fund sufficiently which hinders their ability to update national reports and hinders climate planning;

93. *Considers* that guidance to the GEF should be provided biennially. The arrangements between the COP and the GEF should be amended as contained in the appendix, for consideration and approval by the Council of the GEF before the thirtieth session of the COP, with a view to the next guidance from the COP and the CMA being provided to the GEF at their thirty-first and eighth sessions respectively.

II. Draft guidance from the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement

94. *Welcomes* the action taken by the GEF to provide support since February 2021 to developing country Parties for preparing their biennial transparency reports and building their institutional and technical capacity for implementing the enhanced transparency framework under the Paris Agreement;

95. *Welcomes* the update from the GEF that as of June 30, 2024, the GEF has approved BTR support to 102 countries for 144 BTRs, and three additional countries have submitted requests for GEF financial support for BTR preparation;

96. *Welcomes* the GEF's support for 207 Biennial Update Reports (BURs) in 132 countries, 558 National Communications (NCs) in 152 countries, and 144 Biennial Transparency Reports (BTRs) in 102 countries;

97. *Welcomes* the GEF's continued efforts to provide adequate and predictable financing for the biennial transparency reports (BTRs), including the increased support for BTRs and national greenhouse gas inventory reports, the combined application process for multiple BTRs and National Communications, and the expedited process for projects related to preparing BTRs;

98. *Notes* with concern that there are countries that are eligible but have not applied for GEF funding for their first BTR, which is due in December 2024 and encourages the GEF to motivate eligible countries to apply for BTR funding and to continue to make financing available for BTRs in an efficient manner;

99. *Welcomes* the GEF's support to 88 countries through 96 projects provided through the Capacity Building Initiative for Transparency (CBIT) to build country capacity to implement the enhanced transparency framework;

100. *Encourages* the GEF to use its Capacity Building Initiative for Transparency (CBIT) to continue to build country capacity and motivate eligible countries to use CBIT resources to establish and enhance national reporting systems to implement the enhanced transparency framework;

101. *Recalls* Article 13 of the Paris Agreement that requires transparency related capacity-building for developing country Parties to be provided on a continued basis to enable them to effectively implement the enhanced transparency framework;

102. *Recalls* Article 13 of the Paris Agreement that support shall be provided to developing country Parties by developed country Parties to implement the Enhanced Transparency Framework, including estimation of required support or including costing of needs;

103. *Requests* the GEF to strengthen efforts towards providing support to developing country Parties for building capacity, institutional arrangements, and trainings to effectively implement the enhanced transparency framework consistent with the specific needs and priorities and constraints of developing country Parties;

104. *Requests* the GEF to consider ways to better serve different regions, including by taking into account the developing country Parties needs and challenges faced in implementing their transparency requirements under the Paris Agreement;

105. *Recalls* decision X/CMA.5 para 12, *notes* the clear relationship between the outcomes of a technology needs assessment and the Information on financial, technology development and transfer and capacity-building support needed and received under Articles 9 11 of the Paris Agreement on BTRs and *requests* the GEF to consider further alignment in periodicity and increased funding for the BTR and TNAs;

106. *Reiterates* previous guidance from decision 17/CMA.4 and *requests* the GEF to further enhance its reporting annually whether and how Parties have used their System for Transparent Allocation of Resources country allocation for implementing technology needs assessment outcomes and technology action plans.

Appendix

Amended memorandum of understanding between the Conference of the Parties to the United Nations Framework Convention on Climate Change and the Council of the Global Environment Facility

This Memorandum of Understanding is concluded between the Conference of the Parties (hereinafter referred to as “the COP”) to the United Nations Framework Convention on Climate Change (hereinafter referred to as “the Convention”) and the Council of the Global Environment Facility (hereinafter referred to as the “Council of the GEF”), the international entity entrusted on an interim basis with the operation of the financial mechanism referred to in Article 11 of the Convention.

