

Fourteenth Meeting of the Standing Committee on Finance

3 to 5 October 2016
Bonn, Germany

Provisional Agenda

1. Opening of the meeting.
 2. Organizational matters.
 3. 2016 Biennial Assessment and Overview of climate finance flows.
 4. Forum of the Standing Committee on Finance:
 - (a) Report of the 2016 Forum of the Standing Committee on Finance focusing on financial instruments that address the risks of loss and damage associated with the adverse effects of climate change;
 - (b) Discussions on the theme for 2017 Forum of the Standing Committee on Finance.
 5. Draft guidance to the operating entities of the Financial Mechanism.
 6. Measurement, reporting and verification of support beyond the Biennial Assessment and Overview of climate finance flows.
 7. Linkages with the Subsidiary Body for Implementation and the thematic bodies of the Convention.
 8. Review of the functions of the Standing Committee on Finance.
 9. Report of the Standing Committee on Finance to the Conference of the Parties.
 10. Other matters:
 - (a) Date and venue of next meeting;
 - (b) Report of the fourteenth meeting of the Standing Committee on Finance.
 11. Closure of the meeting.
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Annotations to the provisional agenda

1. Opening of the meeting

1. The fourteenth meeting of the Standing Committee on Finance (SCF) will be opened by the Co-Chairs on Monday, 3 October 2016.

2. Organizational matters

(a) Adoption of the agenda

2. **Action: The SCF may wish to adopt the agenda for its fourteenth meeting.**

3. **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/2016/14/1	<i>Provisional agenda for the Fourteenth Meeting of the Standing Committee on Finance</i>
SCF/2016/14/2	<i>Provisional agenda and annotations for the Fourteenth 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 fourteenth meeting of the SCF will be held from 3–5 October 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.

3. 2016 Biennial Assessment (BA) and overview of climate finance flows

6. **Action: The SCF will be invited to consider and finalize the:**

(i) **Summary and recommendations of the 2016 BA to be included in its report to COP 22;**

(ii) **Final draft of the technical report of the 2016 BA; and the**

(iii) **Outreach strategy prior to and during COP 22 to actively promote the findings of the BA.**

7. **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 measurement, reporting and verification (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.¹

8. 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 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.

¹ Decision 2/CP.17, paragraph 121(f).

9. In this context, the initial two-year workplan of the ExCom, which was endorsed 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.² In addition, the SCF, at its 11th meeting,³ agreed to include an overview of forest finance flows in the 2016 BA.

10. In addition, the SCF's work on the BA will be relevant for discussions on the enhanced transparency framework under the Paris Agreement, with a request by the COP to the Ad Hoc Working Group on the Paris Agreement (APA), to consider, inter alia, information in the BA and other reports of the SCF in developing the modalities, procedures and guidelines for the transparency framework.⁴

11. At SCF 13, members agreed that technical discussions would be continued during the 2nd BA technical meeting subsequent to SCF 13. The SCF was further invited to provide written comments on the first order draft and the outline of the summary and recommendations, including views on possible recommendations. Additionally, it was agreed that the technical team, under the overall guidance of the BA co-facilitators, would prepare the final draft of the technical report inter-sessionally, and that the BA co-facilitators, with the support of the secretariat, would prepare a draft summary and recommendations inter-sessionally for further consideration and adoption at SCF 14.

SCF/2016/14/3	<i>Background paper on the 2016 biennial assessment and overview of climate finance flows</i>
SCF/2016/14/3/Add.1	<i>Summary and recommendations of 2016 biennial assessment and overview of climate finance flows</i>

4. Forum of the Standing Committee on Finance

- (a) Report of the 2016 Forum of the Standing Committee on Finance focusing on financial instruments that address the risks of loss and damage associated with the adverse effects of climate change

12. **Action:** *The SCF will be invited to consider and adopt the report of the 2016 Forum of the Standing Committee on Finance focusing on financial instruments that address the risks of loss and damage associated with the adverse effects of climate change to be included in its report to COP 22.*

13. **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),⁵ 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. The SCF accepted the invitation at its 11th meeting recognizing that further work needs to be undertaken in terms of the scope and purpose of the forum and emphasizing its relevance to the 2016 BA.

14. At SCF 13, the Committee adopted the programme of the 2016 forum, including the themes and guiding questions for the individual sessions.⁶ Furthermore, the SCF agreed on the next steps to be undertaken in advance of the forum (5 to 6 September 2016), including the identification of speakers and resource persons, as well as outreach activities.

² 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.

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

⁴ Decision 1/CP.21, paragraph 94(e).

⁵ FCCC/SB/2014/4, annex II, Area 7, paragraph (e).

⁶ Available at: <<http://unfccc.int/9410.php>>.

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Report of the 2016 Forum of the Standing Committee on Finance focusing on financial instruments that address the risks of loss and damage associated with the adverse effects of climate change

(b) Discussions on the theme for 2017 Forum of the Standing Committee on Finance

15. **Action: The SCF will be invited to finalize the identification of topics for its 2017 forum with a view to include a recommendation on this matter in its report to COP 22 for consideration by Parties.**

16. *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.

