



Daily Briefing
16th Standing Committee on Finance Meeting
21 September 2017

This is the Climate Finance Advisory Service (CFAS) Daily Briefing. Produced at key meetings and negotiations by the CFAS expert team, the Daily Briefings try to provide a concise, informative update on key discussions that have taken place at each day of the meeting and give an overview of substantive points of action or progress. Please note that this is an independent summary by CFAS and not officially mandated by the SCF.

During the meetings, CFAS experts are available to provide advice to and answer specific questions for Board Members, Alternates and their advisers from developing countries. The CFAS team can be reached via cfas@germanwatch.org.

Previous daily briefings and other CFAS analyses are available on the new **CFAS website** www.cfas.info.

The CFAS Team

Summary from 21 September 2017

On Thursday, 21 September 2017, the Standing Committee on Finance (SCF) concluded its 16th meeting, bringing together the work conducted over the past four days. As the Committee lost its quorum at the end of the meeting, some agenda items will need to be finalized intersessionally before the 23rd Conference of the Parties (COP) in Bonn.

2018 Biennial Assessment and Overview of Climate Finance Flows

SCF members were briefed by the co-facilitator on the discussions held over the past four days. As indicated in yesterday's stocktaking session, the SCF agreed on the package for the 2018 Biennial Assessment and Overview of Climate Finance Flows (BA). Accordingly, the 2018 BA will consist of i) a technical paper; ii) a summary and recommendations; and iii) aggregate-level data on a dedicated website. In addition, the SCF agreed on the outlines for the technical report, as well as the summary and recommendations. A call will be issued after COP 23 in order to draw on inputs from relevant stakeholders. Similar to previous BAs, the elaboration of the 2018 BA will be accompanied by technical meetings organized in conjunction with the 17th and 18th SCF meetings, in order to exchange views and interact with data aggregators.

MRV of support beyond the Biennial Assessment

On the issue of Measurement, Reporting and Verification (MRV) of support beyond the Biennial Assessment, the co-facilitator presented the outcomes of the discussions for consideration by the Committee. The SCF will extend the 2016-2017 workplan on MRV of support beyond the BA undertaking additional activities in 2018. The SCF Co-Chairs as well as the co-facilitators of the working group will liaise with the Chairs of the Subsidiary Body for Scientific and Technological Advice (SBSTA) and the Ad Hoc Working Group on the Paris Agreement (APA), with a view to providing technical input on matters relating to transparency of support. Furthermore, the co-facilitators will prepare a technical input intersessionally, including input drawing from the 2016 BA, to inform the ongoing work under SBSTA on "modalities for the accounting of financial resources" and APA on "modalities, procedures and guidelines for the transparency framework" of the Paris Agreement.

Report of the 2017 SCF Forum

Building on the partially difficult and intense discussions of the previous days, SCF members resumed the consideration of the report of the 2017 SCF Forum. The group's co-facilitator announced that the long report and recommendations will be the main outcomes of this work stream, which will be annexed to the report of the SCF to the COP. The summary report however, would not be made public. SCF members revisited the draft recommendations, in order to find agreement on the issues where consensus could not yet be reached. After prolonged conversations and some informal consultations, remaining issues could finally be resolved.

On the basis of the outcomes of the 2017 Forum, the SCF inter alia decided to recommend inviting developing country Parties to develop policy and strategic planning frameworks that incorporate national climate-resilient infrastructure priorities into investment decisions in the context of Nationally Determined Contributions (NDCs) and National Adaptation Plans (NAPs); encouraging developing countries to take advantage of the resources already available through operating entities of the financial mechanism to strengthen their capacities at local, subnational and national level to develop climate-resilient infrastructure projects; and inviting Parties to encourage an enhanced engagement of government agencies, including ministries of finance and planning, to further mainstream climate resilience and integrate it into infrastructure plans, as well as national development strategies and budgetary processes.

