

Sixteenth Meeting of the Standing Committee on Finance

18 to 21 September 2017

Bonn, Germany

Agenda and Annotations

1. Opening of the meeting.
2. Organizational matters.
3. Sixth Review of the Financial Mechanism of the Convention.
4. Draft guidance to the operating entities of the Financial Mechanism.
5. Forum of the Standing Committee on Finance:
 - (a) Report of the 2017 Standing Committee on Finance Forum on Climate-Resilient Infrastructure.
 - (b) Theme for the 2018 Forum of the Standing Committee on Finance.
6. Review of the functions of the Standing Committee on Finance.
7. Measurement, reporting and verification of support beyond the Biennial Assessment and Overview of climate finance flows.
8. 2018 Biennial Assessment and Overview of climate finance flows.
9. Linkages with the Subsidiary Body for Implementation and the thematic bodies of the Convention.
10. Report of the Standing Committee on Finance to the Conference of the Parties.
11. Other matters:
 - (a) Report of the sixteenth meeting of the Standing Committee on Finance.
 - (b) Date and venue of the next meeting of the Standing Committee on Finance.
12. Closure of the meeting.



Annotations to the agenda

1. Opening of the meeting

1. The sixteenth meeting of the Standing Committee on Finance (SCF) will be opened by the Co-Chairs in the morning of Monday, 18 September 2017.

2. Organizational matters

(a) Adoption of the agenda

2. **Action: The SCF may wish to adopt the agenda for its sixteenth meeting.**
3. **Background:** The Co-Chairs prepared the provisional agenda, with the assistance of the secretariat and was circulated to the SCF prior to the meeting.

SCF/2017/16/1	<i>Provisional agenda for the Sixteenth Meeting of the Standing Committee on Finance</i>
SCF/2017/16/2	<i>Provisional agenda and annotations for the Sixteenth Meeting of the Standing Committee on Finance</i>

(b) Organization of the work of the meeting

4. **Action: The SCF will be invited to agree on the organization of the work of the meeting.**
5. **Background:** The sixteenth meeting of the SCF will be held from 18–21 September 2017 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.

3. Sixth Review of the Financial Mechanism of the Convention

6. **Action: The SCF will be invited to finalize its expert input to the sixth review of the Financial Mechanism, including conclusions and recommendations, to be included in its report to COP 23.**
7. **Background:** COP 22 adopted the updated guidelines for the sixth review of the Financial Mechanism. Furthermore, it requested the SCF to provide, in its report to COP 23, expert input to the sixth review of the Financial Mechanism, with a view to the review being finalized by COP 23. During its fifteenth meeting, the SCF, inter alia, agreed on a concept note for the preparation of the expert input, as well as on its workplan which has guided its inter-sessional work to prepare the expert inputs to the review.

SCF/2017/16/3	<i>Background paper on the sixth review of the Financial Mechanism of the Convention</i>
SCF/TP/2017/1	<i>Sixth review of the Financial Mechanism. Technical paper.</i>

4. Draft guidance to the operating entities of the Financial Mechanism

8. **Action: The SCF will be invited to:**
 - (a) **Agree on draft guidance to the operating entities of the Financial Mechanism, to be included in its annual report to COP 23;**
 - (b) **Take note of an oral update from the secretariat on the inter-sessional work undertaken to enhance the compilation and analysis of past guidance to the operating entities;**

(c) Continue its deliberation on the draft set of core guidance to the operating entities of the Financial Mechanism, with a view to providing its recommendation to COP 23;

(d) Take note of an oral update by the co-chairs on engagement with the GCF Board on the operational framework for complementarity and coherence.

9. *Background:* At COP 17, Parties decided that the SCF shall assist the COP in exercising its functions with respect to the Financial Mechanism of the Convention including through providing draft guidance for the operating entities of the Financial Mechanism of the Convention to the COP, with a view to improving the consistency and practicality of such guidance, taking into account the annual reports of the operating entities as well as submissions from Parties.¹ Furthermore, Parties endorsed the recommendations by the SCF on the provision of guidance to the operating entities,² which included the following proposed actions to be conducted by the SCF:

a) Conduct 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;

b) Increase collaboration between the SCF and the thematic bodies of the Convention in the provision of draft guidance to the operating entities;

c) Consider the issue of complementarity between the operating entities and the funds they administer when the Green Climate Fund (GCF) is operationalized.