17. During SCF 13, the SCF identified possible options for topics for the 2017 forum and agreed to further deliberate on this matter intersessionally, including consultations within regional constituencies.⁷ Furthermore, it was agreed to finalize deliberations on the topic for 2017 at SCF 14.

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

18. **Action: The SCF will be invited :**

(i) To agree on a draft decision containing draft guidance to the Global Environment Facility to be included in its report to COP 22;

(ii) To agree on a draft decision containing draft guidance to the Green Climate Fund to be included in its report to COP 22;

(iii) To consider an update on the recent discussions with the co-chairs of the Green Climate Fund Board and its secretariat and to agree on the approach to be taken by the SCF;

(iv) To consider the frequency of guidance to the Global Environment Facility;

(v) To include in its report to COP 22 the recommendations agreed at SCF 13.

19. *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 draft guidance for the operating entities of the FM 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.⁸ 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.⁹

20. The SCF, at its 12th meeting, agreed to adopt and enhance the approach used in 2015 in its collaboration and outreach to other thematic bodies of the Convention. In addition, the SCF also agreed to be more ambitious this year in developing guidance of a more strategic nature.¹⁰ The SCF at its 13th meeting continued to elaborate areas that could be considered by the SCF in preparing the textual inputs to the draft guidance.¹¹ Based on the textual inputs received from the members, thematic bodies and Parties, the co-facilitators will prepare and circulate to the SCF a draft decision text, prior to its 14th meeting.

21. On 11 August 2016, responding to an invitation by the co-chairs of the Board to the Green Climate Fund, the SCF co-chairs joined them in a conference call and exchanged views on, *inter alia*, latest decisions of the Board on (1) the relationship between the GCF and the UNFCCC

⁷ See document SCF/2016/13/8, paragraph 14.

⁸ Decision 2/CP.17, paragraph 121(c).

⁹ Decision 6/CP.20, paragraph 20.

¹⁰ SCF/2016/12/10, paragraph 33.

¹¹ SCF/2016/13/8, annex III, paragraph 12.

thematic bodies and (2) complementarity and coherence with other funds. The GCF Board by its decision B.13/11¹² agreed, *inter alia*, to hold an annual meeting between the GCF and the thematic bodies in order to enhance cooperation and coherence of engagement. Furthermore, the GCF Board by its decision B.13/12¹³ agreed, *inter alia*, to prepare an operational framework on complementarity and coherence to be considered by the Board at its 15th meeting, as a basis for the cooperation of the Board with the SCF.

22. At SCF 13, the Committee agreed on a set of recommendations to be included in its report to COP 22 relating to the issue of frequency of guidance to be provided to the Green Climate Fund, and the preparation of draft core guidance to the operating entities of the Financial Mechanism. As the SCF could not reach a conclusion on the frequency of guidance to the Global Environmental Facility, the Committee agreed to continue its deliberation on this issue at a later date.¹⁴

SCF/2016/14/5	<i>Background paper on the draft guidance to the operating entities of the Financial Mechanism</i>
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6. Measurement, reporting, and verification of support beyond the biennial assessment and overview of climate finance flows

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

(i) To consider how to address the 2016-2017 workplan on MRV of support beyond the BA, taking into consideration the work of APA on the development of modalities, procedures and guidelines for the transparency framework and of SBSTA on the modalities for the accounting of financial resources;

(iii) Take note of progress made in the implementation of decision 9/CP.21 on methodologies for the reporting of financial information by Annex I Parties.

24. *Background:* The SCF, at its 12th meeting, identified activities in the 2016-2017 workplan on MRV of support beyond the BA that are being considered in the context of the 2016 BA. The SCF further took note of the mandates arising from decision 1/CP.21 and the Paris Agreement to be implemented by the SBSTA and the APA relating to transparency of climate finance. The SCF agreed that this year, it will pursue work on MRV of support beyond the BA in the context of the 2016 BA.

25. At SCF 13, the Committee took note of the update relating to the implementation of the 2016-2017 workplan on MRV of support beyond the BA.¹⁵

26. By decision 9/CP.21, the COP requested the secretariat to explore ways of creating links (from the electronic reporting application for the biennial report common tabular format) to other reporting software and platforms to facilitate the importation and exportation of activity-level data, and to inform the SCF to take this into consideration in its workplan.¹⁶

SCF/2016/14/6	<i>Background paper on measurement, reporting and verification of support beyond the biennial assessment and overview of climate finance flows</i>
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¹³ GCF/B.13/32/Rev.01, paragraphs 21–22.

¹⁴ SCF/2016/13/8, annex III, paragraph 9.

¹⁵ Available at: <http://unfccc.int/files/cooperation_and_support/financial_mechanism/standing_committee/application/pdf/info_note_mrv_1307.pdf>.

¹⁶ Decision 9/CP.21, paragraph 11.

