



## Sixth meeting of the Standing Committee on Finance Bonn, Germany, 4–5 March 2014

### Report

#### Attendance

Mr. Stefan Agne  
Ms. Diann Black-Layne (co-chair)  
Mr. Georg Børsting  
Ms. Jessica Brown  
Mr. Jozef Buys  
Mr. Roger Dungan  
Ms. Inka Gnittke  
Ms. Outi Honkatukia  
Mr. Yorio Ito  
Ms. Edith Kateme-Kasajja  
Mr. Raymond Landveld  
Mr. Ali Daud Mohamed  
Mr. Hussein Alfa (Seyni) Nafu  
Mr. Kyekyeku Yaw Oppong-Boadi  
Mr. Paul Herbert Oquist Kelley  
Mr. Stefan Schwager (co-chair)  
Ms. Suzanty Sitorus  
Ms. Wilhelmina Verdegaal

#### Absent with apologies

Ms. Rajasree Ray  
Mr. Ayman Shasly

#### Proceedings

##### 1. Opening of the meeting

1. The sixth meeting of the Standing Committee on Finance (SCF) was opened at 10.00 a.m. on Tuesday 4 March 2014.
2. Members of the SCF were reminded that the Conference of the Parties (COP), at its eighteenth session,<sup>1</sup> adopted the revised composition and working modalities of the committee as contained in annex IV to its report,<sup>2</sup> including the provision that the SCF shall annually elect 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. It was further noted that the terms of the current co-chairs shall officially end immediately before the SCF meeting in 2014. In this regard, the secretariat opened the 6<sup>th</sup> meeting of the SCF.

##### 2. Election of officers

3. Members of the SCF were invited to elect the co-chairs of the SCF for 2014. Members recognized the effective facilitation guidance of the previous co-chairs, Ms. Diann Black-Layne and Mr. Stefan

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<sup>1</sup> Decision 5/CP.18, paragraph 6.

<sup>2</sup> FCCC/CP/2012/4.

Schwager, and re-elected them. The co-chairs thanked the members and reminded them that there is a great deal of work ahead in 2014.

### **3. Organizational matters**

#### **(a) Adoption of the agenda**

4. Co-chair Black-Layne welcomed to the meeting the members of the SCF and observers, including Party observers, representatives of United Nations agencies, intergovernmental and civil society organizations, and those joining via a webcast.<sup>3</sup> A round of introductions by all SCF members followed.

5. New members of the SCF were Ms. Suzanty Sitorus from Indonesia, who replaced Ms. Bernarditas Muller from the Philippines as a non-Annex I representative; and Ms. Jessica Brown from the United States of America, who replaced Mr. Paul Bodnar from the same Party, Mr. Roger Dungan from New Zealand, who replaced Mr. Gregory Andrews from Australia, and Ms. Inka Gnittke from Germany, who replaced Mr. Ulf Moslener from the same Party, as Annex I representatives. Members that were not able to participate were Ms. Rajasree Ray from India, who replaced Mr. Syed Mujtaba Hussain from Pakistan; and Mr. Ayman Shasly from Saudi Arabia.

6. After discussion on the mode of work for the two-day meeting, the SCF adopted the agenda and annotations with the proposed amendments, as contained in documents SCF/2014/6/1/Rev.1 and SCF/2014/6/2/Rev.1.

#### **(b) Organization of the work of the meeting**

7. Co-chair Black-Layne explained that the SCF meeting will move forward with plenary discussions of a more general nature on a number of topics on the agenda, followed by breakout groups. Members highlighted the importance of comprehensive reporting back to the plenary thereafter.

8. Co-chair Black-Layne also informed the SCF that representatives from the Global Environment Facility (GEF) and the Green Climate Fund (GCF) were present and would be addressing the committee under the agenda item on draft guidance to the operating entities (OEs). She added that observers to the meeting may contribute actively, including in the breakout groups, as per the guidance of the facilitators.

9. Before moving on to the first substantive agenda item, co-chair Black-Layne reminded the committee that time was short, given that the 6th meeting of the SCF was only two days long, and that the tasks for the SCF for the coming year are considerable.

### **4. Biennial assessment and overview of climate finance flows**

#### **A. Discussion**

10. The SCF, in discussions on the biennial assessment and overview of climate finance flows (BA), took into account the background paper prepared by the secretariat (SCF/2014/6/3), recalling that COP 18 requested the committee to consider ways of strengthening methodologies for reporting climate finance. Information provided by the SCF to COP 19 on the workplan for the first BA was noted by the COP, which also requested the SCF to consider ongoing technical work on operational definitions of climate finance, including private finance mobilized by public interventions, to assess how adaptation and mitigations needs can most effectively be met by climate finance, and to include the results in the annual report of the SCF to the COP.

11. It was noted that the working group on the BA facilitated by Ms. Outi Honkatukia and Mr. Seyni Nafo had continued working intersessionally, including at the United Nations Climate Change

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<sup>3</sup> <[http://unfccc4.meta-fusion.com/kongresse/scf06/templ/ovw\\_small.php?id\\_kongressmain=263](http://unfccc4.meta-fusion.com/kongresse/scf06/templ/ovw_small.php?id_kongressmain=263)>

Conference held in Warsaw, Poland, by calling for inputs from interested stakeholders on their views regarding the objective, scope and proposed outline of the BA. The working group facilitators updated the SCF members on the ongoing interactions with external contributors, including the planned first mini-workshop, which serve to enhance transparency and allow the SCF to collect as much information as possible. In addition, incoming submissions by developed country Parties, with a deadline of May 2014, were noted, with information on the appropriate methodologies and systems used to measure and track climate finance.

12. The zero order draft for the overview section of the BA, the submissions by external contributors, a draft elaborated workplan and a draft annotated outline of the BA were introduced to members for consideration. The committee conducted these discussions in a breakout group facilitated by Ms. Honkatukia and Mr. Nafo, as well as in a plenary facilitated by co-chair Black-Layne. Members emphasized that the BA would be a critical output of the SCF in 2014 and in years to come, and that for the first BA, the preparatory work would follow the agreed outline, and would draw from available data and information.

13. Substantively, the topics that arose during the discussions related to the scope and content of the BA, and it was noted that, as per the COP decision, the SCF will consider ongoing technical work on operational definitions of climate finance, including private finance mobilized by public interventions and to assess how adaptation and mitigation needs can most effectively be met by climate finance.<sup>4</sup> After extensive discussion, it was agreed that the latter topic will be covered in the assessment chapter of the first BA.

#### **B. Outcome of the discussion**

14. The SCF revised the annotated outline in light of the discussions held. It also agreed to undertake intersessional work to further progress the overview section and to enhance the action plan with additional information about modalities, and with activities and a more detailed timeline for the open-ended working group (see annex I). The SCF also agreed to dedicate more time to the BA at the 7th meeting of the SCF.

15. The secretariat informed the SCF that the chapter on methodologies would be available within less than a month after 6th meeting of the SCF. Members were reminded that a mini-workshop was to be organized on Thursday 6 March 2014 to facilitate the engagement of various stakeholders in the preparation of the BA. The members were looking forward to receiving the outcomes of the workshop.

### **5. Fifth review of the financial mechanism**

#### **A. Discussion**

16. Co-chair Schwager recalled that the fifth review of the financial mechanism (FM) was initiated at COP 18 and that, upon request by the COP, the SCF further amended the guidelines for the fifth review of the FM. He noted that Parties adopted the updated guidelines at COP 19, as contained in the annex to decision 8/CP.19, and requested the SCF to continue to provide expert input to the fifth review of the FM, with a view to finalizing the review by COP 20.

