



Agenda
Fourth Meeting of the Standing Committee on Finance

15–17 June 2013
Bonn, Germany

Agenda

1. Opening of the meeting.
 2. Organizational matters:
 - (a) Adoption of the agenda;
 - (b) Organization of the work of the meeting;
 3. Reflections on the outcomes of the first forum of the Standing Committee on Finance.
 4. COP – GCF arrangements.
 5. Fifth review of the financial mechanism.
 6. Draft guidance to the operating entities of the financial mechanism.
 7. Issues arising from SCF3:
 - (a) Expert inputs to the work programme on long-term finance.
 - (b) MRV of support.
 - (c) Linkages with the Subsidiary Body for Implementation and thematic bodies of the Convention.
 - (d) Code of Conduct of the Standing Committee on Finance.
 8. Other matters
 - (a) Date and venue of next meeting;
 - (b) Issues for further consideration at the next meeting;
 - (c) Report of the fourth meeting of the Standing Committee on Finance.
 9. Closure of the meeting.
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Annotations to the agenda

1. Opening of the meeting

1. The fourth meeting of the Standing Committee on Finance (SCF) will be opened by the Co-Chairs of the SCF on Saturday, 15 June 2013.

2. Organizational matters

(a) Adoption of the agenda

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

3. *Action:* The SCF may wish to adopt the agenda for its third meeting.

SCF/2013/4/1	<i>Provisional agenda for the Fourth Meeting of the Standing Committee on Finance</i>
SCF/2013/4/2	<i>Provisional agenda and annotations for the Fourth Meeting of the Standing Committee on Finance</i>

(b) Organization of the work of the meeting

4. *Background:* The fourth meeting of the SCF will be held from 15 to 17 June 2013 in Bonn, Germany. A detailed 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. The SCF may decide at any time that a meeting or part thereof should be closed to observers.

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

3. Reflections on the outcomes of the first forum of the Standing Committee on Finance

6. *Background:* At the 17th session of the Conference of the Parties (COP), the COP agreed on the functions and activities of the Standing Committee on Finance (SCF), including the organization of 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. Further, at COP 18, Parties welcomed the work on the forum of the SCF and encouraged the SCF to facilitate the participation of the private sector, financial institutions and academia in the forum. The COP also requested the SCF to report on the forum in its report to the COP.

7. The SCF discussed this mandate from the COP at its third meeting in Bonn in March 2013 and agreed on suggestions on the main theme, sub-themes, venue, audience, format and other arrangements relating to the organisation of the Forum. A working group was established to finalise the arrangements for the first Forum to be held in conjunction with Carbon Expo in Barcelona and in collaboration with the World Bank.

8. The secretariat supported the work of the working group in finalising the programme and also collaborated with the World Bank in the organisation of the forum. The meeting took place on Tuesday 28 May at the premises of Fira Barcelona and was followed by a plenary meeting at the Carbon Expo on Wednesday 29 May where the two Co-Chairs participated.

9. *Action:* Co-Chairs, supported by the secretariat, will provide an oral report to the SCF on the proceedings of the forum and, subsequently, the SCF will be requested to take note and consider the outcome of the first meeting of the forum.

SCF/2013/4/3	<i>Background paper on the outcomes of the first forum of the Standing Committee on Finance</i>
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4. COP – GCF arrangements

10. *Background:* At COP 18, Parties recognized that the provisions contained in Article 11, paragraph 3, and decision 3/CP.17 together with the governing instrument of the GCF, as contained in the annex to 3/CP.17, form the basis for the arrangements between the COP and the GCF. The COP requested the SCF and the GCF Board to develop the arrangements between the COP and the GCF in accordance with said provisions, for agreement by the GCF Board and subsequent agreement by COP 19.

11. During its third meeting, the SCF extensively discussed the issue of the arrangements and presented the GCF Board with a proposal containing a list of elements of the arrangements, as well as a procedural option and a timeline for the joint work.

12. The GCF Board discussed the issue of the arrangements during its fourth meeting and decided, in its decision B.01-13/11, to mandate the GCF co-chairs to develop the arrangements, in accordance with decision 7/CP.18, paragraph 1, together with the SCF Co-Chairs. It further decided that the draft arrangements shall be presented to the June meeting of the GCF Board for consideration, and further developed subsequently in order to be adopted at the September meeting of the GCF Board for presentation to COP 19 for its agreement.

13. The SCF has taken work on the development of the draft arrangements forward intersessionally. Committee members were invited to provide additional submissions to build on and further develop the elements identified during the third meeting of the SCF. The submissions were compiled and used as basis for a Co-Chairs text that was discussed during a conference call open to all SCF members on 15 May 2013. Subsequently, the Co-Chairs further developed the text on the basis of the feedback received during the conference call. This revised Co-Chairs' text is to serve as input for the discussions during the fourth meeting of the SCF, with a view to providing a draft text on the arrangements to the GCF Co-Chairs for consideration at the 4th meeting of the GCF Board.

