

## Thirteenth Meeting of the Standing Committee on Finance

**18 to 20 July 2016**  
**Bonn, Germany**

### Agenda

1. Opening of the meeting.
  2. Organizational matters.
  3. Updates on the work of the SCF during the 44<sup>th</sup> session of the subsidiary bodies:
    - (a) Coherence and coordination: financing for forests, taking into account different policy approaches;
    - (b) Long-term finance issues referred to in decision 3/CP.19, paragraph 12;
    - (c) Matters relating to the measurement, reporting, and verification of support beyond the biennial assessment and overview of climate finance flows.
  4. Forum of the Standing Committee on Finance:
    - (a) 2016 Forum of the Standing Committee on Finance focusing on financial instruments that address the risks of loss and damage associated with the adverse effects of climate change;
    - (b) Discussions on the theme for 2017 Forum of the Standing Committee on Finance.
  5. 2016 Biennial Assessment and Overview of climate finance flows.
  6. Draft guidance to the operating entities of the Financial Mechanism.
  7. Linkages with the Subsidiary Body for Implementation and the thematic bodies of the Convention.
  8. Other matters:
    - (a) Date and venue of next meeting;
    - (b) Report of the thirteenth meeting of the Standing Committee on Finance.
  9. Closure of the meeting.
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## Annotations to the agenda

### 1. Opening of the meeting

1. The thirteenth meeting of the Standing Committee on Finance (SCF) will be opened by the Co-Chairs on Monday, 18 July 2016.

### 2. Organizational matters

#### (a) Adoption of the agenda

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

3. **Background:** The provisional agenda was prepared by the Co-Chairs, with the assistance of the secretariat and was circulated to the SCF prior to the meeting.

SCF/2016/13/1/Rev.1	<i>Provisional agenda for the Thirteenth Meeting of the Standing Committee on Finance</i>
SCF/2016/13/2	<i>Provisional agenda and annotations for the Thirteenth Meeting of the Standing Committee on Finance</i>

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

4. **Action:** *The SCF will be invited to agree on the organization of the work of the meeting.*

5. **Background:** The thirteenth meeting of the SCF will be held from 18–20 July 2016 in Bonn, Germany. A detailed tentative schedule of the meeting is annexed to this document. The meeting will be open to attendance by observers from Parties and accredited observer organizations, except where otherwise decided by the SCF. Additionally, the meeting of the SCF will be webcasted. The SCF may decide at any time that a meeting or part thereof should be closed to observers and the webcast should be interrupted.

### 3. Updates on the work of the SCF during 44<sup>th</sup> session of the subsidiary bodies

#### (a) Coherence and coordination: financing for forests, taking into account different policy approaches

6. **Action:** *The SCF will be invited to consider the outcomes of the side event organized during the forty-fourth session of the Subsidiary Bodies (SB 44).*

7. **Background:** During SCF 12, the SCF agreed to nominate Mr. Paul Oquist and Mr. Georg Børsting to coordinate the work on the topic of coherence and coordination of forest finance in 2016.<sup>1</sup> As agreed, the SCF held a side event on the 23 May 2016 on the sidelines of SB 44,<sup>2</sup> the outcomes of which the SCF agreed to consider at its this meeting.<sup>3</sup> The highlights and outcomes of the side event are contained in document SCF/2016/13/3.

SCF/2016/13/3	<i>Background paper on the coherence and coordination: financing for forests, taking into account different policy approaches</i>
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<sup>1</sup> See document SCF/2016/12/10 paragraph 13.

<sup>2</sup> All relevant information, including presentations, is available at: <<http://unfccc.int/8985.php>>.

<sup>3</sup> See document SCF/2016/12/10 paragraph 14.

