

## Daily Briefing

### 15th Standing Committee on Finance Meeting

8 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). Previous daily briefings and other CFAS analyses are available on the **new CFAS website** [www.cfas.info](http://www.cfas.info).*

*The CFAS Team*

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## **Summary from 8 March 2017**

On Wednesday, 8 March 2017, the Standing Committee on Finance (SCF) resumed its 15th meeting. The second day started with a plenary session before moving into parallel working groups to continue discussions on some of the points that were started on the first day.

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

As a follow up to the discussions on day one, SCF members convened for a plenary, during which the European Bank for Reconstruction and Development (EBRD), the Organization for Economic Co-operation and Development (OECD) and the UNFCCC Secretariat presented updates on their work related to climate finance tracking, reporting and verification. The OECD presentation focused on recent and ongoing developments in tracking public and mobilized private climate finance. The EBRD informed that preparing reports has become harder due to the difficulty to gather relevant data for assessing short- and long-term finance.

One member highlighted that tracking, reporting and verifying climate finance flows should become clear about addressing adaptation and mitigation issues, rather than focusing on achieving development goals. Other members stressed that the SCF should be strategic

about how to report on measurement and verification outcomes, which should inform relevant stakeholders about how adaptation can be financed and to include ways to achieve outreach objectives. Others highlighted that while financing climate action was key, achieving transparency and measurement of results is as well relevant in fulfilling the SCF mandate.

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

Building on the discussions from the previous day, during which SCF members identified general considerations for the preparation of the 2018 Biennial Assessment (BA) the Committee exchanged views on how to structure the next BA and ensure to increase its relevance to serve as a key input to the global stocktake under the Paris Agreement. Members discussed a draft outline for the 2018 BA which was presented, with some members raising concerns about the allocated timeline and its proposed structure, which they wished to further improve. One member suggested developing a matrix enabling to track progress on financing allocated to specific sectors such as resilience and mitigation in the 2018 BA. As a way forward, SCF members agreed that further consultations were needed to agree on a final outline for the 2018 BA and decided to continue discussions intersessionally. A draft outline will be presented to SCF members at the next meeting.

## **2017 Forum of the Standing Committee on Finance**

Following a brief introduction of the agenda item on the first day, SCF members continued their discussions on the 2017 SCF forum in a breakout group, with the view of finding a suitable theme for the event and initiating related organizational work. The group's co-facilitator reiterated the urgency of concluding deliberations and agreeing on a theme for the forum, as time was running short. Members considered two concrete proposals for a theme: One focussed on "Financing for Nationally Determined Contributions", emanating from the discussions the Committee had at previous SCF meetings; and one focussed on "Financing 1.5°C", which was suggested following additional consultations. Reflecting on both options, members engaged in prolonged discussions on the pros and cons of each theme. Although some SCF members were of the view that overlaps exist between the two suggestions and thus a way to combine them could be found, most members argued either for or against the two proposals. The topic of "Financing for NDCs" was perceived by some SCF members as being premature, given that current NDCs are so distinct in regards to the level of detail included, e.g. in the context of listing concrete measures or bankable project proposals. Similarly, it was highlighted that some countries are still developing their NDCs. In this context, one member pointed out that NDCs are only one mean of many to achieve the objectives set out by the Paris Agreement, including holding global temperature increase close to the envisaged 1.5°C limit. The topic of "Financing 1.5°C" was questioned for being too broad and not targeted enough to be appealing to stakeholders. In addition, the Intergovernmental Panel on Climate Change (IPCC) Special Report on 1.5°C was highlighted, which is set to be released in 2018 and which will also include a chapter on "Strengthening and implementing the global response to the threat of climate change". Some members felt that first a scientific analysis of the

impacts of global warming of 1.5°C above pre-industrial levels was necessary, before talking about necessary financing.

Despite several efforts to accommodate views expressed by SCF members, no consensus could ultimately be reached. The SCF will continue consultations informally in the evening, in order to agree on a theme for the forum and resume work on the final day of the meeting.

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

After fruitful discussions on day one, Committee members convened in a working group to discuss Draft Guidance to the Operating Entities of the Financial Mechanism of the Convention, especially on the areas of preparation of draft guidance in 2017; the overall approach and outreach to other bodies, including the Adaptation Committee (AC) and the Technology Executive Committee (TEC). Furthermore, members discussed criteria to assess the inputs received during organized consultations. Members also considered how to encourage the input providers to utilize the comparison and analysis of past guidance; the participation of SCF members in AC and TEC meetings; a presentation by the Secretariat on the exchange of feedback; and the suggestion to launch a website as discussed on the previous day.

Discussions held have enabled SCF members to reflect on whether or not the frequency of providing guidance to the Global Environment Facility (GEF) should be changed from annually to biennially. Some members supported that idea, while others raised concerns. Representatives from the Green Climate Fund (GCF) and the GEF were invited to provide feedback on work in progress and the suggested methodology for the provision of guidance.

On the issue related to the development of core guidance, it was noted that work was still in progress on the available draft which the group discussed and that a guidance database is being developed. On the question of whether or not the SCF has the mandate to develop database guidance, some members raised the concern that it was not clear which criteria should be used and considered in order to conduct the development of such a database. As a way forward, the group decided to reconvene on the final day of the SCF meeting to further discuss on the matter, as they could not conclude their discussions.

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

The working group discussed a draft concept note and draft outline for the Sixth Review of the Financial Mechanism of the Convention. Building on discussions held on the first day of the meeting, members explored ways to ensure the review aligns with the Committee's mandates and reflects core elements underlined by the Financial Mechanism of the Convention. While some members questioned the process of agreeing on the criteria to be used to conduct the sixth review within the allocated time, there was a tendency towards ensuring expert inputs and the Secretariat support are integrated in the timeline. At the end of their discussions, SCF members agreed on the concept note and outline for

the review by considering changes made on the draft they reviewed, and decided to further discuss the cluster of criteria to be considered. A timeline was discussed as well, in order to ensure expert inputs to the review could be integrated, although some members were hesitant about agreeing on a final date for the conclusion of the review. Last but not least, members discussed potential categories to be considered when preparing the review in accordance with the identified criteria.

## Report from the SCF participation to the 11th meeting of the AC

Two committee members who represented the SCF at the 11th meeting of the Adaptation Committee (AC) were invited by to report back to plenary on their meeting. In their report, the two members highlighted the difficulty of representing the SCF and share its views. Other SCF members raised concerns about the representation mandate and how this could be better structured to ensure SCF representatives are better prepared before attending such meetings. One member recommended defining clear guidelines on representation mandates and roles. The suggestion was welcomed and as a next step, it was agreed to convene further discussions on the matter.

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