



Agenda and Annotations

Twentieth meeting of the Standing Committee on Finance

21 to 22 March 2019, Bonn, Germany

1. Opening of the meeting.
 2. Election of officers.
 3. Organizational matters.
 4. 2019 workplan of the Standing Committee on Finance, including COP 24 mandates:
 - (a) Preparatory work on the 2020 Biennial Assessment and Overview of Climate Finance Flows, including, information relevant to Article 2, paragraph 1(c) of the Paris Agreement;
 - (b) Preparatory work on the first report on the determination of the needs of developing countries related to the implementation of the Convention and the Paris Agreement;
 - (c) Draft guidance to the Operating Entities of the Financial Mechanism;
 - (d) Measurement, reporting and verification of support beyond the Biennial Assessment and Overview of Climate Finance Flows.
 5. 2019 Forum of the Standing Committee on Finance.
 6. Enhancing stakeholder engagement.
 7. Linkages with the Subsidiary Body for Implementation and the thematic bodies of the Convention.
 8. Report of the Twentieth Meeting of the Standing Committee on Finance.
 9. Other matters.
 10. Closure of the meeting.
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Annotations to the agenda

1. Opening of the meeting

1. The twentieth meeting of the Standing Committee on Finance (SCF) will be opened by the Co-Chairs in the morning of Thursday, 21 March 2019.

2. Election of officers

2. *Action: Members of the SCF will be invited to elect the Co-Chairs of the SCF for 2019.*

3. *Background:* The revised composition and working modalities of the SCF adopted at COP 18 provided that the Committee shall elect annually 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.

3. Organizational matters

(a) Adoption of the agenda

4. *Action: The SCF may wish to adopt the agenda for its twentieth meeting.*

5. *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/2019/20/1	<i>Provisional agenda for the Twentieth Meeting of the Standing Committee on Finance</i>
SCF/2019/20/2	<i>Provisional agenda and annotations for the Twentieth Meeting of the Standing Committee on Finance</i>

(b) Organization of the work of the meeting

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

7. *Background:* The twentieth meeting of the SCF will be held from 21–22 March 2019 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 and enhanced stakeholder engagement will be applied at this meeting, which will include participation of observers through a virtual platform. The SCF may decide at any time that a meeting or part thereof should be closed to observers and the webcast should be interrupted.

4. 2019 workplan of the Standing Committee on Finance

8. *Action: The SCF will be invited to consider the mandates and further guidance received at COP 24 with a view to agreeing on its revised workplan for 2019, including the organization of its work throughout 2019.*

9. *Background:* The COP, in decision 4/CP.24, paragraph 2, endorsed the workplan of the Standing Committee on Finance for 2019. In addition, COP 24 provided the following further guidance, which has been incorporated into the revised SCF 2019 workplan:

(a) Biennial assessment and overview of climate finance flows: For more information, please refer to paragraphs 10 to 14 below.

(b) Determination of the needs of developing country Parties: For more information, please refer to paragraphs 15 and 16 below.

(c) Draft guidance to the operating entities of the Financial Mechanism: For more information, please refer to paragraphs 17 to 19 below.

(d) Methodologies for taking the necessary steps to facilitate the mobilization of support for adaptation in developing countries: The CMA, in its decision 11/CMP.1, paragraph 21, invited

the SCF, in line with its mandate and in collaboration with the Technology Executive Committee and the Paris Committee on Capacity-Building, to consider, taking into account the recommendations of the Adaptation Committee and the Least Developed Countries Expert Group, as well as relevant submissions from Parties and observer organizations, ways to facilitate the mobilization of support for adaptation in developing countries, in the context of the limit to the increase in the global average temperature referred to in Article 2 of the Paris Agreement, and to include recommendations in its annual report.

(e) Methodologies for reviewing adequacy and effectiveness of adaptation and support: The CMA, in its decision 11/CMP.1, paragraphs 34 and 35, invited Parties, academia and other relevant stakeholders to undertake further technical work, building on the existing work of the Adaptation Committee and the Least Developed Countries Expert Group, in collaboration with the Standing Committee on Finance, and taking into consideration ongoing relevant work under and outside the Convention, on developing methodologies for reviewing the adequacy and effectiveness of adaptation and support. It also invited the Adaptation Committee and Least Developed Countries Expert Group, in collaboration with the SCF, and relevant experts to contribute to technical work on existing methodologies for reviewing the adequacy and effectiveness of adaptation and support.

