

Standing Committee on Finance

**Second meeting of the Structured Expert Dialogue expert dialogue (SED 2)
Wednesday 13th November 2013**



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Co-Chairs of the Standing Committee on Finance

About the Standing Committee on Finance

- Established at COP 16 to assist the COP in relation to the financial mechanism of the Convention., with respect to:
 - ✓ Improving **coherence and coordination** in the delivery of climate change financing,
 - ✓ **Rationalization** of the financial mechanism,
 - ✓ **Mobilization** of financial resources and
 - ✓ **Measurement, reporting and verification** of support provided to developing country Parties.
- Key mandated activities:
 - a) Forum → continued exchange of information, linkages and coherence, exchange ideas on scaling up climate finance;
 - b) Linkages → SBI and thematic bodies of the Convention;
 - c) Operating entities of the FM → draft guidance, coherence, effectiveness and efficiency;
 - d) Periodic reviews of the financial mechanism;
 - e) Biennial assessment, overview of climate finance flows.



Meetings of the Standing Committee on Finance

- As mandated by the COP, the SCF meets **least twice** per year.
- There is one annual Forum organized by the SCF (first one in May 2013);
- All **meeting documents** are published on the website: www.unfccc.int/SCF/
- All meetings of the SCF are **open to observers and Webcast;**



Mandate of Standing Committee Relative to the 2013 – 2015 review

- Long term Goal 2 degree above preindustrial Level and this is to be review to possibly strengthen.
- ***In the context of Finance and the Review, the question is how much funding has been directed to place us on track for 2 degree World and if financial resources and the support it provides can be strengthen further to meet a more ambitious target.***

Status of Finance for Mitigation, Adaptation, Capacity Building and technology transfer (Climate Finance) channeled via the public and private sector.

- The main sectors for Mitigation are Electricity, transportation, and Forest;
- The amount of funds being allocated to the Climate Finance is inadequate to meet a 2 degree target and if the projections continue at the current level spending on Brown technologies will continue to grow at a faster rate than that for renewable.
- Data and information on climate finance is not clear. Where projections are made they vary widely from agency to agency;



Trends in Financing for Climate

- Increase overall in funding for Renewable energy in both developed and developing Countries;
- Funding for “Brown technologies in Electricity sector continue to increase in most countries;
- Funding for brown technologies outspends low carbon technologies by 10:1 (GEF evaluation report 2013);
- Deforestation continues to increase although the rate has slowed in many countries;
- Increase spending in efficiency in transportation in most countries of the world;
- Increase spending in capacity building;
- Spending in Adaptation has increased;
- Strengthen-policies to support low carbon technologies;
- Develop and strengthen policies to limit investments in Brown technologies (very recent) – very high potential;
- Market mechanism are struggling as an effective mechanism to reduce Carbon;

• The Spending and market mechanisms overall impact of Climate Finance has

increased but is not adequate to meet the 2 degree goal.



Continue of the SCF to future reviews

- The SCF is in a position to collate information produced from several key sources;
- Assessment of impacts of financing via the MRV of the Biennial assessment reports (2014);
- Providing meaningful and operational Guidance to the Operating Entities of the Convention to provide their reporting from the perspective of meeting the targets and goals set by the Convention;
- From 2015 and beyond the SCF will be in a position to assess the overall global financial needs to meet the Goals agreed upon by the Convention and can present these in future SED events.



For more information, please visit:

<http://unfccc.int/SCF/>

and

<http://unfccc.int/SCF/Forum/>

Or contact the Standing Committee on Finance at:

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Thank you very much for your attention!

