



Climate Finance Advisory Service

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Daily Briefing

5th Meeting of the Standing Committee on Finance

28 August 2013

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 during each day of discussions and substantive points of action or progress. Please note that this is an independent summary by CFAS and not officially mandated by the UNFCCC.

Summary from 28 August 2013

In the morning of 28 August members of the Standing Committee on Finance (SCF) met again to continue the discussions they started the previous day. The co-chairs welcomed and thanked the SCF members for the spirit of compromise and understanding which allowed the committee to move forward on several agenda items. When the facilitator of the working group on the arrangement between the COP and the GCF was asked to report back on the advancement achieved in informal discussion that took place the previous day, he declared that in order to come up with a final decision, some informal discussions in the corridors and over lunch are necessary. And indeed, in the afternoon, the facilitator came back with a clean text, which has been agreed on by a small group of key members but still needs to be formally adopted by the whole committee. It seems at the end of the day that the ice has been broken. However, this sentiment should be enjoyed with caution, as one member mentioned "often nothing is agreed until everything is agreed".

Thematic issue on the morning agenda of the second day were Measurement, Reporting and Verification (MRV) of support, Biennial Assessments (BA) and overview of the financial flows. There was a series of presentations by climate finance tracking stakeholders such as the OECD, the European Bank for Reconstruction and Development and ODI, respectively presenting on MRV of climate finance, joint MDB climate finance tracking and monitoring, reporting and verifying climate finance. There was a common understanding among SCF members that the lack of a common methodology and the accessibility of reliable data are major obstacle to comprehensively track climate finance. Thereupon, from the co-chair perspective, the presentations should be considered as food for thoughts given that working groups will think deeply of MRV and the guidance to the Operating Entities (OE) of the

financial mechanism and should take the presentations into account, when discussing those issues.

After lunch, as it was announced by the co-chairs, discussions took place in two working groups: one on the guidance to the OEs of the Financial Mechanism and one on Biennial Assessments and overview of climate flows.

The first working group was supposed to work on the annual guidance to the GEF and to brainstorm on the initial guidance to the GCF. However, following up from the discussions during the first day, there was no agreement on whether the SCF itself has the mandate to provide initial guidance to the GCF. This is because, as some members - mostly from developed countries - rightly pointed out, the Doha decision specifically only requested Parties to the Convention to provide the initial guidance. In contrast, several developing countries argued that since the SCF is in charge of providing guidance to the OE, one can consequently derive the mandate for the SCF to provide the initial guidance as well. As a compromise members of the working group decided to suggest an amendment to Decision 11/CP.1 on initial guidance on policies, programme priorities and eligibility criteria to the Operating Entity or entities of the financial mechanism (emphasis added). Decision 11/CP.1 was adopted in 1995 in Berlin and was the first guidance provided by the COP to the GEF, which was, at that time, the only OE. The working group also agreed that the secretariat should prepare a draft paper on additional guidance for the GEF under the supervision of the co-chairs. In the end the draft paper was circulated. For the afternoon session of 29 August it is expected that SCF members in the plenary will provide their comments before adoption. SCF members did not converge on the initial guidance for the GCF and will resume their discussion tomorrow.

In the second working group, SCF members mainly discussed on the ToR of the Biennial Assessments as well as the time line for the conduction of the assessment. As outlined in decision 2/CP.17, the BA is to include among other information the geographical and thematic balance of such flows, drawing on available sources of information under and outside the Convention. The BA is perceived by the SCF as an opportunity to map and better understand the climate finance landscape. They discussed concepts, objectives, methodologies and sources of inputs to inform the assessment as well the draft outline of the BA report. Members of the group also decided to set up a steering committee composed of several members, who will supervise the conduction of the BA. On 29 August the facilitator will report back to committee, which will then will be requested to adopt the approach.



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