17. Co-chair Schwager invited the SCF members to consider the background paper prepared by the secretariat (SCF/2013/6/4), and to agree on the SCF's workplan on the fifth review of the FM during 2014. The committee conducted in-depth discussions based on the background document in a breakout group and plenary facilitated by co-chair Black-Layne.

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<sup>4</sup> Decision 3/CP.19, paragraph 11.

18. From a substantive perspective, members discussed a number of topics, including the scope of the fifth review of the FM, with an initial discussion on whether to limit the scope of the review to the OEs or to consider other sources of climate finance. Members noted that although there are two OEs under the FM (the GEF and the GCF), the GCF is not yet operational. The SCF agreed to differentiate the focus for each OE. Members discussed that while the Adaptation Fund was added as one of the sources of information, it was in the context of learning lessons, as opposed to being included in the review, because it has its own review process.

19. Furthermore, it was highlighted that the fifth review of the FM differs to previous reviews in terms of the timing, given that it will be completed just after the GEF replenishment.

20. Links between the work of the SCF on the fifth review of the FM and other work streams were discussed, with members highlighting that parallel work on the BA could feed into the fifth review of the FM, and vice versa, but that neither work stream should wait for the other. Another work stream mentioned in this regard was that on guidance to the OEs.

21. Members also discussed the purpose of the fifth review of the FM, with implications for the content of the technical paper being prepared for consideration by the SCF. The exchange of views on what to address in the paper covered numerous topics, including inter alia, the effectiveness of the FM in delivering financial resources; the responsiveness of the OEs to the COP guidance; lessons learned from good enabling environments; achievements of the FM thus far; and the accessibility, predictability and adequacy of the funds mobilized.

## **B. Outcome of the discussion**

22. The draft outline of the technical paper on the fifth review of the FM was revised in the breakout group and finalized in the closing plenary, with new main sections added relating to the delivery and effectiveness of financial resources, and results and impacts achieved with the resources provided (see annex II).

23. The SCF working group will continue to work on the technical paper intersessionally, and the completed draft will be discussed at the 7th meeting of the SCF.

## **6. Second forum of the Standing Committee on Finance**

### **A. Discussion**

24. Co-chair Schwager introduced the agenda item, noting that members received a draft concept note (SCF/2014/6/6) and a draft programme for the second forum. The committee noted that, as per the annotated agenda, the forum was mandated with facilitating the communication and continued exchange of information among bodies and entities dealing with climate change finance in order to promote linkages and coherence, and that the second forum would do likewise.

25. Co-chair Schwager recalled that work on the organization of the second forum of the SCF had been taken forwards intersessionally by a working group facilitated by Mr. Syed Mujtaba Hussain, a previous SCF member, and he thanked him and the other members for the draft concept note and draft agenda that had been produced for the second forum of the SCF.

26. The SCF was invited to consider this agenda item with a view to agreeing on the programme for the forum in 2014. Discussion took place in a plenary setting, as well as in a breakout group, facilitated by Mr. Raymond Landveld.

27. Members discussed that over 150 people attended the first forum, and that it was very well received. It was noted that lessons learned from the first forum should be integrated into the planning of the second. One such lesson was that it was highly beneficial to hold the forum in conjunction with the Carbon Expo, given that the forum was cost-effective and attracted a range of participants. Members emphasized that the second forum will benefit from being held back to back with the Climate Investment Funds (CIF) Partnership Forum, to be held from 23 to 24 June 2014 in

Montego Bay, Jamaica. Questions regarding the cost of hosting the forum outside of Bonn were discussed, and the secretariat produced a cost comparison, which showed the cost-efficiency of holding the forum back to back with the CIF Partnership Forum. Mr. Steven Shalita from the Administrative Unit of the CIF reiterated the interest of the CIF in cooperation on the second forum of the SCF.

28. Other lessons learned from the first forum would be to include numerous interactive sessions, breakout groups and case studies into the programme, and to not make it presentation-heavy. Committee members also deliberated on such issues as the format, theme, sub-themes, profile of presenters, participation and audience, and output.

29. In terms of participation, it was noted that, at COP 18, Parties encouraged the SCF to facilitate the participation of the private sector, financial institutions and academia in the forum. Committee members also highlighted the importance of participation from recipient countries, in particular: from Latin America and Caribbean countries, taking advantage of the forum's location; from participants in the CIF Partnership Forum; and from least developed countries.

30. On the focus and scope of the second forum, it was noted that Parties, at COP 19, invited the SCF to consider focusing its second forum on mobilizing finance for adaptation from both public and private sectors. Based on this guidance, the SCF agreed to focus the forum on promoting the mobilization of adaptation finance through the sharing of experiences, best practices and innovative ideas, and by taking a sectoral approach on the second day to highlight adaptation financing along different themes.

31. The SCF acknowledged the request of the COP to focus its soonest possible forum on issues related to finance for forests, and agreed that, given the importance of the topic, an entire forum should be dedicated to it. It was agreed that the soonest possible opportunity to do this would be the third SCF forum in 2015. In addition, the committee agreed that the topic of co-benefits between sustainable forest management and adaptation would be raised in the second forum.

32. The SCF also discussed linkages between the adaptation forum of the Adaptation Committee (AC) and the second SCF forum on adaptation, noting that the angle taken by the latter would be on financing for adaptation. Members also reiterated that they would collaborate with the AC on the SCF forum, including through the production of a joint background paper, and invite AC members to make presentations.

## **B. Outcome of the discussion**

33. The committee agreed to pursue holding the second forum of the SCF for two days, 21–22 June 2014, back to back with the CIF Partnership Forum.

34. Members formed an open working group that will further refine the programme (see annex III) for the second forum intersessionally and that will identify presenters. Members agreed that the group is to be facilitated by Mr. Raymond Landveld. Further work will also be undertaken on the virtual forum.

35. The committee requested the secretariat to undertake all necessary actions, in collaboration with the CIF secretariat and the Government of Jamaica, on the legal and logistical arrangements for the organization of the second forum of the SCF in an expedited manner.

## **7. Draft guidance to the operating entities of the financial mechanism**

### **A. Discussion**

36. Co-chair Schwager brought to the attention of the committee the background paper (SCF/2014/6/7) on the draft guidance to the OEs of the FM prepared by the secretariat. Discussion on this agenda item took place in a plenary setting.

37. Members raised the issues of frequency and timing of the provision of guidance to the OEs, recognizing that the COP is the main opportunity, besides the GEF assembly, to interact with the GEF, and also recognizing the timing of resource allocation owing to the GEF replenishment cycles.

38. SCF members again highlighted the need to rationalize the guidance provided to the OEs, including in light of past guidance provided. In addition, members also discussed the need to clearly identify areas for guidance, including in terms of the usefulness of such guidance. In this context, one member suggested introducing performance-based guidance.

39. Several members noted that the SCF draft guidance provided to COP 19 was a compilation of inputs provided by members and not an agreed SCF outcome. Various members observed that this could be improved upon, and suggested improving the process of preparation of the draft guidance. Members proposed to consider the expected late submission by the GCF of its report, when scheduling the 8th meeting of the SCF and the SCF report to COP 20. Another member referred to the communication strategy as a means to package the draft guidance to the OEs provided by the SCF in a way that would be acceptable to Parties to facilitate negotiations during COP 20.

40. Members agreed to produce differentiated tables for the GEF and GCF, given that they are at different stages of operation. Furthermore, the SCF agreed that it should continue to engage actively with the GEF and GCF, and that two-way interaction could be scaled up.

41. Two representatives of the OEs were present and were invited to exchange views with SCF members on the topic of provision of guidance to the OEs, including on consistency and practicality of such guidance, based on the three questions identified in document SCF/2014/6/7, paragraph 7.

