



Report of the first meeting of the Standing Committee

6-8 September 2012
Bangkok, Thailand

Attendance

Mr. Stefan Agne
Mr. Houssen Alfa Nafo (Seyni)
Mr. Gregory Andrews
Ms. Diann Black Layne (Chair)
Mr. Kyekyeku Yaw Oppong Boadi
Mr. Paul Bodnar
Mr. Georg Børsting
Ms. Outi Honkatukia
Ms. Edith Kateme-Kasajja
Mr. Raymond Landveld
Mr. Ali Daud Mohammed
Mr. Ulf Moslener
Mr. Syed Mujtaba Hussain
Ms. Bernarditas Muller
Mr. Paul Herbert Oquist Kelley
Mr. Stefan Schwager (Vice-Chair)
Mr. Ayman Shasly
Mr. Teruhiko Shinada

Two members were unable to participate:

Mr. Jozef Buys
Mr. Erik Naeraa-Nicolaisen

Proceedings

The meeting was opened at 9:15 on 6 September 2012.

1. Opening of the meeting

1. The Executive Secretary of the UNFCCC, Ms. Christiana Figueres, welcomed the members of the Standing Committee (SC) and the observers to the meeting, including Party observers, and representatives of intergovernmental organizations, UN agencies, and non-governmental organizations.
2. Members of the SC were invited to introduce themselves. All members made short statements, outlining their backgrounds as well as their expectations for the work of the SC.

2. Organizational matters

(a) Election of officers

3. The SC elected, by consensus, Ms. Diann Black Layne as chair of the SC, and Mr. Stefan Schwager as vice-chair of the SC for 2012–2013. This arrangement was agreed on by members with the common expectation that in practice the arrangement between the chair and the vice-chair would resemble a co-chair arrangement for this calendar year.

**(b) Adoption of the agenda**

4. The SC adopted the agenda as amended and contained in document SC/2012/1/1/Rev.1.

(c) Modalities of work of the Standing Committee

5. Based on a short presentation by the secretariat as requested by the chair, members of the SC agreed to propose to COP 18 an adjustment of the timing of terms of office of both, SC members, as well as the chair and vice-chair, de facto prolonging their term of office until the first meeting of the SC in 2015. This was decided by members due to the delay in nominations, in order to harmonize the work cycle of the SC, including work undertaken by the SC in between meetings, with the schedule of the COP.
6. With regards to distribution of background documents, members decided to allow for distribution to observers, as well as on web posting of those documents in order to increase transparency and openness of the SC.
7. Two statements were made by members with regards to the status of a regional economic integration organization.¹²
8. Members discussed the background document SC/2012/1/3 prepared by the secretariat with regard to modalities of work of the SC, including: arrangements for membership of the SC; arrangements for the chairing of the SC; arrangements for the organization of meetings of the SC; arrangements for the participation of observers; arrangements for the work of the SC.
9. In relation to the above mentioned arrangements, the background paper provided various suggestions. Some members raised concerns about various issues outlined in the paper, including the participation of observers, and the potential inclusion of alternates and/or replacement of SC members.
10. The following suggestions were made by members in order to address the issue of absent members: virtual participation of absent members via e.g. teleconference; allowing for inputs by absent members; participation of an observer without participation rights; temporary replacement of a member for the duration of one meeting by a nominee from the same constituency allowing for proxy authority during this specific meeting; as well as actual nomination of an alternate, e.g. following the example of arrangements in the Transitional Committee. In this regard, the special case of nominees by the Asia-Pacific constituency was highlighted as the membership from this constituency is

¹ Statement by Mr. Paul Bodnar: "As noted in the Report of the 36th meeting of the Subsidiary Body for Implementation, FCCC/SBI/2012/15 paragraph 274, the Parties recognized that Articles 18, paragraph 2, and 22, paragraph 2 of the Convention apply to the operations of the Standing Committee. It is the view of the United States that this applies not only to the formal process of reaching consensus, but also to the exercise of other rights in the Standing Committee. The United States reserves the right to object to any instances of the concurrent exercise of rights by a regional economic integration organization and its member states in Convention bodies."