Theme of the 2018 SCF Forum

The co-facilitators of the breakout group presented a revised reflections note outlining two thematic clusters that could form the basis for a theme of the 2018 SCF Forum: 1) Financing climate-resilient cities and 2) Climate finance architecture, along with specific elements that could be addressed in the context of these topics. The SCF welcomed the note and agreed to accept the offer by the Republic of Korea to co-host the 2018 Forum, pending the consideration of the adoption of the topic by the SCF. In addition, the co-facilitators were requested to prepare a clearly structured proposal on the topic of the forum within one month, building on the clusters identified in the reflections note, which will be shared with the SCF for approval.

Sixth Review of the Financial Mechanism

In the morning, SCF members and observers reconvened in a breakout group to conclude the work on the draft recommendations based on the summary of the technical paper on the sixth review of the financial mechanism. Members revisited some of the paragraphs addressed in previous discussions, as well as considered elements that had not been considered before. Ultimately, SCF members were able to resolve most of the issues that had emerged in the past days, removing remaining brackets and making necessary amendments to the text in order to accommodate different views.

Inter alia, the SCF decided to request the Board of the GCF, after reviewing its webcast arrangement, to consider making webcasting of its meeting permanent. In addition, the SCF agreed to recommend the GCF Board to consider how it may enhance engagement by civil society organizations (CSOs) in its meetings and operations, with particular regard to those CSOs from developing countries. Regarding stakeholder engagement, a recommendation was formulated for the GCF Board to assess the engagement of stakeholder in its meetings and operations.

Draft Guidance to the Operating Entities of the Financial Mechanism

Building on the work conducted over the past four days, the group's co-facilitator presented the results on the draft guidance to the operating entities of the financial mechanism. In this regard two draft decisions were presented: one regarding draft guidance to the Global Environment Facility (GEF); and one regarding guidance to the Green Climate Fund (GCF). Apart from paragraphs where agreement could already be reached by the Committee, both decisions include an annex with elements that are either already addressed by the operating entities or on the agenda of their upcoming meetings; those where discussions among SCF members could not be concluded; and those where further input from the proponents was needed. The COP in Bonn will be invited to consider these draft decision as the basis for negotiations.

Work around deciding on the frequency of guidance and on identifying a draft set of core guidance could not be moved forward significantly, given the amount

of time needed to develop the draft guidance to the operating entities. SCF members will continue deliberations in this regard, such as refining the work on the Compilation and Analysis (C&A) of past guidance received, aimed at consolidating all previous guidance given to the operating entities that represents guidance that are ongoing and relevant for the operations of the operating entities, as well as past guidance that has been overtaken by newer guidance or duplicates more recent ones.

Last but not least, the SCF agreed to respond positively to the invitation to attend the annual meeting with the GCF and other constituted bodies of the Convention at COP 23 in Bonn.

Review of the Functions of the SCF

Following the discussions during the meeting, the SCF finalized its draft self-assessment report, which serves as one of the sources of information for the review of the functions of the SCF. Inter alia, the report includes proposals for the further improvement and enhancement of specific areas of work of the SCF, such as working modalities and governance, based on individual suggestions from SCF members.

Other matters

Without a quorum, the SCF could not conclude discussions on the Report of the SCF to the COP. In order to finalize work, the full draft report will be circulated to SCF members next week, which will be invited to provide comments by 5 October 2017. A revised report will then be shared with members for adoption on a non-objection basis.

The dates for SCF meetings in 2018 will be finalized on an intersessional basis, based on the feedback received from members on their availability.

The Climate Finance Advisory Service (CFAS) is an initiative which is delivered by a consortium of experts led by Germanwatch e.V. and funded by the Climate and Development Knowledge Network (CDKN).*

CDKN is funded by the UK Department for International Development (DFID) and the Netherlands Directorate-General for International Cooperation (DGIS) for the benefit of developing countries. However, the views expressed and information contained in it are not necessarily those of or endorsed by DFID, DGIS or the entities managing the delivery of CDKN which can accept no responsibility or liability for such views, completeness or accuracy of the information or for any reliance placed on them.

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