42. Mr. Roland Sundstrom, a representative of the GEF secretariat, mentioned that the GEF receives a great deal of guidance, which is explicitly responded to. He added that the GEF has compiled all guidance received, and the respective responses, into a document.<sup>5</sup> He suggested that guidance which is very practical is helpful, and that it facilitates compliance. He added that guidance which conveys a clear understanding of what constitutes compliance would also be appreciated. In terms of streamlining guidance, he noted that there is a lot of guidance which could be more specific and less repetitive. Furthermore, the GEF feels that guidance should be concerned with programme priorities, policies and eligibility criteria, with the other elements in the current table grouped under these, adding a hierarchy to the listing.

43. Further clarity was requested by Mr. Sundstrom on annual reporting requirements, as it was not clear to the GEF whether the COP would be expected to provide periodical guidance on reporting requirements beyond what is in the Memorandum of Understanding between the COP and the GEF, with regard to paragraphs 6–8.<sup>6</sup> In addition, clarity was requested in terms of reconsideration of funding decisions, as the GEF is not clear on how to respond.

44. Mr. Sundstrom agreed that interaction between the SCF and the GEF was helpful, and could be further enhanced. He suggested that further dialogues, similar to the one held in 2013 during the fifth meeting of the SCF,<sup>7</sup> would help to improve this.

45. Mr. Marcelo Jordan, a representative of the GCF secretariat, mentioned that the interaction at the SCF meeting sets a good precedent, but highlighted that the GCF does not yet have enough experience to clearly identify lessons learned from past experience. He added that the GCF, in its reports, attempts to identify the elements of guidance provided by the COP and include information on its response to such guidance. He informed the SCF that the GCF Board would appreciate feedback on whether the past GCF Board approach was satisfactory in this regard.

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<sup>5</sup> <[http://www.thegef.org/gef/sites/thegef.org/files/publication/GEF\\_UNFCCC%20COP%20Guidance%20Oct%2019.pdf](http://www.thegef.org/gef/sites/thegef.org/files/publication/GEF_UNFCCC%20COP%20Guidance%20Oct%2019.pdf)>.

<sup>6</sup> Decision 12/CP.2, annex.

<sup>7</sup> More information available at: <<http://unfccc.int/6881>>.

46. On the topic of the timing of the issuance of the GCF report, he mentioned that, following the official deadline for submission of the GCF report, the GCF Board would only have six months available to comply with the new COP guidance. Therefore, he pointed out that the GCF Board is faced with challenges in providing the SCF with timely input for its deliberations, as the last Board meeting of the year is scheduled to take place in October 2014.

#### **B. Outcome of the discussion**

47. The SCF agreed that work on this agenda item would be taken up by a working group intersessionally, under the facilitation of Mr. Jozef Buys, to identify how the SCF can provide improved draft guidance, in terms of the practicality and consistency of such guidance. It was agreed that the issue of draft guidance would be discussed again at the next SCF meeting, based on a paper prepared by the working group containing specific proposals on how to improve the draft guidance to the OEs provided to the COP.

### **8. Measurement, reporting and verification of finance beyond the biennial assessment and overview of climate finance flows**

#### **A. Discussion**

48. Co-chair Black-Layne introduced the item, noting the background paper (SCF/2014/6/8). Additionally, she referred members to submissions by SCF members (SCF/2013/5/8), and to a table that was disseminated showing elements of submissions of external stakeholders on MRV, received in 2013.

49. It was noted that, as per decision 5/CP.18, paragraph 10, developed country Parties will submit, by May 2014, information on appropriate methodologies and systems used to measure and track climate finance, and that these submissions will feed into work on both the BA and MRV from the 7th meeting of the SCF onwards.

50. The SCF was invited to consider the agenda item with a view to establishing a working group on MRV of support. This agenda item was discussed in a plenary, as well as in a breakout group, which was combined with the breakout group on BA, and facilitated by Ms. Honkatukia and Mr. Nafo.

51. Members discussed the interlinkages between work on the BA and MRV. In terms of sequencing, they noted the opportunity for the BA to feed into the work on MRV, and felt that parallel work streams might duplicate work. Given that the first BA will be finalized in 2014, the SCF felt that its work on MRV should be finalized in 2015.

52. In a discussion on context, the SCF recognized that its work on MRV is not taking place in a vacuum: reporting on support provided under the Convention already exists, and work has already been undertaken on measurement, reporting and verification under the Subsidiary Body for Implementation (SBI) and the Subsidiary Body for Scientific and Technological Advice (SBSTA). Moreover, work outside of the Convention on MRV is also being undertaken by a number of actors, including the Organisation for Economic Co-operation and Development, multilateral development banks and think tanks. The SCF noted that a stocktaking exercise of other MRV systems would be helpful, as part of the work of the SCF.

#### **B. Outcome of the discussion**

53. The committee agreed that the working group on BA, facilitated by Ms. Honkatukia and Mr. Nafo, would also work on MRV. It agreed that it will continue to elaborate its strategy and workplan for MRV during the course of 2014; however that it would concentrate on finalizing the BA, giving more attention to MRV in 2015.

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

### **A. Discussion**

54. SCF members noted the background paper (SCF/2014/6/9), as well as the background table (see annex IV), and that Parties, at COP 19, called on the SCF to further enhance its linkages with the SBI and the thematic bodies of the Convention. The SCF discussed this agenda item in a plenary and in a breakout group facilitated by Mr. Stefan Agne.

55. Co-chair Black-Layne mentioned that various decisions adopted at COP 19 requested the SCF to nominate members to represent the committee on bodies of the Convention and pointed out that the SCF would need to clarify issues regarding the participation of SCF representatives in meetings of other bodies, as well as to clarify linkages with other bodies.

56. In addition, co-chair Black-Layne highlighted the request made at COP 19 to the SCF to consider, in its work on coherence and coordination, the issue of financing for forests, taking into account different policy approaches.

57. The SCF felt that interaction with other thematic bodies enhances interlinkages and collaboration, and can serve as a “two-way street”, given that not only will the SCF provide input, but it will also receive relevant information from other bodies. Nonetheless, members raised the issue that, for representatives of the SCF to be able to contribute to meetings of other bodies, the SCF would first have to agree on the information to be provided. Therefore, it was pointed out by various members that representatives would attend such meetings as observers pending substantive discussions within the SCF. Representatives to the bodies were encouraged to report back to the SCF. A further challenge that was discussed by members relates to the large number of meetings that will be taking place, and the subsequent demands on time and resources of SCF members.

58. Owing to time constraints, detailed discussions focused mainly on the SCF representation on the interim Executive Committee of the Warsaw International Mechanism for Loss and Damage associated with Climate Change Impacts (Executive Committee).<sup>8</sup> In light of the issues identified above, there was broad agreement that the two SCF representatives on the Executive Committee would attend the first meeting in their personal expert capacity. Members noted that the current membership is an interim measure, and that the composition of, and procedures for, the Executive Committee will be decided at COP 20. In addition, they noted that the task of the interim Executive Committee for 2014 is to develop the initial two-year workplan of the Executive Committee.

59. Substantively, members identified various areas of interest for the SCF in relation to the work of the Executive Committee, including possible linkages between the FM and the Warsaw International Mechanism, as well as on risk insurance, reinsurance and risk reduction.

60. In terms of the AC task force on national adaptation plans (NAPs), members were informed that the task force seeks to further support developing countries attempting to formulate and implement NAPs. As a first step, the task force is to develop a workplan for consideration and endorsement by the AC. The SCF agreed that its representation on the task force should focus on financial aspects.

