

# **Update on the work of the Standing Committee on Finance in 2018**

Side event of the Standing Committee on Finance, Bonn, 01 May 2018



# Standing Committee on Finance – Functions and Mandates

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Assist the COP in exercising its functions with respect to the Financial Mechanism (FM) of the Convention in terms of improving coherence and coordination in the delivery of climate change financing, rationalization of the FM, mobilization of financial resources, and MRV of support provided to developing country Parties;

## **Mandated activities**

- Forum;
- Linkages with the SBI and the thematic bodies of the Convention;
- Draft guidance to the operating entities;
- Recommendations on how to improve coherence, effectiveness and efficiency of the operating entities;
- Expert input, including through independent reviews and assessments, into the preparation and conduct of the periodic reviews of the FM by the COP;
- Biennial assessment and overview of climate finance flows;
- Measurement, reporting and verification of support beyond the Biennial Assessment and overview of climate finance flows;
- Further mandated activities since COP 19

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## Work completed by the SCF in 2013-2017

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- Arrangements between the COP and Green Climate Fund;
- Inputs serving as basis for negotiations on guidance to the operating entities, recommendations of frequency of guidance to the GCF;
- 2014 and 2016 BA, including a summary and recommendations by the SCF;
- Workplan on MRV of support beyond the BA;
- Recommendations on methodologies for reporting financial information by Annex I Parties;
- Expert input to the sixth review of the FM, including conclusions and recommendations;
- Conclusions and recommendations on future institutional linkages and relations between the Adaptation Fund and other institutions under the Convention;
- Five Forums:
  - 1<sup>st</sup> Forum: “Mobilizing finance and investments for climate action now”
  - 2<sup>nd</sup> Forum: “Mobilizing adaptation finance”
  - 3<sup>rd</sup> Forum: "Enhancing coherence & coordination of forest financing;
  - 4<sup>th</sup> Forum: “Financial instruments that address the risks of Loss and Damage”
  - 5<sup>th</sup> Forum: “Mobilizing finance for climate-resilient infrastructure”



## Outcomes of the first review of the functions of the SCF

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- Acknowledged the contributions and positive performance of the SCF;
- Encouraged the SCF to prioritize specific areas while continuing to enhance functions;
- Recognized the need to improve some in-session and intersessional working modalities, enhancing efficiency and effectiveness and ensuring inclusiveness and transparency;
- Requested the SCF to:
  - Strengthen stakeholder engagement;
  - Provide and enhance dissemination and utilization of specific/ targeted outputs and recommendations;
  - Refine approach to maintaining linkages with the subsidiary and constituted bodies according to resources available and in the context of existing working modalities;
  - Ensure the value added of its forum when deciding on the forum topic, provide clear COP recommendations regarding forum follow-up actions, and enhance the dissemination, use and ownership of the accumulated knowledge and expertise;
  - Provide options for the enhancement of the participation of members and report back to COP 24 (December 2018).
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## Standing Committee on Finance – Current areas of work

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Three areas of particular focus in the 2018 SCF Workplan:

- 2018 Forum of the SCF;
- 2018 biennial assessment and overview of climate finance flows (BA);
- Work on draft guidance to the operating entities of the FM;



# 2018 Forum of the Standing Committee of Finance

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## 2018 SCF Forum “The Climate Finance Architecture: Enhancing collaboration, seizing opportunities”

- **The objective** is to identify trends, developments and challenges under the climate finance architecture at international and national levels.
- **Tentative dates:** 5-6 July 2018, in Songdo, Republic of Korea
- **Attendance:** 120-150 participants expected
- An outline of the Forum is available on the [webpage](#) and the Forum programme will be developed in due course.
- The SCF will consider a draft summary report of the Forum, including conclusions and any recommendations to the COP, at its September meeting



# 2018 biennial assessment and overview of climate finance flows

Preparation of the  
Biennial Assessment  
Overview of Climate  
Finance Flows (BA)

