

Twelfth Meeting of the Standing Committee on Finance

6–7 April 2016
Bonn, Germany

Agenda

1. Opening of the meeting.
2. Election of officers.
3. Organizational matters.
4. Consideration of the long-term finance issues referred to in decision 3/CP.19, paragraph 12.
5. Coherence and coordination: Financing for forests, taking into account different policy approaches.
6. 2016 Forum of the Standing Committee on Finance.
7. 2016 Biennial Assessment and Overview of climate finance flows.
8. MRV of support beyond the biennial assessment and overview of climate finance flows.
9. Draft guidance to the operating entities of the Financial Mechanism.
10. Linkages with the Subsidiary Body for Implementation and the thematic bodies of the Convention.
11. Other matters:
 - (a) Date and venue of next meeting;
 - (b) Report of the twelfth meeting of the Standing Committee on Finance.
12. Closure of the meeting.



Annotations to the agenda

1. Opening of the meeting

1. The twelfth meeting of the Standing Committee on Finance (SCF) will be opened by the Co-Chairs on Wednesday, 6 April 2016.

2. Election of officers

2. **Action: Members of the SCF will be invited to elect the co-chairs of the SCF for 2016.**

3. *Background:* By decision 5/CP.18, the Conference of the Parties (COP) decided that the Chair and the Vice-Chair of the SCF shall serve as Co-chairs of the SCF, effective from the first meeting of the SCF in 2013. It also adopted the revised composition and working modalities of the SCF as contained in annex IV to its report,¹ which provided that the Committee shall elect annually two Co-Chairs from among its members for a term of one year each, with one being a member from a non-Annex I Party and the other being a member from an Annex I Party.

3. Organizational matters

(a) Adoption of the agenda

4. **Action: The SCF may wish to adopt the agenda for its twelfth meeting.**

5. *Background:* The provisional agenda was prepared by the Co-Chairs, with the assistance of the secretariat and was circulated to the SCF prior to the meeting.

SCF/2016/12/1	<i>Provisional agenda for the Twelfth Meeting of the Standing Committee on Finance</i>
SCF/2016/12/2	<i>Provisional agenda and annotations for the Twelfth Meeting of the Standing Committee on Finance</i>

(b) Organization of the work of the meeting

6. **Action: The SCF will be invited to agree on the organization of the work of the meeting.**

7. *Background:* The twelfth meeting of the SCF will be held from 6–7 April 2016 in Bonn, Germany. A detailed tentative schedule of the meeting is annexed to this document. The meeting will be open to attendance by observers from Parties and accredited observer organizations, except where otherwise decided by the SCF. Additionally, the meeting of the SCF will be webcasted. The SCF may decide at any time that a meeting or part thereof should be closed to observers and the webcast should be interrupted.

(c) Consideration of the background paper on the organisation of SCF work in 2016

8. **Action: The SCF will be invited to consider the background paper on the organisation of SCF work in 2016 with a view to agreeing on its overall approach, including on communication, as well as the collaboration with the thematic bodies and other external stakeholders.**

SCF/2016/12/9	<i>Background paper on the organisation of SCF work in 2016</i>
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¹ As contained in document FCCC/CP/2012/4.

(d) Reflection on the outcomes of the Paris Agreement (decision 1/CP.21)

9. **Action: The SCF will be invited to reflect, in a general discussion, on the outcomes of the Paris Agreement, taking into account its in-depth substantive discussions during the 2016 SCF retreat on 5 April 2016.**

10. **Background:** At COP 21, in the context of the Paris Agreement, Parties decided that the SCF shall serve the Agreement in line with its functions and responsibilities established under the COP (decision 1/CP.21, paragraph 63).

4. **Consideration of the long-term finance issues referred to in decision 3/CP.19, paragraph 12**

11. **Action: The SCF will be invited to consider the background paper on its approach to the invitation by COP 20 regarding long-term finance issues and its possible inputs to the in-session workshop in 2016.**

12. **Background:** In decision 5/CP.20, paragraph 14, COP 20 invited the thematic bodies under the Convention, in particular the SCF, the Adaptation Committee (AC) and the Technology Executive Committee (TEC), where appropriate, to consider the long-term finance (LTF) issues referred in decision 3/CP.19, paragraph 12, when implementing their 2015–2016 workplans, as an input to the in-session workshops referred to in paragraph 12 of decision 5/CP.20, which requests the secretariat to organize annual in-session workshops through to 2020 and to prepare a summary report of the workshops for annual consideration by the COP and the high-level ministerial dialogue on climate finance.

