

Fifteenth meeting of the Standing Committee on Finance Bonn, Germany, 7–9 March 2017

Background paper on the 2017 Forum of the Standing Committee on Finance

Expected actions by the Standing Committee on Finance

The Standing Committee on Finance (SCF) will be invited to come to an agreement on the following:

- a) The topic for its 2017 forum;
- b) The partner event for the 2017 forum as appropriate;
- c) The scope and draft programme of the 2017 forum; and
- d) The overall approach for the organization of the 2017 forum, including considerations for how to engage with the partner organization(s), outreach activities, and inter-sessional activities to be undertaken.

I. Possible actions for consideration by the Standing Committee on Finance

1. The SCF may wish to agree on the topic of the 2017 SCF forum based on the inter-sessional work led by the co-facilitators of the 2017 SCF forum prior to the 15th SCF meeting and in line with previous discussions on the 2017 forum. Inputs that were received inter-sessionally from SCF members on the forum topic suggested to focus on financing or financing strategies for the implementation of intended nationally determined contributions (NDCs) and national adaptation plans (NAPs). Related to this, inputs proposed to discuss the respective roles of, inter alia, the Financial Mechanism, multilateral development banks, and the private sector. Overall, inputs also stressed the importance of aligning the forum topic with the core mandate and specific activities of the SCF. Further details are described in the background section and Annex I below.
2. The SCF may wish to further agree on a potential partner event based on the preliminary list of potential partner organisations for the forum or consider the option of organizing the forum as a stand-alone event taking into account budgetary implications, legal and logistical arrangements. Annex II provides an overview of previous forums and annex III includes an assessment table of potential partner events for the 2017 forum for consideration by the SCF.
3. With regard to the organization of the forum, the SCF may wish to:
 - Agree on an indicative timeline of inter-sessional activities and the working arrangements of the working group that was established and will be led by the co-facilitators, as nominated by the SCF;
 - Discuss and agree on the scope of the forum including key elements of the programme;
 - Decide on the modalities for engagement with relevant stakeholders (e.g. identifying and reaching out to appropriate institutions and experts to be involved in the forum as resources persons).
4. In case the SCF cannot reach an agreement on the forum topic during the 15th SCF meeting, SCF members may wish to consider taking a decision inter-sessionally. In this instance, SCF members may wish to keep in mind implications of such decision, such as intensive intersessional work by the working group and SCF members or allowing enough preparation time for the organisation of the forum by the secretariat.
5. Finally, when considering options for the timing of the forum, the SCF may also wish to consider implications relating to the reporting of the outcome of the forum including SCF recommendations, (e.g. should the forum take place very close or after the 16th SCF meeting). In this case the forum report could



be agreed by SCF members inter-sessionally and be put into an addendum to the annual SCF report to the Conference of the Parties (COP). Alternatively, SCF members may wish to consider the option of discussing the outcomes of the 2017 forum at its first SCF meeting in 2018. This would however imply that the report of the forum and related SCF recommendations would not be considered by Parties at COP23.

II. Background

6. During its 13th and 14th meeting, the SCF initiated discussions on the topic of its 2017 forum. However, it did not come to an agreement on this matter.¹
7. On the basis of the possible topics identified during the 13th SCF meeting and the preliminary comments from members, the co-facilitators proposed the following as a potential theme for the 2017 forum at the 14th SCF meeting.
“How should the implementation of (Intended) Nationally Determined Contributions and National Adaptation Plans be supported in the context of achieving the goal as set out in Article 2.1(c) of the Paris Agreement?”
8. With the potential theme above, the idea is to provide an opportunity to look into the implementation of Nationally Determined Contributions (NDCs) from the perspective of the objective of the Paris Agreement, as set out in the goals specified in its Article 2.1(a) and 2.1(b).
9. Additionally, the proposal included a special focus on issues such as capacity-building, the role of private finance in the implementation of NDCs, financial support provided to forthcoming NDC partnerships and access to finance.
10. The proposal was introduced at the SCF plenary. However, members did not reach an agreement on the proposed topic. Some members suggested that the forum should also address the needs of developing countries, especially with regard to technology development and transfer and the role of public finance in addressing the objective of the Paris Agreement in its entirety.
11. In its decision 8/CP.22, paragraph 9, the COP invited the SCF to continue its deliberations on the topic of its 2017 forum at its first meeting in 2017.
12. In order to make progress in the organization of 2017 SCF prior to the 15th SCF meeting, the co-facilitators of the 2017 SCF forum invited SCF members to provide further views and concrete suggestions by 12 February 2017 on the topic and focus of the forum discussed at the last meeting. The following documents were provided to the SCF members to assist when preparing their inputs:
 - (a) A recapitulation of the discussions at COP22 and during the 13th and 14th SCF meetings on the 2017 SCF forum;
 - (b) The draft report slide that was introduced by co-facilitators at the 14th SCF meeting;
 - (c) A brief overview of previous SCF forums including their topics, partner organisations, and locations, etc;
 - (d) A preliminary list of climate change related events and potential partnering events for the 2017 SCF forum.
13. The 3 inputs received from SCF members are compiled in annex I of this document. The inputs generally underlined the importance of aligning the forum’s topic with the mandates and core functions of the SCF. Furthermore, inputs stressed the need to focus on financing for the implementation of nationally determined contributions (NDCs) and national adaptation plans (NAPs). Finally, inputs also called for partner up with other events to make the best use of available experts and to keep the costs reasonable in organizing the forum.