Introduction

The Parties to this Memorandum of Understanding,

Recalling Article 11 of the Convention and recognizing that the financial mechanism is to provide financial resources on a grant and concessional basis, including for the transfer of technology, and is to function under the guidance of and be accountable to the COP, which shall decide on its policies, programme priorities and eligibility criteria related to the Convention,

Recalling Article 11.1 which states that the operation of the financial mechanism shall be entrusted to one or more existing international entities,

Recalling also the decision of the first session of the COP on the maintenance of the interim arrangements referred to in Article 21.3 that the restructured GEF shall continue, on an interim basis, to be the international entity entrusted with the operation of the financial mechanism, referred to in Article 11,

Recalling further the willingness of the GEF to serve for the purposes of the financial mechanism of the Convention as provided in paragraph 6 of the Instrument for the Establishment of the Restructured Global Environment Facility (hereinafter referred to as “the Instrument”),

Recalling that, in accordance with Article 11.3, the COP and the entity or entities entrusted with the operation of the financial mechanism shall agree upon arrangements to give effect to Article 11.1 and 11.2,

Recalling further that, in accordance with paragraph 27 of the Instrument, the Council of the GEF is to consider and approve cooperative arrangements with the COP,

Have agreed as follows:

Purpose of arrangements

1. The purpose of this Memorandum is to give effect to the respective roles and responsibilities of the COP, the supreme body of the Convention, and the GEF, the international entity entrusted with the operation of the financial mechanism and to provide for the required interaction between them under Article 11 of the Convention and paragraphs 26 and 27 of the Instrument.

Determination and communication of guidance from the COP

2. The COP will, pursuant to Article 11.1, decide on policies, programme priorities and eligibility criteria related to the Convention for the financial mechanism which shall function under the guidance of and be accountable to the COP.

3. The COP will, after every second session, communicate to the Council of the GEF any policy guidance approved by the COP concerning the financial mechanism.

4. The Council will ensure the effective operation of the GEF as a source of funding activities for the purposes of the Convention in conformity with the guidance of the COP. It will report regularly to the COP on its activities related to the Convention and on the conformity of those activities with the guidance received from the COP.

Reconsideration of funding decisions

5. The funding decisions for specific projects should be agreed between the developing country Party concerned and the GEF in conformity with policy guidance from the COP. The Council of the GEF is responsible for approving the GEF work programmes. If any Party considers that a decision of the Council regarding a specific project in a proposed work programme does not comply with the policies, programme priorities and eligibility criteria established by the COP in the context of the Convention, the COP should analyse the observations presented to it by the Party and take decisions on the basis of compliance with such policies, programme priorities and eligibility criteria. In the event that the COP considers that this specific project decision does not comply with the policies, programme priorities and eligibility criteria established by the COP, it may ask the Council of the GEF for further clarification on the specific project decision and in due time may ask for a reconsideration of that decision.

Reports from the GEF to the COP

6. Annual reports of the GEF will be made available to the COP through its secretariat. Other official public documentation of the GEF will also be made available to the COP through its secretariat. In order to meet the requirement of its accountability to the COP, the Annual Report of the GEF will cover all GEF-financed activities carried out in implementing the Convention, whether such activities are carried out by the GEF Implementing Agencies, the GEF Secretariat or by executing agencies implementing GEF-financed projects. To this end, the Council of the GEF will require all such bodies, with respect to GEF-financed activities, to comply with GEF policy on disclosure of information.

7. In its reporting on GEF-financed activities under the financial mechanism, the GEF should include specific information on how it has applied the guidance and decisions of the COP in its work related to the Convention. This report should be of a substantive nature and incorporate the programme of GEF activities in the areas covered by the Convention and an analysis of how the GEF, in its operations related to the Convention, has implemented the policies, programme priorities and eligibility criteria established by the COP. In particular, a synthesis of the different projects under implementation and a listing of the projects approved by the Council in the climate change focal area as well as a financial report with an indication of the financial resources required for those projects should be included. The Council should also report on its monitoring and evaluation activities concerning projects in the climate change focal area.

8. The Council of the GEF may seek guidance from the COP on any matter it considers relevant to the operation of the financial mechanism of the Convention. Determination of funding necessary and available

9. In accordance with Article 11.3(d) of the Convention, which calls for arrangements to determine in a predictable and identifiable manner the amount of funding necessary and available for the implementation of the Convention and the conditions under which that amount shall be periodically reviewed, the COP and the Council shall jointly determine the aggregate GEF funding requirements for the purpose of the Convention. Procedures to facilitate such a joint determination will be developed by the COP and the Council and annexed to this Memorandum.

Cooperation between secretariats

10. The secretariats of the Convention and of the GEF shall cooperate and exchange on a regular basis views and experiences necessary to facilitate the effectiveness of the financial mechanism in assisting Parties to implement the Convention.

