

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

### Background paper on the report of the Standing Committee on Finance to the Conference of the Parties

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

The Standing Committee on Finance (SCF) will be invited to:

- a) Consider and agree on:
  - o The draft of its report to COP 23, including its workplan for 2018;
  - o Related recommendations as appropriate;
- b) Agree on the procedure for the inter-sessional finalization of the report.

#### I. Options for consideration by the Standing Committee on Finance

1. The Standing Committee on Finance (SCF), during the meeting, may wish to consider the draft report of the SCF to the twenty-second session of the Conference of the Parties (COP 23) as contained in the annex to this report with a view to agree on the report, including its workplan for 2018;
2. Furthermore, the SCF may wish to agree on related recommendations as appropriate during the meeting;
3. The SCF may further wish to agree on the procedure for the inter-sessional finalization of its report to COP 23, possible options would include:
  - (a) Members providing comments on the remaining part of the draft report that was not agreed upon during the 16th meeting, which would be circulated upon closure of the SCF meeting, clearly highlighting additions made;
  - (b) Members agreeing to the revised draft report based on comments received from members on a non-objection basis.



## Annex

# Draft report of the Standing Committee on Finance to the twenty-third session of the Conference of the Parties

## I. Introduction

### A. Mandate

1. The Standing Committee on Finance (SCF) prepares annual reports to the Conference of the Parties (COP) as mandated in decision 2/CP.17, paragraph 120. COP 18 endorsed<sup>1</sup> the work programme of the SCF for 2013–2015,<sup>2</sup> while COP 22 endorsed<sup>3</sup> the workplan of the SCF for 2017.<sup>4</sup> The updated workplan of the SCF for 2018 is contained in annex IX.

### B. Scope of the report

2. This document presents the outcomes of the work of the SCF in 2017 and its recommendations for consideration at COP 23, as well as reporting on the 15th and 16th meetings of the SCF and its 2017 forum.

### C. Recommendations for action by the Conference of the Parties at its twenty-third session

3. The COP may wish to consider the following when deliberating the relevant agenda items:

(a) [The draft decisions on draft guidance to the Green Climate Fund (GCF) and the Global Environment Facility (GEF)];

(a) [The recommendations emanating from the 2017 SCF forum;]

(b) [The recommendations emanating from the expert input to the sixth review of the Financial Mechanism];

(c) The recommendation of the SCF that the COP continue to provide annual guidance to the Global Environment Facility (GEF);

(d) [The recommendations on improving the efficiency and effectiveness of the SCF].

4. Additionally, the COP may wish to take note of the following:

(b) The membership of the SCF (see annex I);

<sup>1</sup> Decision 5/CP.18, paragraph 3.

<sup>2</sup> Contained in annex II to document FCCC/CP/2012/4.

<sup>3</sup> Decision 8/CP.22, paragraph 2.

<sup>4</sup> Contained in annex VIII to document FCCC/CP/2016/8.

- (c) [The expert input to the sixth review of the Financial Mechanism (see annex II)];
- (d) [The draft guidance to the operating entities related matters (see annexes III and IV)];
- (e) [The summary report on the 2017 SCF forum (see annex V)];
- (f) [The draft outline of the 2018 biennial assessment and overview of climate finance flows (BA) (see annex VI)];
- (g) [Measurement, reporting and verification (MRV) of support beyond the BA workplan/activities in 2018 (see annex VII)];
- (h) [The self-assessment report of the SCF on the review of its functions (see annex VIII)];
- (i) [The updated workplan of the SCF for 2018 (see annex IX)].

## II. Proceedings of the meetings of the Standing Committee on Finance in 2017

### A. Membership

5. Ms. Bernarditas Muller (Philippines) and Mr. Georg Børsting (Norway) were elected as the Co-Chairs of the SCF in 2017. Regarding changes in membership, Mr. Kazuhiro Iryu (Japan) replaced Mr. Yorio Ito (Japan), and Mr. Stefan Schwager (Switzerland) was replaced by Mr. Stephan Kellenberger (Switzerland). A list of the members of the SCF as at X September 2017 is contained in annex I.

### B. Meetings

6. The two meetings of the SCF in 2017 were attended by approximately XX Party observers and representatives of non-governmental organizations, intergovernmental organizations, think tanks, multilateral development banks and operating entities of the Financial Mechanism. The observers actively took part in the deliberations of the SCF.

7. The SCF conducted its meetings through plenary sessions and breakout group discussions. All meetings of the SCF were webcast and the recordings of the meetings are available on demand on the SCF web pages.<sup>5</sup> The representatives of observer organizations were invited to express their views on the various issues under discussion and to engage actively in the deliberations of the breakout groups.

8. The meeting documents are also available on the SCF web pages. A total of 16 background notes and various technical papers were produced to support the deliberations of the SCF.

9. The 15<sup>th</sup> meeting of the SCF was held in Bonn from 7 to 9 March 2017. It was preceded by an informal retreat of the SCF on 6 March 2017, during which the SCF engaged in informal discussions on, inter alia, the review of its functions. At its 15<sup>th</sup> meeting, the SCF agreed:

<sup>5</sup> <<http://unfccc.int/6881.php>>.

