

Guidance to the operating entities of the Financial Mechanism

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*This advice is provided in response to **Query 69/24***

Query:

1. Is it legal to discuss and agree on guidance to the operating entities of the Financial Mechanism under any COP agenda item, in particular in technology agenda items such as the linkage between the technology mechanism and financial mechanism, or must such guidance come from the GEF and GCF agenda items only?
2. Is it possible to transfer an agenda item from the technology room to the finance room? & vice versa?
3. If so, what would be the procedure?
4. How can it be ensured that both finance & technology negotiators participate in the agenda item that is relevant to both and is placed either under technology or under finance, and what provision needs to be made, or could helpfully be made, in order for this to happen? The point is intended to address practical aspects: that the scheduling does not clash with other negotiations on finance or that it appears as a combined item in the scheduling. Could this also be guaranteed by duplicating the agenda item in both streams? And finally, does the request for scheduling or duplicating the agenda item require a 'formal' action, such as requesting it to the Secretariat in a decision?

Advice:

Query 1

Pursuant to a mandate issued at COP17, the Standing Committee on Finance (**SCF**) is directed to provide the COP with draft guidance for the operating entities of the Financial Mechanism, taking into account the annual reports of the operating entities as well as submissions from Parties.¹ In October 2024, the SCF released its annual report and annexed a zero draft guidance to the Green Climate Fund

¹ Decision 2/CP.17, para. 121(c). <https://unfccc.int/documents/7109>.

(**GCF**) and Global Environment Facility (**GEF**), as the operating entities of the Financial Mechanism, for consideration by the COP at COP29.²

Guidance to the GCF and GEF, which may be based on the draft guidance prepared by the SCF, will be addressed under agenda items 8(b) and 8(c) respectively of the COP29 Provisional agenda³ which sits under the general category of “matters related to finance”. The SCF draft guidance is the starting point to inform the negotiations on guidance to the GCF and GEF and that guidance will ultimately be informed by what is raised in the negotiations each year and decided by the COP.

The COP may also issue more guidance under different agenda items and, in some cases, under different negotiations streams where relevant, to the operating entities of the Financial Mechanism or generally, which the GCF or GEF may refer to in subsequent reports for guidance.

For example, the Report of the Global Environment Facility to COP21 provides an update on progress in addressing to guidance received from the COP, CMA, SBSTA and SBI at earlier sessions. Most of this guidance has originated from a decision where COP considered the GEF’s annual report and issued guidance, however, some general guidance has arisen from different decisions. For example, paragraph 6 of Decision 7/CP.25 notes that funding has been made available for developing country Parties under the Green Climate Fund, the Least Developed Countries Fund and the Special Climate Change Fund for the process to formulate and implement national adaptation plans. Similarly, at paragraph 2 of the Decision 8/CP.25 on Annual technical progress report of the Paris Committee on Capacity-building for 2019, the COP ‘Invites Parties, as appropriate, the operating entities of the Financial Mechanism, the constituted bodies under the Convention, United Nations organizations, observers and other stakeholders to consider the recommendations referred to in paragraph 1 above and to take any necessary action, as appropriate and in accordance with their mandate’.

These are examples of decisions where the COP has given more general guidance to the GCF or GEF outside the mandate to issue annual guidance.

Linkages between the technology mechanism and the financial mechanism is a separate agenda item 9(b) on the COP29 provisional agenda and item 14(b) of the SBI61 provisional agenda – both of which sit under the category of “matters related to technology development and transfer”. Recalling Decision 3/CP.17 and Decision 1/CP.18, the COP has encouraged the developing of the linkages between the Technology Mechanism and the financial mechanism of the Convention. Most recently, at COP28, in Decision 10/CP.28, the COP encouraged and invited ongoing collaboration between the operating entities of the Financial Mechanism and the Technology Mechanism.

In Decision 10/CP.28, the COP requested Parties, the operating entities and other relevant stakeholders to submit views on maintaining and enhancing this collaboration, taking into account guiding questions annexed to Decision 10/CP.28. The COP requested the secretariat to prepare a synthesis report on these submissions, for a workshop to be continued at the SBI60 Bonn Conference in June 2024, and for the Standing Body on Implementation (**SBI**) to initiate at its 61st session (which will occur in November 2024 alongside COP29), discussions on the submissions, synthesis report and the workshop, with a view to recommending a draft decision for consideration and adoption by the COP at COP29. The Technology Executive Committee published its summary report of the in-session workshop on 25 September 2025⁴, which will inform further consideration of linkages when agenda

² SCF, ‘Report of the Standing Committee on Finance. Addendum. Draft guidance to the Global Environment Facility’, *UNFCC* (FCCC/CP/2024/6/Add.7, 25 October 2024) <https://unfccc.int/documents/641148> and SCF, ‘Report of the Standing Committee on Finance. Addendum. Draft guidance to the Green Climate Fund’, *UNFCCC* (FCCC/CP/2024/6/Add.6, 25 October 2024) <https://unfccc.int/documents/641123>.