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

27. **Action:** *The SCF will be invited to consider the information contained in the background paper with a view to agree on the inputs to be provided to the Adaptation Committee and the LDC Expert Group in response to decision 1/CP.21, paragraph 45.*

28. **Background:** At COP 21, in decision 1/CP.21, paragraph 45, the COP requested the Adaptation Committee (AC) and the Least Developed Countries Expert Group (LEG), 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.

29. At SCF 13, Mr. Randy Caruso provided an update on the on-going work on this matter to the SCF, including the call for submissions (September 30th, 2016) issued by the AC and the LEG to solicit inputs from Parties and other stakeholders.

SCF/2016/14/7 *Background paper on the mandate contained in decision 1/CP.21, paragraph 45*

8. Review of the functions of the Standing Committee on Finance

30. **Action:** *The SCF will be invited to discuss the upcoming review of the functions of the SCF and the submissions by SCF members on the terms of reference of the review.*

31. **Background:** At COP 21, Parties decided to initiate the review of the functions of the SCF¹⁷ referred to in decision 6/CP.20, paragraph 23, at COP 22. COP 21 also requested the members of the SCF and invited Parties and observer organizations to submit their views on the terms of reference for the review of the functions of the SCF by 21 September 2016. The COP further requested the Subsidiary Body for Implementation (SBI), at its forty-fifth session, to prepare draft terms of reference for the review, on the basis of the submissions, for consideration by COP 22.

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

32. **Action:** *The SCF will be invited to consider and agree on the draft of its report to COP 22, including its workplan for 2017 and related recommendations as appropriate. Furthermore, the SCF will be invited to agree on the procedure for the inter-sessional finalization of the report.*

33. **Background:** Parties, at COP 21, requested the SCF to report to COP 22 on the progress made in the implementation of its workplan.

SCF/2016/14/8 *Background paper on the draft report of the Standing Committee on Finance to the twenty-second session of the Conference of the Parties*

¹⁷ Functions of the SCF: 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.

10. Other matters**(a) Date of next meeting**

34. The SCF may wish to consider and agree on the number and scheduling of its meetings in 2017.

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

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

11. Closure of the Meeting

36. The fourteenth meeting of the SCF is scheduled to be closed on Wednesday, 5 October 2016, at 18:15.

ANNEX
Tentative Schedule SCF 14

Monday 3 October 2016

- 08:30 – 09:00 Registration
- 09:00 – 09:30 Opening of the Meeting
Organizational Matters
- 09:30 – 10:00 2016 Biennial Assessment and Overview of climate finance flows
- 10:00 – 10:30 Measurement, reporting and verification of support beyond the Biennial Assessment and Overview of climate finance flows
- 10:30 – 10:45 *Coffee break*
- 10:45 – 11:15 Draft guidance to the operating entities of the Financial Mechanism
- 11:15 – 11:45 Report of the 2016 Forum of the Standing Committee on Finance focusing on financial instruments that address the risks of loss and damage associated with the adverse effects of climate change
- 11:45 – 12:30 Discussions on the theme for 2017 Forum of the Standing Committee on Finance

12:30 – 13:30 *Lunch break*

- 13:30 – 15:45 Breakout group on the 2016 Biennial Assessment and Overview of climate finance flows
- 15:45 – 16:00 *Coffee break*
- 16:00 – 18:00 Breakout group on the report of the 2016 Forum of the Standing Committee on Finance focusing on financial instruments that address the risks of loss and damage associated with the adverse effects of climate change
- Breakout group on draft guidance to the operating entities of the Financial Mechanism

Tuesday 4 October 2016

- 09:00 – 09:30 Linkages with the Subsidiary Body for Implementation and the thematic bodies of the Convention
- 09:30 – 12:30 Breakout group on the report of the 2016 Forum of the Standing Committee on Finance focusing on financial instruments that address the risks of loss and damage associated with the adverse effects of climate change
- Breakout group on draft guidance to the operating entities of the Financial Mechanism

11:00 – 11:15 *Coffee break*

12:30 – 13:30 *Lunch break*

- 13:30 – 18:00 Breakout group on the 2016 Biennial Assessment and Overview of climate finance flows
- 16:15 – 16:30 *Coffee break*

Wednesday 5 October 2016

- 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 2016 Forums of the Standing Committee on Finance
- 11:00 – 11:15 *Coffee break*
- 11:15 – 13:00 Plenary report on the 2016 Biennial Assessment and Overview of climate finance flows

13:00 – 14:00 Lunch break

- 14:00 – 15:00 2016 Biennial Assessment and Overview of climate finance flows
- 15:00 – 15:30 Discussions on the theme for 2017 Forum of the Standing Committee on Finance
- 15:30 – 16:00 Linkages with the Subsidiary Body for Implementation and the thematic bodies of the Convention
- 16:00 – 16:15 *Coffee break*
- 16:15 – 18:00 Report of the Standing Committee on Finance to the Conference of the Parties / Measurement, reporting and verification of support beyond the Biennial Assessment and Overview of climate finance flows / Review of the functions of the Standing Committee on Finance
- 18:00– 18:15 Other matters

Closure