- (a) To integrate financing for forest-related considerations into its 2017 workplan, where appropriate, taking into account all relevant decisions on forests;
- (b) To appoint focal points to liaise with the Executive Committee of the Warsaw International Mechanism for Loss and Damage associated with Climate Change Impacts (Executive Committee) and to take the lead in following up on the 2016 SCF forum, in line with decision 8/CP.22, paragraph 7;
- (c) To respond to the forthcoming request for the SCF to provide information on progress made in integrating a gender perspective into its work;
- (d) To initiate discussions on possible areas for integrating a gender perspective into its work, such as the 2018 BA and the sixth review of the Financial Mechanism;
- (e) To organize a side event to be held during the forty-sixth sessions of the subsidiary bodies;
- (f) On the revised concept note on the preparation of expert input to the sixth review of the Financial Mechanism, and to invite other constituted bodies under the Convention to provide their views and input, further to the invitation from the COP;<sup>6</sup>
- (g) On the topic for its 2017 forum;
- (h) To make a submission to the Subsidiary Body for Implementation (SBI) at its forty-sixth session, to conduct a survey among its members, including members elected in 2014, and to request the secretariat to compile quantitative, factual information in the context of the preparation of the self-assessment report of the SCF on the review of its functions;
- (i) To provide technical input to the ongoing work under the Subsidiary Body for Scientific and Technological Advice (SBSTA) and the Ad Hoc Working Group on the Paris Agreement (APA) on transparency of support;
- (j) On its overall approach to maintaining linkages with the other constituted bodies under the Convention, including the nomination of focal points/nominees for 2017;
- (k) To make a submission to the Adaptation Committee (AC) on the mandates of the AC stemming from decision 1/CP.21, paragraph 42;<sup>7</sup>
- (l) To initiate work on the 2018 BA;
- (m) On the approach to preparing the draft guidance to the operating entities of the Financial Mechanism and to further work on the compilation and analysis of past guidance provided to the operating entities of the Financial Mechanism, including in preparing a draft set of core guidance to the operating entities of the Financial Mechanism;
- (n) To make a recommendation to the COP on the issue of the frequency of providing guidance to the GEF.<sup>8</sup>

10. The 16<sup>th</sup> meeting of the SCF was held in Bonn from 18 to 21 September 2017. The SCF agreed:

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<sup>6</sup> Decision 12/CP.22, paragraph 3.

<sup>7</sup> Contained in annex V to SCF document SCF/2017/15/11.

<sup>8</sup> More information on the outcomes of the 15<sup>th</sup> meeting is contained in SCF document SCF/2017/15/11.

(a) xxx

### III. Work of the Standing Committee on Finance in 2017

#### A. Sixth review of the Financial Mechanism

11. In accordance with decision 12/CP.22, paragraph 2, the SCF prepared expert input to the sixth review of the Financial Mechanism, in line with the updated guidelines for the sixth review<sup>9</sup> and building on the same methodology and criteria utilized for the fifth review of the Financial Mechanism.<sup>10</sup>

12. During its 15<sup>th</sup> meeting, the SCF agreed on a concept note,<sup>11</sup> containing a draft outline and methodology, on the preparation of the expert input. It established a working group to advance intersessional work on this subject matter.

13. The SCF noted that its expert input will take into account the relevant submissions received from Parties, observers and other interested international organizations, stakeholders and non-governmental organizations involved in the activities of the operating entities of the Financial Mechanism. In response to the invitation from COP 22,<sup>12</sup> three submissions were received.<sup>13</sup> Furthermore, upon the invitation of the SCF, the AC provided a submission indicating areas of work of the AC that may be relevant to the preparation of expert input to the sixth review by the SCF and any other relevant materials that could inform the preparation of the expert input. The Technology Executive Committee (TEC) also made a submission to the SCF in response to the invitation, including information on enabling environments for catalysing investment in, and the transfer of, environmentally sound technologies that mitigate greenhouse gas emissions, and for enhancing resilience to climate change, and the issue of results and impacts achieved with the resources provided from the perspective of technology transfer.<sup>14</sup>

14. During its 16<sup>th</sup> meeting, the SCF XXX (see annex II).

#### B. Guidance to the operating entities of the Financial Mechanism

15. COP 20 endorsed<sup>15</sup> the recommendations of the SCF on the provision of guidance to the operating entities of the Financial Mechanism.<sup>16</sup> It requested the SCF to provide advice on the issue of the frequency of providing guidance to the Financial Mechanism and to report back to COP 21 on the issue.<sup>17</sup> The SCF recommended to COP 22 that guidance to the GCF continue to be provided annually and it agreed to continue to

<sup>9</sup> Decision 12/CP.22, annex.

<sup>10</sup> Decision 9/CP.20, paragraph 2.

<sup>11</sup> Contained in appendix I to annex I to SCF document SCF/2017/15/11.

<sup>12</sup> Decision 12/CP.22, paragraph 3.

