

**Daily Briefing**  
**15th Standing Committee on Finance Meeting**  
**7 March 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](mailto:cfas@germanwatch.org).*

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*The CFAS Team*

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## **Summary from 7 March 2017**

On Tuesday, 7 March 2017, the Standing Committee on Finance (SCF) convened for its 15th meeting in Bonn, Germany. As usual at the first meeting of the year, members of the SCF were invited to elect the co-chairs of the SCF for the year. At that, Mr. Georg Børsting (Norway) and Ms. Bernaditas Muller (Philippines) were appointed and will chair the SCF in 2017.

Prior to starting in-depth work on the different agenda items in dedicated working groups, all agenda items were introduced in plenary to give SCF members the opportunity to provide initial reflections on the various issues.

## **2017 Workplan of the SCF**

Before discussing the 2017 SCF workplan and considering the mandates and further guidance received at COP 22, members engaged in discussions on how to organize work throughout the year.

At its previous meeting, the SCF decided to reduce the number of meetings per year from three to two, in line with the common practice of most thematic bodies of the Convention. As this will require additional work to be conducted in between meetings, the co-chairs presented a procedure for intersessional work and decision-making. Some members

questioned a reduction of SCF meetings in 2017, given the workload for the Committee this year. Similarly, some were of the view that the number of meetings per year should not be set in stone, but rather be commensurate to the Committee's tasks at hand. Other members cautioned that conducting work via email or through virtual meetings would entail issues regarding inclusiveness and transparency, also highlighting that some strategic discussions should rather be held in person. On the other hand, some SCF members stressed the added value and need of conducting technical work in between meetings, as a continuation of the work initiated at the official SCF meetings. Regarding the proposed procedure, some Committee members raised concerns with taking decisions intersessionally on a non-objection basis. Taking into account the views expressed by SCF members, the co-chairs will present a revised version of the proposed procedure over the course of the next two days.

Committee members continued discussions by addressing the SCF's 2017 workplan. While the COP in Marrakech endorsed the workplan for 2017, it also provided further guidance to be incorporated. In particular, the COP reiterated that the SCF should integrate financing for forests-related considerations into its 2017 workplan, where appropriate, and continue work on this matter in the context of the overall issue of improving coherence and coordination in the delivery of climate change financing. While expressing general support for integrating the issue where appropriate, some members argued that specific issues should not get special attention by the Committee compared to others. The co-chairs will present a proposal for a process to move this issue forward.

Additionally, while taking note of the summary report on the 2016 SCF forum, the COP in Marrakech invited the SCF to follow up on the contained recommendations in its 2017 workplan. Mr. Stephan Kellenberger (Switzerland) and Mr. Paul Oquist Kelley (Nicaragua) were nominated to liaise with the Executive Committee of the Warsaw International Mechanism for Loss and Damage and taking the lead in following-up on activities emanating from the 2016 SCF forum. Some members questioned whether this "follow up" would go beyond the general mandate of the SCF of maintaining linkages with the other thematic bodies of the Convention. Others highlighted that a general follow up on the outcomes of all SCF forums should be ensured, given the huge amount of time and work invested in organizing and conducting these events.

Last but not least, the COP also requested all constituted bodies under the UNFCCC process to integrate gender considerations into their workstreams and to include in their regular reports information on progress made towards integrating a gender perspective in their processes. While overall SCF members highlighted the importance of gender considerations, some raised questions on how exactly this could be incorporated throughout the SCF's work, highlighting that for some SCF issues, such as the Biennial Assessment and Overview of Climate Finance Flows or the Review of the Financial Mechanism it was more obvious than for others (e.g. providing Draft Guidance to the Operating Entities).

## **Sixth Review of the Financial Mechanism of the Convention**

At COP 22 the updated guidelines for the Sixth Review of the Financial Mechanism were adopted requesting the SCF to provide expert input to the review report which should be finalized by COP 23. During the meeting, SCF member will be invited to agree on a concept note for the preparation of its expert input, including a draft outline, approach and possible linkages. Furthermore, members will be requested to establish a working group, and to identify timelines, interim outputs and define an outreach strategy. One member stressed that linkages should be ensured between the Sixth Review of the Financial Mechanism and the Third Review of the Adaptation Fund.

### **Draft Guidance to the Operating Entities of the Financial Mechanism**

Members of the SCF were invited to agree on the timelines and approach for developing Draft Guidance to the Operating Entities. They discussed how to update and improve the compilation and analysis of past guidance provided to the operating entities; how to prepare recommendations on a draft set of core guidance to be provided to COP 23, and develop recommendations on the frequency of guidance to the Global Environment Facility (GEF). The group's co-facilitator highlighted that work was conducted on the matter looking at previous guidance and identifying categories to be considered. An online tool has been developed as well. On the issue of frequency, it was suggested to provide biennial guidance to the GEF, while also presenting a scenario covering the period 2017–2020. One member stressed that the guidance approach should consider linkages with other committees and bodies and to facilitate joint meetings with them. Others pointed out that guidance should not be similar to previous guidance even though similarities might appear. One member made the appeal for scheduling guidance to the GEF annually instead of biennially. The co-chair invited observers to also share their views on the item during working group discussions in the upcoming days.