Representation in meetings of governing bodies

11. The participation of representatives of the Council of the GEF in meetings of the COP and of its subsidiary bodies will be governed by the rules of procedure of the COP. Likewise, the participation of representatives of the Convention in meetings of the Council of the GEF will be determined in accordance with the rules of procedure of the Council of the GEF. In formulating and applying its rules, each organization will make every effort to accord the other organization reciprocal representation privileges.

Review and evaluation of the financial mechanism

12. The COP will periodically review and evaluate the effectiveness of all modalities established in accordance with Article 11.3. Such evaluations will be taken into account by the COP in its decision, pursuant to Article 11.4, on arrangements for the financial mechanism.

Modification of the Memorandum of Understanding

13. This Memorandum of Understanding may only be modified in writing by agreement between the COP and the Council of the GEF.

Entry into effect

14. This Memorandum of Understanding shall come into force upon its approval by the COP of the Convention and the Council of the GEF.

Termination

15. This Memorandum of Understanding may be terminated by either Party giving six months' notice in writing to the other.

Annex II

Information received from the secretariat of the Global Environment Facility on proposed draft guidance

Table 1

Information received from the secretariat of the Global Environment Facility on proposed draft guidance from the Conference of the Parties

<i>Paragraph of this document</i>	<i>Information from the GEF secretariat</i>
<p>92. <i>Requests</i> the Board to address the needs and challenges of developing country Parties in implementing the reporting requirements as per the Convention and its Paris Agreement and as provided for in Article 4, paragraph 8 of the Convention, considering the lack of accessibility for states that have not accessed the Fund sufficiently which hinders their ability to update national reports and hinders climate planning</p>	<p>The proposed guidance is unclear on what are the specific actions required by the GEF and it does not illustrate the reasons why some country may have not accessed funds to date.</p> <p>It should be noted that most EAs for reporting do not need council approval and the time that it takes from submission of funding request to CEO Approval/ endorsement is now on average less than 3 months. The LDCs and SIDS can submit their BTR reports to UNFCCC at their discretion. In the reporting period, the GEF has approved support to 33 countries to prepare their BTRs with \$33.2 million.</p> <p>In addition to BTRs, the GEF has continued to support other EAs. As of June 30, 2024, cumulatively, a total of 207 BURs have been approved in 132 countries, a total of 558 NCs have been approved in 152 countries, and a total of 144 BTRs have been approved in 102 countries.</p>
<p>17. <i>Invites</i> the GEF to consider consultation with relevant UNFCCC bodies, when developing the drafts of the GEF programming directions for GEF-9, in particular the TEC and the CTCN for technology topics</p>	<p>The GEF consults with the relevant representatives of all Conventions during the replenishment process, including the UNFCCC. It would not be practical to consult with all technical bodies of each Convention or MEAs that the GEF serves. Priorities for each MEA should be conveyed through MEA representatives and participants.</p>
<p>20. <i>Requests</i> the GEF to consider support for the early stages of the technology cycle in GEF-9 and to report to the Conference of the Parties the amount of funding provided for research, development and demonstration</p>	<p>In the context of the GEF Programming Directions, Parties are already able to use their allocated STAR resources according to their national needs to develop and/or facilitate transfer of locally appropriate climate technologies. Many GEF projects already finance climate-friendly tech transfer or development. In the formulation of their projects, Parties can include components related to technology development and demonstration, and the GEF already reports on a broad breakdown of the funding provided, by technology type.</p> <p>The actual quantity of funding going to each technology stage is not up to the GEF to decide but remains in the realm of the</p>

