

## Fifteenth Meeting of the Standing Committee on Finance

7 to 9 March 2017

Bonn, Germany

### Provisional Agenda

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 Draft guidance to the operating entities of the Financial Mechanism.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



## Annotations to the provisional agenda

### 1. Opening of the meeting

1. The fifteenth meeting of the Standing Committee on Finance (SCF) will be opened by the Co-Chairs on Tuesday, 7 March 2017.

### 2. Election of officers

2. **Action: Members of the SCF will be invited to elect the co-chairs of the SCF for 2017.**

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,<sup>1</sup> 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 fifteenth 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/2017/15/1	<i>Provisional agenda for the Fifteenth Meeting of the Standing Committee on Finance</i>
SCF/2017/15/2	<i>Provisional agenda and annotations for the Fifteenth 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 fifteenth meeting of the SCF will be held from 7–9 March 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.

### 4. 2017 workplan of the Standing Committee on Finance

8. **Action: The SCF will be invited to consider the mandates and further guidance received at COP 22 with a view to agreeing on its workplan for 2017, including the organization of its work throughout 2017. The SCF co-chairs will also provide highlights of the outcomes of the 2017 SCF retreat.**

9. *Background:* The COP, in decision 8/CP.22, paragraph 2, endorsed the workplan of the SCF for 2017.<sup>2</sup> In addition, COP 22 provided further guidance, described below, which has been incorporated into the SCF 2017 workplan.

10. The COP reiterated that the SCF will integrate financing for forests-related considerations into its 2017 workplan, where appropriate, and continue work on this matter in the context of the overall issue of improving coherence and coordination in the delivery of climate change financing, taking into account all relevant decisions on forests.

<sup>1</sup> As contained in document FCCC/CP/2012/4.

<sup>2</sup> As contained in document FCCC/CP/2016/8, annex VIII.

11. Additionally, the COP took note of the summary report on the 2016 forum, including the recommendations and follow-up activities of the SCF, and invited the SCF to follow up on the recommendations in its 2017 workplan.<sup>3</sup>

12. COP 22, in its decision on Gender and climate change, requested all constituted bodies under the UNFCCC process to include in their regular reports information on progress made towards integrating a gender perspective in their processes according to the entry points identified in a technical paper to be prepared by the secretariat, identifying entry points for integrating gender considerations in workstreams under the UNFCCC process, for consideration by SBI 48 (April-May 2018) (decision 21/CP.22, paragraphs 13 and 14).

13. Furthermore, the COP invited Parties, members of constituted bodies, United Nations organizations, observers and other stakeholders to consult through meetings, prior to SB 46, in order to provide inputs to the formulation of the gender action plan to be developed by the SBI (decision 21/CP.22, paragraphs 27 and 28).

14. The SCF is expected to discuss the matters above at its 2017 retreat on 6 March 2017.

*SCF/2017/15/3      Background paper on the 2017 workplan of the Standing Committee on Finance*

## 5. Sixth Review of the Financial Mechanism of the Convention

15. **Action: The SCF will be invited to agree on the following:**

*(a) A concept note for the preparation of its expert inputs, including a draft outline, approach and possible linkages;*

*(b) To establish a working group, and to identify timelines, interim outputs and outreach strategy;*

16. *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. The COP, by decision 9/CP.20 on the fifth review of the Financial Mechanism, encouraged the SCF to build on the same methodology and criteria in the future reviews of the Financial Mechanism.

*SCF/2017/15/4      Background paper on the sixth review of the Financial Mechanism of the Convention*

## 6. 2017 Forum of the Standing Committee on Finance

17. **Action: The SCF will be invited to agree on the:**

*(a) Topic of its 2017 forum, including possible partner organization and/or event, taking into consideration related budget implications;*

*(b) Scope and draft programme of the 2017 forum; and*

*(c) Organization of inter-sessional work, including outreach activities as appropriate.*

18. *Background:* During its 13<sup>th</sup> and 14<sup>th</sup> meetings, the SCF initiated discussions on the topic of its 2017 forum, however the SCF did not come to an agreement on this matter.<sup>4</sup> COP 22 considered this matter and invited the SCF to continue its deliberations on the topic of its 2017 forum at its first meeting in 2017.<sup>5</sup>

*SCF/2017/15/5      Background paper on the 2017 Forum of the Standing Committee on Finance*

<sup>3</sup> See document FCCC/CP/2016/8, annex III, paragraphs 68 and 69.

<sup>4</sup> See document SCF/2016/13/8, paragraphs 14 to 16, document SCF/2016/14/9, paragraphs 11 to 13, and document FCCC/CP/2016/8, paragraph 29.