Work Plan on  
MRV beyond the  
BA



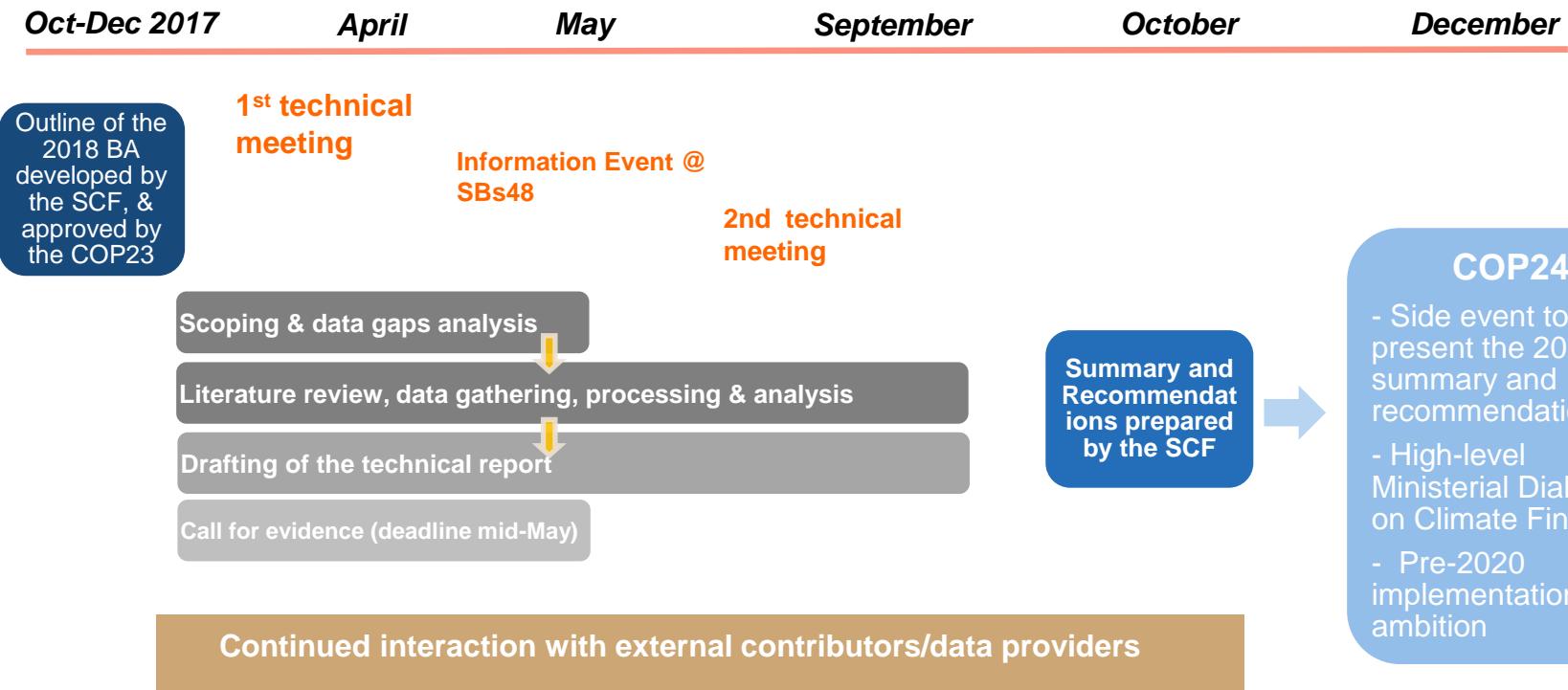
## **The COP requested the SCF, in preparing the BA, to consider:**

- Relevant work of other bodies and entities on MRV of support and the tracking of climate finance
- Ways of strengthening methodologies for reporting climate finance
- Ongoing technical work on operational definitions of climate finance, including private finance mobilized by public interventions
- Assess how adaptation and mitigation needs can most effectively be met by climate finance.
- It also requested the Ad Hoc Working Group on the Paris Agreement, when developing the modalities, procedures and guidelines for the transparency framework for action and support, to consider, *inter alia*, information in the BA and other reports of the SCF and other relevant bodies under the Convention



# 2018 biennial assessment and overview of climate finance flows

## 2018 BA preparation process, activities and outputs



# 2018 biennial assessment and overview of climate finance flows

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Work for 2018 BA is being undertaken in three strands

## Challenges and limitations

### Methodological issues relating to MRV of climate finance

- Compilation of information on MRV of support from national reports under the Convention and other systems of MRV of climate finance
- Emerging insight on systems to track and report climate finance at the domestic level
- Methods to track and estimate total private finance
- Information on emerging methodologies for measuring mitigation and adaption outcomes

### Overview of climate finance flows

- Data gaps and analysis
- Overview of total climate finance flows (public and private, international and domestic)
- Climate finance flows from developed to developing countries
- Mapping of available datasets that indicate integration/mainstreaming of climate change considerations into financial flows and stock, and that is relevant to tracking consistency with the long-term goal outlined in Article 2.1 (c), of the PA.

### Assessment of climate finance flows

- Thematic objectives and geographic distribution of climate finance flows to developing countries
- effectiveness of climate finance: ownership, needs and impact, including, inter alia, access, ownership, alignment with needs, leveraging and mobilization, and impact
- Global total climate finance in context

### Preliminary work with respect to information that is relevant to tracking global progress towards the goal outlined in Article 2, paragraph 1(c), of the Paris Agreement, the SCF

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## Work on draft guidance to the operating entities of the FM

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- The SCF uses inputs received from its members, Parties, the Adaptation Committee and the Technology Executive Committee to prepare draft guidance
- Providers of the inputs are encouraged to ensure inputs are:
  - a) In line with the mandates of the operating entities and the respective provisions under the Convention;
  - b) Assessed against ongoing or being currently undertaken by the operating entities and;
  - c) Not contradictory or duplicative to previous guidance provided to the operating entities
- Input providers are also encouraged to utilize:
  - The template available on the SCF website;
  - Database of previous guidance provided to the operating entities of the Financial Mechanism, also available on the SCF website



## Standing Committee on Finance

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For more information please visit:

<https://unfccc.int/process/bodies/constituted-bodies/standing-committee-on-finance-scf>

<https://unfccc.int/topics/climate-finance/meetings--events/scf-forum>