### **B. Outcome of the discussion**

61. The SCF recalled that two representatives, Mr. Paul Oquist Kelley and Ms. Wilhelmina Verdegaal, had already been nominated onto the Executive Committee. The two representatives acknowledged that they would attend the first meeting of the Executive Committee, from 25 to 28 March 2014 in Bonn, and will report back on this meeting at the next SCF meeting. Members were

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<sup>8</sup> Decision 2/CP.19.



informed that the two representatives will present the work of the SCF, based on the SCF report to COP 19 and the report of the 6th meeting of the SCF.

62. In terms of the nomination for the AC task force on NAPs,<sup>9</sup> it was decided that Mr. Kyekyeku Yaw Oppong-Boadi would attend the first meeting of the task force on 7 March 2014, with Mr. Buys taking part via teleconference.

63. With regard to the standing invitation to attend the meetings of the Advisory Board of the Climate Technology Centre and Network,<sup>10</sup> it was agreed that one of the SCF co-chairs would try to attend the upcoming meeting from 19 to 21 March 2014 in Copenhagen, Denmark, but that it would be challenging, given the busy schedule of meetings in March.

64. The SCF was also informed about an informal meeting of the chair, vice-chair and co-chairs of the AC, the Technology Executive Committee and the SCF scheduled for 5 March 2014. The co-chairs will report back to the SCF on this informal meeting.

65. There was agreement that the SCF will engage in more in-depth substantive discussions on the issue of financing for forests in the context of its work on coherence and coordination at its next meeting.

## **10. Other matters**

### **(a) Communication strategy**

66. Co-chair Schwager noted the background paper (SCF/2014/6/10) prepared by the secretariat, which highlights the opportunity presented by the communication strategy to enhance concrete areas of collaboration and to facilitate the overall outreach activities of the SCF with key stakeholders and thematic bodies under the Convention.

67. The SCF undertook a relatively brief discussion on this agenda item to capture first reactions on the draft strategy.

68. Members agreed that the longevity of the strategy is important, in that it should be applicable for up to five years. To achieve this, it would need to be more general and forward-looking.

69. Members also noted that financing for sustainable forest management was included in the draft strategy, in line with the COP request to the SCF to consider, in its work on coherence and coordination, inter alia, the issue of financing for forests, taking into account different policy approaches.<sup>11</sup>

70. Co-chair Schwager invited members to provide written comments on the communication strategy intersessionally.

### **(b) Date and venue of next meeting**

71. The SCF agreed to hold its 7th meeting in the second half of June 2014, back to back with either the fortieth subsidiary body session or the second SCF forum. Members discussed the cost-effectiveness of holding a meeting of the SCF outside of Bonn, and requested the co-chairs to determine the most cost-effective location intersessionally.

72. The SCF also agreed that its 8th meeting should be held over three days in Bonn late in 2014, so that the committee has enough time to advance its work during the course of the year. The work could then be finalized at the 8th meeting. The committee agreed to use videoconferences and conference calls for intersessional work, while taking into account the technical constraints of

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<sup>9</sup> Decision 16/CP.19.

<sup>10</sup> Decision 25/CP.19.

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

developing country members. The SCF discussed its intersessional workplan, and the role of the secretariat (see annex V).

**(c) Report of the sixth meeting of the Standing Committee on Finance**

73. The committee agreed to adopt the report of the 6th meeting of the SCF intersessionally.

**11. Closure of the meeting**

74. Co-chair Schwager thanked the committee members, the secretariat and observers, and closed the 6th meeting of the SCF at 6.00 p.m. on Wednesday 5 March 2014.

## **Annex I**

### **Revised Draft Work Plan Preparation of the First Biennial Assessment and Overview of Financial Flows (2014)**

#### **I. Mandate(s) and objectives**

One of the functions of the Standing Committee on Finance (SCF) is to assist the Conference of the Parties (COP) with respect to measurement, reporting and verification (MRV) of the support provided to developing country Parties through activities such as the preparation of the biennial assessment and overview of climate finance flows (BA)<sup>1</sup>.

The main goal is to provide to the COP evidence-based information on financial flows and how they relate to objectives of the Convention. Further, in its annual report to COP20 SCF may put forward recommendations for improvements in the MRV system within and outside the Convention, based on the gaps and limitations identified in the BA.

Specifically, the BA will include information on the geographical distribution and thematic balance of financial flows and will draw on available sources of information, including national communications and biennial reports of both developed and developing country Parties, information provided in the registry, information provided by Parties on assessments of their needs, reports prepared by the operating entities of the financial mechanism, and information available from other entities providing climate change finance.

Additional elements and sources for consideration in the preparation of the BA were included in subsequent COP decisions, these include:

- Request to take into account relevant work by other bodies and entities on the MRV of support and the tracking of climate finance (Decision 1/CP.18, paragraph 71 );
- Request to consider ways of strengthening methodologies for reporting climate finance (Decision 1/CP.18, paragraph 11); and
- Request to consider ongoing technical work on operational definitions of climate finance, including private finance mobilized by public interventions, to assess how adaptation and mitigation needs can most effectively be met by climate finance, and to include the results in its annual report to the Conference of the Parties (Decision 4/CP.19, paragraph 11).

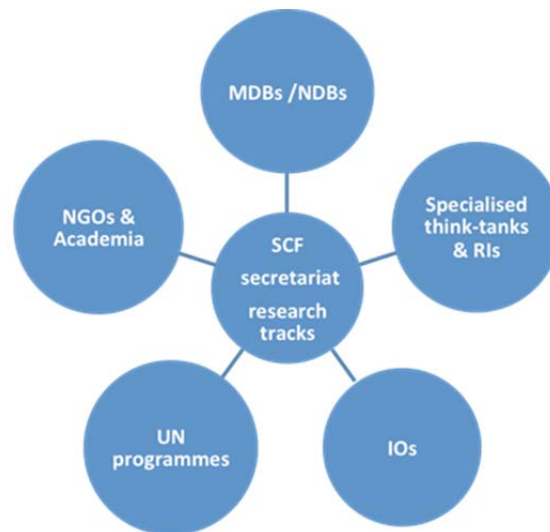
The preparation of the BA is a COP-mandated activity and will be delivered by SCF biennially, starting in 2014.

#### **II. Approach**

The development of the first BA will involve meta-data and information gathering from multiple sources across different climate finance stakeholders. The research will combine literature review with conference calls and focused meetings involving different contributors. Furthermore, the work undertaken for the first BA will lay the foundation for subsequent BAs. As such, the organisation and implementation of the research work will take a "hub-and-spokes". Figure 1 shows this approach, with SCF being the hub and different types of contributors being the spokes.

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<sup>1</sup> Decision 2/CP.17, paragraph 121, sub-paragraph (f)

**Figure 1: Hub-and-spokes approach**

A wide variety of institutions such as multilateral development banks, development finance institutions, international organizations, research institutions and think tanks, private sector financial institutions, academia, civil society organizations would be invited to contribute to each research track.

### III. Modalities

Given the specialized nature of the work required to develop different sections of the BA, and to ensure sufficient rigor, the work will be organised in research tracks. Each track would involve continuous research and gathering of data sets from primary and secondary data providers, as the case may be. Each research track would be led by a dedicated external consultant and coordinated by the secretariat, under the guidance of the working group of the SCF.

- **Research track I:** This track will review the existing definitions of climate finance and methodologies used to measure, report and verify different types of flow;
- **Research track II:** This track will collect data sets and any other relevant quantitative and qualitative information for the overview section;
- **Research track III:** This track will support the working group to develop the assessment section. It will compile assessment criteria used by different organisations, including criteria to assess how adaptation and mitigation needs can most effectively be met by climate finance.