13. In 2015, the SCF agreed to consider LTF issues in the implementation of its 2015 and 2016 workplans, including by, while developing the outline and scope of the 2016 biennial assessment and overview of climate finance flows (BA), considering how to incorporate the LTF issues referred to in decision 3/CP.19, paragraph 12, so that the outcomes of the BA serve as useful input to the in-session workshop in 2016.²

SCF/2016/12/3

Consideration of the long-term finance issues referred to in decision 3/CP.19, paragraph 12

5. **Coherence and coordination: Financing for forests, taking into account different policy approaches**

14. **Action: The SCF will be invited to consider the background paper on its approach to follow-up activities regarding coherence and coordination of forest finance in 2016.**

15. **Background:** At COP 19, Parties requested the SCF to consider, in its work on coherence and coordination, inter alia, the issue of financing for forests, taking into account different policy approaches.

16. The SCF, at its 11th meeting,³ agreed to undertake in 2016 the below follow-up activities referred to in annex II, paragraph 55, of the report of the SCF to COP 21 to improve the coherence and coordination of forest finance:

(a) An overview of forest finance flows in the 2016 BA;

(b) Consideration of reaching out to entities financing the activities referred to in decision 1/CP.16, paragraph 70, and other relevant stakeholders working on forest finance to strengthen the coherence and coordination between the forestry sector and sectors that drive deforestation and forest degradation, and in the access to and delivery of support;

(c) Organization of an SCF side event in conjunction with a UNFCCC conference session in 2016, to facilitate the interactions among the financing entities providing forest finance;

² As contained in FCCC/CP/2015/8, paragraph 35.

³ As contained in FCCC/CP/2015/8, paragraph 20.

(d) Consideration of the outcomes of the above-mentioned activities at SCF meetings, with a view to preparing SCF recommendations for COP 22 on, inter alia, draft guidance to the operating entities of the Financial Mechanism.

SCF/2016/12/4

Coherence and coordination: Financing for forests, taking into account different policy approaches

6. 2016 Forum of the Standing Committee on Finance

17. **Action:** *The SCF will be invited to consider the background paper and the submissions received with a view to finalize the concept note for the forum, to agree on its outreach strategy for the 2016 forum, and to agree on the partner organization / the venue for the 2016 forum.*

18. **Background:** The COP, by decision 2/CP.20, paragraph 1, approved an initial two-year workplan of the Executive Committee of the Warsaw International Mechanism for Loss and Damage associated with Climate Change Impacts (ExCom),⁴ 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.

19. At its 11th meeting, the SCF accepted the invitation of the ExCom to dedicate its 2016 forum to financial instruments that address the risks of loss and damage associated with the adverse effects of climate change, recognizing that further work needs to be undertaken in terms of the forum's scope and purpose and emphasizing the relevance of the forum to the 2016 BA. Furthermore, it decided to launch the work for the preparations of the 2016 forum and requested the co-facilitators, with the support of the secretariat, to undertake intersessional work on, inter alia:

(a) A draft concept note for the forum;

(b) An outreach strategy for the forum, including mapping of the relevant stakeholders;

(c) A screening of possible events and organizations to partner with in the organization of the forum.

20. Furthermore the SCF agreed to consult with relevant stakeholders, throughout the preparation of the forum, starting at COP 21.⁵

21. On 15 January 2016, the SCF issued an invitation for inputs on the scope and purpose of the Forum, as well as on potential institutions and events to partner with in the organization of the Forum in order to inform the Forum's preparatory work.⁶

SCF/2016/12/5

Background paper on the 2016 Forum of the Standing Committee on Finance

7. 2016 biennial assessment and overview of climate finance flows

22. **Action:** *The SCF will be invited to consider the background document with a view to reviewing the draft technical report of the BA, and to provide further guidance on the work to be undertaken intersessionally.*

23. **Background:** COP 17 decided that the SCF should assist the COP in exercising its functions with respect to the Financial Mechanism of the Convention in terms of MRV of support provided to developing countries, inter alia, through preparing a BA.

24. Decision 3/CP.19, paragraph 11, states that the SCF, in the context of the preparation of its BA, is to consider ongoing technical work on operational definitions of climate finance, to assess how adaptation and mitigation needs can most effectively be met by climate finance and to

⁴ FCCC/SB/2014/4, annex II, Area 7, paragraph (e).

⁵ As contained in FCCC/CP/2015/8, annex III.

⁶ Submissions received are available at: <http://unfccc.int/cooperation_and_support/financial_mechanism/standing_committee/items/9410.php#Submissions%20received>.

include the results in its report to the COP. Furthermore, COP 20 decided that, in the context of its ongoing work, including the preparation of the BA, the SCF is to further explore how it can enhance its work on the MRV of support, based on best available information on the mobilization of various resources, including private and alternative resources, through public interventions.

