

**Input from the Standing Committee on Finance to the
2015 in-session workshop on
long-term finance**

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Background

- Mandate: Invitation by COP 20 to thematic bodies including the SCF to consider LTF issues when implementing their 2015/2016 workplans as an input to the workshop
- Consideration at SCF 9 (March 2015): Agreed to provide inputs building on the work undertaken by the Committee

Overview of input from the SCF – Areas of work relevant to LTF

2014 SCF forum on
adaptation finance

2014 biennial
assessment and
overview of climate
finance flows (BA)

Fifth review of the
Financial Mechanism
of the Convention



Input 1: 2014 SCF forum on adaptation finance

➤ **Objective of the forum**

To promote the mobilization of adaptation finance through the sharing of experiences, best practices and innovative ideas

➤ **Some of the key conclusions of the forum:**

- ❑ The integration of adaptation into development planning at different levels, including the regional, national, subnational, municipal and local levels, provides an opportunity to improve access to funding
- ❑ Coherence and complementarity among the different sources of finance is required. Public finance can be an effective way of leveraging finance from the private sector to support adaptation;
- ❑ Concrete actions to support cities/communities to access funds are important: this includes work on enhancing creditworthiness, lowering interest rates through cooperation with financial institutions, and the use of innovative mechanisms such as “green bonds”



Input 2: 2014 biennial assessment and overview of climate finance flows

➤ Key findings from the BA relevant to the LTF

- ❑ There is a convergence among data collectors and aggregators in the operational definition of “Climate Finance”

- ❑ Thematic distribution of climate finance: Adaptation finance increasing, but yet a small share of current estimates of climate finance
 - 6 to 41% of public climate flows from developed to developing countries between 2010 and 2012 for mitigation or other/multiple objectives (including adaptation)

 - 11 to 24 % of public climate finance flows from developed to developing countries between 2010 and 2012 for adaptation

- ❑ Impact assessment: Methods on adaptation much less developed



➤ Recommendations by the SCF from the BA

❑ Methodologies:

- Further efforts would enable better MRV of climate finance flows, including inter alia, further efforts to develop common methodologies , particularly for provision of information on adaptation finance and private climate finance to the extent possible (disaggregated data to improve comparability of data)

❑ Operational definition of climate finance:

- Transparency and accuracy of estimates could be strengthened with a common definition of climate finance

❑ Ownership, impact and effectiveness:

- Steps can be taken to advance the effectiveness and developing countries' ownership of climate finance including, inter alia, through:
 - Continued deepened engagement between providers and recipient to strengthen alignment with national needs
 - Further work on needs assessment processes needed to so as to inform future BAs



Input 3: Fifth review of the Financial Mechanism (2014)

- **Conclusions/recommendations with relevance to LTF discussions**
 - ❑ **Adequacy, predictability and sustainability of funds**
 - LDCF/SCCF not considered as predictable and sustainable
 - GEF/GCF may consider collaborating in the use of funding pathways that include LDCF and SCCF
 - ❑ **Accessibility to funding**
 - LDC/SIDS still face challenges to access GEF resources
 - GCF to benefit from lessons learned on the accreditation process from other funds
 - ❑ **Country-ownership**
 - Upfront support useful through National Portfolio Formulation Exercises
 - ❑ **Strengthening adaptation and mitigation results**
 - GEF/GCF may consider collaborating to harmonize impact indicators and set new norms around reporting practice, especially on adaptation finance.
 - ❑ **Complementarity between operating entities of the Financial Mechanism**
 - Further work to be done by the operating entities and the Standing Committee on Finance



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