<sup>13</sup> <<http://unfccc.int/3658>.

<sup>14</sup> <<http://www4.unfccc.int/submissions/SitePages/sessions.aspx?showOnlyCurrentCalls=1&populateData=1&expectedSubmissionFrom=Parties&focalBodies=COP>>.

<sup>15</sup> Decision 6/CP.20, paragraph 19.

<sup>16</sup> FCCC/CP/2014/5, paragraph 10.

<sup>17</sup> Decision 6/CP.20, paragraph 20.

develop its recommendations on the frequency of providing guidance to the GEF in 2017.<sup>18</sup>

16. The matter was discussed by the SCF at its 15<sup>th</sup> and 16<sup>th</sup> meetings and work thereon was advanced intersessionally by the co-facilitators of the relevant working group, Mr. Jozef Buys and Ms. Diann Black-Layne. Representatives of the operating entities were actively engaged in the discussions during the two meetings of the SCF and provided information upon request.

### **1. Guidance to the operating entities**

17. The SCF continued with its existing approach to preparing draft guidance to the operating entities, including by inviting the AC and the TEC to provide inputs to the SCF. However, there were some enhancements made to the process, such as assessing the input received from the AC and the TEC against a set of criteria in order to improve the overall quality of the draft guidance prepared by the SCF.<sup>19</sup> One of the relevant working group co-facilitators and the secretariat, on behalf of the SCF, provided a short briefing to the AC during its 11<sup>th</sup> meeting and the TEC during its 14<sup>th</sup> meeting on matters related to the Financial Mechanism.

18. The SCF developed draft decisions on guidance to the GEF and the GCF on the basis of the annual reports of the operating entities and the relevant inputs submitted by Parties, members of the SCF, the AC and the TEC. The draft decisions on guidance to the operating entities that the SCF has recommended for consideration at COP 23 are contained in annexes III and IV.

### **2. Frequency of providing guidance to the operating entities**

19. During its 15<sup>th</sup> meeting, the SCF discussed the issue of the frequency of providing guidance to the GEF and agreed to recommend to the COP that guidance should continue to be provided to the GEF on an annual basis.

### **3. Compilation and analysis of past guidance to the operating entities**

20. The SCF continued its work on the compilation and analysis of past guidance provided to the operating entities, building on its past work thereon. During its 15<sup>th</sup> meeting, the SCF agreed:

- (a) To request the secretariat to further refine the compilation and analysis;
- (b) To launch a dedicated web page on draft guidance to the operating entities of the Financial Mechanism;
- (c) To issue a call for input for the SCF and observers to provide feedback on the compilation and analysis on areas for further improvement and on the integrity of information contained therein;
- (d) To invite the operating entities of the Financial Mechanism to continue to collaborate with the secretariat in enhancing the compilation and analysis.

21. During its 16<sup>th</sup> meeting, xxx.

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<sup>18</sup> FCCC/CP/2016/8, paragraph 36.

<sup>19</sup> See SCF document SCF/2017/15/11, paragraph 51.

**4. Draft set of core guidance to the operating entities**

22. Building on its work in 2016, the SCF agreed, during its 15<sup>th</sup> meeting, on the methodology for consolidating past active guidance from the compilation and analysis, and to consider a revised draft of the consolidated list of active guidance at its next meeting, with a view to preparing its recommendation.

23. During its 16<sup>th</sup> meeting, **xxx**.

**A. Forums of the Standing Committee on Finance****1. Follow-up activities on the 2016 forum of the Standing Committee on Finance**

24. COP 22 took note of the summary report on the 2016 SCF forum on financial instruments that address the risks of loss and damage associated with the adverse effects of climate change, including the recommendations and follow-up activities of the SCF,<sup>20</sup> and invited the SCF to follow up on the recommendations in its 2017 workplan.<sup>21</sup> In response, the SCF appointed Mr. Stephan Kellenberger and Mr. Paul Oquist Kelley as focal points to liaise with the Executive Committee of the Executive Committee and to take the lead in following up on the 2016 SCF forum.

25. During its 16<sup>th</sup> meeting, **xxx**.

**2. 2017 forum of the Standing Committee on Finance**

26. COP 22 invited the SCF to continue its deliberations on the topic of its 2017 forum at its first meeting in 2017.<sup>22</sup> In line with this invitation, the SCF agreed on “Mobilizing finance for climate-resilient infrastructure” as the topic of the 2017 forum. The SCF established a working group, co-facilitated by Ms. Edith Kateme-Kasajja and Mr. Ismo Ulvila, to lead the organization of the forum. All preparatory work was conducted on an intersessional basis, including during two informal meetings of the SCF on the margins of the forty-sixth sessions of the subsidiary bodies.

27. The forum was held on 6 and 7 September 2017 in Rabat, Morocco. **XXX**

28. The SCF reached out to various stakeholders and undertook the following outreach activities in order to inform the preparatory work of the SCF:

(a) **Xxx**

29. The summary report on the 2017 SCF forum, focusing on “Mobilizing finance for climate resilient infrastructure”, as agreed during the 16<sup>th</sup> meeting of the SCF, is contained in annex **V**.