The work of the research tracks feeds into the SCF working group. The SCF working group is facilitated by two co-facilitators appointed by the SCF and supported by the secretariat. The SCF working group disseminates the results of the work to the broader SCF membership for consideration. SCF working group, facilitated by the two co-facilitators, completes the BA with the assistance of 3 external consultants and the secretariat. Annex I contains the list of the members of the working group.

The secretariat guides and monitors the day-to-day operations of the external consultants. To build and maintain the institutional memory, the external consultants conduct their work and interact with external contributors in the presence of the secretariat.

#### Research themes

There are three overarching research themes, each corresponding to research tracks above. Specific research themes are outlined in the revised annotated outline of the BA.

### IV. Activities and timeline

To supplement the on-going literature review under each research track, a series of conference calls will be organised with data providers and stakeholder organisations specialising in tracking climate finance. In addition, two to three focused/technical meetings involving climate finance tracking expert institutions, data providers and climate finance stakeholders will be held to address specific topics and data needs. The focused/technical

meetings would build on the [in-session] workshop organized at the 5th meeting of SCF and designed to engage actively with contributors, exchange views, and perspectives on specific topics. The technical meetings will, therefore, also provide a space for enhanced coordination and collaboration with various contributors.

- **1st technical meeting** to be held on the back of the 6th meeting of SCF, on 6 March. This meeting will examine issues related to comparability of climate finance definitions and methodologies for measuring, reporting, and verifying different types of financial flows. It will also address needs for data sets for the overview section of the BA;
- **2nd technical meeting** will be held on the back of the 7th meeting of SCF. This mini-workshop will focus on assessment criteria. It will also address data gaps and limitations and will seek to identify practical ways how different MRV practices could be improved in line with the evolving MRV of support under the Convention<sup>2</sup>;
- **3rd mini workshop.** (tbd)

The BA will have several milestones that represent specific deliverables, each involving multiple steps over several months with possible overlaps. Table 1 shows the milestones over the period March-October.

**Table 1: Indicative timeline for the preparation of the 1st BA in 2014**

Key events Milestones	SCF6								SBs session and SCF7								SG's Climate Summit																			
	Mar-14				Apr-14				May-14				Jun-14				Jul-14				Aug-14				Sep-14				Oct-14							
	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4				
1. Annotated outline																																				
2. Overview chapter	D0						D1				D2				FD																					
3. Methodologies chapter			D0				D1				D2				FD																					
4. Assessment chapter											D0								D1								D2				FD					
5. Conclusions																							D1								D2					FD
6. Recommendations																							D1								D2					FD
7. Executive summary																							D1								D2					FD
8. Printing & publication																																				

**D0 – Zero order Draft; D1 - Draft 1; D2 - Draft 2; FD – Final Draft**

The work will be organised in three tiers. First tier involves research and interaction with external contributors which will be carried out under research tracks. Second tier involves discussions of deliverables of the research tracks and review of progress by the working group of SCF, facilitated by the two co-facilitators. The third tier involves discussions on the conclusions and recommendations by the SCF. Table 2 presents the deliverables and activities and a timeline for the involvement of SCF in the second and third tier. Figure 2 shows the three-tiered approach.

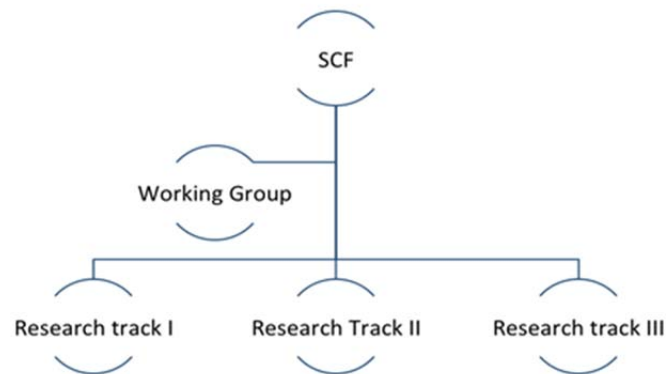
<sup>2</sup> Submissions of developed country Parties on appropriate methodologies and systems used to measure and track climate finance may be used as input to the technical meeting.

**Table 2: Activities/deliverables and internal timeline for the open-ended working group of the SCF**

<i>Deliverables</i>	<i>2014</i>									
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct
I. Annotated outline										
II. Overview chapter										
1 <sup>st</sup> order draft circulated to SCF			4 <sup>th</sup>							
Written comments by			28 <sup>th</sup>							
Concall to discuss & review progress				7 <sup>th</sup>						
SCF discusses the 2 <sup>nd</sup> order draft at its 7 <sup>th</sup> meeting							tbd			
Final draft circulated to SCF								11 <sup>th</sup>		
III. Methodologies chapter										
1 <sup>st</sup> order draft circulated to SCF			24 <sup>th</sup>							
Written comments by				14 <sup>th</sup>						
Concall to discuss & review progress				21 <sup>st</sup>						
SCF discusses the 2 <sup>nd</sup> order draft at its 7 <sup>th</sup> meeting							tbd			
Final draft circulated to SCF								11 <sup>th</sup>		
IV. Assessment chapter										
1 <sup>st</sup> order draft circulated to SCF					2 <sup>nd</sup>					
Written comments by					16 <sup>th</sup>					
Concall to discuss & review progress					26 <sup>th</sup>					
SCF discusses the 1 <sup>st</sup> order draft at its 7 <sup>th</sup> meeting							tbd			
2 <sup>nd</sup> order draft circulated to SCF								18 <sup>th</sup>		
V. Technical meetings involving external contributors										
1 <sup>st</sup> technical meeting			6 <sup>th</sup>							
2 <sup>nd</sup> technical meeting								3 <sup>rd</sup> w		
3 <sup>rd</sup> technical meeting (subject to										

<i>Deliverables</i>	<i>2014</i>									
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct
confirmation)										
VI. Conclusions										
Preliminary conclusions circulated to SCF					30 <sup>th</sup>					
SCF discusses the preliminary conclusions at its 7 <sup>th</sup> meeting							tbd			
VII. Recommendations										
Elements circulated to SCF					30 <sup>th</sup>					
Orientation debate at the 7 <sup>th</sup> meeting							tbd			
Draft conclusions and recommendations circulated to SCF									5 <sup>th</sup>	
Concall to discuss draft conclusions and recommendations									19 <sup>th</sup>	
SCF discusses and finalizes conclusions and recommendations at its 8 <sup>th</sup> meeting										tbd
VIII. Executive summary										
1 <sup>st</sup> order draft							25 <sup>th</sup>			
2 <sup>nd</sup> order draft									5 <sup>th</sup>	

**Note:** 'tbd' denotes dates to be determined after the dates of the 7<sup>th</sup> and 8<sup>th</sup> meeting have been confirmed.

**Figure 2: The three-tiered approach**

## V. Internal and external collaborations

In addition to internal source of information (FSF, NCs, BRs) and any inputs from thematic bodies and expert groups under the Convention, the preparation of the first BA involves data gathering from external sources of information and compilation of assessment criteria used by different institutions. Furthermore, different sources have adopted different climate finance definitions and methodologies to measure, report and verify different types of flows. As such, continued interaction with these sources will be an important feature of the work for the preparation of the first BA.

Therefore, it is proposed to set up an informal experts group drawing expertise from external contributors such as MDBs, international organizations, think-tanks and research institutions. The experts group could be invited to peer-review the methodologies, overview and assessment chapters.

As noted in the Modalities section, the interaction of external consultants with external contributors will be done in the presence of the secretariat. Further, the hub-and-spokes approach requires effective management of inflow and outflow of contributions and information. As such, the secretariat will coordinate and, therefore, serve as the entry and exit point to all spokes.

