

**Eleventh meeting of the Standing Committee on Finance  
Bonn, Germany, 26–28 October 2015**

**Background paper on the 2016 forum of the Standing Committee on  
Finance**

**Proposed actions by the Standing Committee on Finance**

The Standing Committee on Finance (SCF) will be invited to:

- a) Agree on a theme for its 2016 forum;
- b) Agree on the overall approach for its organization, including the approach to engaging with the partnering event(s) and activities to be undertaken inter-sessionally.

**1. Actions for consideration by the SCF**

1. In defining the theme for its 2016 forum, the SCF may wish to consider the invitation from the Executive Committee of the Warsaw International Mechanism for loss and damage associated with climate change impacts, to dedicate its 2016 forum on financial instruments that address the risks of loss and damage associated with the adverse effects of climate change<sup>1</sup>;
2. With regard to the approach for the organization of the forum, at its eleventh meeting, the SCF may wish to consider taking action on the following:
  - a. Establishing a working group that will coordinate the preparatory work for the forum. Such working group may be led by one or two SCF members, as co-facilitators;
  - b. Agreeing on the overarching features of the forum that will guide the preparation of the event, particularly with regard to its format, venue, target participation, timeline, etc.;
  - c. Agreeing on the modalities for engagement with relevant stakeholders;
  - d. Agreeing on a way forward, including activities to be undertaken inter-sessionally.
3. In addition, the Committee will be invited to deliberate on the specific arrangements it wishes to have with the international event(s) it wishes to partner with. Furthermore, the Committee, in delivering on this matter, may wish to consider a partnership arrangement of the kind that allows the Committee to focus on the substance. In this regard, the SCF, at its eleventh meeting, may wish to consider whether to:
  - a. Follow the approach it has taken in the selection of the partnering event in the past; or
  - b. Follow a different approach in the selection of the partnering event(s) and venue for its 2016 forum whereby the Committee, with the support of the secretariat, announces a public call for partnering event(s). This approach, *inter alia*, involves preparation of terms of reference with specific roles and requirements for the partners involved in the organization, and/or co-hosting the forum. In addition, this approach necessitates early agreement to the overall and specific objectives of the Forum, input and outputs by the part of the Committee.

**2. Background**

4. At its seventeenth session, the COP agreed on the functions and activities of the SCF, including *inter alia*, the organization of a forum for the communication and continued exchange of

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<sup>1</sup> See document FCCC/SB/2014/4, annex II, action area 7.

information among bodies and entities dealing with climate change finance, in order to promote linkages and coherence.<sup>2</sup>

5. In line with the mandate from the COP, the SCF is organizing annual forums on climate finance, which have so far focused on the following issues:
  - a. Mobilizing finance and investments for climate action (first forum of the SCF, held in May 2013 in conjunction with the Carbon Expo in Barcelona, Spain);
  - b. Mobilizing adaptation finance (second forum of the SCF, held in conjunction with the Climate Investment Fund Partnership Forum in June 2014 in Montego Bay, Jamaica);
  - c. Enhancing coherence and coordination of forest financing (third forum of the SCF, held in September 2015, in conjunction with the 14<sup>th</sup> World Forestry Congress, in Durban, South Africa).
6. By decision 2/CP.20 the COP endorsed the initial workplan of the Executive Committee for the Warsaw international Mechanism on Loss and Damage (Excom), which includes an invitation to the SCF to dedicate its 2016 Forum to financial instruments that address the risks of loss and damage associated with the adverse effects of climate change.<sup>3</sup> The Excom, through a letter to the SCF co-chairs, reiterated this invitation to the SCF.<sup>4</sup> Additional background information on the invitation by the Excom is included in annex I.

### 3. Possible elements for an approach to the organization of the 2016 forum of the SCF

#### i. Working group

7. As the preparations for the forum entail extensive and continuous substantive work, it has been the practice within the SCF to establish a working group that will coordinate such preparatory work, which may include the following activities:
  - a. Preparation of a concept note for the forum;
  - b. Identification of possible international events relevant to the forum to partner with in order to benefit from the convening power of the event;
  - c. Identification of, and collaboration with stakeholders to the forum;
  - d. Elaboration of the agenda for the forum and identification of possible keynote speakers and resource persons to be invited to the forum;
  - e. Oversight of all logistical arrangements related to the event: e.g. venue, travel arrangements, legal agreements with the host country and the organizers of the host event, etc.