(f) Loss and damage: COP 24 encouraged the SCF to provide input to the technical paper of the Executive Committee of the Warsaw International Mechanism for Loss and Damage associated with Climate Change Impacts on the sources of financial support.

SCF/2019/20/3 *Background paper on the 2019 workplan of the Standing Committee on Finance*

(a) **Preparatory work on the 2020 Biennial Assessment and Overview of Climate Finance Flows (2020 BA), including, information relevant to Article 2, paragraph 1(c) of the Paris Agreement**

10. **Action: The SCF will be invited to initiate work for the preparation of the 2020 BA, including:**

- (a) **Reaching an agreement on the overall approach;**
- (b) **Developing a preliminary draft outline; and**
- (c) **Initiating technical work and early engagement with data providers, producers and aggregators.**

11. *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 measurement, reporting and verification (MRV) of support provided to developing countries, inter alia, through preparing Biennial Assessments (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. Further guidance is contained in decisions 1/CP.18, paragraph 71, 5/CP.18, paragraph 11, 3/CP.19, paragraph 11, 9/CP.21, paragraph 13, and paragraph 37(f) in the annex to decision 8/CP.22.

12. COP 24 encouraged the SCF to take into account the best available science in future biennial assessment and overview of climate finance flows.¹

13. COP 24 requested the SCF to use in the BA the established terminology in the provisions of the Convention and the Paris Agreement in relation to climate finance, where applicable.²

14. COP 24 also requested the SCF to map, every four years, as part of its BA, the available information relevant to Article 2, paragraph 1(c), of the Paris Agreement, including its reference to Article 9 thereof.^{3,4}

¹ Decision 4/CP.24, paragraph 4.

² Decision 4/CP.24, paragraph 5.

³ Decision 4/CP.24, paragraph 10.

⁴ Preliminary information relevant to Article 2.1(c) of the Paris Agreement: Datasets on flows, stocks and integration, may be found in section 2.6 of the 2018 BA. Available at: <https://unfccc.int/sites/default/files/resource/2018%20BA%20Technical%20Report%20Final.pdf#page=17>

SCF/2019/20/4 *Background paper on the 2020 Biennial Assessment and Overview of Climate Finance Flows of the Standing Committee on Finance*

(b) Preparatory work on the first report on the determination of the needs of developing countries related to the implementation of the Convention and the Paris Agreement

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

(a) *Discuss the objectives and scope of the first report;*

(b) *Agree on the overall approach.*

16. *Background:* COP 24 requested the SCF to prepare, every four years, a report on the determination of the needs of developing country Parties related to implementing the Convention and the Paris Agreement, for consideration by the Conference of Parties, starting at its twenty-sixth session (November 2020), and the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement, starting at its third session (November 2020).⁵

SCF/2019/20/5 *Background paper on the first report on the determination of the needs of developing countries related to the implementation of the Convention and the Paris Agreement.*

(c) Draft guidance to the Operating Entities of the Financial Mechanism

17. *Action: The SCF will be invited to agree on the:*

(a) *Timelines and approach for the development of draft guidance to the operating entities;*

(b) *Ways to improve the quality of the draft guidance it prepares.*

18. *Background:* At COP 17, Parties decided that the SCF shall assist the COP in exercising its functions with respect to the Financial Mechanism of the Convention including through providing draft guidance for the operating entities of the Financial Mechanism of the Convention to the COP, with a view to improving the consistency and practicality of such guidance, taking into account the annual reports of the operating entities as well as submissions from Parties.⁶

19. At CMA 1.3, Parties requested the SCF to prepare draft guidance for the entities entrusted with the operation of the Financial Mechanism, and on the Least Developed Countries Fund and the Special Climate Change Fund, for consideration at the CMA 2. It recommended that the COP transmit guidance to the operating entities of the Financial Mechanism.⁷

SCF/2019/20/6 *Background paper on the draft guidance to the operating entities of the Financial Mechanism*

(d) Measurement, reporting and verification of support beyond the Biennial Assessment and Overview of Climate Finance Flows

20. *Action: The SCF will be invited to consider whether further work is needed on this matter in light of the outcomes at COP 24 and CMA 1.*

21. *Background:* At COP 19 and COP 20, Parties invited the SCF to consider ways to increase its work on MRV of support beyond the BA in accordance with its workplan.⁸ In response to invitation from the COP, the SCF agreed on a two-year workplan (2016–2017) to enable improved MRV of support under the Convention.⁹ COP 21 and COP 22 have emphasised cooperation with

⁵ Decision 4/CP.24, paragraph 13.

