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**Daily Briefing**  
**16th Standing Committee on Finance Meeting**  
**19 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](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 19 September 2017**

On Tuesday, 19 September 2017, the Standing Committee on Finance (SCF) resumed its 16th meeting. The second day started with a brief report back from the previous day, before members moved into parallel breakout groups to continue discussions on some of the points that were started on the first day.

### **Theme of the 2018 SCF Forum**

As the first agenda item of the day, SCF members considered issues around the 2018 SCF Forum. Before deliberating on a suitable theme, members took some time to reflect on lessons learned from the experience of past Forums.

In principle, members expressed their satisfaction with the way the Forum this year was conducted, praising both the new and unique theme, as well as the broad level of participation from stakeholders. Some members described the annual SCF Forums as the best outreach tool at the SCF's disposal, helping to link up with other stakeholders and infuse some reality into the UNFCCC negotiations. There were however also some aspects that could be improved. For instance, the rather late setting of date and theme for the Forum caused some challenges from an organizational standpoint, both in finalizing the necessary arrangements with the host country and getting the right speakers, as well as securing financial support from sponsors. Furthermore, members felt that the outreach materials produced for and following the Forums could be better utilized and disseminated to a broader audience, rather than being "hidden somewhere on the website".

Following these general deliberations, the Committee briefly discussed potential themes for the SCF Forum in 2018. Some members thought a follow-up to this year's Forum could be a good option, focussing on building back infrastructure after natural disasters and promoting climate-resilient cities. One member suggested that the resilience of the private sector could also be a suitable topic. Given the workload of the SCF in years where a Biennial Assessment is published, some members suggested that holding a SCF Forum biennially could also be an alternative.

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

Building on the discussions initiated on the first day, SCF members resumed considering the draft summary of the technical paper on the sixth review of the

financial mechanism. With the view of formulating specific recommendations where needed, SCF members again revisited the first three subsections in the “Governance” section, namely i) transparency of the decision-making process of the operating entities; ii) engagement of stakeholders in meetings and operations; and iii) gender-sensitive approaches.

In general, one member stressed that the purpose of the review was to identify areas for improvement rather than highlighting the achievements that both operating entities, the Global Environment Facility (GEF) and the Green Climate Fund (GCF), had accomplished. Other members felt that the review should outline both, gaps and achievements, in order to track progress made compared to previous reviews of the financial mechanism. On the three subsections, areas for draft recommendations were identified, capturing some of the comments made on the first day of the meeting. This included the notion of providing financial support for CSO participation at the GCF, qualifying stakeholder engagement in meetings and operations and ensuring a permanent webcasting at the GCF.

Running out of time and in light of only one remaining breakout session to finalize work on this agenda item, SCF members were requested to provide further inputs in written form until the end of the day.

### **Report on the 2017 SCF Forum**

Before lunch, SCF Members convened as a group to discuss the draft report of the 2017 Forum in order to assist the SCF in finalizing it, including the consideration of conclusions and recommendations, to be included in the SCF report to COP 23. During their discussions, members highlighted the opportunities that climate-resilient infrastructures present to developing countries, including the Least Developed Countries (LDCs) in their efforts to achieve resilience to climate change impacts. Members welcomed the fact that participants at the workshop defined climate-resilient infrastructure in the context of human development. Some members stressed that developing a national investment plan that integrates climate vulnerability and resilience in the broader context of the Sustainable Development Goals (SDGs) and the Nationally Determined Contributions (NDCs), and identifying the best channels and sources of finance for such plans was a priority to be reflected in the report. Exploring the barriers to climate-resilient infrastructure financing, as reflected in the draft report, the group engaged in discussions whether climate resilience standards and metrics could be incorporated into social and environmental benefits with support from direct investments towards infrastructures projects. Discussions resumed with a proposal from the co-facilitators to continue reflecting on the draft report during the next day of the meeting.

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

In the afternoon, SCF members convened in a breakout group to discuss the draft guidance to the operating entities of the financial mechanism. The group’s co-facilitator presented a draft document with a compilation of the inputs received so far from the Adaptation Committee (AC), the Technology Executive Committee (TEC), SCF members and other Parties to the Convention. Looking at both the draft guidance to the Global Environment Facility (GEF) and the Green Climate Fund (GCF), members tried to identify redundancies, repetitions and ways to streamline the various paragraphs in the text. Paragraphs where further clarification with the proponent was needed were moved into a separate annex.

Work on this agenda item will resume in a breakout session tomorrow.

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

After lunch, members convened in a breakout group to resume discussions on the 2018 Biennial Assessment (BA). The co-facilitator invited representatives of a number of multilateral development banks (MDBs) and development organizations to share examples of methodologies used in elaborating research and reports on climate finance. The Climate Policy Initiative (CPI) presented the methodology of their ‘Global Landscape of Climate Finance’, which is one of the most comprehensive mappings of climate finance flows available with inputs from public and private stakeholders. They announced the release of their 2016 report which will cover many sectors relating to climate finance. Several other experiences and methodologies relevant for the 2018 BA were shared, drawing on examples from UNIDO’s Sustainable Energy for All (SE4All) initiative; the Organization for Economic Co-operation and Development (OECD), which shared a report on tracking climate finance in a number of developing countries; and the United Nations Development Programme (UNDP), which presented a

research targeting the Caribbean region where recipients are handling climate finance measurement and reporting despite existing challenges. The co-facilitator also welcomed inputs from the Overseas Development Institute (ODI) and the European Bank for Reconstruction and Development (EBRD) which presented a methodology used in elaborating a recent joint report on multilateral development banks.

Ensuing discussions recognized the necessity to include all relevant stakeholders and constituencies in elaborating the 2018 BA, in a way to gather data and information from these audiences despite existing challenges. One member suggested mapping existing data and data providers of climate finance flows for a better overview. Another member questioned the definition of “Green Finance” when tracking climate finance flows, and how this could be reported in a proper way without confusing climate change resilience needs with development goals. Lastly, the group took a closer look at the draft outline for the 2018 BA which in its current version includes various chapters: one on methodological issues relating to the measurement, reporting and verification of climate finance; one on the overview of current climate finance flows in 2015-2016; and one on the assessment of climate finance flows to be conducted by the UNFCCC secretariat with support from consultants. Members also discussed a compilation of definitions of climate finance and criteria used by different institutions as an example to guide further deliberations and briefly reflected on a proposed timeline which aims to finalize the report by the third quarter of 2018. Before resuming their discussions, members agreed that case studies could be included in the report, and that recommendations and ways forward should be considered, while avoiding repeating similar ones from the previous reports.

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

The co-facilitator briefly introduced the item, recalling that the breakout group is expected to assist the SCF on the matter by first considering the extension of the 2016-2017 work plan on measurement, reporting and verification (MRV) of support beyond the BA, and secondly, to provide insights to the Co-Chairs and co-facilitators to continue consultations with the Co-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 to the ongoing work under these bodies on matters relating to transparency of support.

Running out of time, the co-facilitator suggested to reschedule the discussion on the item to the next day of the meeting.

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**Our mailing address is:**

Climate and Development Knowledge Network (CDKN)  
203 Blackfriars Road London, England SE1 8NJ, United Kingdom