



## What is the financial mechanism? What are the other funds?

To facilitate the provision of climate finance, the Convention established a financial mechanism to provide financial resources to developing country Parties. The financial mechanism also serves the Kyoto Protocol and the Paris Agreement.

The Convention states that the operation of the financial mechanism can be entrusted to one or more existing international entities. The [Global Environment Facility \(GEF\)](#) has served as an operating entity of the financial mechanism since the Convention's entry into force in 1994. At COP 16, in 2010, Parties established the [Green Climate Fund \(GCF\)](#) and in 2011 also designated it as an operating entity of the financial mechanism. The financial mechanism is accountable to the COP, which decides on its policies, programme priorities and eligibility criteria for funding.

In addition to providing guidance to the GEF and the GCF, Parties have established two special funds—the [Special Climate Change Fund \(SCCF\)](#) and the [Least Developed Countries Fund \(LDCF\)](#), both managed by the GEF—and the [Adaptation Fund \(AF\)](#) established under the Kyoto Protocol in 2001.

At the Paris Climate Change Conference in 2015, the Parties agreed that the operating entities of the financial mechanism – GCF and GEF – as well as the SCCF and the LDCF shall serve the Paris Agreement. Regarding the Adaptation Fund serving the Paris Agreement negotiations are underway in the Ad hoc Working Group on the Paris Agreement ([APA](#)).