## VI. Expected outputs/deliverables

The outputs will be both analytical and procedural, these will include:

- The **report on the BA** containing chapters, including conclusions, and an executive summary;
- The **executive summary** as a stand-alone piece;
- **Recommendations** by SCF for conclusion in the SCF' report to COP20; and
- **A brochure** featuring recommendations and highlights from the executive summary.

Additional deliverables will include:

- An **action plan** and a timeline;
- **Briefing notes** on specific topics and **background notes** for SCF meetings ;
- **Background papers** for technical meetings, including meeting agenda;
- **Presentations** and **updates** on the progress



## VII. Outreach

To ensure transparency, SCF will organise side events and/or hold web-based activities to update the broader stakeholder groups on the progress made in implementing the work for the BA. These updates could either be incorporated in future side events which SCF may organise for observer organisations (broad stakeholder groups) in the side lines of SB session in June, any additional sessions of the ADP in October, or organised as dedicated events for climate stakeholders working on climate finance tracking and reporting.

- **Side event** during the SBs session in June. The objective of this side event is to provide an update on the progress made and exchange notes with similar initiatives outside of the Convention;
- **Webinar** in the 2<sup>nd</sup> week of November to communicate the results of the BA to broader stakeholder groups;
- Subject to progress made, SCF may wish to distribute a sneak preview of the brochure in the UN SG summit;
- The dedicated section linked to the front page of SCF will be updated regularly.

**Table 3: Current members of the open-ended working group on preparation of the first BA**

<i>Members</i>	<i>Country /Affiliation</i>
Outi Honkatukia (co-facilitator)	Ministry of Finance, Finland
Seyni Nafo (co-facilitator)	Environment and Sustainable Development Agency , Mali
Kyekyeku Yaw Oppong-Boadi	Environmental Protection Agency, Ghana
Inka Gnittke	Federal Ministry for the Environment, Nature Conservation, Building and Nuclear Safety, Germany
Jessica Brown	U.S. State Department
Stefan Schwager	Federal Office for the Environment, Switzerland
Paul Oquist	Minister and Private Secretary of National Policies, Nicaragua
Suzanty Sitorus	National Council on Climate Change, Indonesia
Stefan Agen	EC
Yorio Ito	Ministry of Foreign Affairs, Japan
others	

## Annex II

### Agreed outline of the technical paper on the fifth review of the financial mechanism

- I. Introduction
  - A. Mandate
  - B. Objective of the technical paper
  - C. Scope and methodology
- II. Assessment and key findings
  - A. Background
  - B. Governance
    1. Transparency of decision-making processes of the operating entities of the financial mechanism (decision 8/CP.19, annex, para. 3(a))
    2. Level of stakeholder involvement (decision 8/CP.19, annex, para. 3(b))
    3. Gender-sensitive approaches (decision 8/CP.19, annex, para. 3(c))
    4. Fiduciary standards
    5. Environmental and social safeguards
  - C. Responsiveness of the operating entities to the Conference of the Parties guidance
    1. How have the operating entities been responding to the guidance provided through the years?
    2. Responsiveness and efficiency of the Global Environment Facility project cycle (decision 8/CP.19, annex, para. 3(e))
  - D. Mobilization of financial resources
    1. Amount of resources provided to developing country Parties (decision 8/CP.19, annex, para. 3(f))
    2. Amount of finance leveraged and modalities of co-financing (decision 8/CP.19, annex, para. 3(g))
    3. Adequacy, predictability and sustainability of funds (decision 8/CP.19, annex, para. 3(d))
    4. Enabling environments (decision 8/CP.19, annex, para. 1(b)(iii))
  - E. Delivery and effectiveness of financial resources
    1. Accessibility and timely disbursement of funds
    2. Country ownership of programmes and projects
    3. Sustainability of funded programmes and projects and operations in developing country Parties
    4. Enabling environments
  - F. Results and impacts achieved with the resources provided (decision 8/CP.19, annex, para. 3(f))
    1. Mitigation results achieved
    2. Adaptation results achieved
    3. Forestry
    4. Capacity-building
  - G. Consistency of the financial mechanism with the objectives of the Convention

1. Extent to which the resources provided contribute to achieving the objectives of the Convention (decision 8/CP.19, annex, para. 3(j))
  2. Role of the financial mechanism in scaling up the level of resources (decision 8/CP.19, annex, para. 1(b)(ii))
- H. Consistency and complementarity of the financial mechanism with other sources of investment and financial flows (decision 8/CP.19, annex, para. 1(b))

III. Conclusions

## Annex III

### Second forum of the Standing Committee on Finance: work on the draft programme

#### Notes from the SCF working group on the Forum:

The SCF working group on the Forum worked on the evening of 5 March 2014 to revise the agenda. It did so, and also suggested guidance for further work and planning of the Forum. The revised agenda can be found in the annex below.

#### Guidance for further planning:

- Get input from other bodies, the AC is listed as co-facilitator, and they have been sent a draft;
- Take into account geographic and gender balance, and to include many LDCs;
- Integrate all levels- from international to community;
- Moving from overview-type work on the first day to practical lessons/cases studies on the second day;
- Pose questions to the presenters/discussants;
- Alternative approaches to the organization of work to be included (i.e. not presentation-heavy, lots of examples and discussion);
- Co-benefits between adaptation and mitigation to be discussed, including forestry-related examples.

The SCF working group noted that the parallel sessions are also still to be looked at further, since there are cost implications. Presenters listed in the annex are just suggestions/ideas at this stage.

Further action by the SCF members:

Suggest relevant case studies, presenters and contacts for the agenda.

### **Forum of the Standing Committee on Finance: “Mobilizing adaptation finance”**

- Date: 21-22 June 2014
- Venue: Montego Bay Convention Centre, Montego Bay, Jamaica
- Overall objective: Promoting the mobilization of adaptation finance through the sharing of experiences, best practices and innovative ideas

**Table 4: Provisional programme of the Second Forum**

<i>Time</i>	<i>Theme</i>	<i>Focus</i>	<i>Facilitators/Presenters</i>
<b>Day 1: NATIONAL-LEVEL ADAPTATION FINANCE OPTIONS</b>			
08:00–09:00	Registration of participants		
09:00–09:20	Opening plenary	<ul style="list-style-type: none"> <li>• Welcome the participants and open the forum</li> <li>• Overview of the SCF and the forum</li> </ul>	One of SCF Co-chairs? CIF rep? Rep of Government of Jamaica?
09:20–10:00	Setting the scene - overview of adaptation finance	Overview of the state of adaptation finance based on the highlights of the joint background paper prepared by the SCF and the Adaptation Committee	Facilitator: (tbd) Another SCF co-chairs/ SCF rep? Adaptation Committee co-chair/rep?
10:00–11:00	National adaptation	Integrating adaptation into national planning processes,	Facilitator: (tbd)

<i>Time</i>	<i>Theme</i>	<i>Focus</i>	<i>Facilitators/Presenters</i>
	planning and policies	building resilience and generating investor confidence	3 experiences of countries of best practices  To further explore: - Mexico? (10 ) - Mozambique? (10) - SIDS? Jamaica? (10) - Private sector to talk about the enabling environment that they need (10) ?  Q&As (30 mins)
11:00–11.15	Coffee break		
11:15–12:45	Mobilising public finance for national adaptation	Overview of public financial instruments at different levels	Facilitator: (tbd) - Introductory presentation by a presenter on status of public finance related to national funding (10)  - Introductory presentation by a presenter on status of public finance related to bilateral finance (10)  - Introductory presentation by a presenter on status of public finance related to multilateral/regional finance (10)  Include a panel to answer Qs, from OEs etc.  - Q&As (60 mins)
12:45–14:00	Lunch		
14:00–15:30	Mobilising private sector finance for national adaptation	Identifying adaptation finance options <ul style="list-style-type: none"> <li>• International financial market instruments</li> <li>• Innovative financing, micro-finance, micro-insurance etc.</li> </ul>	Introductory presentation (5 mins) Facilitator: (tbd) Case studies, further explore: - Green Bonds- Michael Eckhart? - Petrocaribe? - MCII/Insurance? - Grameem Bank? - AU Insurance Facility? Q&As (40 mins)
15:30–15:45	Coffee break		
15:45–17:30	Breakout	Deepen understanding on how to replicate and disseminate	Facilitator: (tbd)