### **Review of the Functions of the SCF**

COP 22 adopted the terms of reference for the review of the functions of the SCF and invited members, Parties, the constituted bodies under the Convention and external stakeholders to submit their views on the review for consideration by the Subsidiary Body for Implementation (SBI) at its forty-sixth session. The SCF discussed an approach to conduct the self-assessment of its roles and functions looking at the scope of the matter; the establishment of a working group and nomination of co-facilitators; and the organization of inter-sessional work. It was suggested to use a survey as a methodology to conduct the self-assessment. In order to generate relevant information, the self-assessment will look at several aspects, including the scope of activities of the SCF, its functions and mandate, observers' participation, etc. and how these have been implemented. One member suggested that the SCF should start mobilizing its own resources to deliver its mandate, while another stressed that the Committee should instead provide guidance to the existing Operating Entities and facilitate their roles while ensuring financing is available and sustained.

## **Linkages with the Subsidiary Body for Implementation and the thematic bodies of the Convention**

At COP 17, the SCF was called to maintain linkages with the SBI and thematic bodies of the Convention. The Committee was encouraged to further enhance its linkages with the SBI and the thematic bodies of the Convention at COP 19.

During the 15th meeting, SCF members are invited to come to an agreement on the appointment of representatives of the SCF regarding various thematic areas of work, agreeing on an overall approach to SCF linkages with the constituted bodies and on possible areas of cooperation between the SCF and the constituted bodies in 2017 in line with its existing activities. Furthermore, the SCF will consider a submission to the Adaptation Committee (AC) on adaptation-related institutional arrangements under the Convention. One member reported on consultations conducted with the AC. Areas for potential cooperation were identified such as technology and National Adaptation Plans (NAPs), among others. The Committee was encouraged by the Co-chair to pursue discussions with other bodies, especially the AC given that the Adaptation Fund was recognized in Marrakech as an entity serving the Paris Agreement.

## **MRV of support beyond the Biennial Assessment and Overview of Climate Finance Flows**

In 2016, the SCF explored issues relevant to the workplan on MRV of support beyond the Biennial Assessment and Overview of Climate Finance Flows in the context of the 2016 BA. In Marrakech, the COP requested the SCF, to cooperate with relevant stakeholders and experts and to consider ongoing work under the Convention and further action envisaged under the Paris Agreement. Consequently, for its 15th meeting, the SCF will consider activities it wishes to pursue in 2017 on the basis of the two-year workplan on MRV of support, which the SCF developed in 2015.

One member suggested that as a first step forward, the SCF should participate in and present work undertaken so far at the planned APA intersessional workshop on transparency scheduled for 16-18 March 2017. Additional next steps will be discussed by the Committee in the upcoming days.

## **2018 Biennial Assessment and Overview of Climate Finance Flows**

Following the release of the 2nd Biennial Assessment and Overview of Climate Finance Flows (BA) at COP 22 in Marrakech, the SCF will initiate work on the 3rd BA at its 15th meeting. With a view of concluding work by COP 24, this will include to agree on the overall approach in preparing the BA, the development of a preliminary draft outline and to start technical work and early engagement with data providers, producers and aggregators.

Reflecting on the issue, members briefly deliberated on how the 2018 BA could be done differently than the two previous ones. One member stressed the need to have more

comparable methodologies and approaches in order to provide more transparency. It was also suggested that one option for the 3rd BA could be to provide more insights into a specific area rather than just giving an overview. Others alluded to the concerns received from some stakeholders regarding the validity and accuracy of the figures provided in past BAs, stressing the need to come to a definition for what constitutes "climate finance". Other emphasized the added value of the BAs and suggested to build on the work that has been undertaken so far. Accordingly, one approach for the next BA could be to address the gaps and limitations identified in the 2016 BA, e.g. the availability of information on private finance flows. One member pointed out the need to come up with a methodology to track climate finance received.

## 2017 Forum of the SCF

At its 13th and 14th meeting, the SCF discussed potential topics for the 2017 SCF forum, however, without coming to an agreement on the matter. Consequently, COP 22 invited the SCF to continue deliberations on the topic at its 15th meeting. In the intersessional period, the working group's co-facilitators invited SCF member to provide further views and concrete suggestions on a suitable theme for the event. Up to this point, the received inputs suggest to keep the focus of the 2017 SCF forum on the topic of "Financing for Nationally Determined Contributions". However, as not all SCF members had the opportunity to express their views on a suitable theme for the forum so far, consultations will continue in the next days.

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