<sup>5</sup> Decision 8/CP.22, paragraph 9.

## 7. Review of the functions of the Standing Committee on Finance

19. **Action: The SCF will be invited to agree on its approach to the self-assessment to be conducted by the SCF, including:**

*(a) The scope of the self-assessment, including areas for possible recommendations on improving the efficiency and effectiveness of the Committee;*

*(b) The establishment of a working group and nomination of co-facilitators; and*

*(c) The organization of inter-sessional work and provision of guidance for inter-sessional work.*

20. *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.<sup>6</sup>

21. 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.

22. The SCF is expected to initially discuss this matter at its 2017 retreat.

SCF/2017/15/6	<i>Background paper on the review of the functions of the Standing Committee on Finance</i>
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## 8. Measurement, reporting and verification of support beyond the Biennial Assessment and Overview of climate finance flows

23. **Action: The SCF will be invited to consider possible activities in 2017 on the basis of the two-year 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.<sup>7</sup> 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.<sup>8</sup> 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.<sup>9</sup>

24. The Paris Agreement, as part of Article 13, 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. 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.

25. 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 22.

SCF/2017/15/7	<i>Background paper on the measurement, reporting and verification of support beyond the Biennial Assessment and Overview of climate finance flows</i>
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<sup>6</sup> Decision 9/CP.22, paragraph 3.

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

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

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

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

26. **Action: The SCF will be invited to come to an agreement on the below issues:**
- (a) Appointment of representatives of the SCF regarding various thematic areas of work;**
  - (b) Overall approach to its linkages with the constituted bodies, particularly with regard to working modalities;**
  - (c) Possible areas of cooperation between the SCF and the constituted bodies in 2017 in line with its existing activities;**
  - (d) Submission to the Adaptation Committee on adaptation-related institutional arrangements under the Convention.**
27. **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.
28. The SCF is invited to nominate members to the Task Force on National Adaptation Plans of the Adaptation Committee (AC), Advisory Board of the Climate Technology Centre and Network, one representative of the SCF will be invited to participate in the first meeting of the PCCB, one representative of the SCF to participate in the working group on the technical examination process on adaptation of the (AC).
29. COP 21, in decision 1/CP.21, paragraph 45, the COP requested the 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.
30. Additionally, the SCF has been engaged in various adaptation related matters, which includes a draft submission on adaptation-related institutional arrangements under the Convention<sup>10</sup> to be made in line with the invitation by the AC to respond to its call for submissions to Parties and non-Party stakeholders on the AC's mandates stemming from decision 1/CP.21, paragraph 42.<sup>11</sup>

SCF/2017/15/8      *Background paper on the linkages with the Subsidiary Body for Implementation and the thematic bodies of the Convention*

## 10. 2018 Biennial Assessment and Overview of climate finance flows

31. **Action: The SCF will be invited to initiate work on its 2018 BA, including to:**
- (a) Agree on the overall approach and a preliminary draft outline; and**
  - (b) Agree to initiate technical work and early engagement with data providers, producers, and aggregators.**
32. **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.<sup>12</sup> 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.
33. The COP, in decision 1/CP.21, paragraph 94 (e) requested the Ad hoc Working Group on the Paris Agreement, in developing the modalities, procedures, and guidelines referred to in

<sup>10</sup> See document SCF/2016/14/9, paragraph 25(d).

<sup>11</sup> <[http://unfccc.int/adaptation/groups\\_committees/adaptation\\_committee/items/10005.php](http://unfccc.int/adaptation/groups_committees/adaptation_committee/items/10005.php)>.

<sup>12</sup> Decision 2/CP.17, paragraph 121(f).

paragraph 91 in the same decision, to consider, inter alia, information in the biennial assessment and overview of climate finance flows and other reports of the SCF.

34. COP 22 noted the 2016 biennial assessment and overview of climate finance flows while particularly welcoming the summary and recommendations by the SCF as contained in the annex to decision 8/CP.22.