30. The SCF continued to make use of its virtual forum,<sup>23</sup> where information on the meetings of the forum, as well as other relevant information, such as presentations made by members during external events and submissions, is available to all interested stakeholders.

<sup>20</sup> FCCC/CP/2016/8, annex III, paragraphs 68 and 69.

<sup>21</sup> Decision 8/CP.22, paragraph 7.

<sup>22</sup> Decision 8/CP.22, paragraph 9.

<sup>23</sup> <<http://unfccc.int/7552.php>>.

### 3. 2018 forum of the Standing Committee on Finance

31. The SCF is to organize a forum for the communication and continued exchange of information among bodies dealing with climate change finance in order to promote linkages and coherence.<sup>24</sup>

32. During its 16<sup>th</sup> meeting, **xxx**.

## B. The 2018 biennial assessment and overview of climate finance flows

33. COP 22 noted the 2016 BA, while particularly welcoming the summary and recommendations of the SCF.<sup>25</sup>

34. In accordance with decision 2/CP.17, paragraph 121(f), the SCF initiated work on the 2018 BA at its 15<sup>th</sup> meeting, including by agreeing to launch technical work and early engagement with data providers, producers and aggregators, and identifying possible elements for the draft outline of the 2018 BA. Work was conducted during the 15<sup>th</sup> and 16<sup>th</sup> meetings of the SCF as well as intersessionally by a working group, co-facilitated by Ms. Outi Honkatukia and Mr. Seyni Nafo.

35. During its 16<sup>th</sup> meeting, the SCF finalized the general outline of the 2018 BA and agreed to the activities and indicative timeline as contained in annex **VI**.

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

36. COP 19 invited the SCF to consider ways to increase its work on the MRV of support beyond the BA in accordance with its workplan for 2014–2015 and its mandates.<sup>26</sup> COP 21 requested the SCF, in implementing its workplan on the MRV of support beyond the BA,<sup>27</sup> to continue to engage with relevant bodies under the Convention, multilateral and bilateral agencies, and international institutions.<sup>28</sup> Furthermore, COP 21 requested the SCF to take into account the work on the methodologies for the reporting of financial information by Parties included in Annex I to the Convention in the context of its workplan on the MRV of support.<sup>29</sup> In addition, COP 22 requested the SCF, in fulfilling its function on the MRV of support, and in the context of its existing workplan, to cooperate with relevant stakeholders and experts and to consider ongoing work under the Convention and further action envisaged under the Paris Agreement.<sup>30</sup>

37. At its 15<sup>th</sup> meeting, the SCF established a working group on the matter, to be co-facilitated by Mr. Randy Caruso and Mr. Nafo. Furthermore, the SCF considered possible activities to be pursued in 2017 on the basis of its two-year workplan on the MRV of support beyond the BA.<sup>31</sup> In considering the above-mentioned request of the COP for the

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<sup>24</sup> Decision 2/CP.17, paragraph 121(a).

<sup>25</sup> Decision 8/CP.22, paragraph 3 and annex.

<sup>26</sup> Decision 7/CP.19, paragraph 9.

<sup>27</sup> FCCC/CP/2015/8, annex VII.

<sup>28</sup> Decision 6/CP.21, paragraph 4.

<sup>29</sup> Decision 9/CP.21, paragraph 14.

<sup>30</sup> Decision 8/CP.22, paragraph 5.

<sup>31</sup> The two-year workplan on the MRV of support beyond the BA was developed following decisions 7/CP.19, paragraph 9, and 6/CP.20, paragraph 11. Decisions 6/CP.21, paragraph 4, and 9/CP.21, paragraph 14, were considered in the course of the implementation of the two-year workplan.

SCF to cooperate with relevant stakeholders and experts and to consider ongoing work under the Convention and further action envisaged under the Paris Agreement as set out in decision 8/CP.22, paragraph 5, the SCF agreed that it had made good progress in its work related to the MRV of support, including through the BA, and that the outcomes could be used to inform ongoing discussions on the transparency framework under the Paris Agreement.

38. The SCF also agreed that its Co-Chairs, as well as the co-facilitators of the relevant working group, would initiate consultations with the Chairs of the SBSTA and the APA with a view to providing technical input to their ongoing work on transparency of support. Subsequently, the co-facilitators, with the support of the secretariat, identified such input, which informed the discussion on transparency of support that took place during the APA intersessional workshop on modalities, procedures and guidelines for the transparency framework for action and support referred to in Article 13 of the Paris Agreement, which was held from 16 to 18 March 2017. The workshop was also attended by one of the SCF Co-Chairs and an SCF member.

39. At its 16<sup>th</sup> meeting, the SCF extended the two-year workplan on the MRV of support beyond the BA by one more year (see annex VII).