¹ See documents SCF/2016/14/9, paragraph 10, SCF/2016/13/8, paragraph 13, and SCF/2016/13/5.

Annex I – Compilation of inputs received from SCF members regarding further views and concrete suggestions on the topic of the 2017 SCF forum

Note: Inputs received are presented in verbatim below.

Input from Mr. Stephan Kellenberger, Switzerland (7 February 2017)

[...] Drawing on the experience with the 2016 forum, I feel it is important to further narrow down the scope of the forum and to align it with the SCF mandate and core competencies. Rather than looking at support for NDC implementation in general, the forum could for instance focus on *financing or funding strategies* for NDC implementation that countries will need to develop over the coming years. This would include exploring how such strategies could be designed at the national level (taking into account the diversity of NDCs), how they relate to existing national development/investment plans and what role they envisage for international and domestic, public and private finance as well as for capacity-building/readiness support. The BA2016 could be a valuable source of information in this regard. Focusing on financing/funding strategies for NDC implementation would also allow to create a link to Art. 2.1c of the Paris Agreement and its objective of shifting investments towards low-carbon and climate-resilient development. [...]

Input from Mr. Ismo Ulvila, EU Commission (9 February 2017)

[...] Thanks to Stephan for those thoughts, which I found as a good possible compromise topic to consider. It might be possible also to think organising the Forum agenda in a manner that could on one hand offer to the private sector possibilities to present their objectives and/or particular funding strategies/vision for the shifting investments and needs, and on the other discuss effective use of public climate finance funds, notably in the context of the most vulnerable countries.

As for the timing, on the basis of the draft mapping of suitable events to combine the Forum with, I believe that organising the Forum back-to-back with eg the October GCF board meeting or the October Latin America and Caribbean Carbon market forum could be the best tentative timing. It would allow us for sufficient time for preparations and the Forum report could then be approved in written procedure. [...]

Input from Mr. Yorio Ito, Japan (13 February 2017)

[...] The question “How to support the implementation of (intended) nationally determined contributions and national adaptation plans in the context of achieving the goal as set out in Article 2.1 (c) of the Paris Agreement?” seems to be open enough to address many issues related to financing and it is also focused on the implementation of the Paris Agreement. Thus, We believe the topic question may be kept as it is.

However, as Stephan pointed out, we also believe that focusing on the SCF mandate and core competencies is important since the forum is held by the SCF. Thus, the topic question should be narrowed down to be more focused on financing or making flow of climate finance to implement the NDC and the NAP. We believe that there could be several sub-questions for 2017 SCF forum such as:

“How can the MDBs, climate-related financial mechanisms, other institutions or stakeholders usefully contribute to the NDC and the NAP implementations?”

“How private sectors could be involved in implementing the NDC and the NAP?” or “What kind of measures should Parties take to encourage private sectors to contribute to the NDC and the NAP implementations?”

“What kind of measures are needed to improve financial access including readiness support with regard to implementing the NDC and the NAP?”

We believe that the role of the FM under the convention, MDBs, private sectors and others are crucial in implementing Article 2.1(c) and holding a forum which helps Parties to think how they can implement their NDCs and NAPs using existing and potential resources may be very useful for Parties under the Paris Agreement.