<i>Paragraph of this document</i>	<i>Information from the GEF secretariat</i>
<p>45. <i>Recalls</i> that GEF-8 set a 36 percent floor for programming in LDCs and SIDS and <i>urges</i> the GEF to prioritize climate change projects in LDCs and SIDS and to surpass this floor</p>	<p>countries that design projects with their selected Agencies.</p> <p>The project documents for GEF Projects are publicly available and it is purview of countries to determine where in the technology cycle their projects belong. It is not feasible for the GEF to reports to each Convention by technology stage, nor is it the role of the GEF and would go against the efforts to further streamline the project cycle and reporting requirements.</p> <p>Regarding STAR: while the GEF continues to program climate change resources as new PIFs are submitted, it is important to note that GEF recipient countries have full flexibility to decide how to program their resources across the three STAR focal areas, i.e., Climate Change, Biodiversity and Land Degradation. The countries decide what focal areas they would like to program their resources.</p>
<p>29. <i>Urges</i> the GEF to accelerate its efforts in aligning programming, policies and processes with other climate funds, and further strengthening complementarity and coherence with the broader climate finance architecture in order to enhance access to climate finance, improve its impact, play an enabling role in the international financial architecture and jointly work in a cost-efficient manner that increase the amount of climate finance dedicated to action on the ground</p>	<p>This work is currently ongoing. The Multilateral Climate Funds (MCFs) are meeting regularly to discuss how to incorporate comments from the respective governing bodies in a revised Joint Action Plan, to be presented by the Heads of the MCFs at COP29.</p> <p>In addition, the MCFs are working on the implementation of the short-term priorities that were identified in the Joint Action Plan, as presented to the GEF Council in June 2024.</p>
<p>31. <i>Urges</i> the GEF to closely analyze the upcoming G20 Sustainable Finance Working Group’s report jointly with the other Multilateral Climate Funds and implement the report’s recommendations as appropriate</p>	<p>On joint programming, the GEF and GCF are discussing advancing this agenda under the LTV, and with the other funds there are incipient discussion on how to potentially engage with country platforms. Such activity is also identified in the Joint Action Plan as a mid-term action.</p> <p>The GEF is currently engaged substantially with the work of the G20 SFWG. It has provided inputs on the different documents that were circulated for consultation (including the main sustainable finance report and the report on the reforms of the vertical funds). The GEF has also participated in person to the meetings of the SFWG to date and is planning to participate in future meetings.</p>
<p>63. <i>Invites</i> the GEF to consider the recommendations and insights contained in the following reports by the TEC:</p> <p>a. Technology and NDCs: Stimulating the Uptake of Technologies in Support of NDC Implementation;</p>	<p>These are informative background information documents and may be useful for project design processes, which the GEF is typically not part of, being led by the Agencies and the Countries.</p>

<i>Paragraph of this document</i>	<i>Information from the GEF secretariat</i>
<p>b. Mapping of initiatives that promote low and near zero emission production and products in hard-to- abate sectors of industry;</p> <p>c. Future Needs in Research Development and Demonstration;</p> <p>d. The Climate Technology Progress Report 2023;</p> <p>e. Compilation of good practices and lessons learned on the setup and implementation of National Systems of Innovation;</p> <p>f. Gender-responsive technology and infrastructure for sustainable urban mobility;</p> <p>g. Innovative Approaches for Strengthening Coastal and Ocean Adaptation;</p>	
<p>40. <i>Requests</i> the GEF, in supporting developing country Parties, to tailor support and modalities of support to the special circumstances of different countries taking into consideration their socioeconomic conditions, needs and priorities</p>	<p>The GEF has a number of capacity building programs which reach out to countries to assist with project and program development.</p>
<p>45. <i>Recalls</i> that GEF-8 set a 36 percent floor for programming in LDCs and SIDS and <i>urges</i> the GEF to prioritize climate change projects in LDCs and SIDS and to surpass this floor</p>	<p>Regarding STAR: while the GEF continues to program climate change resources as new PIFs are submitted, it is important to note that GEF recipient countries have full flexibility to decide how to program their resources across the three STAR focal areas.</p>
<p>50. <i>Calls</i> on the GEF to continue prioritizing its work on improving access and 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</p>	<p>The GEF Council established an ad hoc streamlining working group to explore additional streamlining measures, with representation from both donor and recipient countries, as well as GEF secretariat staff. This group is consulting with GEF Agencies, GEF Focal Points, and other stakeholders to develop streamlining recommendations for future Council meetings.</p> <p>The MSP funding ceiling was recently raised to USD 5 million, and experiences from the streamlined cycle for GBFF projects may provide relevant insights to help inform the next stages of the streamlining efforts for the GEF, including the LDCF and SCCF.</p> <p>This information can be also found in the annual report of the GEF to the COP.</p>
<p>52. <i>Recognizes</i> that developing country Parties have a higher number of needs for adaptation compared to other thematic areas and requests the GEF, in administering LDCF and SCCF, to ensure adaptation is adequately supported and to establish clear guidelines that differentiate between thematic areas</p>	<p>The GEF Programming Directions and LDCF/SCCF Programming Strategy outline topics and themes that climate funds managed by the GEF can support. LDCF and SCCF have been financed by voluntary contributions, and the ability of the GEF to support adaptation depends on such contributions. The GEF Trust Fund, which</p>