#### **D. Coherence and coordination: the issue of financing for forests, taking into account different policy approaches**

40. COP 19 requested 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>32</sup> COP 22 reiterated that the SCF would integrate financing for forest-related considerations into its 2017 workplan, where appropriate, taking into account all relevant decisions on forests.<sup>33</sup> In line with this, the SCF agreed during its 15<sup>th</sup> meeting that the co-facilitators of the different substantive areas of work of the SCF in 2017 should ensure this incorporation, where appropriate.

41. A representative of the SCF attended the fourth voluntary meeting on the coordination of support for the implementation of activities referred to in decision 1/CP.16, paragraph 70, which took place on 13 May 2017 during the forty-sixth sessions of the subsidiary bodies.

#### **E. Gender**

42. COP 22, in its decision on gender and climate change, requested all constituted bodies under the UNFCCC process to include in their regular reports information on progress made towards integrating a gender perspective into their processes according to the entry points identified in a technical paper to be prepared by the secretariat for consideration at SBI 48 identifying entry points for integrating gender considerations into workstreams under the UNFCCC process.<sup>34</sup> COP 22 also requested the SBI to develop a gender action plan in order to support the implementation of gender-related decisions and mandates under the UNFCCC process, which may include priority areas, key activities and indicators, timelines for implementation, the responsible and key actors and indicative resource requirements for each activity, and to further elaborate its process of review and monitoring. Furthermore, COP 22 invited Parties, members of

<sup>32</sup> Decision 7/CP.19, paragraph 11.

<sup>33</sup> Decision 8/CP.22, paragraph 10.

<sup>34</sup> Decision 21/CP.22, paragraphs 13 and 14.

constituted bodies, United Nations organizations, observers and other stakeholders to consult through meetings, prior to the forty-sixth sessions of the subsidiary bodies, in order to provide input to the formulation of the gender action plan.<sup>35</sup>

43. During its 15<sup>th</sup> meeting, the SCF took note of the forthcoming request for the SCF to provide information on progress made in integrating a gender perspective into its work. Furthermore, the SCF initiated discussions on possible areas for integrating a gender perspective into its work, and particularly highlighted the 2018 BA and the sixth review of the Financial Mechanism. The SCF also took note of the ongoing work of the SBI on the development of a gender action plan, including the invitation from COP 22 referred to in paragraph 42 above.

## F. Linkages with the Subsidiary Body for Implementation and the constituted bodies under the Convention

44. COP 21 requested the SCF to continue to strengthen its engagement with all relevant stakeholders and bodies under the Convention.<sup>36</sup>

45. COP 21 also 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: (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 Paris Agreement; and (b) reviewing the adequacy and effectiveness of adaptation and support referred to in Article 7, paragraph 14(c), of the Paris Agreement.<sup>37</sup>

46. Additionally, COP 21 launched a technical examination process on adaptation (TEP-A) (2016–2020), which will endeavour to identify concrete opportunities for strengthening resilience, reducing vulnerabilities and increasing the understanding and implementation of adaptation actions.<sup>38</sup> COP 22 welcomed the establishment by the AC of a working group to conduct the TEP-A, consisting of members of the SCF, the TEC, the LEG and observer constituencies.<sup>39</sup> In line with the terms of reference, one representative of the SCF is to participate in the working group.

47. The terms of the reference for the Paris Committee on Capacity-building (PCCB) provide that six representatives from bodies established under the Convention and from the operating entities of the Financial Mechanism be invited for a term of one year to participate in all the meetings of the PCCB in line with the annual theme of the committee.<sup>40</sup> In this context, SBI 45 agreed that one representative of the SCF, *inter alia*, would be invited to participate in the 1<sup>st</sup> meeting of the PCCB, which was held in conjunction with SBI 46.<sup>41</sup>

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<sup>35</sup> Decision 21/CP.22, paragraphs 27 and 28.

<sup>36</sup> Decision 6/CP.21, paragraph 2.

<sup>37</sup> Decision 1/CP.21, paragraph 45.

<sup>38</sup> Decision 1/CP.21, paragraph 124 to 125.

<sup>39</sup> Decision 5/CP.22, paragraph 6.

<sup>40</sup> Decision 2/CP.22, annex, paragraphs 3 and 6.

<sup>41</sup> FCCC/SBI/2016/20, paragraph 92.

48. During its 15<sup>th</sup> meeting, the SCF nominated focal points/nominees to represent the SCF with regard to the other constituted bodies and agreed to continue its overall approach to maintaining linkages with those bodies, including:

(a) To share its workplan with the other constituted bodies, highlighting specific areas of work of the SCF that could be of particular interest for cooperation between the respective body and the SCF;

(b) To draw on its existing work and related outputs in providing input to the other bodies;

(c) To send representatives to the meetings of the other constituted bodies (either in person or via virtual means) in their personal expert capacity, who would report back to the SCF on the outcomes of their attendance at those meetings.

49. During COP 22, the SCF Co-Chairs attended a meeting with the Co-Chairs of the TEC to discuss matters related to the linkages between the Technology Mechanism and the Financial Mechanism. Furthermore, one SCF Co-Chair and several SCF members attended the annual meeting between the GCF and the constituted bodies under the Convention.