<i>Time</i>	<i>Theme</i>	<i>Focus</i>	<i>Facilitators/Presenters</i>
	groups	good practices related to the delivery of adaptation finance in the public and private sectors in the future	2 Breakout groups in parallel: Facilitator: SCF member Facilitator: AC member
17:30–18:00	Reporting back from breakout groups		Facilitator: (tbd) Report back Floor discussion

<i>Time</i>	<i>Theme</i>	<i>Focus</i>	<i>Facilitators/Presenters</i>
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### Day 2 : MOBILIZING FINANCE IN SPECIFIC SECTORS

09:00–10:00	Setting the stage for the day		Facilitator: (tbd) Bloomberg? Q &A
	<b>Group 1:</b>	<b>Group 2:</b>	
10:00–12:00 (coffee break around 11:00, groups to get coffee at their convenience, without breaking)	Building and infrastructure, settlements, urban areas/cities Facilitators (tbd) Presenters of case studies, explore - ITU? (10) - WTO? (10) - Philippines Survival Fund - Additional? Discussion (60 min)	Water management, human health  Facilitators (tbd) Presenters of case studies, explore - Danone? - GWP? - Community level? - LDC? - Explore additional? Discussion (60 min)	Facilitators of each group (tbd)
12:00–12:30	Reporting back by both groups		
12:30–14:00	Lunch		
	<b>Group 3:</b>	<b>Group 4:</b>	
14:00–16:00 (coffee break around 11:00, groups to get coffee at their convenience, without breaking)	Agriculture, land-use and sustainable forest management, ecosystems Facilitators (tbd)	Energy, transport  Facilitators (tbd) Presenters of case studies, explore	Facilitators of each group (tbd)

<i>Time</i>	<i>Theme</i>	<i>Focus</i>	<i>Facilitators/Presenters</i>
	Presenters of case studies, explore	- Nicaragua - Additional? Discussion (60 min)	
	- Unilever? - MSEs? - Community level? - LDC? - Additional? Discussion (60 min)		
16:00–16:30	Reporting back by both groups		
16:30–17:30	Summary and conclusions	Wrap up session to present key outcomes and recommendations and to discuss the way forward with regard to adaptation finance	Closing discussion and Q&A Facilitator: (Co-chairs of the SCF and the CIF representative) Minister from Peru?

## Annex IV

**Table 5: The different thematic groups: Summary information for the SCF  
5 March 2014**

	<i>Executive Committee of the Warsaw international mechanism for loss and damage (Excom)</i>	<i>NAP Task Force of the Adaptation Committee</i>	<i>CTCN Advisory Board</i>
Date and venue of next meeting	2528 March 2014, room 2705, LEU, Bonn (with a possible informal get-together on the night of the 25th).	SCF representative to attend Friday 7 March 2014, in the afternoon Bonn.	1921 March, Copenhagen.
Frequency of meetings	To be confirmed. If the work plan is finalized in the first meeting, there will be no other meetings.	Once, thereafter by email and telecom, possibly on side-lines of sessions.	Usually twice per year, but this is to be confirmed.
Membership	The current membership is an interim measure. The composition of, and procedures for, the executive committee will be decided at COP 20. Current membership from the SCF is Paul and Wilhelmina.	SCF to nominate 1 member. Yaw to attend, Jozef to connect remotely.	SCF to nominate 1 co-chair or 1 member. Stefan Schwager will try to attend.
Task	<p>General function: guide the implementation of functions of the Warsaw international mechanism for loss and damage.</p> <p>Task of the Excom: The COP requested the Excom to develop its initial two-year workplan for the implementation of the following functions, summarized as:</p> <ul style="list-style-type: none"> <li>- Enhancing knowledge and understanding of comprehensive risk management approaches to address L&amp;D, including slow onset impacts, through a number of means;</li> <li>- Strengthening dialogue, coordination, coherence and synergy among relevant stakeholders,</li> </ul>	<p>General function: further support developing countries seeking to formulate and implement NAPs.</p> <p>Task for AC 5: The AC requested the task force to develop, with the support of the secretariat, a draft plan of action, taking into account the activities in the AC's workplan and the modalities and activities identified through the AC's work in 2013.</p> <p>The task force will present its draft plan of action at the 5th meeting of the AC for review and approval.</p> <p>Objectives: As per the report presented to the COP, the objectives of the task force on national adaptation</p>	<p>General function: facilitate the effective implementation of the Technology Mechanism.</p> <p>Tasks: Stimulate technology cooperation and enhance the development and transfer of climate technologies to developing country parties at their request.</p> <p>The CTCN, with the participation of its network members, facilitates accelerated, diversified and scaled-up transfer of environmentally sound technologies (EST) for climate change mitigation and adaptation to address the urgent</p>



<i>Executive Committee of the Warsaw international mechanism for loss and damage (Excom)</i>	<i>NAP Task Force of the Adaptation Committee</i>	<i>CTCN Advisory Board</i>
<p>through a number of means;</p> <ul style="list-style-type: none"> <li>- Enhancing action and support, including finance, technology and capacity-building, to address loss and damage, through a number of means.</li> </ul> <p>Required input by the SCF to the initial meeting: guidance on points above and:</p> <ul style="list-style-type: none"> <li>- The Warsaw mechanism should complement and draw upon the work of existing bodies and expert groups under the Convention.</li> <li>- To inform the Excom's efforts to develop the work plan for the implementation of the mechanism, SCF representatives will be asked to present an overview of relevant provisions and ongoing work of the SCF on the first day.</li> </ul>	<p>plans are as follows:</p> <ul style="list-style-type: none"> <li>-To serve as the panel within the AC that continuously looks at issues related to NAPs;</li> <li>-To liaise with LEG, upon request, in support of its work with regard to NAPs in the LDCs, ensuring consistency and complementarity of mandates;</li> <li>-To identify opportunities in which activities can also be employed by non-LDCs;</li> <li>-To follow up on the operationalization of modalities identified for the support of non-LDCs' NAPs under the guidance of the Chair and the VC of the AC;</li> <li>-To report to the AC at each of its meetings on issues identified and proposed activities to support the NAP process for all eligible/interested developing countries</li> </ul>	<p>needs and priorities of the requesting developing countries.</p>

## Annex V

### Proposed Arrangements for Inter-sessional Work of the Standing Committee on Finance

#### Background

The Standing Committee on Finance utilizes inter-sessional work either as a Committee and/or as working groups to advance the activities outlined in its work programme. The means of engagement by members include teleconferences, informal meetings, web-based collaboration and email exchanges. The challenge with inter-sessional working arrangements of the Committee is to ensure the effective flow of information among members.

The aim of this paper is to establish a common understanding on the modalities for inter-sessional work of the SCF in order to enhance transparency and to increase the engagement of its members in the implementation and delivery the different activities of the Committee.