<i>Paragraph of this document</i>	<i>Information from the GEF secretariat</i>
<p>53. <i>Requests</i> the GEF to take into account the adopted Global Goal on Adaptation (GGA) and to explore manners to enable its full and effective implementation and develop clear and transparent mechanisms to track progress systems towards supporting the implementation of the GGA targets</p>	<p>includes the climate mitigation focal area, is based on the replenishment model.</p> <p>The GEF Trust Fund programming directions, identifies what can be financed for the period 2022–2026. Furthermore, there is also the GEF Programming Strategy on Climate Adaptation. These documents identify the areas where the GEF will provide finance. The Global Goal on Adaptation is embedded in the GEF Programming Strategy on Adaptation. The goal of the GEF Programming Strategy on adaptation is to facilitate transformational adaptation in developing countries towards achieving the Paris Agreement’s global goal on adaptation.</p>
<p>62. <i>Invites</i> the GEF to consider, in accordance with its respective mandate and modalities:</p> <ul style="list-style-type: none"> a. Establishment of key performance indicators to assess the linkage and its effectiveness; b. Facilitation of information required by constituted bodies for the assessment of the linkage between the Technology Mechanism and the Financial Mechanism; c. Actions to enhance the linkages with a view to increase; d. The provision of support through the Climate Technology Centre and Network; e. The number of Technology Needs Assessment conducted and updated, with a view to align the update of TNAs with the BTR cycle; f. The number of Technology Needs Assessment outcomes, including Technology Action Plans implemented; g. The number of Climate Technology Centre and Network technical assistance outcomes implemented; h. Support for the increase of the capacity of developing countries to request funds for conducting and updating TNAs, and translate TNAs outcomes and Climate Technology Centre and Network technical assistance results into GEF fundable proposals; i. The technology priorities identified by developing countries, the linkages, and invitation of inputs by the technology mechanism, when developing its future programming directions; j. Invitation to Technology Mechanism representatives to attend meetings and GEF activities, as appropriate; k. The successful approaches, lessons and gaps identified in the submissions, synthesis report, workshop and summary 	<ul style="list-style-type: none"> e - This bullet is unclear because TNAs are voluntary and done at the request of the recipient, unlike BTRs or NCs that are obligatory in nature. f, g, h - countries continue to have access to GEF resources to carry out TNAs. As demonstrated by the latest Global TNA Project (Phase V), countries can and decide to use part of their STAR allocations for this. The TNA V project - for which a request for CEO endorsement was submitted during the last reporting period - supports a total of 17 countries in developing or updating their TNAs. 12 of the 17 countries are using STAR resources, whereas 5 countries are using set aside resources. More information can be found in the GEF report to the COP. i - Inputs can be channelled to the replenishment process through country representation in the GEF Council and through the UNFCCC representative. j - As the GEF serves as Financial Mechanism for multiple Convention, and already invites observers from each Convention to attend, it would not be practical if representatives from technical bodies under all Conventions were to be invited to GEF Council. Any comments from the TM can be duly channelled to GEF Council through the countries’ GEF Council representative, GEF operational focal point, or through the UNFCCC representative. l - The respective roles of GEF and CTCN are clearly defined. GEF recipient countries can access funding at their discretion from the GEF to get services from CTCN in the design or implementation stages of GEF-funded projects or programs. This is the decision of the recipient country, and it can be incorporated in the project design form (PIF) by the Agency.