⁶ Decision 2/CP.17, paragraph 121(c).

⁷ Decision 1/CMA.1, paragraphs 8 and 10.

⁸ Decisions 7/CP.19, paragraph 9, and 6/CP.20, paragraph 11.

⁹ As contained in FCCC/CP/2015/8, annex VII.

relevant stakeholders and experts as well as consideration of ongoing work under the Convention in the context of the workplan.¹⁰

22. COP 23 noted that the SCF extended the two-year workplan on the MRV of support the BA and requested the Standing Committee on Finance to enhance its work on the MRV of support beyond the BA, acknowledging the progress made by the Standing Committee on Finance.¹¹

23. COP 23 also requested the SCF, in fulfilling its function with regard to the MRV of support, and in the context of its extended workplan, to continue its cooperation with relevant stakeholders and experts.¹²

5. 2019 Forum of the Standing Committee on Finance

24. **Action:** *The SCF will be invited to agree on the:*

- (a) *Venue and dates of the Forum;*
- (b) *Draft programme of the Forum; and*
- (c) *Organization of inter-sessional work, including outreach activities as appropriate.*

25. **Background:** During its 19th meeting, the SCF agreed that the theme of the 2019 Forum will be “Climate Finance and Sustainable Cities”, and that its sub-themes will include:

- (a) Financing cities’ low emission development;
- (b) Financing climate-resilient cities;
- (c) Capacity-building of local authorities to finance sustainable cities and;
- (d) The role of climate finance in facilitating a transition towards inclusive, participatory and gender-responsive and youth-oriented cities.

26. COP 24 welcomed the decision of the SCF on this topic.¹³

27. At SCF 19, the Committee requested the co-facilitators to develop the draft programme of the Forum and identify potential resource persons, based on the co-facilitators’ proposal on the theme of the 2019 Forum.¹⁴ Furthermore, the SCF also requested the co-facilitators to prepare options for potential partner events for consideration by the SCF, building upon options that were identified during the 19th meeting.¹⁵

SCF/2019/20/7 *Background paper on the 2019 Forum of the Standing Committee on Finance*

6. Enhancing stakeholder engagement

28. **Action:** *The SCF will be invited to discuss the topic of stakeholder engagement, including the use of webcast at future SCF meetings.*

29. **Background:** At its 19th meeting, the SCF Co-Chairs introduced this topic, including the pilot initiatives for SCF 19. SCF members agreed to include this item for discussion at its first meeting in 2019, in order to facilitate a general discussion on stakeholder engagement, including the use of webcast at future SCF meetings.

30. SCF members may wish to note that the pilot to enhance engagement of observer constituency representatives started for SCF 19 will continue for SCF 20. This could consist of a briefing with observer constituency representatives to prepare for SCF 20, as well as interactive virtual participation of observer constituency representatives at SCF 20. A decision on the longer-term continuation of this pilot initiative could be taken before the end of 2019.

¹⁰ Decisions 6/CP.21, paragraph 4, and 8/CP.22, paragraph 5.

¹¹ Decision 7/CP.23, paragraph 7.

¹² Decision 7/CP.23, paragraph 8.

¹³ Decision 4/CP.24, paragraph 7.

¹⁴ SCF/2018/19/9, annex III.

¹⁵ SCF/2018/19/9, paragraph 16.

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

31. *Action: The SCF will be invited to come to an agreement on the below issues:*

(a) *Overall approach to its linkages with the thematic bodies with a view to further refine its approach according to resources available and in the context of its existing working modalities;*

(b) *Appointment of representatives of the SCF regarding various thematic areas of work;*

(c) *Possible areas of cooperation between the SCF and the thematic bodies in 2019 in line with its existing activities.*

32. *Background:* At COP 17, Parties decided that the SCF is to maintain linkages with the SBI and the thematic bodies of the Convention.¹⁶ At COP 19, Parties called on the SCF to further enhance its linkages with the SBI and the thematic bodies of the Convention.¹⁷ COP 23 welcomed the appointment of focal points of the SCF to liaise with the other thematic bodies under the Convention and requested the SCF to continue to provide information on appointment of focal points to liaise with other thematic bodies.¹⁸

33. The SCF will be invited to reconfirm representatives for various thematic areas of work, including the nomination of members to represent the SCF in the:

(a) Task Force on National Adaptation Plans of the Adaptation Committee (AC);

(b) Advisory Board of the Climate Technology Centre and Network;

(c) Third meeting of the Paris Committee on Capacity-building; and the

(d) Working group on the technical examination process on adaptation of the AC.