14. *Action:* The SCF will be invited to consider the text provided by the SCF Co-Chairs and finalise a draft to be provided by the SCF Co-Chairs to the GCF Co-Chairs for consideration by the GCF Board during the 4th meeting of the Board.

SCF/2013/4/4	<i>Background paper on the COP – GCF arrangements</i>
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5. Fifth review of the financial mechanism

15. *Background:* The COP initiated the fifth review of the financial mechanism (FM) at its 18th session and requested the SCF to further amend the guidelines for the review of the FM, and to provide draft updated guidelines for consideration and adoption by COP 19, with a view to finalizing the fifth review of the FM by COP 20.

16. In developing the draft updated guidelines, the SCF is to take into account existing guidelines and recent developments within the FM, drawing upon information from, inter alia, fast-start finance, the work of the GCF, taking into account its early stage of operationalization, the initial review of the Adaptation Fund and the work programme on long-term finance.

17. Parties were invited to submit by 1 March 2013 for consideration by the SCF their views and recommendations on elements in the development of the further guidelines for the fifth review of the FM.

18. During its third meeting, the SCF focused its discussion on the scope of the fifth review of the FM and on what information should be taken into account. Based on the broad understanding that existing guidelines provide a strong basis to promptly start the preparations for the technical work on the fifth review of the FM, the SCF agreed on the establishment of the working group to follow up on this issue and that the working group will continue to work intersessionally on the basis of the existing consolidated guidelines, submissions by Parties and views expressed by members at the meeting.

19. In accordance with the agreement mentioned above, members of the working group have been elaborating intersessionally the possible guidelines for the fifth review of the FM based on the initial draft of consolidated guidelines prepared by the secretariat.



20. Following the request made by Parties at COP 18, the Co-Chairs of the SCF provided an update on the status of its work relating to the fifth review of the FM to the Subsidiary Body for Implementation (SBI) at its thirty-eighth session held 3–14 June in Bonn,

21. *Action:* The Co-Chairs will inform the SCF about the update provided to SBI 38 as well as on the side event that was held on 5 June 2013 in this context. The SCF will be invited to consider the draft consolidated guidelines, submissions by Parties and views expressed by members so far.

SCF/2013/4/5	<i>Background paper on the initial draft of the consolidated guidelines for the fifth review of the financial mechanism of the Convention</i>
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6. Draft guidance to the operating entities of the financial mechanism

22. *Background:* At COP 17, Parties decided that the SCF shall assist the COP in exercising its functions with respect to the FM of the Convention including through providing to the COP draft guidance for the operating entities (OE) of the FM of the Convention, with a view to improving the consistency and practicality of such guidance, taking into account the annual reports of the OE as well as submissions from Parties.

23. The COP invited Parties, at its eighteenth session, to submit to the secretariat annually, and no later than 10 weeks prior to the subsequent session of the COP, their views and recommendations in writing on the elements to be taken into account in developing guidance to the OE of the FM of the Convention.

24. Parties also requested the SCF, at the same session, to provide to the COP at each of its sessions, beginning in 2013, draft guidance for the Global Environment Facility (GEF), based on the annual report of the GEF to the COP and the views submitted by Parties as set out above.

25. Additionally, Parties decided to provide initial guidance to the GCF at COP 19.

26. *Action:* The SCF will be invited to have an initial discussion on the process for providing draft guidance and on possible elements to be included in the guidance for the OE of the FM of Convention.

SCF/2013/4/6	<i>Background paper on procedural aspects of the provision of draft guidance to the operating entities of the financial mechanism</i>
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7. Issues arising from SCF3

(a) Expert inputs to the work programme on long-term finance

27. *Background:* COP 18 decided to extend the work programme on long-term finance (LTF) for one year to the end of 2013, with the aim of informing developed country Parties in their efforts to identify pathways for mobilizing the scaling up of climate finance to USD 100 billion per year by 2020 from public, private and alternative sources in the context of meaningful mitigation actions and transparency on implementation, and informing Parties in enhancing their enabling environments and policy frameworks to facilitate the mobilization and effective deployment of climate finance in developing countries.

28. The SCF was requested to support the implementation of the work programme by providing expert inputs.

29. During its third meeting, the SCF decided to submit the report of its third meeting to the Co-Chairs of the SCF, expressing that it stands ready to follow the request by the COP by providing expert inputs to the design and conduct of the work programme on LTF throughout 2013. Additionally, potential synergies between the SCF forum and activities of the LTF work programme were highlighted by the SCF.

30. At this point in time, the Co-Chairs of the LTF work programme, Mr. Naderev Saño and Mr. Mark Storey, have conducted various activities, including a webinar, an information event during the second session of the Ad Hoc Working Group on the Durban Platform for Enhanced Action, as well



as two kick-off meetings involving climate finance experts from Parties and relevant stakeholders during the thirty-eight SB sessions.

31. *Action:* The Co-Chairs of the work programme on LTF will be invited to provide a brief update on their activities. The SCF will be invited to discuss the provision of concrete expert inputs by the SCF to the LTF work programme.