(b) Long-term finance issues referred to in decision 3/CP.19, paragraph 12

8. **Action:** *The SCF will be invited to take note of the update on the outcomes of the long-term finance in-session workshop to be provided by the co-facilitators of the working group.*

9. **Background:** During SCF 12, the SCF agreed that Mr. Randy Caruso, Mr. Paul Oquist and Mr. Richard Sherman would lead the preparation of inputs to the in-session workshop on long-term climate finance in 2016. Furthermore, it was agreed that these inputs would be prepared inter-sessionally.<sup>4</sup> In line with this agreement, the inputs of the SCF were prepared and delivered during the workshop by Mr. Randy Caruso on 18 May 2016.<sup>5</sup>

(c) Matters relating to the measurement, reporting, and verification of support beyond the biennial assessment and overview of climate finance flows

10. **Action:** *The SCF will be invited to take note of the update on the ongoing work under the Subsidiary Body for Scientific and Technical Advice (SBSTA), the Subsidiary Body for Implementation (SBI), and the Ad Hoc Working Group on the Paris Agreement (APA) on matters relating to the 2016-2017 workplan on measurement, reporting, and verification (MRV) of support.*

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

#### 4. Forum of the Standing Committee on Finance

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

12. **Action:** *The SCF will be invited to finalize the programme for the 2016 forum, including the identification of resource persons and speakers.*

13. **Background:** The COP, by decision 2/CP.20, paragraph 1, approved an initial two-year workplan of the Executive Committee of the Warsaw International Mechanism for Loss and Damage associated with Climate Change Impacts (ExCom),<sup>6</sup> which includes an invitation to the SCF to dedicate its 2016 Forum to financial instruments that address the risks of loss and damage associated with the adverse effects of climate change.

14. At its 11<sup>th</sup> meeting, the SCF accepted the invitation of the ExCom to dedicate its 2016 forum to financial instruments that address the risks of loss and damage associated with the adverse effects of climate change, recognizing that further work needs to be undertaken in terms of the forum's scope and purpose and emphasizing the relevance of the forum to the 2016 BA. During SCF 12, the SCF decided that the co-facilitators and the working group, with the support of the secretariat, will work on a draft programme of the forum, taking into consideration views expressed during the meeting, for consideration by the SCF at this meeting. The secretariat will provide an update on the status of the organization of the forum.

SCF/2016/13/4

Background paper on the 2016 Forum of the Standing Committee on Finance

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

15. **Action:** The SCF will be invited to discuss possible topics for its 2017 forum.

<sup>4</sup> See document SCF/2016/12/10 paragraph 7.

<sup>5</sup> Available at: <[http://unfccc.int/files/cooperation\\_support/financial\\_mechanism/long-term\\_finance/application/pdf/scf\\_input\\_ltf\\_in-session\\_workshop\\_2016.pdf](http://unfccc.int/files/cooperation_support/financial_mechanism/long-term_finance/application/pdf/scf_input_ltf_in-session_workshop_2016.pdf)>. More information on the in-session workshop is available at: <<http://unfccc.int/9518.php>>.

<sup>6</sup> FCCC/SB/2014/4, annex II. Area 7, paragraph (e).

16. *Background:* At COP 17, the SCF was mandated to organize a forum for the communication and continued exchange of information among bodies and entities dealing with climate change finance in order to promote linkages and coherence.

17. For the 2014 and 2015 forum of the SCF, the COP provided guidance to the SCF with regard to the general topics to be addressed by the SCF in the context of its forum. COP 21 did not provide specific guidance to the SCF on a specific theme to be addressed by the SCF in the context of its 2017 forum.

SCF/2016/13/5

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

## 5. 2016 biennial assessment and overview of climate finance flows

18. **Action:** *The SCF will be invited to consider the following:*

- (i) *The first order draft of the 2016 BA;*
- (ii) *The draft outline of the summary and recommendations; and,*
- (iii) *Provide further guidance on the work to be undertaken intersessionally prior to SCF 14.*

19. *Background:* COP 17 decided that the SCF should assist the COP in exercising its functions with respect to the Financial Mechanism of the Convention in terms of MRV of support provided to developing countries, inter alia, through preparing BAs. The BAs are to include information on the geographical and thematic balance of flows drawing from available sources of information, including, inter alia, from biennial reports and biennial update reports.<sup>7</sup>

20. Decision 3/CP.19, paragraph 11, states that the SCF, in the context of the preparation of its BA, is to consider ongoing technical work on operational definitions of climate finance, to assess how adaptation and mitigation needs can most effectively be met by climate finance and to include the results in its report to the COP. Furthermore, COP 20 decided that, in the context of its ongoing work, including the preparation of the BA, the SCF is to further explore how it can enhance its work on the MRV of support, based on best available information on the mobilization of various resources, including private and alternative resources, through public interventions.