25. The initial two-year workplan of the Executive Committee of the Warsaw International Mechanism for Loss and Damage associated with Climate Change Impacts, which was approved by COP 20, also contains the invitation to the SCF to include information on financial instruments that address the risks of loss and damage associated with the adverse in its next BA.⁷ In addition, the SCF, at its 11th meeting,⁸ agreed to include an overview of forest finance flows in the 2016 BA.

26. COP 21, in decision 9/CP.21, paragraph 13, also requested the SCF to take into account the enhanced information provided by Parties included in Annex II to the Convention referred to in paragraph 6 of this decision in its BAs.

27. In 2015, the SCF initiated work for the 2016 BA, and established a working group co-facilitated by Mr. Houssen (Seyni) Alfa Nafo and Mr. Roger Dungan. The SCF also agreed on the general outline of the second BA, as well as on an indicative timeline for completion of work in 2016.⁹

28. The SCF will hold a technical meeting subsequent to the SCF meeting on 8 April 2016.

SCF/2016/12/6

Background paper on the 2016 biennial assessment and overview of climate finance flows

8. MRV of support beyond the biennial assessment and overview of climate finance flows

29. **Action:** *The SCF will be invited to consider the background document with a view to identifying activities in its workplan on MRV of support beyond the BA that it wishes to undertake in 2016, in light of developments emanating from COP 21, particularly decision 1/CP.21.*

30. **Background:** At COP 19, Parties invited the SCF to consider ways to increase its work on MRV of support beyond the biennial assessment and overview of climate finance flows (BA) in accordance with its workplan for 2014–2015.¹⁰ COP 20 subsequently requested the SCF to further explore how it can enhance its work on the MRV of support in the context of its ongoing work.

31. In 2015, the SCF developed a two-year workplan (2016–2017) to enable improved MRV of support under the Convention.¹¹

32. At COP 21, in decision 6/CP.21, paragraph 4, Parties requested the SCF, in implementing its workplan on MRV of support beyond the BA, to continue to engage with relevant bodies under the Convention, multilateral and bilateral agencies and international institutions. In decision 9/CP.21, the COP further requested the SCF to take into account the work on the methodologies for the reporting of financial information by Parties included in Annex I to the Convention in the context of its workplan on MRV of support.

33. As part of the Paris Agreement, Parties, in Article 13 of the Agreement (decision 1/CP.21), established an enhanced transparency framework for action and support, with built-in flexibility which takes into account Parties' different capacities and builds upon collective experience. Other provisions and mandates of relevance include, inter alia, Article 9, paragraph 7 of the Agreement and decision 1/CP.21, paragraphs 57 and 91.

⁷ Initial two-year workplan of the Executive Committee of the Warsaw International Mechanism for Loss and Damage associated with Climate Change Impacts in accordance with decisions 3/CP.18 and 2/CP.19, Action Area 7

⁸ As contained in FCCC/CP/2015/8, paragraph 20.

⁹ As contained in FCCC/CP/2015/8, annex VIII.

¹⁰ As contained in FCCC/CP/2013/8, annex VIII.

¹¹ As contained in FCCC/CP/2015/8, annex VII.

SCF/2016/12/7

Background paper on MRV of support beyond the biennial assessment and overview of climate finance flows

9. Draft guidance to the operating entities of the financial mechanism

34. **Action:** *The SCF will be invited to consider the background paper with a view to agreeing on its approach to: finalizing the compilation and analysis of past guidance provided in order to identifying a draft set of core guidance, developing recommendations on the issue of frequency of guidance, and developing draft guidance to the operating entities of the Financial Mechanism .*

35. **Background:** In its report to COP 20, the SCF proposed a number of activities to improve the consistency and practicality of providing draft guidance to the operating entities, which the COP endorsed in decision 6/CP.20, paragraph 19.¹² These included an analysis of past guidance provided in order to identify a set of core guidance to serve as basis for the provision of future guidance in order to reduce redundancies, incoherence, and inconsistencies within the guidance provided to the operating entities; increased collaboration between the SCF and the thematic bodies of the Convention in the provision of draft guidance to the operating entities; and consider the issue of complementarity between the operating entities and the funds they administer when the GCF is operationalized. Furthermore, the COP requested the SCF to provide advice on the issue of the frequency of guidance to the Financial Mechanism and to report back to COP 21 on this issue.¹³

36. In its report to COP 21, the SCF listed options for the frequency of guidance provided to the operating entities of the Financial Mechanism, and indicated that the SCF will undertake further work on this issue in 2016. On the compilation and analysis of past guidance, the SCF reported on the extensive progress made by the SCF in 2015, and that additional SCF work would be needed in order to identify a draft set of core guidance that could serve as a basis for the provision of future guidance.¹⁴

SCF/2016/12/8

Background paper on the draft guidance to the operating entities of the Financial Mechanism

10. Linkages with the Subsidiary Body for Implementation and the thematic bodies of the Convention

37. **Action:** *The SCF will be invited to consider the background document prepared by the secretariat, section VIII, with a view to agreeing on its overall approach regarding the linkages with the SBI and the thematic bodies of the Convention, as well as in response to specific requests emanating from various COP decisions.*

38. **Background:** At COP 17, Parties decided that the SCF is to maintain linkages with the Subsidiary Body for Implementation (SBI) and the thematic bodies of the Convention. Furthermore, Parties, at COP 19, called on the SCF to further enhance its linkages with the SBI and the thematic bodies of the Convention.

