

Seventeenth meeting of the Standing Committee on Finance Bonn, Germany, 10 to 12 April 2018

Report

Attendance

Ms. Diann Black-Layne
Mr. Georg Børsting (Co-Chair)
Mr. Randy Caruso
Ms. Sonja Djukic
Mr. Zaheer Fakir
Ms. Outi Honkatukia
Mr. Peter Horne
Ms. Edith Kateme-Kasajja
Mr. Kazuhiro Iryu
Mr. Jonghun Lee
Mr. Mohamed Nasr
Ms. Vicky Noens
Mr. Paul Oquist-Kelley
Ms. Gemma O'Reilly
Mr. Ayman Shasly
Mr. Pieter Terpstra
Mr. Ismo Ulvila
Mr. Carlos Ivan Zambrana Flores

Absent with apologies

Mr. Hussein Alfa (Seyni) Nafu
Ms. Bernarditas Muller (Co-Chair)

1. Opening of the meeting

1. The 17th meeting of the Standing Committee on Finance (SCF) was opened at 9.30 a.m. on Tuesday, 10 April 2018.
2. Co-Chair Mr. Georg Børsting introduced and welcomed the new members of the SCF. Statements were made by Mr. Daniele Violetti, Director for the Finance, Technology and Capacity-Building programme, and Ms. Patricia Espinosa, Executive Secretary of the UNFCCC.

2. Election of officers

3. The SCF elected Ms. Bernarditas Muller (Philippines) and Mr. Børsting (Norway) as the Co-Chairs of the SCF for 2018.
4. As Ms. Muller was unable to attend the meeting, the SCF agreed that Ms. Diann Black-Layne would temporarily replace Ms. Muller for the duration of the meeting.

3. Organizational matters

(a) Adoption of the agenda

5. The SCF adopted the agenda contained in document SCF/2018/17/2 as proposed.¹

¹ All documents available at <https://unfccc.int/topics/climate-finance/meetings--events/scf-committee-meetings>.



(b) Organization of the work of the meeting

6. The SCF took note of the proposed tentative schedule as well as the order of work for the meeting, as outlined in the annex to document SCF/2018/17/2. The SCF also took note of the proposed priority areas of work that were presented to members by the Co-Chairs.

4. Guidance from the Conference of the Parties resulting from the Review of the functions of the Standing Committee on Finance and the Report of the Standing Committee on Finance

Proceedings

7. The SCF took note of document SCF/2018/17/3. The agenda item was introduced in the first plenary and discussed further in the context of one breakout group session. The outcomes of the discussions were presented to the SCF for its consideration and agreement in the plenary. The summary of discussions is contained in annex I.

Outcomes

8. Further to the request of the Conference of the Parties (COP) in decision 8/CP.23 to the SCF to provide options for the enhancement of the participation of members, the SCF reached the following conclusion:

a. The Chair or Chairs of the relevant Parties included in Annex I to the Convention or Parties not included in Annex I to the Convention constituency may send a communication to the secretariat informing it that:

- (i) An SCF member is unable to attend a meeting of the SCF;
- (ii) Another representative is nominated by the constituency to attend and participate in the meeting to replace that member;
- (iii) At the conclusion of that particular SCF meeting, the SCF member elected by the COP will resume his or her functions on the SCF.

b. The option for the replacement of a particular SCF member would be exercised by a constituency only once during one calendar year;

c. The SCF recommended that SCF members who would like to exercise this option request the Chair or Chairs of their respective constituency to send the above-mentioned communication to the secretariat as soon as possible, so that the secretariat can make the necessary arrangements to facilitate the participation of the representative at that particular SCF meeting;

d. The secretariat will immediately inform the Co-Chairs and members of the SCF upon receipt of a communication from the Chair or Chairs of the relevant constituency;

e. The SCF requested the secretariat to prepare a template on the above-mentioned communication that may be used by the Chair or Chairs of the relevant constituency, and to forward this template to the SCF members and the Chair and Chairs of each constituency.