#### Working modalities

The following are possible working modalities that the SCF and the working groups may wish to consider in its inter-sessional work taking into consideration that additional activity-specific working arrangements are developed:

- The facilitators of the working groups are expected:
  - To convene regular meetings of the working groups such as through teleconferences, web-based collaboration and, if feasible, informal in-person meetings;
  - To circulate all relevant documents, particularly advanced documents, to the Committee and Working Group members in a timely manner;
  - To provide the SCF with regular written updates on the progress of its activities;
  - To establish the level of participation and engagement of members in the working group and the process for clearance and approval of documents/outputs.
- The secretariat will support the inter-sessional work of the Committee/Working Groups and will receive regular guidance from the SCF co-chairs and facilitators in the conduct of technical work;
- The secretariat will take a pro-active role in ensuring effective communication within the working group and between the working group and the Committee. As such, it will assist members in ensuring access to communication tools.

#### Tools and facilities for inter-sessional work

- Emails and collaborative tools such as sharepoints and chatrooms
- Tele/video-conferences
- Interactive web tools such as skype and webinars

In-person informal meetings using avenues such as the sessions of the Subsidiary Bodies of the Convention as well as the SCF Forum.

**Table 7: TIMELINE OF ACTIVITIES**  
**Draft guidance to the operating entities**

<i>Activity</i>	<i>Mar</i>	<i>Apr</i>	<i>May</i>	<i>Jun</i>	<i>Jul</i>	<i>Aug</i>	<i>Sep</i>	<i>Oct</i>
Exchange with OEs / Agreement on template	X							
Call for inputs by thematic bodies	X							
Continued engagement of working group with thematic bodies / OEs	X	X	X	X	X	X	X	X
Issuance of GEF report						X		
Issuance of GCF report (tentative)								X
Inputs by thematic bodies						X	X	X
Submissions from Parties						X	X	X
Finalization of template							X	X

**Table 8: Biennial assessment of climate finance flows***Revised timeline*

Activities and deliverables	2014											
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct-Dec		
<b>Phase I: Finalizing the scope and structure</b>												
Scope fine-tuned followed by a structure and annotated outline	X	X										
<b>Phase II: Research and drafting</b>												
Literature review, data collection and regular communication and exchanges between the working group, external consultants, the ad hoc experts group, and input providers		X	X	X	X	X						
Drafting of the report (draft 0 – draft 2)			D0		D1							
Mini workshops			W1			W2						
<b>Phase III: Final draft</b>												
The working group discusses findings, followed by writing of the final draft and synthesis							X					
Final draft								X				
<b>Phase IV: Peer review, lay out and production of the document</b>												
External/peer review (tbc)								X				
Layout design and publication									X			
<b>Phase V: Outreach and dissemination</b>												
Communicating and promoting the results of the first BA and the recommendations										X		

**Table 9: Fifth review of the financial mechanism**

	2014											
	Early - March	End - March	Apr	Mid - May	End - May	Early - June	End - June	Jul	Aug	Mid - Sept	End - Sept	Mid - Oct
6th Meeting of the SCF: Convening of SCF working group on the fifth review	X											
Call for inputs from bilateral and multilateral organizations		X										
Preparation of the first draft of the technical paper (clusters 1–2) for consideration by the working group on the review	X	X	X	X								
Inter-sessional work of the working group in reviewing the first draft prepared by the secretariat and drafting conclusions and recommendations for SCF–7				X	X							
Update to SBI 40 on the fifth review						X						
7th Meeting of the SCF: consideration of the draft conclusions and recommendations prepared by the working group on the basis of clusters 1–2 of the technical paper <sup>a</sup>							X					
Preparation of the first draft of the technical paper (clusters 3–4) for consideration by the working group on the review							X	X	X	X		
Inter-sessional work of the working group in reviewing the first draft prepared by the secretariat and drafting conclusions and recommendations										X	X	

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2014

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for SCF-8

8th Meeting of the SCF:  
consideration of the draft  
conclusions and recommendations  
prepared by the working group on  
the basis of clusters  
3-4 of the technical paper<sup>b</sup>, and  
finalization of the expert input to  
be forwarded to the COP

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X

<sup>a</sup> Both the technical paper (part 1) and the draft conclusions and/or recommendations by the working group will serve as input to the discussions on the fifth review at the 7<sup>th</sup> meeting of the SCF.

<sup>b</sup> Both the technical paper (part 2) and the draft conclusions and/or recommendations by the working group will serve as input to the discussions on the fifth review at the 8<sup>th</sup> meeting of the SCF.

**Table 10: MRV of support beyond the biennial assessment and overview of financial flows**

<i>Activity under the Convention</i>		<i>1<sup>st</sup> Qtr</i>	<i>2<sup>nd</sup></i>	<i>3<sup>rd</sup> 4<sup>th</sup></i>	<i>2015</i>
Reports	First biennial reports (BRs) by developed country Parties	January			
	National Communications (NatComs) of Annex I Parties	January			
	First biennial update report by non-Annex I Parties				December
	Secretariat to prepare a compilation and synthesis report on the information reported by developed country Parties in the BRs and the NatComs, for consideration COP 20				COP20
Methodologies	Developed country Parties to submit information on appropriate methodologies and systems used to measure and track climate finance		May 2014		
	Development of methodologies for reporting financial information under the SBSTA		SBSTA40	SB41/ COP20	
	Consideration on the best approach for future reporting on climate related private finance at the next revision of the reporting guidelines				
	SBI to begin the revision of the "Guidelines for the preparation of national communications by Parties included in Annex I to the Convention, Part II: UNFCCC reporting guidelines on national communications", based on the experiences gained in preparing the first BRs and other information, with a view to adopting the revised guidelines by COP 20		SBI40		COP20
	SBSTA to develop, taking into account existing international methodologies, and based on the experiences gained in preparing the first BRs, methodologies for reporting financial information with a view to recommending a decision on this matter to COP 20				COP20
	Annex I Parties to make submissions of views by 1 March 2014 on their experience with reporting the		March		

<i>Activity under the Convention</i>		<i>1<sup>st</sup> Qtr</i>	<i>2<sup>nd</sup></i>	<i>3<sup>rd</sup> 4<sup>th</sup></i>	<i>2015</i>
	first BRs				
	Secretariat to prepare a technical paper based on the submissions of views by Parties, with the aim of facilitating consideration by SBI 41, of the matters referred to in decision 2/CP.17			SBI41	
Review	First round of International Assessment and Review (IAR) to commence two months after the submission of the first round of BRs by developed country Parties	1 <sup>st</sup> qtr			
	COP to revise the modalities and procedures of the IAR on the basis of the experience gained in the first round of IAR, no later than 2016				
	First rounds of International Consultation and Assessment (ICA) will be conducted for developing country Parties, commencing within six months of the submission of the first round of BURs by developing country Parties				1 <sup>st</sup> half 2015
	COP to revise the modalities and guidelines for ICA based on experiences gained in the first round of ICA, no later than 2017				

## Annex VI

### List of observers attending the sixth meeting of the Standing Committee on Finance

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## Annex VII

**Table 11: Background documents for SCF-6**

<i>Title</i>	<i>Symbol</i>
Background paper on the biennial assessment and overview of climate finance flows	SCF/2014/6/3
Background paper on fifth review of the financial mechanism of the Convention	SCF/2014/6/4
Draft concept note of the second forum of the Standing Committee on Finance	SCF/2014/6/6
Background paper on the draft guidance to the operating entities of the financial mechanism	SCF/2014/6/7
Background paper on MRV of support beyond the biennial assessment and overview of financial flows	SCF/2014/6/8
Submissions to the fifth meeting of the Standing Committee on Finance	SCF/2013/5/8
Background paper on linkages with the Subsidiary Body for Implementation and the thematic bodies of the Convention	SCF/2014/6/9
Draft communication strategy of the Standing Committee on Finance	SCF/2014/6/10