#### ii. Overarching features of the forum

8. Building on the lessons learned from its past forums, the SCF may wish to consider the following overarching features in the organization of its forum in 2016, which may be useful in guiding the preparations for the forum.
9. **Location and venue:** In previous sessions of the SCF forum, it was found helpful and cost-effective to partner and collaborate with other events that are related to the theme of the forum, so as to also benefit from the convening power of these events. However, challenges related to the location and the venue of the forum were also experienced, particularly with regards to:
  - a. Visa requirements due to the strict regulations in some countries;
  - b. Registration fees, which had budgetary implications in the organization of the third forum;

<sup>2</sup> Decision 2/CP.17 para 121(a).

<sup>3</sup> The initial workplan of the Excom is included in annex II of document FCCC/SB/2014/4.

<sup>4</sup> On 15 October 2015, the Co-chairs of the Excom sent a communication letter to the Co-chairs of the SCF, outlining elements of the workplan of the Excom that are of relevance to the SCF. This communication was circulated to the SCF on 16 October 2015.

- c. Legal aspects such as the privileges and immunities, which were a bottleneck in the organization of the previous forums;
  - d. Virtual participation through webcast, which had not always been possible due to budgetary or technical constraints associated with the targeted location or venue.
10. These challenges may have originated from the lack of clarity, from the onset, on what the arrangements would be between the SCF and the host country / organizers of the event, resulting therefore in unexpected and difficult constraints as the preparations for the forum unfolded.
11. In addition to the above challenges, the SCF may need to seek for regional balance in choosing the location of the event to partner with in the organization of its next forum, as previous editions of the SCF forum have taken place in Europe, the Caribbean and Africa.
12. Building on the challenges and constraints mentioned in paragraphs 8 and 10 above, the SCF may wish to agree on a different approach in the selection of a location and venue for its 2016 forum. This approach may consist of preparing, with the support of the secretariat, a set of terms of reference that would be used in approaching possible events for partnership in the organization of the forum. These terms of reference would help the SCF and the organizers of the host event to have a clear understanding of the SCF requirements and agree on those, at the outset of the preparations of the forum.
13. **Timing:** Partnering with another international event in the organization of the forum may have implications on the timing of the event. Therefore, as the SCF decides on the timing of the forum it may wish to consider the amount of necessary time to undertake relevant work before and after the forum.
14. **Format:** The format of the forum may have implications on the drafting of its agenda. Based on the positive feedback from the participants in the third forum, the SCF may consider aiming for a two-day event with balanced allocation between plenary sessions and break-out group discussions in order to give sufficient time to participants to engage among each other. The use of case studies has also proven to be useful.
15. **Participation:** The previous forums of the SCF have drawn participation from a wide range of sectors and constituencies, which was widely recognized as beneficial to the discussions at the forum. While the SCF benefited from the convening power of the events it partnered with for its forums, further efforts need to be made in order to enhance participation from the private sector in the forum. Accordingly, the SCF may wish to develop an outreach strategy at the onset in order to secure adequate participation in the forum from a wide range of stakeholders.
16. **Tentative timeline:** annex II includes a tentative timeline for the preparations of the forum for consideration by the SCF.
- iii. Modalities for engagement with the thematic bodies under the Convention and relevant stakeholders**
17. Throughout the preparation for and the undertaking of its previous forums, the SCF endeavoured to involve relevant stakeholders. Although this has proven to be useful practice, it may be important that the SCF clearly defines the modalities for the engagement with stakeholders so as to preserve the ownership of the event.
18. Should the SCF decides to accept the invitation by the Excom to dedicate its 2016 forum on financial instruments that address the risks of loss and damage associated with the adverse effects of climate change, it may wish to further consider the following possible modalities for its interaction with the Excom:
  - a. Engaging on a regular basis with the Excom both during the meetings of the respective bodies as well as inter-sessionally, as appropriate;
  - b. Collaborating in the development of a concept note for the forum;
  - c. Other modalities as deemed appropriate by the two bodies.
19. In addition to the Excom, other stakeholders may include scientific and research institutions that are involved in the issue of adaptation, disaster risk prevention and management as well as loss and damage. Further stakeholders include civil society organizations, think-tanks private sectors

institutions particularly the insurance community. The SCF may therefore also wish to reach out to this community of practitioners as it prepares the forum. For example, the SCF may wish to launch a call for submissions to gather all the scientific and practical knowledge from these institutions that will help it in clearly defining the scope of the forum.

20. As it has been the practice within the SCF, the Committee should continue to undertake the preparations for the forum in an open and transparent process, where observers to the meetings of the SCF as well as relevant stakeholders have the opportunity to provide inputs and interact with the SCF, so as to ensure a substantive outcome of the forum.