10. During the resumed session of the Ad Hoc Working Group on the Paris Agreement (APA) in May 2017, the APA agreed to continue its consideration of the remaining possible additional matters,³ which includes, inter alia, initial guidance by the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement (CMA) to the operating entities of the Financial Mechanism (GCF & GEF) under Article 9, paragraph 8, and decision 1/CP.21, paragraphs 58 and 61 to 63, as well as initial guidance by the CMA to the Least Developed Countries Fund and the Special Climate Change Fund in accordance with decision 1/CP.21, paragraph 58.

11. The SCF at its fourteenth meeting, confirmed its interest in engaging with the GCF on the operational framework for complementarity and coherence between the GCF and other institutions. An oral update by the co-chairs will be provided on this.

SCF/2017/16/4 Background paper on the draft guidance to the operating entities of the Financial Mechanism

5. Forum of the Standing Committee on Finance:

(a) Report of the 2017 Standing Committee on Finance Forum on Climate-Resilient Infrastructure

12. ***Action: The SCF will be invited to finalize the summary report of the 2017 forum, including conclusions and recommendations, to be included in its report to COP 23.***

13. *Background:* At COP 17, the SCF was mandated to organize a forum for the communication and continued exchange of information among bodies and entities dealing with climate change finance in order to promote linkages and coherence.

14. At its fifteenth meeting, the SCF agreed on “Mobilizing finance for climate resilient infrastructure”, as the topic of the 2017 forum, as well as to progress work on this matter inter-sessionally. The Forum took place from 6 to 7 of September 2017 in Rabat, Morocco. The background documents, presentation materials and other relevant information are available on the following SCF web site: <http://unfccc.int/7552.php>.

¹ Decision 2/CP.17, paragraph 121(c).

² FCCC/CP/2014/5, paragraph 10.

³ As contained in the informal note prepared by the Co-Chairs on Agenda Item 8 – Further matters related to implementation of the Paris Agreement, paragraphs 2 (d) and (e), available at: http://unfccc.int/files/meetings/bonn_may_2017/in-session/application/pdf/apa_informal_note_by_the_co-chairs_item_8ab_final_version_2017.05.17.pdf.

SCF/2017/16/5	Background paper on the 2017 Forum of the Standing Committee on Finance
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(b) Theme for the 2018 Forum of the Standing Committee on Finance

15. **Action: The SCF will be invited to agree on the theme for the 2018 forum of the SCF.**

SCF/2017/16/6	Background paper on the 2018 Forum of the Standing Committee on Finance
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6. Review of the functions of the Standing Committee on Finance

16. **Action: The SCF will be invited to finalize its self-assessment report, including recommendations on improving the efficiency and effectiveness of the SCF;**

17. *Background:* COP 22 adopted the terms of reference for the review of the functions of the SCF. Furthermore, it invited members of the SCF, Parties, the constituted bodies under the Convention and external stakeholders to submit, by 9 March 2017, their views on the review based on the terms of reference, for consideration by the Subsidiary Body for Implementation (SBI) at its forty-sixth session.⁴

18. As per the terms of references for the review contained in the annex to decision 9/CP.22, one of the sources of information for the review of the functions of the SCF will be a self-assessment report of the SCF and recommendations on improving its efficiency and effectiveness.

19. At its fifteenth meeting, the SCF agreed to further deliberations on this matter based on a survey among members and the compilation of factual and quantitative information relating to the work of the SCF. Furthermore, submissions were received from two SCF members and from the Technology Executive Committee on the review of the functions of the SCF.

20. The deliberations during SBI 46 culminated in substantive conclusions.⁵ All submissions received so far have been made available on the UNFCCC website.⁶

SCF/2017/16/7	Background paper on the review of the functions of the Standing Committee on Finance
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7. Measurement, reporting and verification of support beyond the Biennial Assessment and Overview of climate finance flows

21. **Action: The SCF will be invited to:**

(a) Take note of the relevant activities undertaken and recent developments since its fifteenth meeting; and

(b) Consider extending the 2016-2017 workplan on measurement, reporting and verification (MRV) of support beyond the biennial assessment and overview of climate finance flows (BA).

Background: At COP 19 and COP 20, Parties invited the SCF to consider ways to increase its work on MRV of support beyond the BA in accordance with its workplan.⁷ In response to invitation from the COP, the SCF agreed on a two-year workplan (2016–2017) to enable improved MRV of support under the Convention.⁸ COP 21 and COP22 have emphasised cooperation with relevant stakeholders and experts as well as consideration of ongoing work under the Convention in the context of the workplan.⁹

⁴ Decision 9/CP.22, paragraph 3.

⁵ http://unfccc.int/documentation/documents/advanced_search/items/6911.php?preref=600009358#beg.