34. In the context of the review of the functions of the SCF, COP 23 requested to further refine its approach to maintaining linkages with the subsidiary and thematic bodies according to resources available and in the context of its existing working modalities.¹⁹

SCF/2019/20/8 Background paper on the Linkages with the Subsidiary Body for Implementation and the thematic bodies of the Convention

8. Report of the twentieth meeting of the Standing Committee on Finance

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

9. Other matters

36. The SCF may wish to consider any other matters it deems necessary.

37. At SCF 19, SCF members agreed to confirm the dates and venue of its 21st meeting at SCF 20. SCF members may wish to confirm the dates for SCF 21 as 10–13 September 2019 and request the secretariat to provide further details for the meeting in due course.

10. Closure of the Meeting

38. The twentieth meeting of the SCF is scheduled to be closed on Friday, 22 March 2019, at 17:00.

¹⁶ Decision 2/CP.17, paragraph 121(b).

¹⁷ Decision 7/CP.19, paragraph 10.

¹⁸ Decision 7/CP.23, paragraph 11.

¹⁹ Decision 8/CP.23, paragraph 11.

Annex**Tentative Schedule SCF 20***Thursday 21 March 2019*

08:30 – 09:00	Registration	
09:00 – 09:15	Opening of the Meeting	
	Election of Officers	
	Organizational Matters	
09:15 – 09:45	2019 workplan of the Standing Committee on Finance	
09:45 – 10:15	Linkages with the Subsidiary Body for Implementation and the thematic bodies of the Convention	
10:15 – 10:45	2019 Forum of the Standing Committee on Finance	
10:45 – 11:00	Coffee break	
11:00 – 11:30	First report on the determination of the needs of developing countries related to the implementation of the Convention and the Paris Agreement	
11:30 – 12:00	2020 Biennial Assessment and Overview of Climate Finance Flows, including, information relevant to Article 2, paragraph 1(c) of the Paris Agreement	
12:00 – 12:15	Draft guidance to the Operating Entities of the Financial Mechanism	
12:15 – 12:30	Measurement, reporting and verification of support beyond the Biennial Assessment and Overview of Climate Finance Flows	
12:30 – 13:30	Lunch break	
13:30 – 15:30	Break out group on the first report on the determination of the needs of developing countries related to the implementation of the Convention and the Paris Agreement	Break out group on the 2019 Forum of the Standing Committee on Finance
15:30 – 15:45	Coffee break	
15:45 – 17:45	Break out group on the 2019 workplan	Break out group on the 2020 Biennial Assessment and Overview of Climate Finance Flows, including, information relevant to Article 2, paragraph 1(c) of the Paris Agreement

Friday 22 March 2019

09:00 – 10:15	Break out group on the 2019 Forum of the Standing Committee on Finance	Break out group on the first report on the determination of the needs of developing countries related to the implementation of the Convention and the Paris Agreement
10:15 – 10:45	Enhancing stakeholder engagement	
10:45 – 11:00	Coffee break	
11:45 – 12:45	Plenary report of the break out group on the 2019 workplan	
12:45 – 13:45	Lunch break	
13:45 – 14:15	Plenary report of the break out group on the 2020 Biennial Assessment and Overview of Climate Finance Flows, including, information relevant to Article 2, paragraph 1(c) of the Paris Agreement	

14:15 – 15:15 Plenary report of the breakout group on the 2019 Forum of the Standing Committee on Finance

15:15 – 15:30 Coffee break

15:30 – 16:00 Plenary report of the first report on the determination of the needs of developing countries related to the implementation of the Convention and the Paris Agreement

16:00 – 16:15 Report of the Twentieth Meeting of the Standing Committee on Finance

16:15 – 17:00 Other matters

Closure