**iv. Way forward**

21. Should the SCF agree on the theme and the approach for the forum, it may wish to request the Co-chairs or co-facilitators of the working group on the forum, with the support of the secretariat, to start the preparations for the forum and present the following deliverables for consideration by the SCF at its first meeting in 2016:

- a. A draft concept note including a draft agenda for the forum;
- b. An outreach strategy for the forum
- c. A report on the initial logistical and administrative preparations for the forum including:
  - i. Draft terms of reference for possible partnership in the organization of the forum;
  - ii. Possible events and organizations to partner with in the organization of the forum;

**Annex I: Background information on the invitation by the Executive Committee of the Warsaw International Mechanism for loss and damage associated with climate change impacts**

1. As part of the Cancun Adaptation Framework, the COP initiated, in 2010, consideration on approaches to address loss and damage associated with climate change impacts including extreme events and slow onset events, in developing countries that are particularly vulnerable to the adverse effects of climate change.
2. Following two years of deliberations on this issue, COP19 established the Warsaw International Mechanism for Loss and Damage associated with Climate Change Impacts, as the main vehicle under the Convention to promote the implementation of approaches to address loss and damage in a comprehensive, integrated and coherent manner.<sup>5</sup> COP 19 also established an executive committee of the Warsaw international mechanism, to guide the implementation of the functions of the mechanism.
3. By decision 2/CP.20 the COP endorsed the initial workplan of the Executive Committee for the Warsaw international Mechanism on Loss and Damage (Excom), which includes an invitation to the SCF to dedicate its 2016 Forum to financial instruments that address the risks of loss and damage associated with the adverse effects of climate change.<sup>6</sup>
4. The invitation to the SCF is part of the action area 7 of the work plan of the Excom which aims to encourage comprehensive risk management by the diffusion of information related to financial instruments and tools that address the risks of loss and damage associated with the adverse effects of climate change to facilitate finance in loss and damage situations in accordance with the policies of each developing country and region, taking into account the necessary national efforts to establish enabling environments.
5. These financial instruments and tools may include: comprehensive risk management capacity with risk pooling and transfer; catastrophe risk insurance; contingency finance; climate-themed bonds and their certification; catastrophe bonds; and financing approaches to making development climate resilient, among other innovative financial instruments and tools.
6. In addition, action area 7 of the workplan also includes an invitation to the SCF, in its next biennial assessment and overview of climate finance flows, to include information on financial instruments that address the risks of loss and damage associated with the adverse effects of climate change.
7. Through this action area the Excom expects to improve the understanding by public bilateral and multilateral institutions and funds, private financial institutions and developed and developing countries on the range of financial instruments and tools to enhance action and support, including finance, technology and capacity-building, to address loss and damage associated with the adverse effects of climate change.

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<sup>5</sup> Decision 2/CP.19, paragraph 1.

<sup>6</sup> The initial workplan of the Excom is included in annex II of document FCCC/SB/2014/4.

**Annex II: Indicative timeline for the organization of the 2016 Forum**

| Activities and deliverables                                    | 2016    |         |         |          |     |         |     |
|----------------------------------------------------------------|---------|---------|---------|----------|-----|---------|-----|
|                                                                | Jan-Feb | Mar-Apr | May-Jun | July-Aug | Sep | Oct-Nov | Dec |
| <b>Activity I: Substantive preparations</b>                    |         |         |         |          |     |         |     |
| Scope, structure and outline of a concept note to the forum    |         |         |         |          |     |         |     |
| Draft concept note                                             |         |         |         |          |     |         |     |
| Finalization of concept note                                   |         |         |         |          |     |         |     |
| Draft agenda for the forum                                     |         |         |         |          |     |         |     |
| <b>Activity II: Administrative and logistical arrangements</b> |         |         |         |          |     |         |     |
| Terms of reference for the selection of the location and venue |         |         |         |          |     |         |     |
| Decision on event and venue for the forum                      |         |         |         |          |     |         |     |
| Legal arrangements                                             |         |         |         |          |     |         |     |
| Travel arrangements and accommodation                          |         | tbd     | tbd     | tbd      |     |         |     |
| Communication and outreach                                     |         |         |         |          |     |         |     |
| <b>Activity III: post-forum</b>                                |         |         |         |          |     |         |     |
| Preparation of draft report of the forum                       |         |         |         |          |     |         |     |
| Consideration of the draft report by the SCF                   |         |         |         |          |     |         |     |
| Drafting and finalization of the Summary and Recommendations   |         |         |         |          |     |         |     |
| Finalization of report of the forum for submission to COP 22   |         |         |         |          |     |         |     |