² Statement by Mr. Stefan Agne: "It has been the long standing practice of the Convention to hear the views of all Parties, including those of the European Union and its Member States. In the EU's view, Articles 18, paragraph 2, and 22, paragraph 2 of the Convention only apply to the right to vote and do not apply and have never been applied to the process of reaching consensus under any of the Convention bodies. The EU does not understand what other rights the US is referring to. Furthermore, in the EU's view neither the rules nor the practices of the Convention recognise the right of one Party to object to the way the European Union and its Member States, or any other group of Parties, chooses to represent itself and participate. In the case of regional economic integration organisations the autonomy of internal organisation is expressly recognised in Article 22 paragraph 2 of the Convention."



subject to an annual rotation. Concerns raised with regard to replacement/alternates relate to the fact that members of the SC in fact are to be considered as individual experts, serving in their individual capacity, making it difficult to replace as well as potentially disrupting the continuity of the relationship of SC members.

11. Members also made suggestions with regards to observer organizations, highlighting the importance of transparency and inclusiveness of the SC: by default opening meetings of the SC to observers, whilst reserving the right of closing sessions should confidential information and issues be discussed (especially with regards to the preparation of draft guidance to the operating entities). This could, as suggested, also be facilitated by the employment of webcast which could be interrupted should the SC decide on closing parts of its meetings. The model of the Technology Executive Committee was mentioned as potential role model for observer participation. One member highlighted the importance of applying the same treatment to private sector representatives and civil society organizations. Another suggestion was to welcome and invite observer submissions, allowing for a controlled, active participation by observers, following the example of the Green Climate Fund Board or the Climate Investment Funds observer participation provisions. Concerns were raised that the number of observers should not drastically exceed the number of SC members.
12. Members asked that observers in their capacity of advisors to members should be given special consideration;
13. In order to facilitate discussions, the chair and vice-chair suggested to produce, in cooperation with the secretariat, a draft for the modalities of work of the SC before the second meeting of the SC, based on the Rules of Procedures of the COP, respective decisions by the COP, and member views expressed during the first meeting. Additionally, they called for further submissions of views and inputs from members by 14 September 2012.
14. Broad agreement on the importance of continuous work of the members in between sessions prevailed.

3. Discussions on the scope and functions of the Standing Committee

15. An intervention by the secretariat outlined the milestones of processes under the Convention over the coming years, setting the context for the discussion on the scope and functions of the SC.
16. Members agreed that further clarification on the activities and functions of the SC could be facilitated by the development of a timeline or matrix as well as a clarification with regards to availability of resources for activities by the SC. There was wide agreement on the need to prioritize certain activities, as well as to differentiate work that should be undertaken by the SC running up to COP 18, and work to be undertaken 2013-2015. General agreement was that the work programme of the SC will be a deliverable for COP 18.
17. There was an exchange of views amongst members whether the SC should restrict its activities exclusively to the ones outlined in decision 2/CP.17 or whether the SC should in fact engage in a broader range of activities. For example, with regards to the issue of monitoring, reporting and verification (MRV) of support, it was the views of some members that the mandate for MRV of finance was in fact already given. It was clear that the understanding of members were not unanimous on this matter, thus the chairs noted this and suggested that this be worked out over time as the Committee undertake its work.



18. Some members highlighted the importance of achieving clarification with regards to inter-linkages and relations between the SC and other bodies, both under the Convention as well as outside the Convention.
19. Two statements by observers were heard by the SC members: one from Ms. Meena Raman from the Third World Network from the Environmental NGO constituency, calling on members to follow the example set out by the Technology Executive Committee modalities for observer participation; the other statement was made by Mr. Carlos Santos, chair of the Adaptation Fund Board, calling on members of the SC to make active use of the experiences and knowledge of the Adaptation Fund.