50. At the forty-sixth sessions of the subsidiary bodies, the SCF held a side event to provide an overview of the progress made in the implementation of its workplan.<sup>42</sup> Furthermore, a representative of the SCF attended the fourth voluntary meeting on the coordination of support for the implementation of activities referred to in decision 1/CP.16, paragraph 70. One SCF Co-Chair provided an intervention during the APA contact group on interaction between Parties and representatives of the AC, LEG, SCF and GCF at APA 1.3.

51. In response to the mandates emanating from decision 1/CP.21, paragraph 45, at COP 22 the SCF was represented at the joint AC and LEG side event on interim results towards implementation of the Paris Agreement mandates. At the forty-sixth sessions of the subsidiary bodies, the SCF was represented at the joint AC and LEG special event on progress towards implementation of the Paris Agreement mandates. Furthermore, the SCF made a submission to the AC on the mandates of the AC stemming from decision 1/CP.21, paragraph 42.<sup>43</sup> The SCF was also actively engaged in the work conducted by the AC in response to the mandates referred to in paragraph 45 above, the TEP-A working group and the national adaptation plan (NAP) task force of the AC, including through the provision of input to documents under preparation by the AC, such as on accessing the GCF Readiness Programme and long-term adaptation planning.

52. Two representatives of the SCF attended the 1<sup>st</sup> meeting of the PCCB and provided a presentation during the dedicated one-day event on the thematic area or theme of the PCCB in 2017.<sup>44</sup> [PCCB submission]. Furthermore, two members represented the SCF remotely at the 9<sup>th</sup> and 10<sup>th</sup> meetings of the Advisory Board of the Climate Technology Centre and Network.

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<sup>42</sup> The presentation thereon is available at <[http://unfccc.int/files/cooperation\\_and\\_support/financial\\_mechanism/standing\\_committee/application/pdf/draft\\_slides\\_scfside\\_event\\_052017.pdf](http://unfccc.int/files/cooperation_and_support/financial_mechanism/standing_committee/application/pdf/draft_slides_scfside_event_052017.pdf)>.

<sup>43</sup> Contained in annex V to SCF document SCF/2017/15/11.

<sup>44</sup> The presentation is available at <[http://unfccc.int/files/cooperation\\_and\\_support/financial\\_mechanism/standing\\_committee/application/pdf/draft\\_slides\\_scf\\_intervention\\_fat\\_pccb\\_1.pdf](http://unfccc.int/files/cooperation_and_support/financial_mechanism/standing_committee/application/pdf/draft_slides_scf_intervention_fat_pccb_1.pdf)>.

## G. Review of the functions of the Standing Committee on Finance

53. The COP decided to initiate the review of the functions of the SCF at COP 22.<sup>45</sup> COP 22 adopted the terms of reference for the review of the functions of the SCF, contained in the annex to decision 9/CP.22.<sup>46</sup> COP 22 invited, inter alia, SCF members to submit, by 9 March 2017, their views on the review of the SCF based on the terms of reference, for consideration at SBI 46.<sup>47</sup> One of the sources of information for the review will be the self-assessment report of the SCF and recommendations on improving its efficiency and effectiveness.<sup>48</sup>

54. In response, the SCF engaged in informal discussions during its retreat on 6 March 2017, as well as formal discussions during its 15<sup>th</sup> meeting, and established a working group, co-facilitated by Mr. Mohamed Nasr and Mr. Pieter Terpstra. On the basis of the agreements reached, the SCF submitted to SBI 46 an updated and expanded overview of mandates provided to the SCF by the COP compared with outputs delivered by the SCF for the period 2011–2016 as well as related decisions taken by the COP in response to the respective outputs.<sup>49</sup> One SCF Co-Chair provided a short introduction to the submission during the first informal consultation of the SBI contact group on the issue of the review of the functions of the SCF.

55. Furthermore, the SCF agreed to conduct a survey among its members, including members elected in 2014, to request the secretariat to compile quantitative, factual information based on guidance provided by the SCF, and to consider the summary of the survey responses, as well as the quantitative information, at its 16<sup>th</sup> meeting, with a view to concluding its self-assessment report and to agreeing on recommendations on improving its efficiency and effectiveness. The SCF received two submissions from its members as well as one official communication from the TEC on the issue of the review of the functions of the SCF.<sup>50</sup>

56. During its 16<sup>th</sup> meeting, **xxx** (see annex **VIII**).

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<sup>45</sup> Decision 6/CP.21, paragraph 9.

<sup>46</sup> Decision 9/CP.22, paragraph 1.

<sup>47</sup> Decision 9/CP.22, paragraph 3.

<sup>48</sup> Decision 9/CP.22, annex, paragraph 4(e).

<sup>49</sup> Available at <[http://www4.unfccc.int/Submissions/Lists/OSPSSubmissionUpload/39\\_304\\_131359396103493098-SCF%20submission%20SBI%2046.pdf](http://www4.unfccc.int/Submissions/Lists/OSPSSubmissionUpload/39_304_131359396103493098-SCF%20submission%20SBI%2046.pdf)>.