⁶ <http://www4.unfccc.int/submissions/SitePages/sessions.aspx?showOnlyCurrentCalls=1&populateData=1&expectedsubmissionfrom=Parties&focalBodies=SBI> and http://unfccc.int/documentation/submissions_from_non-party_stakeholders/items/7481.php.

⁷ Decision 7/CP.19, paragraph 9 and 6/CP.20, paragraph 11.

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

⁹ Decisions 6/CP.21, paragraph 4, and 8/CP.22, paragraph 5.

22. The Paris Agreement, as part of Article 13, established an enhanced framework for transparency of action and support, with built-in flexibility which takes into account different capacities of Parties 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. An overview of provisions relating to MRV of support arising from the Paris Agreement and decision 1/CP.21 is contained in document SCF/2016/12/7.

23. In its report to COP 22, the SCF indicated that it will continue to undertake work on MRV of support beyond the BA on the basis of its 2016–2017 workplan, including considerations related to measurement and verification, taking into account the recommendations from the 2016 BA as well as relevant decisions to be taken at COP 23.

24. At its fifteenth meeting, the SCF agreed that the Co-Chairs and co-facilitators for this agenda item would initiate consultations with the Chairs of the Subsidiary Body for Scientific and Technological Advice (SBSTA) and the Ad Hoc Working Group on the Paris Agreement (APA), with a view to providing technical input to the ongoing work under these bodies on transparency of support.

SCF/2017/16/8 *Background paper on the measurement, reporting and verification of support beyond the Biennial Assessment and Overview of climate finance flows*

8. 2018 Biennial Assessment and Overview of climate finance flows

25. **Action:** *The SCF will be invited to agree on the outline of the 2018 BA, to be included in its report to COP 23, as well as the technical work to be conducted up until its first meeting in 2018.*

26. *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 BAs. The BAs are to include information on the geographical and thematic balance of flows drawing from available sources of information, including, inter alia, from biennial reports and biennial update reports.¹⁰ Further guidance is contained in decisions 1/CP.18, paragraph 71, 5/CP.18, paragraph 11, 3/CP.19, paragraph 11, 9/CP.21, paragraph 13, and paragraph 37 (f) in the annex to decision 8/CP.22.

27. At its fifteenth meeting, the SCF initiated work on the 2018 BA, by agreeing to launch technical work and early engagement with data providers, producers and aggregators, and to identify possible elements for the draft outline of the 2018 BA. Furthermore, members deliberated on the issue of methodologies for reviewing the adequacy and effectiveness of adaptation and support referred to in Article 7, paragraph 14(c), of the Paris Agreement (decision 1/CP.21, para. 45(b)) and agreed to continue discussions inter-sessionally on the treatment of this matter in the context of the 2018 BA.

SCF/2017/16/9 *Background paper on the 2018 biennial assessment and overview of climate finance flows*

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

28. **Action:** *The SCF will be invited to take note of the information provided by members nominated to represent the SCF in other constituted bodies.*

29. *Background:* At COP 17, Parties decided that the SCF is to maintain linkages with the SBI and the thematic bodies of the Convention. At its fifteenth meeting, the Committee nominated members to represent the Committee in the Task Force on National Adaptation Plans of the Adaptation Committee (AC), the Advisory Board of the Climate Technology Centre and Network, the Paris Committee on Capacity-building, and the working group on the technical examination

¹⁰ Decision 2/CP.17, paragraph 121(f).

process on adaptation of the AC. Furthermore, the SCF collaborated with the AC and the Least Developed Countries Expert Group on the mandates emanating from decision 1/CP.21, paragraph 45.

10. Report of the Standing Committee on Finance to the Conference of the Parties

30. *Action: The SCF will be invited to consider and agree on the draft of its report to COP 23, including its workplan for 2018 and related recommendations as appropriate. Furthermore, the SCF will be invited to agree on the procedure for the inter-sessional finalization of the report.*

31. *Background: Parties, at COP 22, requested the SCF to report to COP 23 on the progress made in the implementation of its workplan.*

SCF/2017/16/10

Background paper on the report of the Standing Committee on Finance to the Conference of the Parties