Lastly, we are also interested in the discussion of where and when we hold the 2017 SCF forum. As far as we have seen the past forum, it seems that stand-alone event requires high cost. We should try to hold the event with other forum such as NDC partnership which is likely to have close relationship with above-mentioned focus points or a stand-alone event at SB46 which is likely to cost less. We are looking forward to discussing this issue at the 15th SCF meeting. [...]

Annex II – Overview of previous forums

Topic	Location	Partner event	Partner institution	Number of participants	Approx. preparation time (period between SCF decision and forum taking place)	Processing of legal arrangements	Estimated actual costs and cost sharing arrangements	Additional observations
2013 SCF Forum: “Mobilizing Finance and Investment for Climate Action Now”	Barcelona, Spain	Carbon Expo	World Bank Institute	Approx. 150 participants including representatives from Parties, financial institutions, national and multilateral development banks, think tanks, civil society and academia	Approx. 2 months	Memorandum of Understanding (MoU) with host country was agreed very close to the forum date (two days before the event) Partnership agreement with WB also finalized very close to the event	<ul style="list-style-type: none"> • Approx. 50.000 USD • World Bank covered costs for venue, IT support, catering, funding of 40 participants 	<ul style="list-style-type: none"> • Short time for preparations creating challenges in clearance of the MoU and arrangements with the World Bank • First forum of the SCF was a one-day event only
2014 SCF Forum: “Mobilizing Adaptation Finance”	Montego Bay, Jamaica	Climate Investment Funds (CIF) 2014 Partnership Forum	CIF Administrative Unit and Inter-American Development Bank (IDB)	Approx. 140 participants including representatives from Parties, multilateral and national financial institutions, the private sector, civil society and academia	Approx. 9 months	MoU with host country and partnership agreement with the CIFs were arranged in a timely manner	<ul style="list-style-type: none"> • Approx. 115.000 USD • CIF covered costs for funding of approx. 90 participants 	Adequate time allowed for smooth processing of MoU and partnership agreement with the CIFs

<p>2015 SCF Forum: “Enhancing Coherence and Coordination of Forest Financing”</p>	<p>Durban, South Africa</p>	<p>14th World Forestry Congress (WFC)</p>	<p>Food and Agriculture Organization of the United Nations (FAO) and the South African Government</p>	<p>Approx. 180 participants including representatives from governments, forest and financial institutions, the private sector and civil society</p>	<p>Approx. 5,5 months</p>	<p>Arranging for the MoU took a considerable amount of time and could be finalized only very close to the forum due to clauses relating to Immunities and Privileges (P&I)</p>	<ul style="list-style-type: none"> • Approx. 54.000 USD • FAO and its partners covered costs for funding 80 participants and 55 were self-funded/funded by the REDD+ Partnership 	<p>WFC was very conducive in attracting participants and resource persons to the SCF forum</p>
<p>2016 SCF Forum: “Financial Instruments that Address the Risks of Loss and Damage”</p>	<p>Manila, Philippines</p>	<p>First SCF forum as “stand-alone” event</p>	<p>Asian Development Bank (ADB), Philippines Climate Change Commission</p>	<p>Approx. 200 participants from governments, financial institutions, private sector and the civil society</p>	<p>Approx. 2,5 months</p>	<p>Smooth processing of MoU and partnership agreement with the ADB</p>	<ul style="list-style-type: none"> • Approx. 124.000 USD • ADB agreed to provide the venue, the logistical support and funding of 50 participants 	<ul style="list-style-type: none"> • First SCF forum as a “stand-alone” event demonstrated SCF’s convening power also thanks to its dedicated partners • SCF forum as a stand-alone event increased costs because the forum could not tap into already present experts but had to individually bring them in to Manila • Delay in decision on the forum had implications on available partner options

Annex III – Overview and assessment of potential partner events for the 2017 SCF Forum