21. The initial two-year workplan of the ExCom, which was endorsed by COP 20, also contains the invitation to the SCF to include information on financial instruments that address the risks of loss and damage associated with the adverse in its next BA.<sup>8</sup> In addition, the SCF, at its 11<sup>th</sup> meeting,<sup>9</sup> agreed to include an overview of forest finance flows in the 2016 BA.

22. At SCF 12, SCF members were invited to send written comments on the scope and structure of the zero order draft to the co-facilitators and the secretariat. Furthermore, it was decided that the co-facilitators, with the support of the secretariat, will prepare a draft outline of the summary and recommendations inter-sessionally.

23. The SCF will hold a technical meeting subsequent to the SCF meeting on 21 July 2016.

SCF/2016/13/6

*Background paper on the 2016 biennial assessment and overview of climate finance flows*

<sup>7</sup> Decision 2/CP.17, paragraph 121(f).

<sup>8</sup> Initial two-year workplan of the Executive Committee of the Warsaw International Mechanism for Loss and Damage associated with Climate Change Impacts in accordance with decisions 3/CP.18 and 2/CP.19, Action Area 7.

<sup>9</sup> As contained in FCCC/CP/2015/8, paragraph 20.

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

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

*(i) Agree on its recommendations to the COP22 on frequency of guidance to the operating entities of the Financial Mechanism;*

*(ii) Agree on a draft set of core guidance to the operating entities of the Financial Mechanism for consideration by COP22;*

*(iii) Initiate discussions on draft guidance to the operating entities of the Financial Mechanism.*

25. **Background:** In its report to COP 20, the SCF proposed a number of activities to improve the consistency and practicality of providing draft guidance to the operating entities, which the COP endorsed in decision 6/CP.20, paragraph 19.<sup>10</sup> These included an analysis of past guidance provided in order to identify a set of core guidance to serve as basis for the provision of future guidance. Furthermore, the COP requested the SCF to provide advice on the issue of the frequency of guidance to the Financial Mechanism and to report back to COP 21 on this issue.<sup>11</sup>

26. In its report to COP 21, the SCF listed options for the frequency of guidance provided to the operating entities of the Financial Mechanism, and indicated that the SCF will undertake further work on this issue in 2016. On the compilation and analysis of past guidance, the SCF reported on the extensive progress made by the SCF in 2015, and that additional SCF work would be needed in order to identify a draft set of core guidance that could serve as a basis for the provision of future guidance.<sup>12</sup> Furthermore, at SCF 12 it was agreed that the SCF working group, led by the co-facilitators and supported by the secretariat, will work intersessionally on the issues of frequency of guidance and development of draft core guidance, and to continue its discussions at SCF 13.<sup>13</sup>

27. Further, the SCF may wish to initiate its discussions on developing draft guidance to the operating entities of the Financial Mechanism, with a view to finalizing this work at the 14<sup>th</sup> meeting of the SCF.

SCF/2016/13/7      *Background paper on the draft guidance to the operating entities of the Financial Mechanism*

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

28. **Action:** *The SCF will be invited to consider the information provided by Mr. Randy Caruso with regard to latest updates on the work to be conducted in response to decision 1/CP.21, paragraph 45.*

29. **Background:** At COP 17, Parties decided that the SCF is to maintain linkages with the Subsidiary Body for Implementation (SBI) and the thematic bodies of the Convention. Parties, at COP 19, called on the SCF to further enhance its linkages with the SBI and the thematic bodies of the Convention.

