

# Climate Finance Advisory Service

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Daily Briefing

10<sup>th</sup> Standing Committee on Finance Meeting

(13 June 2015)

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.

## Summary from 13 June 2015

The tenth meeting of the Standing Committee on Finance (SCF) concluded on Saturday, 13 June 2015, after two days of discussions primarily in working groups. The morning featured two working groups: one on MRV beyond the Biennial Assessment; and one on institutional linkages and relations between the Adaptation Fund and other institutions of the Convention. Agenda items were then brought back to the plenary with report backs from the groups for final consideration by the Committee.

### **Coherence and Coordination: Financing for Forests and the 2015 SCF Forum**

The facilitators of the group presented the results from yesterday's breakout session. The group finalized the concept note for the SCF Forum and agreed on the objective for the Forum. A list of guiding questions was proposed that can feed into specific questions for each session of the Forum. The programme of the Forum will be finalized intersessionally by the working group, taking into account the various suggestions that were brought forward.

SCF members welcomed the work by the breakout group. One member reiterated the need to ensure broad participation from stakeholders from developing countries and that the SCF should engage in consultations with relevant partners to provide adequate support. Some observers highlighted the importance of following the mandate that was given to the SCF in the context of enhancing coherence and coordination for forest financing, which would require going beyond painting the bigger picture of the financing for forests landscape.

The working paper on financing for forests will be further revised, drawing from inputs by interested observers and members of the Committee. The paper will be finalized intersessionally and be published in time for the 2015 SCF Forum.

### **Draft Guidance to the Operating Entities of the Financial Mechanism**

The group informed the Committee about the progress achieved so far. In terms of next steps, the SCF agreed that the work on the compilation and analysis of past guidance to both GEF and GCF will be concluded intersessionally and requested the secretariat to prepare options with regards to the frequency of guidance provided. A call for submissions by SCF members was issued, to inform a draft decision regarding draft guidance to the OEs that will be prepared by the working group facilitators in

time for the next SCF meeting. The Adaptation Committee and the Technology Executive Committee will also be invited to provide inputs.

### **Linkages with the SBI and the Thematic Bodies of the Convention**

Under the agenda item of linkages with the SBI and the thematic bodies of the Convention, the SCF agreed that Ms. Diann Black-Layne (Antigua and Barbuda) will represent the SCF in the CTCN Advisory Board in an official capacity. The Committee decided that detailed terms of reference for the SCF representation on the Advisory Board would not be necessary: possible requests for official response by the SCF will be taken back to the Committee. In addition, it was decided that Mr. Yaw Oppong Boadi (Ghana) will represent the SCF at the Task Force on National Adaptation Plans in an expert capacity.

SCF members further stressed that collaboration with other thematic bodies should be kept at a level that can be accommodated easily and interactions should be as streamlined as possible. It was suggested that work plans should be shared with other bodies in order to identify, on a case-by-case basis, where SCF input is needed.

### **2016 Biennial Assessment and MRV beyond the Biennial Assessment**

The group facilitator gave a brief summary of the discussions that were held on both agenda items. On the 2016 Biennial Assessment, the facilitator welcomed the useful deliberations undertaken so far, emphasizing the importance of engaging early on the work that needs to be undertaken in the next 18 months. The SCF agreed that a zero draft outline for the second Biennial Assessment would be prepared intersessionally in order to engage in more detailed discussions at the next SCF meeting, for instance on how to incorporate the improvements that were proposed by the working group participants.

On MRV beyond the Biennial Assessment, the working group identified a list of activities, e.g. an overview on the MRV system of the Convention that also identifies gaps, areas of improvements, and ways of strengthening linkages and synergies with relevant processes and bodies under the Convention. In order to determine a work plan on MRV, the SCF decided to issue a call for submissions to SCF members and interested stakeholders to provide elements for a work plan, which is aimed to be finalized at the next SCF meeting.

### **Institutional Linkages and Relations between the AF and other institutions of the Convention**

As the last substantial agenda item, the SCF discussed the institutional linkages and relations between the Adaptation Fund (AF) and other institutions under the Convention.

The discussion started with a presentation by the AF secretariat, who presented the last decision of the AF Board on the matter: to initiate consultations with the SCF and start a dialogue with the GCF on potential linkages between the two funds. The AF secretariat also drew the attention to ongoing work by the AF secretariat on analyzing further legal, operational and financial implications of various linkages with the GCF, for consideration by the AFB at its next meeting.

The discussion in the SCF mainly focused on the working paper prepared by the SCF secretariat. Several members noted that in their view the paper was unbalanced and overly focused on the GCF in exploring linkages and relations with other bodies of the Convention. One member reiterated that the SCF - being a technical body - should not spend much time on political options, but rather provide technical and legal recommendations to the COP on this issue. Some members were of the view that it was premature to have this conversation, as the GCF was not yet fully operational and therefore a lack of sufficient experience would prevent an informed decision. Others referred to the ongoing discussions under the ADP, which have the potential to provide more clarity on the future of the AF. The discussion was not easy to structure, as members had divergent views on the best way forward.

At the end, there was consensus that the SCF secretariat should revise the working paper, elaborating on legal and technical implications of each option, bearing in mind the function of the SCF to enhance complementarity and coherence among different bodies dealing with climate finance. Last but not the least, it was emphasized that the paper should incorporate additional elements, including the relationship with other institutions, such as the Least Developed Countries Fund and Special Climate Change Fund, the Least Developed Country Expert Group or the Technology Executive Committee, as well as considering the share of proceeds under the AF.

### **Other matters**

The meeting closed with a brief discussion on the date of the next SCF meeting. Two potential options emerged: 14-16 or 28-30 September 2015. The exact date will be determined intersessionally following consultations with SCF members.

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