11. Other matters

(a) Report of the sixteenth meeting of the Standing Committee on Finance

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

(b) Date and venue of the next meeting of the Standing Committee on Finance

33. The SCF may wish to agree on the schedule for its meetings in the year 2018.

12. Closure of the Meeting

34. The sixteenth meeting of the SCF is scheduled to be closed on Thursday, 21 September 2017, at 16:15.

ANNEX
Tentative Schedule SCF 16

Monday 18 September 2017

- 08:30 – 09:00 Registration
- 09:00 – 09:15 Opening of the Meeting
Organizational Matters
- 09:15 – 10:00 Sixth Review of the Financial Mechanism of the Convention
- 10:00 – 10:30 Draft guidance to the operating entities of the Financial Mechanism
- 10:30 – 10:45 **Coffee break**
- 10:45 – 11:45 Review of the functions of the Standing Committee on Finance
- 11:45 – 12:30 Linkages with the Subsidiary Body for Implementation and the thematic bodies of the Convention

12:30 – 13:30 Lunch break

- 13:30 – 14:00 Measurement, reporting and verification of support beyond the Biennial Assessment and Overview of climate finance flows
- 14:00 – 15:00 2018 Biennial Assessment and Overview of climate finance flows
- 15:00 – 16:00 Report of the 2017 Standing Committee on Finance Forum on Climate-Resilient Infrastructure
- 16:00 – 16:15 **Coffee break**
- 16:15 – 18:00 Breakout group on the Sixth Review of the Financial Mechanism of the Convention Breakout group on the Report of the 2017 Standing Committee on Finance Forum on Climate-Resilient Infrastructure

Tuesday 19 September 2017

- 09:00 – 09:30 Theme for the 2018 Forum of the Standing Committee on Finance
- 09:30 – 11:15 Breakout group on the Sixth Review of the Financial Mechanism of the Convention Breakout group on the Report of the 2017 Standing Committee on Finance Forum on Climate-Resilient Infrastructure
- 11:15 – 11:30 **Coffee break**
- 11:30 – 12:30 Breakout group on the Sixth Review of the Financial Mechanism of the Convention Breakout group on the Report of the 2017 Standing Committee on Finance Forum on Climate-Resilient Infrastructure
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- 12:30 – 13:30 Lunch break**
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- 13:30 – 16:00 Breakout group on the draft guidance to the operating entities of the Financial Mechanism Breakout group on the 2018 Biennial Assessment and Overview of climate finance flows/ Measurement, reporting and verification of support beyond the Biennial

		Assessment and Overview of climate finance flows
16:00 – 16:15	Coffee break	
16:15 – 18:00	Breakout group on the draft guidance to the operating entities of the Financial Mechanism	Breakout group on the 2018 Biennial Assessment and Overview of climate finance flows / Measurement, reporting and verification of support beyond the Biennial Assessment and Overview of climate finance flows

Wednesday 20 September 2017

09:00 – 09:30	Stocktake	
09:30 – 11:00	Breakout group on the Review of the functions of the Standing Committee on Finance	Breakout group on the Report of the 2017 Standing Committee on Finance Forum on Climate-Resilient Infrastructure
11:00 – 11:15	Coffee break	
11:15 – 12:30	Breakout group on the Sixth Review of the Financial Mechanism of the Convention	Breakout group on the Report of the 2017 Standing Committee on Finance Forum on Climate-Resilient Infrastructure

12:30 – 13:30 **Lunch break**

13:30 – 16:00	Breakout group on the draft guidance to the operating entities of the Financial Mechanism	Breakout group on the 2018 Biennial Assessment and Overview of climate finance flows
16:00 – 16:15	Coffee break	
16:15 – 18:00	Breakout group on the Review of the functions of the Standing Committee on Finance	Breakout group on the Report of the 2017 Standing Committee on Finance Forum on Climate-Resilient Infrastructure / Theme for the 2018 Forum of the Standing Committee on Finance

Thursday 21 September 2017

09:00 – 10:00	Plenary report of the breakout group on the draft guidance to the operating entities of the Financial Mechanism	
10:00 – 11:00	Plenary report of the breakout group on the Sixth Review of the Financial Mechanism	
11:00 – 11:15	Coffee break	
11:15 – 12:00	Plenary report of the breakout group on the 2018 Biennial Assessment and Overview of climate finance flows / Measurement, reporting and verification of support beyond the Biennial Assessment and Overview of climate finance flows	
12:00 – 13:00	Plenary report of the breakout group on the Report of the 2017 Standing Committee on Finance Forum on Climate-Resilient Infrastructure	

13:00 – 14:00 **Lunch break**

- 14:00 – 15:00 Plenary report of the breakout group on the Review of the functions of the Standing Committee on Finance
- 15:00 – 15:30 Plenary report of the breakout group on the Theme for the 2018 Forum of the Standing Committee on Finance
- 15:30 – 16:00 Report of the Standing Committee on Finance to the Conference of the Parties
- 16:00– 16:15 Other matters

Closure
