



Conference of the Parties

Twentieth session

Lima, 1–12 December 2014

Agenda item 12(b)

Matters relating to finance

Report of the Standing Committee on Finance

Report of the Standing Committee on Finance

Proposal by the President

Draft decision -/CP.20

Report of the Standing Committee on Finance

The Conference of the Parties,

Recalling Articles 4 and 11 of the Convention,

Also recalling decisions 1/CP.16, paragraph 112 and 2/CP.17, paragraphs 120 and 121; as well as decisions 5/CP.18 and 7/CP.19,

1. *Welcomes*, and *notes with appreciation*, the report of the Standing Committee on Finance;¹
2. *Also welcomes* the transparency and openness with which the Standing Committee on Finance conducts its work;
3. *Endorses* the workplan of the Standing Committee on Finance for 2015;²
4. *Expresses its appreciation* for the financial contributions provided by the Governments of Belgium, Japan, Norway and Switzerland and the European Union in order to support the implementation of the work programme of the Standing Committee on Finance, and *recalls* decision 2/CP.17, paragraph 124;
5. *Invites* the Standing Committee on Finance to further strengthen its engagement with all relevant stakeholders and bodies of the Convention;

¹ FCCC/CP/2014/5.

² FCCC/CP/2014/5, annex VIII.

6. *Welcomes* the progress achieved by the Standing Committee on Finance through the successful completion of the 2014 biennial assessment and overview of climate finance flows covering the period 2010–2012;
7. *Notes with appreciation* the 2014 Biennial Assessment and Overview of Climate Finance Flows Report;³
8. *Invites* the relevant bodies under the Convention to take note of the summary and recommendations by the Standing Committee on Finance on the 2014 biennial assessment and overview of climate finance flows;⁴
9. *Requests* relevant technical bodies to consider the recommendations contained in the report of the 2014 biennial assessment and overview of climate finance flows as part of their ongoing deliberations related to climate finance;
10. *Also requests* the Standing Committee on Finance, as part of its ongoing work on measurement, reporting and verification of support, and with a view to recommending improvements to the methodologies for reporting financial information, to consider the findings and recommendations of the biennial assessment in its annual report to the Conference of the Parties for its consideration at its twenty-first session (November–December 2015);
11. *Further requests* the Standing Committee on Finance, in the context of its ongoing work, including the preparation of the biennial assessment and overview of climate finance flows, to further explore how it can enhance its work on the measurement, reporting and verification of support, based on best available information on the mobilization of various resources, including private and alternative resources, through public interventions;
12. *Requests* the Standing Committee on Finance to include, in its report to the Conference of the Parties at its twenty-first session, information on progress made in the implementation of its 2015 workplan, taking into account paragraphs 4–7 of the draft decision on methodologies for the reporting of financial information by Parties included in Annex I to the Convention;⁵
13. *Welcomes* the 2014 Standing Committee on Finance forum on the mobilization of adaptation finance;⁶
14. *Takes note* of the report of the 2014 Standing Committee on Finance forum;⁷
15. *Notes with appreciation* the progress of the work by the Standing Committee on Finance on the issue of financing for forests, taking into account different policy approaches;⁸
16. *Looks forward* to the third forum of the Standing Committee on Finance, taking place in 2015, which will focus on issues related to finance for forests;⁹

³ <http://unfccc.int/files/cooperation_and_support/financial_mechanism/standing_committee/application/pdf/2014_biennial_assessment_and_overview_of_climate_finance_flows_report_web.pdf>.

⁴ FCCC/CP/2014/5, annex II.

⁵ For the text of the draft decision, see FCCC/SBSTA/2014/L.26.

⁶ <http://unfccc.int/cooperation_and_support/financial_mechanism/standing_committee/items/8138.php>.

⁷ <http://unfccc.int/files/cooperation_and_support/financial_mechanism/standing_committee/application/pdf/2nd_scf_forum_for_web.pdf>.

⁸ Decision 7/CP.19, paragraph 11.

⁹ Decision 9/CP.19, paragraph 20.

17. *Encourages* the Standing Committee on Finance to continue to engage with all relevant actors working on forests in the preparation of the forum, with a view to ensuring broad participation;
18. *Invites* the Standing Committee on Finance to consider, in the context of its forum on issues related to finance for forests, inter alia, decisions relevant to activities referred to in decision 1/CP.16, paragraph 70, including decisions 1/CP.16, 2/CP.17 and 12/CP.17 as well as decisions 9/CP.19 to 15/CP.19;
19. *Endorses* the recommendations on the provision of guidance to the operating entities provided in paragraph 10 of the report of the Standing Committee on Finance to the Conference of the Parties;¹⁰
20. *Requests* the Standing Committee on Finance to provide advice on the issue of the frequency of guidance to the Financial Mechanism and to report back to the Conference of the Parties at its twenty-first session;
21. *Welcomes* the inputs of the Technology Executive Committee and the Adaptation Committee to the work of the Standing Committee on Finance for its consideration in preparing elements of draft guidance to the operating entities;
22. *Requests* the Standing Committee on Finance to consider issues related to possible future institutional linkages and relations between the Adaptation Fund and other institutions under the Convention;
23. *Decides*, in accordance with decision 2/CP.17, annex VI, paragraph 10, to conduct the review of the functions of the Standing Committee on Finance no later than the twenty-third session of the Conference of the Parties (November–December 2017);
24. *Requests* the Standing Committee on Finance to consider the guidance provided to the Standing Committee on Finance in other decisions of the Conference of the Parties.

¹⁰ FCCC/CP/2014/5.