	Thematic focus	Convening power – level of participation	Legal requirements (MoU, Visa, etc.)	Logistical requirements (Webcast, venue, catering)	Budget / financial implications	Strengths and/or perceived risks/challenges
<p>Stand-alone SCF Forum during SB 46</p> <p><i>08–18 May 2017</i></p> <p><i>Bonn, Germany</i></p>	<p>- The forty-sixth sessions of the Subsidiary Body for Implementation (SBI 46), Subsidiary Body for Scientific and Technological Advice (SBSTA 46), and the third part of the first session of the Ad Hoc Working Group on the Paris Agreement (APA 1–3)</p>	<p>- Convening power of SB would be a plus, although SB would not automatically guarantee the right audience for the SCF Forum.</p>	<p>- No need for MoU with the Government of Germany as legal arrangements are already covered through UNFCCC host country agreements</p> <p>- Facilitation for visa entry requirements to Germany</p>	<p>- UNFCCC to pay for venue and associated costs</p> <p>- Webcast and catering to be provided by UNFCCC</p>	<p>- UNFCCC has to pay for venue and meeting room facilities, webcast and catering, as well as flying in resource persons.</p>	<p>- Convening power of SB can be fully utilized.</p> <p>- It would give the secretariat sufficient time to prepare the Forum report, to be annexed to the SCF Report to the COP 23.</p> <p>- At the same time, the secretariat needs to quickly organize and prepare for the Forum to be held in May.</p> <p>- Having spotlight on SCF Forum may be difficult due to various SB agenda items and side events to be held.</p>
<p>Innovate4Climate: Finance and Markets Week (A World Bank event)</p> <p><i>22–26 May 2017</i></p> <p><i>Barcelona, Spain</i></p>	<p>“Unlocking the Trillions in private sector investment needed to scale up national climate plans and to accelerate the global transition to a low-carbon, climate-resilient future”</p> <p>- Its detailed topics include: greening the finance sector, de-risking investment, driving low-carbon pathways through transformative policies and carbon pricing; and supporting the implementation of NDCs around the world.</p> <p>http://www.innovate4climate.com/en/home</p>	<p>- Convening power of the World Bank</p> <p>- The event will feature a summit, multiple side events and networking opportunities for innovative partnerships.</p> <p>- Good participation of public and private sector representatives and innovators expected</p>	<p>- MOU with Spain (Based on previous experiences, getting the endorsement of Spanish parliament could be a lengthy process.)</p> <p>- Facilitation for visa entry requirements to Spain</p>	<p>- There may be a possibility that the World Bank can absorb some costs, which needs to be explored.</p> <p>- Webcast and catering to be provided by UNFCCC</p>	<p>- There may be a possibility that the World Bank can absorb some costs, which needs to be explored.</p> <p>- Webcast and catering to be provided by UNFCCC</p>	<p>- The thematic focus of this World Bank-sponsored event has a good linkage with the proposed focus of the SCF Forum “financing or funding strategies for NDC implementation”.</p> <p>- It would give the secretariat sufficient time to prepare the Forum report, to be annexed to the SCF Report to the COP 23.</p> <p>- Collaboration and coordination with the World Bank is needed.</p> <p>- There is good publicity around the Finance and Markets Week already; this could also mean the SCF Forum may not be advertised as much as a late comer.</p>

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<p>Africa Carbon Forum 2017</p> <p><i>27–30 June 2017</i></p> <p><i>Cotonou, Benin</i></p>	<p>- “Government – private sector led climate action for sustainable development in Africa”</p> <p>- Key themes: Policies, initiatives and actions launched on the ground that are relevant to Africa towards implementation of the Paris Agreement and NDCs; Role of the private sector and opportunities in Africa; Sources of and access to climate finance, including market-based approaches for sustainable development; Results-based financing; Relevant technological and sectoral discussions in Energy and other key sectors to support climate action</p>	<p>- The Africa Carbon Forum is the key platform for the African region that brings together State and non-State actors from all over Africa, key development institutions working on the theme and experts from world over to discuss the urgent actions needed on the ground and advance the knowledge on the topic.</p> <p>- Convening power of ACF</p> <p>- ACF 2017 will include a ministerial session and a number of workshops, exhibitions and side events, which has positive implications for participation from public and private sectors, and State and non-State actors.</p>	<p>- MOU with Benin</p> <p>- Facilitation for visa entry requirements to Benin</p>	<p>- UNFCCC is likely to absorb costs associated with meeting room facilities, webcast and catering, and flying in resource persons.</p> <p>- There may be a possibility that the ACF can absorb some costs, which needs to be explored.</p>	<p>- UNFCCC is likely to absorb costs associated with meeting room facilities, webcast and catering, and flying in resource persons.</p> <p>- There may be a possibility that the ACF can absorb some costs, which needs to be explored.</p>	<p>- The key themes of ACF 2017 are highly relevant to the SCF Forum topic of NDCs and financing strategies for NDC implementation. However, the overall focus of ACF is on the initiatives that are relevant to the African region, and this could limit the participation of other regions.</p> <p>- It would give the secretariat sufficient time to prepare the Forum report, to be annexed to the SCF Report to the COP 23.</p>