30. COP 21, in decision 1/CP.21, paragraph 45 the COP requested the AC and the Least Developed Countries Expert Group (LEG), in collaboration with the SCF and other relevant institutions, to develop methodologies, and make recommendations for consideration and adoption by the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement at its first session on:

<sup>10</sup> Contained in paragraph 10 of document FCCC/CP/2014/5.

<sup>11</sup> Decision 6/CP.20, paragraph 20.

<sup>12</sup> Decision 6/CP.21, paragraph 1.

<sup>13</sup> See document SCF/2016/12/10 paragraphs 38 and 39.

(a) Taking the necessary steps to facilitate the mobilization of support for adaptation in developing countries in the context of the limit to global average temperature increase referred to in Article 2 of the Agreement;

(b) Reviewing the adequacy and effectiveness of adaptation and support referred to in Article 7, paragraph 14(c), of the Agreement.

31. During SCF 12, the SCF agreed that Mr. Randy Caruso will represent the SCF in an expert capacity in the task force on national adaptation plans of the AC, and will stand ready to engage and liaise with the AC and the LEG in the context of the above mandate.<sup>14</sup>

## **8. Other matters**

(a) Date of next meeting

32. The SCF may wish to consider and agree on the date of its final meeting in 2016.

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

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

## **9. Closure of the Meeting**

34. The thirteenth meeting of the SCF is scheduled to be closed on Wednesday, 20 July 2016, at 17:00.

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<sup>14</sup> See document SCF/2016/12/10 paragraph 41.

## ANNEX

### Tentative Schedule SCF 13

#### Monday 18 July 2016

- 08:30 – 09:00 Registration
- 09:00 – 09:30 Opening of the Meeting  
Organizational Matters
- 09:30 – 10:30 Updates on the work of the SCF during the 44<sup>th</sup> session of the subsidiary bodies:  
(a) Coherence and coordination: financing for forests, taking into account different policy approaches  
(b) Long-term finance issues referred to in decision 3/CP.19, paragraph 12  
(c) Matters relating to the measurement, reporting, and verification of support beyond the biennial assessment and overview of climate finance flows
- 10:30 – 10:45 **Coffee break**
- 10:45 – 11:45 2016 Biennial Assessment and Overview of climate finance flows
- 11:45 – 12:15 Draft guidance to the operating entities of the Financial Mechanism
- 12:15 – 13:30 Forum of the Standing Committee on Finance

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#### 13:30 – 14:30 **Lunch break**

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- 14:30 – 18:00 Technical session on the 2016 Biennial Assessment and Overview of climate finance flows
- 16:30 – 16:45 **Coffee break**

#### Tuesday 19 July 2016

- 09:00 – 10:00 Linkages with the Subsidiary Body for Implementation and the thematic bodies of the Convention
- 10:00 – 13:15 Breakout group on the 2016 and 2017 Forum of the SCF      Breakout group on draft guidance to the operating entities of the Financial Mechanism
- 11:00 – 11:15 **Coffee break**

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#### 13:15 – 14:15 **Lunch break**

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- 14:15 – 15:30 Breakout group on the 2016 and 2017 Forum of the SCF      Breakout group on draft guidance to the operating entities of the Financial Mechanism
- 15:30 – 18:00 Technical session on the 2016 Biennial Assessment and Overview of climate finance flows
- 16:15 – 16:30 **Coffee break**

**Wednesday 20 July 2016**

09:00 – 11:00 Plenary report of the breakout group and discussions on the 2016 and 2017 Forums of the Standing Committee on Finance

11:00 – 11:15 ***Coffee break***

11:15 – 13:00 Plenary report of the breakout group and discussions on draft guidance to the operating entities of the Financial Mechanism

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**13:00 – 14:00 *Lunch break***

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14:00 – 16:00 Plenary report of the technical sessions on the 2016 Biennial Assessment and Overview of climate finance flows

16:00 – 16:15 ***Coffee break***

16:15 – 17:00 Other matters

**Closure**

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