<i>Paragraph of this document</i>	<i>Information from the GEF secretariat</i>
<p>report referred to in paragraphs 10, 11, 12 and 14 of decision 10/CP.28;</p>	
<p>l. Work with the CTCN to more clearly define their roles with the aim of increased synergy;</p>	
<p>m. The involvement of stakeholders in all these efforts, in line with decision 1/CMA.5 para 105.</p>	
<p>89. <i>Requests</i> the GEF to consider ways to better serve different regions, including by taking into account the developing country Parties needs and challenges faced in implementing their transparency requirements under both the Convention and its Paris Agreement</p>	<p>The GEF has been consistently providing guidance and requesting feedback on procedures to access funding to implement the transparency framework, and it has worked to expedite and streamline access to transparency-related funding over the last two GEF cycles. It is unclear what specific needs and challenges is this paragraph is requesting the GEF to consider as it already serves all regions in their efforts to meet the ETF requirements under the Paris Agreement.</p>
<p>91. <i>Requests</i> the GEF to continue to enhance support for the formulation and implementation of National Communications and to enable developing country Parties to implement national reporting including costing of needs and to best assess the effectiveness of support provided</p>	<p>This language is unclear on the costing of needs. The current level of support for BTR was determined through consultations that included parties and based on a long-established practice and costing of supporting enabling activities under the Convention, even considering the enhanced requirements of the BTRs. Countries that have higher needs can access additional funding from their STAR allocations to supplement set-aside resources.</p>
<p>92. <i>Requests</i> the GEF to address the needs and challenges of developing country Parties in implementing the reporting requirements as per the Convention and its Paris Agreement and as provided for in Article 4, paragraph 8 of the Convention, considering the lack of accessibility for states that have not accessed the Fund sufficiently which hinders their ability to update national reports and hinders climate planning</p>	<p>The proposed guidance is unclear on what are the specific actions required by the GEF and it does not illustrate the reasons why some country may have not accessed funds to date.</p> <p>It should be noted that most EAs for reporting do not need council approval and the time that it takes from submission of funding request to CEO endorsement is now on average less than 3 months. The LDCs and SIDS can submit at their discretion. In the reporting period, the GEF has approved support to 33 countries to prepare their BTRs with \$33.2 million.</p> <p>In addition to BTRs, the GEF has continued to support other EAs. As of June 30, 2024, cumulatively, a total of 207 BURs have been approved in 132 countries, a total of 558 NCs have been approved in 152 countries, and a total of 144 BTRs have been approved in 102 countries.</p>

Table 2

Information received from the secretariat of the Global Environment Facility on proposed draft guidance from the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement

<i>Paragraph of this document</i>	<i>Information from the GEF secretariat</i>
101. <i>Recalls</i> Article 13 of the Paris Agreement that requires transparency related capacity-building for developing country Parties to be provided on a continued basis to enable them to effectively implement the enhanced transparency framework	Regarding on a continued basis, several countries are already requesting funding for CBIT phase 2, demonstrating continuity between the first phase of the support and the second one. Countries can submit requests for CBIT 2 once they have completed their CBIT 1 project.
103. <i>Requests</i> the GEF to strengthen efforts towards providing support to developing country Parties for building capacity, institutional arrangements, and trainings to effectively implement the enhanced transparency framework consistent with the specific needs and priorities and constraints of developing country Parties	Every CBIT request that was received by the GEF has been approved (with only few currently undergoing the normal approval process). There are substantial resources still available in the CBIT trust fund and there is a rich pipeline of CBIT projects with Agencies. The GEF expects substantial support to continue to be approved for the remainder of the GEF8 cycle (and beyond, pending the GEF9 negotiation outcomes).
104. <i>Requests</i> the GEF to consider ways to better serve different regions, including by taking into account the developing country Parties needs and challenges faced in implementing their transparency requirements under the Paris Agreement	The GEF has been consistently providing guidance and requesting feedback on procedures to access funding to implement the transparency framework, and it has worked to expedite and streamline access to transparency-related funding over the last two GEF cycles. It is unclear what specific needs and challenges is this paragraph is requesting the GEF to consider as it already serves all regions in their efforts to meet the ETF requirements under the Paris Agreement.
105. <i>Recalls</i> decision CMA5 para 12, notes the clear relationship between the outcomes of a TNA and the Information on financial, technology development and transfer and capacity-building support needed and received under Articles 9 and 11 of the Paris Agreement on BTRs and <i>requests</i> the GEF to consider further alignment in periodicity and increased funding for the BTR and TNAs	The periodicity of the reporting requirements and the relative submissions of TNA reports by countries to the UNFCCC is not at the discretion of the GEF.
106. <i>Reiterates</i> previous guidance from decision 17/CMA.4 and <i>requests</i> the GEF to further enhance its reporting annually whether and how Parties have used their STAR country allocation for implementing TNA outcomes and technology action plans	This information is contained in the GEF report to COP29 (section on TNAs - para 235 to 248). The GEF will continue to report on this data in future reports to COPs.