

Update on the work of the Standing Committee on Finance in 2017

Side event of the Standing Committee on Finance, Bonn, 8 May, 2017



Standing Committee on Finance – Functions and Mandates

- Assist the COP in exercising its functions in relation to the Financial Mechanism (FM) of the Convention in terms of improving coherence and coordination in the delivery of climate change financing, rationalization of the FM, mobilization of financial resources, and MRV of support provided to developing country Parties;

Mandated activities

- ✓ Forum;
- ✓ Linkages with the SBI and the thematic bodies of the Convention;
- ✓ Draft guidance to the operating entities;
- ✓ Recommendations on how to improve coherence, effectiveness and efficiency of the operating entities;
- ✓ Expert input, including through independent reviews and assessments, into the preparation and conduct of the periodic reviews of the FM by the COP;
- ✓ Biennial assessment and overview of climate finance flows;
- ✓ Further mandated activities since COP 19;



Recapitulation of the work completed by the SCF in 2013-2016

- Arrangements between the COP and Green Climate Fund;
- Inputs serving as basis for negotiations on guidance to the operating entities, recommendations of frequency of guidance to the GCF;
- 2014 and 2016 BA, including a summary and recommendations by the SCF;
- Workplan on MRV of support beyond the BA;
- Recommendations on methodologies for reporting financial information by Annex I Parties;
- Expert input to the fifth review of the FM, including conclusions and recommendations;
- Conclusions and recommendations on future institutional linkages and relations between the Adaptation Fund and other institutions under the Convention;
- Four Forums:
 - 1st Forum: “Mobilizing finance and investments for climate action now”
 - 2nd Forum: “Mobilizing adaptation finance”
 - 3rd Forum: “Enhancing coherence & coordination of forest financing;
 - 4th Forum: “Financial instruments that address the risks of Loss and Damage”



Standing Committee on Finance – Current areas of work

- 2018 biennial assessment and overview of climate finance flows (BA);
- Measurement, reporting, and verification (MRV) of support beyond the BA;
- 2017 Forum of the SCF;
- Sixth review of the Financial Mechanism (FM) of the Convention;
- Work on draft guidance to the operating entities of the FM;
- Review of the functions of the SCF;
- Linkages with the Subsidiary Body for Implementation and the thematic bodies of the Convention;



2018 biennial assessment and overview of climate finance flows (BA)

SCF to prepare a biennial assessment and overview of climate finance flows (BA), comprises summary and recommendations by the SCF and an underlying technical report;

SCF initiated work on its 2018 BA:

- Identified possible elements for the draft outline of the 2018 BA (contained in SCF/2017/15/11, appendix to annex VI). Co-facilitators for the BA will develop a draft outline intersessionally for consideration by the SCF at its 16th meeting;
 - Compared to 2016 BA, enhancements are considered:
 - e.g. data coverage and quality, recipient perspective, information on investment needs and plans related to NDCs and national adaptation plans, discussion on climate finance in the broader context relevant to tracking progress towards the goals outlined in Article 2 of the Paris Agreement;
 - Agreed to launch technical work and early engagement with data providers, producers and aggregators;
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MRV of support beyond the BA

2016-2017 workplan on MRV of support beyond the BA, the SCF agreed:

- Good progress in its work related to MRV of support undertaken through the BA;
- Outcomes can be used to **inform ongoing discussions on the transparency framework** under the Paris Agreement;

e.g. **APA intersessional workshop on agenda item 5 (transparency):**

- Key findings and recommendations on developed and developing country reporting from 2016 BA Summary and Recommendations (decision 8/CP.22 , Annex) were introduced to facilitate discussions;
- Workshop participants referred to the 2016 BA as an important source of information;
- Workshop report is available at: <http://unfccc.int/10163.php>



2018 Forum of the Standing Committee of Finance

Topic of the Forum:
“Mobilizing Finance for Climate-Resilient Infrastructure”

- Tentative date: September 2017;
- Attendance: Up to 150 attendees expected;

Completed outputs:

- a) Draft programme outline (Initial mapping of scope and sub-topics);
- b) Inputs from SCF members on the draft programme outline were received;

Planned outputs:

- a) Final programme for consideration of SCF members;



Sixth review of the Financial Mechanism

- The updated guidelines for the sixth review of the Financial Mechanism were adopted at COP 22;
- The COP requested the SCF to provide its expert input to the review, with a view to finalizing the review at COP 23;
- The SCF was encouraged to build on the same methodology and criteria used in the fifth review of the Financial Mechanism in future reviews (decision 9/CP.20);
- SCF 15 agreed on its approach and workplan to prepare its expert inputs by SCF 16 (September 2017), including conclusions and recommendations to COP 23;



Work on draft guidance to the operating entities of the FM

Preparation of draft guidance to the operating entities

- The SCF uses inputs received from Parties, the AC and the TEC and its members to prepare the draft guidance;
- A set of criteria was agreed by SCF 15 to assess the inputs received to ensure the practicality and consistency of the draft guidance;

Compilation and Analysis (C&A) of past guidance

- The SCF is developing a user-friendly C&A database of all previous guidance provided to the operating entities, to be updated annually;
- A useful tool to track the progress made by the operating entities in undertaking the COP guidance;

Preparation of a draft set of core guidance

- The SCF agreed to further refine the draft set of core guidance and continue its deliberation at SCF 16;



Review of the functions of the SCF

Self-assessment report of the SCF and recommendations on improving its efficiency and effectiveness

Next steps:

- Submission to SBI: updated and expanded overview of mandates provided to the SCF by the COP compared to outputs delivered by the committee: 2011–2016;
- Survey among members, including members elected in 2014;
- Compilation of quantitative, factual information;
- Submission of summary/compilation of survey responses and the quantitative information as part of self-assessment report;
- Consideration of summary/compilation of the survey responses, as well as the quantitative;
- Information at SCF 16 with a view to concluding self-assessment report and to agreeing on recommendations on improving its efficiency and effectiveness.



For more information please visit:

www.unfccc.int/SCF

www.unfccc.int/SCF/Forum