SCF/2013/4/7	<i>Background paper on expert inputs to the work programme on long-term finance</i>
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(b) MRV of support

32. *Background:* COP 17 decided that the SCF shall assist the COP in exercising its functions with respect to the FM of the Convention in terms of measurement, reporting and verification (MRV) of the support provided to developing countries through preparing a biennial assessment, overview of the climate finance flows, to include information on the geographical and thematic balance of such flows, drawing on available sources of information.

33. The SCF was requested, by COP 18, in initiating the first biennial assessment and overview of climate finance flows, to take into account relevant work by other bodies and entities on the MRV of support and the tracking of climate finance, and to consider ways of strengthening methodologies for reporting climate finance.

34. At COP 18, Parties also invited developed country Parties to submit to the secretariat, by May 2014, information on the appropriate methodologies and systems used to measure and track climate finance.

35. During its third meeting, some SCF members pointed out that the issue of MRV of financing should be part of the agenda of the fourth meeting of the SCF, referring to the decision 1/CP.18.

36. *Action:* The SCF will be invited to initiate consideration on the modality of work regarding this topic.

SCF/2013/4/8	<i>Background paper on measurement, reporting and verification of support</i>
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(c) Linkages with the Subsidiary Body for Implementation and thematic bodies of the Convention

37. *Background:* COP 17 decided that the SCF is to maintain linkages with the Subsidiary Body for Implementation (SBI) and the thematic bodies of the Convention.

38. In its work programme for 2013–2015, contained in its report to COP 18 (FCCC/CP/2012/4), and as endorsed by the COP in decision 5/CP.18, the SCF stated that it would present recommendations on linkages to COP 19. The SCF furthermore stated that it would have established linkages with the SBI by COP 19. The establishment of linkages with thematic bodies of the Convention was described as on-going activity.

39. *Action:* The SCF will be invited to consider the issue of linkages with the SBI and thematic bodies of the Convention.

SCF/2013/4/9	<i>Background paper on linkages with the Subsidiary Body for Implementation and thematic bodies of the Convention</i>
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(d) Code of Conduct of the Standing Committee on Finance

40. *Background:* During its third meeting, the SCF was not able to discuss this item and agreed to consider this item at its next meeting.

41. The Committee invited members to submit inputs intersessionally and also requested the secretariat to look at possible examples of other bodies defining their codes of conduct. No such submissions have been received by the secretariat at this point in time.

42. *Action:* The SCF will be invited to consider the background paper prepared by the secretariat containing possible examples for codes of conduct and taking into account submissions by SCF members.



SCF/2013/4/10

*Background paper on the Code of Conduct of the Standing Committee on Finance***8. Other matters**(a) Dates and venues of future meetings of the Standing Committee on Finance

43. The SCF may wish to consider and agree on the date and venue of its next meeting in 2013.

(b) Issues for further consideration at the next meeting

44. Any other matters arising from this meeting will be taken up under this item.

(c) Report of the fourth meeting of the Standing Committee on Finance

45. The SCF may wish to consider and adopt the report of the fourth meeting of the SCF intersessionally on a non-objection basis.

9. Closure of the Meeting

46. The fourth meeting of the SCF is scheduled to be closed on Monday 17 June 2013 at 14:00. There will be an opportunity provided for statements by observers at the closing of the meeting.



ANNEX

Tentative Schedule

Saturday 15 June 2013

- 08:30 – 09:00 Registration
- 09:00 – 09:15 Opening of the Meeting
- 09:15 – 09:45 Organizational Matters
- 09:45 – 10:45 Reflections on the outcomes of the first forum of the Standing Committee on Finance
- 10:45 – 11:15 Coffee break
- 11:15 – 12:45 COP-GCF arrangements
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- 12:45 – 13:45 Lunch break
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- 13:45 – 14:45 COP – GCF arrangements (continued)
- 14:45 – 16:00 Draft guidance to the operating entities of the financial mechanism
- 16:00 – 16:30 Coffee break
- 16:30– 17:30 Fifth review of the financial mechanism

Sunday 16 June 2013

- 09:00 – 10:30 COP – GCF arrangements (continued)
- 10:30 – 11:00 Coffee break
- 11:00 – 12:30 Fifth review of the financial mechanism
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- 12:30 – 14:00 Lunch break
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- 14:00 – 15:30 Issues arising from SCF3: Expert inputs to the work programme on long-term finance
- 15:30 – 16:00 Coffee break
- 16:00 – 17:45 Issues arising from SCF3: MRV of support

Monday 17 June 2013

- 09:00 – 10:00 Issues arising from SCF3: Linkages with the Subsidiary Body for Implementation and thematic bodies of the Convention.
- 10:00 – 11:00 Issues arising from SCF3: Code of Conduct of the Standing Committee on Finance



11:00 – 12:00 Coffee break

12:00 – 14:00 Other matters and closure of the meeting