4. Preparation of the work programme of the Standing Committee (2012–2015)

20. In order to promote exchange of views and to make progress with regards to preparing the work programme of the SC, members decided to discuss the specific functions and activities in three working groups. The four functions and six activities of the SC according to decision 2/CP.17³ were divided into those working groups in the common understanding that all participants in one working group would also be able to provide inputs to other working groups should they wish to do so. Members decided that observers were to be admitted to attend the working groups. Each group was called on to decide on a facilitator as well as a rapporteur.
21. The first working group discussed the functions of coordination and coherence in the delivery of climate change financing, and rationalization of the financial mechanism, as well as the activities of organization of a forum and maintaining of linkages with the Subsidiary Body of Implementation.
22. The second working group discussed the function of mobilization of financial resources, as well as the activities of providing draft guidance for the operating entities and the making of recommendations on how to improve the coherence, effectiveness and efficiency of the operating entities.
23. The third group discussed the function of MRV of support, as well as the activities of providing expert input into the preparation and conduct of the periodic reviews of the financial mechanism and the preparing of biennial assessment, overview of climate flows.
24. Outcomes of the discussions within the working groups were presented by members of each working group for consideration by members of the other working groups. All inputs were compiled into a document and distributed to the members. The chair and vice-chair invited members to provide their views and further inputs to the tables containing all outputs of the discussions inter-

³ According to paragraph 121 of decision 2/CP.17, the four functions are: 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 the support provided to developing country Parties.

In addition, the six functions under the same paragraph are: (a) Organizing a forum for the communication and continued exchange of information among bodies and entities dealing with climate change finance; (b) Maintaining linkages with the Subsidiary Body for Implementation and the thematic bodies of the Convention; (c) Providing to the Conference of the Parties draft guidance for the operating entities of the financial mechanism of the Convention; (d) Making recommendations on how to improve the coherence, effectiveness and efficiency of the operating entities of the financial mechanism; (e) Providing expert input, including through independent reviews and assessments, into the preparation and conduct of the periodic reviews of the financial mechanism by the Conference of the Parties; (f) Preparing a biennial assessment, overview of climate finance flows.



sessionally by 14 September 2012. Based on the inputs received, the chair and vice-chair, together with the secretariat, will compile the inputs received and disburse this revised table to members of the SC,

25. The chair and vice-chair, together with the secretariat, will provide elements of the first draft work programme along the six activities mandated by the COP, including potential additional activities under these mandated activities as well as a time schedule, prior to the second meeting of the SC, allowing for at least one feedback round.
26. For the next meeting, the chair and vice-chair, together with the secretariat, will further provide members with a draft strategy for the forum, as well as a draft report of the SC for COP 18.
27. Various suggestions were made by members with regards to the undertaking of work. One member suggested forming working groups which would communicate closely during the meetings in order to move forward on various issues via e.g. teleconference. Another member suggested designating a number of members for specific tasks such as the preparation of a concept for the forum. A further suggestion was to create an interim work programme for the SC due to the evolving nature of the work of the SC.
28. At the end of day two, observers were again given space to make statements but no statements were delivered.

5. Other matters

29. The SC vice-chair invited the members of the SC to consider and agree on the dates and venue of the next meeting of the SC in 2012. There was wide agreement on the necessity of a second meeting before COP 18 in order to finalize the work programme.
30. The SC agreed that the next meeting will be held from 4 to 6 October 2012 in Cape Town, South Africa.
31. Concerns were raised by a number of members as to the short time span between the two meetings as well as the timing and venue. In light of the second workshop of the work programme on long-term finance taking place 1 to 3 October 2012 in Cape Town and the fact that a majority of members of the SC will be taking place in this workshop, the proposed dates by the secretariat were accepted by members.
32. Based on the chair and vice-chair suggestion, members decided that absent members would be allowed to send someone from their regional group on their behalf as observers to the second meeting, without this being considered precedence for further meetings. It was further decided that, should break out groups be formed during the second meeting, observers again would be admitted to such break out groups.
33. The SC also discussed on various potential agenda items for the second meeting, inter alia, adoption of the report of the first SC meeting, finalization of the draft work programme, strategic options for the forum, and modalities of work of the SC.
34. The SC requested the secretariat to produce five documents by the next meeting, namely, the provisional agenda, report of the first SC meeting, draft modalities of work of the SC, draft work programme of the SC, and background note on the forum. Also it has been agreed that the SC members would be given opportunity to provide inputs and comments into the preparation of the documents.