39. The various decisions at COP 19 requested the SCF to nominate members to represent the Committee in the following bodies under the Convention:

(i) One member for the Task Force on National Adaptation Plans (decision 16/CP.19);

(ii) One of the SCF co-chairs, or a member designated by the co-chairs, of the SCF in his/her official capacity as an SCF representative for the Advisory Board of the Climate Technology Centre and Network (decision 25/CP.19).

¹² Contained in paragraph 10 of document FCCC/CP/2014/5.

¹³ Decision 6/CP.20, paragraph 20.

¹⁴ Decision 6/CP.21, paragraph 1.

40. Furthermore, COP 21, in decision 1/CP.21, paragraph 45 the COP requested the Adaptation Committee and the Least Developed Countries Expert Group, in collaboration with the SCF and other relevant institutions, to develop methodologies, and make recommendations for consideration and adoption by the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement at its first session on:

(a) Taking the necessary steps to facilitate the mobilization of support for adaptation in developing countries in the context of the limit to global average temperature increase referred to in Article 2 of the Agreement;

(b) Reviewing the adequacy and effectiveness of adaptation and support referred to in Article 7, paragraph 14(c), of the Agreement.

<i>SCF/2016/12/9</i> <i>Background paper on the organisation of SCF work in 2016</i>
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11. Other matters

(a) Date of next meeting

41. The SCF may wish to consider and agree on the date of its next meetings in 2016.

(b) Report of the twelfth meeting of the Standing Committee on Finance

42. The SCF may wish to consider and adopt the report of the twelfth meeting of the SCF inter-sessionally on a no-objection basis.

12. Closure of the Meeting

The twelfth meeting of the SCF is scheduled to be closed on Thursday, 7 April 2016, at 18:15.

ANNEX
Tentative Schedule SCF 12

Wednesday 6 April 2016

08:30 – 09:00	Registration	
09:00 – 09:30	Opening of the Meeting, Election of Officers	
09:30 – 10:15	Organizational Matters	
10:15 – 10:45	Consideration of the long-term finance issues referred to in decision 3/CP.19, paragraph 12	
10:45 – 11:15	Coherence and coordination: Financing for forests, taking into account different policy approaches	
11:15 – 11:30	Coffee break	
11:30 – 12:00	2016 Forum of the Standing Committee on Finance	
12:00 – 12:30	2016 Biennial Assessment and Overview of climate finance flows	
12:30 – 12:45	MRV of support beyond the biennial assessment and overview of climate finance flows	
12:45 – 13:15	Draft guidance to the operating entities of the Financial Mechanism	
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13:15 – 14:15	Lunch break	
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14:15 – 16:15	Breakout group on the 2016 Biennial Assessment and Overview of climate finance flows	Breakout group on draft guidance to the operating entities of the Financial Mechanism
16:15 – 16:30	Coffee break	
16:30 – 17:00	Linkages with the Subsidiary Body for Implementation and the thematic bodies of the Convention	
17:00 – 18:30	Breakout group on MRV of support beyond the biennial assessment and overview of climate finance flows	Breakout group on the 2016 Forum of the Standing Committee on Finance

Tentative Schedule SCF 12**Thursday 7 April 2016**

09:00 – 10:45	Breakout group on the 2016 Biennial Assessment and Overview of climate finance flows	Breakout group on draft guidance to the operating entities of the Financial Mechanism
10:45 – 11:00	<i>Coffee break</i>	
11:00 – 13:00	Breakout group on MRV of support beyond the biennial assessment and overview of climate finance flows	Breakout group on the 2016 Forum of the Standing Committee on Finance
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13:00 – 14:00	<i>Lunch break</i>	
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14:00 – 15:00	Report of the breakout group on the 2016 Biennial Assessment and Overview of climate finance flows	
15:00 – 16:00	Report of the breakout group on MRV of support beyond the biennial assessment and overview of climate finance flows	
16:00 – 16:15	<i>Coffee break</i>	
16:15 – 17:15	Report of the breakout group on the 2016 Forum of the Standing Committee on Finance	
17:15 – 17:45	Report of the breakout group on draft guidance to the operating entities of the Financial Mechanism	
17:45 – 18:00	Other matters	
18:00 – 18:15	Closure	