<sup>50</sup> Contained in annex I to SCF document SCF/2017/16/7.

## Annex I

[English only]

### **Members of the Standing Committee on Finance as at X September 2017**

#### **A. Parties included in Annex I to the Convention**

Mr. Georg Børsting (Norway)  
Mr. Jozef Buys (Belgium)  
Mr. Randy Caruso (United States of America)  
Ms. Outi Honkatukia (Finland)  
Mr. Kazuhiro Iryu (Japan)  
Mr. Pieter Terpstra (Netherlands)  
Mr. Ismo Ulvila (European Union)  
Mr. Peter Horne (Australia)  
Ms. Gemma O'Reilly (Ireland)  
Mr. Stefan Schwager (Switzerland)

#### **B. Parties not included in Annex I to the Convention**

##### **African States**

Mr. Richard Sherman (South Africa)  
Mr. Mohamed Nasr (Egypt)

##### **Asia-Pacific States**

Mr. Ayman Shasly (Saudi Arabia)  
Mr. Muhammad Imran Khan (Pakistan)

##### **Latin American and Caribbean States**

Mr. Paul Herbert Oquist Kelley (Nicaragua)  
Mr. Rafael Da Soler (Brazil)

##### **Least developed countries**

Ms. Edith Kateme-Kasajja (Uganda)

##### **Other Parties not included in Annex I to the Convention**

Ms. Bernarditas Muller (Philippines)  
Mr. Houssen Alfa Nafo (Mali)

##### **Small island developing States**

Ms. Diann Black-Layne (Antigua and Barbuda)

**Annex II**

[English only]

**Workplan of the Standing Committee on Finance for 2018**

<i>Activities</i>	<i>Outcomes/results</i>	<i>Time frame</i>
1. Mandated activities of the Standing Committee on Finance (SCF) as per decision 2/CP.17, paragraph 121		
(a) 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	201X SCF forum  Continuous updating and implementation of the SCF communication strategy	Mid 201X  Ongoing activities of the virtual forum
(b) Maintain linkages with the Subsidiary Body for Implementation (SBI) and the thematic bodies of the Convention	Established linkages and continued exchange with bodies and entities dealing with climate finance, under and outside the Convention  Co-Chairs of the SCF inform presiding officers of the thematic bodies of the Convention about the activities of the SCF and establish working relationships  Continuous updating and implementation of the SCF communication strategy	201X SCF forum  Ongoing outreach activities of the virtual forum  2018  Ongoing
(c) Provide to the Conference of the Parties (COP) draft guidance to the operating entities of the Financial Mechanism of the Convention, with a view to improving the consistency and practicality of such guidance, taking into account the annual reports of the operating entities and relevant submissions from Parties	Draft guidance provided to the COP	COP 24
(d) Make recommendations on how to improve the coherence, effectiveness and efficiency of the operating entities of the Financial Mechanism	Recommendations provided to the COP, as appropriate	Sessions of the COP

<i>Activities</i>	<i>Outcomes/results</i>	<i>Time frame</i>
(e) Provide expert input, including through independent reviews and assessments, to the preparation and conduct of the periodic reviews of the Financial Mechanism by the COP	Work on expert input to the seventh review of the Financial Mechanism (COP 27)	2021
(f) Prepare a biennial assessment and overview of climate finance flows, to include information on the geographical and thematic balances of such flows	Work on the third biennial assessment and overview of climate finance flows	2018 Outcome at COP 24
2. Further mandates of the SCF as per various decisions adopted at COP 18		
Decision 1/CP.18, paragraph 70: Implement the work programme of the SCF, including the creation of a climate finance forum that will enable all Parties and stakeholders to, inter alia, exchange ideas on scaling up climate finance	See 1(a) above	
Decision 5/CP.18, paragraph 4: Facilitate the participation of the private sector, financial institutions and academia in the forum	See 1(a) above	
3. Further mandates of the SCF as per various decisions adopted at COP 19		
Decision 3/CP.19, paragraph 11: In the context of the preparation of its biennial assessment and overview of climate finance flows, 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 include the results in its annual report to the COP	See 1(f) above	
Decision 7/CP.19, paragraph 9: Consider ways to increase its work on the measurement, reporting and verification of support beyond the biennial assessment and overview of climate finance flows	Implementation of the 201X workplan on the measurement, reporting and verification of support beyond the biennial assessment and overview of climate finance flows	2018 COP 24
Decision 7/CP.19, paragraph 11: Consider, in its work on coherence and coordination, inter alia, the issue of financing for forests, taking into account different policy approaches	Recommendations provided to the COP, as appropriate	
4. As per decision 6/CP.20, paragraph 11  In the context of its ongoing work, including the preparation of the biennial assessment and overview of climate finance flows, further explore how it can	Financing for forest-related considerations integrated into existing workplan, where appropriate, and work on this matter continued in the context of the overall issue of improving coherence and coordination in the delivery of climate change financing	Ongoing
	Implementation of the 201X workplan on the measurement, reporting and	2018