35. Following the example of the Adaptation Committee and the Technology Executive Committee, members decided that absent members during the second meeting should also be enabled to participate via virtual channels, guaranteeing high quality of the technical arrangements. The secretariat was invited to provide technical solutions to provide absent members with such a possibility.
36. One member of the SC commented that reports of the meeting should be made available at the meetings of the SC.
37. One member also suggested changing the name of the SC to “Standing Committee on Climate Finance”, as the name “Standing Committee on Finance” does not fully reflect the mandate of the SC. There was a wide agreement by members to reflect this suggestion until the second meeting of the SC.
38. The chair and vice-chair were requested to send an official communication to the Royal Family of Thailand expressing the gratitude of the SC members for the hospitality and support received.

6. Report of the meeting

39. The chair and vice-chair will produce a report of this meeting which will be on the agenda of the second meeting for adoption by the members of the SC.

7. Closure of the meeting

40. The Chair of the SC thanked the secretariat for its support of the first meeting of the SC, thanked observers for their participation and active inputs, and closed the first meeting of the SC.

8. Output of the meeting

41. The SC has elected Ms. Diann Christine Black Layne (Antigua and Barbuda) and Mr. Stefan Schwager (Switzerland) as the chair and vice-chair of the SC for 2012–2013.

9. Actions required

42. The chair and vice-chair agreed to provide the secretariat with comments and guidance on substantive matters in preparing for the second meeting of the SC in Cape Town, and liaise with other members in the process.
43. The members of the SC agreed to submit their views and inputs into the matrix on the functions and activities of the SC, and the meeting documents for the second meeting once they have been circulated by the secretariat.
44. The secretariat has been requested by the SC to prepare the meeting documents and logistical preparation for the second SC meeting in Cape Town.



Annex I

List of observers and secretariat staff attending the first meeting of the Standing Committee

Party observers

Ms. Laetitia de Merez (Antigua and Barbuda)
Ms. Linda Rademakers (Australia)
Mr. Simon Roz (Australia)
Mr. Mads Beyer (Denmark)
Ms. Katrin Goertz Axelsen (Denmark)
Mr. Juergen Lefevere (European Union)
Mr. Folke Sundman (Finland)
Ms. Inka Gnittke (Germany)
Ms. Miki Higashi (Japan)
Mr. Iino Takuma (Japan)
Ms. Fatuma Mohamed Hussein (Kenya)
Ms. Julie Irene Bjørk (Norway)
Mr. Erlend Groener Krogstad (Norway)
Mr. Mahmoud Jaida (Qatar)
Mr. Dumisani Emmanuel (South Africa)
Mr. Benito Mueller (Uganda)
Ms. Elizabeth Lien (United States of America)

Intergovernmental and United Nation organizations

Mr. Martin Khor Peng Khor (South Centre)
Ms. Mariame Kamare Williams (South Centre)
Mr. Jarl Krausing (World Bank)
Mr. Simon Billett (Climate Investment Fund)
Ms. OluFunke Oyewole (Climate Investment Fund)
Mr. Alan Miller (International Finance Corporation)
Mr. Robert Dixon (Global Environment Facility)
Ms. Bonizella Biagini (Global Environment Facility)
Ms. Preety Bhandari (Asian Development Bank)
Mr. Luis Santos (Adaptation Fund Board)
Mr. Abebe Haile-Gabriel (African Union Commission)
Ms. Olayide Olushola (African Union Commission)
Ms. Sirintharat Wannawong (UNDP)
Mr. Yusuke Taishi (UNDP/GEF)

Non-governmental organizations

Ms. Barbara Black (World Business Council for Sustainable Development)
Ms. Rachel Harris (Women's Environment and Development Organization)
Ms. Meenakshi Raman (The Third World Network)
Mr. Miles Austin (Carbon Markets and Investors Association (CMIA))

Secretariat

Mr. Yolando Velasco
Mr. Alejandro Kilpatrick
Mr. Dennis Tirpark
Mr. Hyunwoo Kim
Ms. Johanna Luetterfelds
Ms. Cornelia Jamm

**Annex II****Background documents provided by the secretariat**

Title	Symbol
Background paper on the possible activities based on the functions of the Standing Committee. Note by the secretariat.	SC/2012/1/2
Background paper on modalities of work of the Standing Committee. Note by the secretariat.	SC/2012/1/3
Background paper on the organization of the forum. Note by the secretariat.	SC/2012/1/4
Background paper on approaches for maintaining linkages with the Subsidiary Body for Implementation and the thematic bodies of the Convention. Note by the secretariat.	SC/2012/1/5