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<p>Stand-alone SCF Forum back to back with the GCF board meeting in July</p> <p><i>04–06 July 2017</i></p> <p><i>Songdo, South Korea</i></p>	<p>- A regular GCF board meeting to discuss agenda items aimed at advancing the work of GCF</p>	<p>- Convening power of the GCF board</p> <p>- Level of participation: country representatives, accredited observer organizations, representatives from the public and private sectors; however, the audience is still limited.</p>	<p>- MOU with South Korea</p> <p>- Possibility of piggybacking on legal arrangements between South Korea and GCF</p> <p>- Facilitation for visa entry requirements to South Korea</p>	<p>- Most likely, UNFCCC would have to absorb all costs associated with venue, meeting room facilities, webcast and catering, as well as flying in resource persons.</p>	<p>- Most likely, UNFCCC would have to absorb all costs associated with venue, meeting room facilities, webcast and catering, as well as flying in resource persons.</p>	<p>- It would give the secretariat sufficient time to prepare the Forum report, to be annexed to the SCF Report to the COP 23.</p> <p>- Collaboration and coordination with GCF is needed.</p> <p>- Potential risk of the Forum's topic to be overshadowed by the GCF board meeting agenda and priorities</p>
<p>Stand-alone SCF Forum back to back with the SCF 16 in September 2017</p> <p><i>04–08 September 2017</i></p> <p><i>Bonn, Germany</i></p>	<p>- The sixteenth meeting of the Standing Committee on Finance</p>	<p>- Flexibility in managing the participation in the forum</p> <p>- As a stand-alone event, it may not have sufficient convening power and adequate participation.</p>	<p>- No need for MoU with the Government of Germany as legal arrangements are already covered through UNFCCC host country agreements</p> <p>- Facilitation for visa entry requirements to Germany</p>	<p>- UNFCCC to provide meeting room facilities</p> <p>- Webcast and catering to be provided by UNFCCC</p>	<p>- UNFCCC would have to absorb all costs, including costs associated with venue and catering as well as travel arrangements of funded participants.</p>	<p>- Financial implication in order to ensure adequate and balanced participation</p> <p>- May not have sufficient convening power because it is a stand-alone event.</p> <p>- It presents rather tight deadlines for the Forum report, to be annexed to the SCF Report to the COP 23. (Agreement on the recommendation may be difficult, however, if done inter-sessionally.)</p> <p>- If unable to finalize the Forum report before COP 23, the discussion and finalization of the report has to take place at the first SCF meeting in 2018.</p>

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<p>Latin American and Caribbean Carbon Forum (LACCF)</p> <p><i>04–06 October 2017 (tbc)</i></p> <p><i>Mexico City, Mexico</i></p>	<p>-The thematic focus of this year’s LACCF is yet to be confirmed, although it is likely to be in the domain of the topics covered last year outlined below.</p> <p>-The LACCF 2016 focused on implementation of NDCs, carbon pricing mechanisms and carbon markets, sustainable development and transformational change, public-private partnerships and innovative business models to fight climate change.</p>	<p>- LACCF is a unique, free of charge regional conference and exhibition platform, established in 2006 to promote knowledge and information sharing, while financing business opportunities among main climate finance and emission market stakeholders.</p> <p>- Convening power of LACCF (It can bring together key players from the private and public sectors in climate finance.)</p>	<p>- MOU with Mexico</p> <p>- Facilitation for visa entry requirements to Mexico</p>	<p>- UNFCCC is likely to absorb costs associated with meeting room facilities, webcast and catering, and flying in resource persons.</p> <p>- There may be a possibility that the LACCF can absorb some costs, which needs to be explored.</p>	<p>- UNFCCC is likely to absorb costs associated with meeting room facilities, webcast and catering, and flying in resource persons.</p> <p>- There may be a possibility that the LACCF can absorb some costs, which needs to be explored.</p>	<p>- Convening power of LACCF can be fully utilized.</p> <p>- Potential risk of the Forum’s topic to be absorbed by the overall focus of the LACCF, which is carbon emissions market</p> <p>- It presents tight deadlines for the Forum report, to be annexed to the SCF Report to the COP 23. (Agreement on the recommendation may be difficult, however, if done inter-sessionally.)</p> <p>- If unable to finalize the report before COP 23, the discussion and finalization of the report has to take place at the first SCF meeting in 2018.</p>