<i>Activities</i>	<i>Outcomes/results</i>	<i>Time frame</i>
<p>enhance its work on the measurement, reporting and verification of support, based on the best available information on the mobilization of various resources, through public interventions</p> <p>5. Further mandates of the SCF as per various decisions adopted at COP 21</p>	<p>verification of support beyond the biennial assessment and overview of climate finance flows</p> <p>Recommendations provided to the COP, as appropriate</p>	COP 24
<p>Decision 1/CP.21, paragraph 45: The Adaptation Committee (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:</p> <ul style="list-style-type: none"> <li>(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 Paris Agreement</li> <li>(b) Reviewing the adequacy and effectiveness of adaptation and support referred to in Article 7, paragraph 14(c), of the Paris Agreement</li> </ul>	<p>Input provided to the AC and the LEG, as appropriate</p>	2018
<p>Decision 1/CP.21, paragraph 63: Serve the Paris Agreement in line with its functions and responsibilities established under the COP</p>		Ongoing
<p>Decision 6/CP.21, paragraph 2: Continue to strengthen its engagement with all relevant stakeholders and bodies under the Convention</p>	<p>Continuous updating and implementation of the SCF communication strategy</p>	Ongoing
<p>Decision 6/CP.21, paragraph 4: In implementing its workplan on the measurement, reporting and verification of support beyond the biennial assessment and overview of climate finance flows, continue to engage with relevant bodies under the Convention, multilateral and bilateral agencies, and international institutions</p>	<p>Enhanced linkages with the SBI and the thematic bodies of the Convention</p> <p>Implementation of the 201X workplan on the measurement, reporting and verification of support beyond the biennial assessment and overview of climate finance flows</p>	Ongoing
<p>Decision 9/CP.21, paragraph 13: Take into account the enhanced information provided by Parties included in Annex II to the Convention referred to in paragraph 6 of decision 9/CP.21 in its biennial assessment and overview of climate finance flows</p>	<p>Work on the third biennial assessment and overview of climate finance flows</p>	2018 COP 24
<p>Decision 9/CP.21, paragraph 14: Take into account the work on the methodologies for the reporting of financial information by Parties included in</p>	<p>Implementation of the 201X workplan on the measurement, reporting and verification of support beyond the</p>	2018

<i>Activities</i>	<i>Outcomes/results</i>	<i>Time frame</i>
Annex I to the Convention in the context of its workplan on the measurement, reporting and verification of support	biennial assessment and overview of climate finance flows	
<b>5. Further mandates of the SCF as per various decisions adopted at COP 22</b>		
Decision 8/CP.22, paragraph 5: In fulfilling its function on the measurement, reporting and verification of support, and in the context of its existing workplan, cooperate with relevant stakeholders and experts and consider ongoing work under the Convention and further action envisaged under the Paris Agreement	Implementation of 201X workplan on the measurement, reporting and verification of support beyond the biennial assessment and overview of climate finance flows	2018
Decision 8/CP.22, paragraph 10: Integrate financing for forest-related considerations into its 2017 workplan, where appropriate, and continue work on this matter in the context of the overall issue of improving coherence and coordination in the delivery of climate change financing, taking into account all relevant decisions on forests	Financing for forest-related considerations integrated into existing workplan, where appropriate, and work on this matter continued in the context of the overall issue of improving coherence and coordination in the delivery of climate change financing	Ongoing
Decision 21/CP.22, paragraph 14: All constituted bodies under the UNFCCC process to include in their regular reports information on progress made towards integrating a gender perspective into their processes according to the entry points identified in the technical paper referred to in paragraph 13 of decision 21/CP.22	Integration of a gender perspective into its processes according to the entry points identified in the technical paper	Ongoing
<b>6. Functions of the SCF as per decision 1/CP.16, paragraph 112</b>		
Improve coherence and coordination in the delivery of climate change financing, including the undertaking of analyses and information exchanges	Recommendations provided to the COP, as appropriate  Exchanges through the forum, as appropriate	Sessions of the COP, ongoing
Rationalize the Financial Mechanism, including the undertaking of analyses and information exchanges	Recommendations provided to the COP, as appropriate  Exchanges through the forum, as appropriate	Sessions of the COP, ongoing
Mobilize financial resources, including the undertaking of analyses and information exchanges	Recommendations provided to the COP, as appropriate  Exchanges through the forum, as appropriate	Sessions of the COP, ongoing

<i>Activities</i>	<i>Outcomes/results</i>	<i>Time frame</i>
Measurement, reporting and verification of the support provided to developing country Parties, including the undertaking of analyses and information exchanges	Recommendations provided to the COP, as appropriate Exchanges through the forum, as appropriate	Sessions of the COP, ongoing
Any other functions that may be assigned to the SCF by the COP		

*Note:* All activities of the SCF as outlined in this table are subject to the availability of financial resources; when providing additional mandated activities to the SCF, the COP may wish to take this into consideration, as well as the need for further streamlining and rationalization of the work to be conducted by the SCF in the light of capacity constraints induced by the large array of different mandates provided to the SCF.

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