

## Sixteenth meeting of the Standing Committee on Finance Bonn, Germany, 18 – 21 September 2017

### Background paper on the topic of the forum of the Standing Committee on Finance in 2018

#### Expected actions by the Standing Committee on Finance

The Standing Committee on Finance will be invited to agree on the topic for its 2018 forum for inclusion in its annual report to the Conference of the Parties.

#### I. Possible actions for consideration by the SCF

1. The SCF may wish to agree on the topic for its 2018 forum for inclusion in its annual report to the Conference of the Parties (COP).
2. The SCF may wish to consider the following when deliberating the topic for the 2018 forum:
  - a. The importance of the Forum as an activity identified for the SCF in order to promote linkages and coherence in the delivery of climate finance, in line with decision 2/CP.17, para. 121 (a);
  - b. The previous topics of the SCF forums (see annex I);
  - c. Processes taking place in 2018 which may be of specific interest to the SCF, such as:
    - i. The in-session workshop on long-term climate finance,
    - ii. The technical examination process on adaptation, and
    - iii. The facilitative dialogue to take stock of the collective efforts of Parties in relation to progress towards the long-term goal referred to in Article 4, paragraph 1 of the Paris Agreement and to inform the preparation of nationally determined contributions pursuant to Article 4, paragraph 8 of the Paris Agreement;
    - iv. High level Ministerial dialogue on climate finance (see paras. 5 to 8 below);
  - d. The SCF discussions at its 13<sup>th</sup> and 14<sup>th</sup> meeting in 2017, particularly with regard to:
    - i. Potential topics that were identified, including linking the forum and the preparation of the 2018 BA in order to tackle specific issues being addressed in the context of the biennial assessment and overview of climate finance flows (BA),<sup>1</sup>
    - ii. Organizing the SCF forums every two years, i.e. when BA is not being prepared in light of the heavy workload posed by the preparation of the BA;<sup>2</sup>
  - e. The possible approaches that were identified in a background document prepared for SCF 13,<sup>3</sup> which highlighted that the SCF may wish to consider determining the objective – and in turn the topic – of the forum, noting that elements of each approach outlined below could be integrated in the setup of the forum, should the SCF explicitly decide in favour of one approach:
    - i. *Bridge-building approach:*
      - In line with the mandate provided by the COP, the main objective of the forum could be to offer a space to bring together Convention and non-Convention stakeholders to deliberate on specific climate finance issues;

<sup>1</sup> SCF/2016/14/9, paragraphs 11 to 13, SCF/2017/15/5, and SCF/2016/13/8, paragraph 14.

<sup>2</sup> SCF/2016/14/9, paragraph 11.

<sup>3</sup> SCF/2016/13/5.



- Possible topics may include matters related to Article 2.1(c) of the Paris Agreement: e.g. reorientation of finance flows consistent with pathway towards low greenhouse gas emissions and climate-resilient development; the link between the 1.5°C degree temperature goal and climate finance; the necessary paradigm shift; needs-related aspects;
- The forum would therefore contribute to an increased understanding and exchange of information among the different stakeholders involved in climate finance resulting in concrete actionable recommendations by the SCF to the COP.

ii. *Operational approach:*

- The objective of the forum would be to identify concrete technical or operational issues related to climate finance, such as issues around the operation of the Financial Mechanism of the Convention and climate change funds, access to climate finance and the delivery of climate finance, or specific areas to be tackled by the BA;
- Following this approach, possible topics may include: matters related to access: e.g. enhancement of direct access to climate finance; harmonization of procedures, etc.; complementarity; matters related to effectiveness and impact: e.g. enhancing the effectiveness and impact of climate finance; or specific technical aspects of the 2018 BA;
- Possible outcomes include recommendations for consideration by the COP which could serve as inputs to guidance to the operating entities, the review of the Financial Mechanism, and the 2018 BA;

iii. *Thematic approach:*

- In line with previous forums, the objective would be to consider a specific climate finance theme as a focus;
- Following this approach, possible topics may include: matters related to (I)NDC: e.g. financing to support (I)NDC implementation; matters related to capacity-building: e.g. enhancing financing to develop long-term and sustainable capacity in developing countries to meet the challenges of climate change.
- Similar to the operational approach, a possible outcome of this approach could be specific recommendations to be provided by the SCF to the COP. This could easily be translated into specific decisions to be taken by Parties, e.g. as part of guidance to the operating entities;

3. The SCF may also wish to consider the following options in presenting the outcome of its discussions on this subject matter for consideration at COP23:

- a. To include one or more options for topics in its SCF report to COP 23, for consideration and/or endorsement by the COP, and to report to the COP on its recommendations regarding the frequency of the forum;
- b. To inform COP 23 that the SCF has not concluded its deliberations and will continue its deliberations at its first meeting in 2018.

4. In order to expedite work on the organization of the 2018 forum, and in light of lessons learned from the past forums which showed the advantage of early preparations, the SCF may wish to form a working group, including designation of co-facilitators, for the 2018 forum. This would allow for the working group and its co-facilitators, with the support of the secretariat, to prepare inter-sessionally for the first meeting of the SCF in 2018 based on the guidance received from COP 23.

## II. Background

5. COP 22 decided that the in-session workshops on long-term climate finance in 2017 and 2018 will, with a view to scaling up climate finance for mitigation and adaptation, focus on experience and lessons learned in relation to:

- a. Articulating and translation needs identified in country-driven processes into projects and programmes;

- b. Roles of policies and enabling environments for mitigation and adaptation finance;
  - c. Facilitating enhanced access.<sup>4</sup>
6. The technical examination process on adaptation in 2018 will have the topic of adaptation planning for vulnerable groups, communities and ecosystems, with a specific emphasis on:
- a. Mainstreaming consideration of vulnerable populations;
  - b. Focusing adaptation planning and implementation on the needs of vulnerable groups, communities and ecosystems.<sup>5</sup>
7. COP 21 decided to convene a facilitative dialogue among Parties in 2018 to take stock of the collective efforts of Parties in relation to progress towards the long-term goal referred to in Article 4, paragraph 1 of the Paris Agreement and to inform the preparation of nationally determined contributions pursuant to Article 4, paragraph 8 of the Paris Agreement (decision 1/CP.21, paragraph 20).
8. COP decided that the third biennial high-level ministerial dialogue on climate finance, to be convened in accordance with decision 3/CP.19, will be informed by the reports on the in-session workshops on long-term climate finance and the 2018 BA (decision 7/CP.22, paragraph 15).

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<sup>4</sup> Decision 7/CP.22, paragraph 12.

<sup>5</sup> See Adaptation Committee document AC/2017/5, annex 2.

**Annex I. The topics of previous SCF forums:**

- 2013 Forum: “Mobilizing Finance & Investment for Climate Action Now”;
  - 2014 Forum: “Mobilizing Adaptation Finance”;
  - 2015 Forum: “Enhancing Coherence & Coordination of Forest Financing”;
  - 2016 Forum: “Financial instruments that address the risks of Loss and Damage”;
  - 2017 Forum: “Mobilizing finance for climate-resilient infrastructure”.
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