SCF/2017/15/9

*Background paper on the 2018 biennial assessment and overview of climate finance flows*

## 11. Draft guidance to the operating entities of the Financial Mechanism

35. **Action: The SCF will be invited to agree on the:**

**(a) Timelines and approach for the development of draft guidance to the operating entities;**

**(b) Update and further improvement of the compilation and analysis of past guidance provided to the operating entities;**

**(c) Preparation of recommendations on a draft set of core guidance to be provided to COP 23;**

**(d) Development of recommendations on the frequency of guidance to the Global Environment Facility (GEF)**

36. *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.<sup>13</sup> 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.<sup>14</sup>

37. At its 13<sup>th</sup> meeting, the SCF agreed that it will annually update the compilation and analysis of past guidance provided to the operating entities in order to incorporate guidance emanating from each session of the COP. In addition, the SCF agreed to invite SCF members, observer organizations, including the GEF and the GCF, and the constituted bodies to provide input to and feedback on the compilation and analysis. On this basis, the SCF agreed to undertake further work in 2017 to further improve the compilation and analysis, also with a view to preparing recommendations on a draft set of core guidance to be provided to COP 23.

38. Furthermore, the SCF agreed to continue to develop its recommendations on the frequency of guidance to the GEF,<sup>15</sup> and confirmed its interest in engaging with the GCF on the operational framework for complementarity and coherence between the GCF and other institutions.<sup>16</sup>

SCF/2017/15/10

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

## 12. Other matters

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

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

<sup>13</sup> Decision 2/CP.17, paragraph 121(c).

<sup>14</sup> Decision 6/CP.20, paragraph 20.

<sup>15</sup> FCCC/CP/2016/8, paragraph 36.

<sup>16</sup> FCCC/CP/2016/8, paragraph 35.

40. The SCF may also wish to reaffirm the schedule of its next meeting from 4 to 8 September 2017.

### **13. Closure of the Meeting**

41. The fifteenth meeting of the SCF is scheduled to be closed on Thursday, 9 March 2017, at 16:00.

**ANNEX**  
**Tentative Schedule SCF 15**

**Tuesday 7 March 2017**

- 08:30 – 09:00 Registration
- 09:00 – 09:30 Opening of the Meeting  
Election of Officers  
Organizational Matters
- 09:30 – 10:00 2017 workplan of the Standing Committee on Finance
- 10:00 – 10:30 Sixth Review of the Financial Mechanism of the Convention
- 10:30 – 10:45 **Coffee break**
- 10:45 – 11:15 Draft guidance to the operating entities of the Financial Mechanism
- 11:15 – 12:00 Review of the functions of the Standing Committee on Finance
- 12:00 – 12:45 Linkages with the Subsidiary Body for Implementation and the thematic bodies of the Convention

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**12:45 – 13:45 Lunch break**

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- 13:45 – 14:15 Measurement, reporting and verification of support beyond the Biennial Assessment and Overview of climate finance flows
- 14:15 – 14:45 2018 Biennial Assessment and Overview of climate finance flows
- 14:45 – 15:15 2017 Forum of the Standing Committee on Finance
- 15:15 – 15:45 Breakout group on the Draft guidance to the operating entities of the Financial Mechanism
- 15:45 – 16:00 **Coffee break**
- 16:00 – 18:00 Breakout group on the Sixth Review of the Financial Mechanism of the Convention      Breakout group on the 2017 Forum of the Standing Committee on Finance

**Wednesday 8 March 2017**

- 09:00 – 09:30 Linkages with the Subsidiary Body for Implementation and the thematic bodies of the Convention
- 09:30 – 11:15 Breakout group on the Sixth Review of the Financial Mechanism of the Convention      Breakout group on the 2017 Forum of the Standing Committee on Finance
- 11:15 – 11:30 **Coffee break**
- 11:30 – 12:30 Review of the functions of the Standing Committee on Finance

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**12:30 – 13:30 Lunch break**

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- 13:30 – 15:30 Breakout group on the Measurement, reporting and verification of support beyond the Biennial Assessment and Overview of climate finance flows



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15:30 – 16:30	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
16:30 – 16:45	<b>Coffee break</b>	
16:45 – 18:00	Breakout group on the Sixth Review of the Financial Mechanism of the Convention	Breakout group on the 2017 Forum of the Standing Committee on Finance

**Thursday 9 March 2017**

09:00 – 10:30	Plenary report of the breakout group on the 2017 Forum of the Standing Committee on Finance	
10:30 – 10:45	<b>Coffee break</b>	
10:45 – 12:15	Plenary report of the breakout group on the Sixth Review of the Financial Mechanism	
12:15 – 13:00	Plenary report of the breakout group on the draft guidance to the operating entities of the Financial Mechanism	

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**13:00 – 14:00 Lunch break**

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14:00 – 15:00	Plenary report of the breakout group on the Measurement, reporting and verification of support beyond the Biennial Assessment and Overview of climate finance flows / 2018 Biennial Assessment and Overview of climate finance flows	
15:00 – 15:45	Review of the functions of the Standing Committee on Finance	
15:45 – 16:00	Other matters	

**Closure**

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