³ ‘Provisional agenda and annotations’, *UNFCCC* (FCCC/CP/2024/1, 29th session of the COP, 30 August 2024).

⁴ FCCC/SBI/2024/16

item 14(b) is taken up at SBI61. At SB60 Parties considered the Co-facilitators draft text for a decision to be recommended to COP29 on this matter⁵ which may provide a starting point for further negotiations by any contact group established at SBI61.

While there are two separate mandates which come into question here – one with respect to preparation of draft guidance on operating entities of the Financial Mechanism and the other with respect to the linkages between the Technology Mechanism and the Financial Mechanism of the Convention, we have seen increasing each referred to within decisions with respect to the other. Discussions under each must be under their respective agenda item and pursuant to the corresponding mandate, however, to the extent that there is overlapping content in the mandates, these matters can be raised during the negotiations under each agenda item. We can see this is the draft guidance documents annexed to the SCF report, which both include sections specifically addressing the joint work on technology and finance. For example, both the draft guidance to the GCF and GEF calls for ‘enhanced engagement with the Technology Mechanism to leverage the TM expertise in identifying technology needs and providing policy recommendation’ and invites the Board to consider recommendations on technology and NDCs.

As a matter of practice, Parties negotiating conclusions and decisions under each agenda item must do so in a manner that is consistent with their mandate.⁶ Therefore, comprehensive guidance to the operating entities of the Financial Mechanism should mainly -but not necessarily exclusively- come through agenda items 8(b) and 8(c) of the COP29 Provisional agenda pursuant to the COP mandate to the SCF to prepare draft guidance for the COP to consider and adopt.

Query 2, 3 and 4

Linkages between the Technology Mechanism and the Financial Mechanism is listed as SBI61 agenda item 14(b) within matters relating to technology development and transfer. It is not listed in (or duplicated in) SBI61 agenda item 15 relating to finance, or otherwise linked to the COP29 finance agenda items. As a result, the lead negotiators will be typically be technology negotiators rather than finance negotiators and there is a risk that work streams may run in parallel so that finance negotiators and experts won’t be available to participate in the linkages item. In practice, however, both technical and financial issues will need to be discussed under agenda item 14(b) Linkages between the Technology Mechanism and the Financial Mechanism.

We would consider it very difficult to duplicate or otherwise create the ‘Linkages between the technology mechanism and the financial mechanism’ agenda item as a new item under the finance category, especially for COP 29. This is in part because this could be construed as seeking to establish a new agenda item in circumstances where there has not been requisite notice given to the COP President and Secretariat to raise a new agenda item in accordance with the [UNFCCC Rules of Procedure](#). Furthermore, appetite for such duplication where there is an existing item which is intended to address the mandate given by the COP is likely to face resistance from some Parties.

There is no procedural guidance related to the movement of agenda items between negotiating ‘rooms’ per se. Whilst we have seen Parties successfully advocate for particular agenda items to be moved from one SB to another or to be jointly considered by SBI and SBSTA, this is typically taken up during the negotiations with a decision to refer work to a particular subsidiary body made by the COP (or CMA). In this instance, the COP has delegated consideration of the ‘Linkages between the technology mechanism and the financial mechanism’ agenda item to SBI, who will need to progress its mandate as it sees fit. SBI’s mandate to consider finance items is limited to those matters that have

⁵ [Linkages between the Technology Mechanism and the Financial Mechanism \(unfccc.int\)](#)

⁶ See further detail on contact group rules of procedure at [Contact Groups and six month rule \(legalresponse.org\)](#)

been referred to it by the COP, noting that the agenda items on Guidance to the GCF and the GEF sit with the COP itself.

However, there are practical ways around pursuing engagement on the item across the technology and finance streams.

To ensure both technical and financial experts can be in attendance at the session on Linkages between the technology Mechanism and the Financial Mechanism and that technology experts can inform the session on Guidance to the GEF and the GCF, steps can be taken to request that agenda items 14 (technology) and item 15 (finance) of SBI61 and similarly items 8 (finance) and 9 (technology) of the COP29 agenda are not scheduled at the same time, to ensure that experts from both can attend either session.

Parties will need to raise this with the Secretariat and make representations in their interventions in the opening plenaries for SBI61 and COP (and again when the contact groups for the relevant items are convened) to indicate the potential scheduling conflict, and ensure that technical experts from each can attend both sessions. If brought to the attention of the Secretariat early at the opening plenaries, the Secretariat will have an opportunity to consider and action.

The other option to raise a scheduling request would be by a letter to the executive secretary in advance of the plenaries, requesting that the finance and technical streams are not scheduled at the same time. Alternatively, the request could be more specific, such that SBI61 agenda item 14(b) not be scheduled at the same time as COP29 agenda items 8(b) and 8(c), where the guidance to the operating entities of the Financial Mechanism will be considered.

Another alternative would be to request a joint contact group, which is sometimes done where there is an overlap between issues. Usually this would be within the same forum or stream, however, this could be requested, noting the interconnection between the Financial Mechanism and Technical Mechanism, through the cofacilitators of each item at the contact group or by approaching the SBI61 Chair or the COP29 President to make a request.