9. The SCF concluded the following in response to the mandates provided by COP 23 in the context of outcomes of the review of the functions of the SCF:

Mandate 1: The COP requests the SCF to continue to provide and enhance the dissemination and utilization of specific and targeted outputs and recommendations in order to effectively advance the work of the COP (decision 8/CP.23, para. 6)

10. The SCF concluded that this mandate would be addressed as part of the approach to outreach and communication activities of the SCF in 2018 and ongoing activities under the 2018 biennial assessment and overview of climate finance flows (BA), the 2018 and 2019 Forums and the draft guidance to the operating entities of the Financial Mechanism.

Mandate 2: The COP encourages the SCF to prioritize specific areas of work (decision 8/CP.23, para. 8)

11. The SCF concluded that this mandate would be addressed as part of its deliberations on the 2018 workplan.

Mandate 3: The COP requests the SCF to further strengthen its stakeholder engagement (decision 8/CP.23, para. 14)

12. The SCF concluded that it would postpone consideration of its response to this mandate at SCF 18. It requested the secretariat to identify possible actions to enhance stakeholder engagement based on best practices under the Convention and on stakeholder inputs.

Mandate 4: The COP recognizes that there is a need for the SCF to improve some of its in-session and intersessional working modalities with the aim of further enhancing its efficiency and effectiveness, ensuring the inclusiveness and transparency of its proceedings (decision 8/CP.23, para. 17)

13. The SCF concluded that it would postpone its deliberation of this mandate to SCF 18.

Next steps

14. The secretariat to create a template for the request related to temporarily replacing members and circulate it to SCF members by 1 June. This request is linked to the conclusion in paragraph 8 above.

15. The secretariat to circulate background information to SCF members on the participation of observers in SCF meetings by 30 June.

16. The SCF Co-Chairs, with the support of the secretariat:

a. To identify actions to enhance stakeholder engagement based on best practices under the Convention, including with a view to strengthening stakeholder participation from developing countries, and to circulate relevant information in preparation for SCF 18 and no later than 1 August;

b. To identify options for improving the in-session and intersessional working modalities of the SCF with the aim of further enhancing its efficiency and effectiveness, ensuring the inclusiveness and transparency of its proceedings, and to circulate information in preparation for SCF 18 and no later than 1 August.

17. The secretariat to circulate the agreed working modalities of the SCF in preparation for SCF 18 and no later than 1 August.

18. Further, members requested the secretariat to make available the agreed working modalities of the SCF for discussion at SCF 18. Members also agreed to discuss how to enhance the Committee's working modalities at its next meeting, including through options such as making available background documents at an earlier stage.

19. The SCF also requested the secretariat to make information available to it on how the SCF is currently engaging with different stakeholders and observers, as well as an assessment of the attendance of observers in the meetings of the SCF, and prepare suggestions for enhancing stakeholder engagements for the consideration of the SCF at its 18th meeting.

5. 2018 workplan of the Standing Committee on Finance

Proceedings

20. The SCF took note of document SCF/2017/15/4. The agenda item was introduced in the first plenary and was further discussed and agreed during a third plenary.

Outcomes

21. The SCF considered the additional mandates emanating from COP 23. Members discussed the nature of the involvement of the SCF in the Talanoa Dialogue, including providing inputs to and participating in the Talanoa Dialogue. The secretariat informed the

Committee that constituted bodies, along with Parties and other stakeholders, are encouraged to prepare analytical and policy relevant material to inform the Dialogue. The deadline for submission of inputs for the discussions in conjunction with the April/May session is 2 April 2018 (30 April–10 May) while 29 October 2018 is the deadline for submission of inputs for discussions in conjunction with COP 24 (3–14 December).

22. Members discussed options to integrate gender and climate finance into the SCF workplan, including inter alia, through the 2018 Forum. Members also noted that the COP invited the SCF to host a dialogue on the implementation of its commitment to integrate gender considerations into its work in 2019.

23. In the first plenary, the Committee requested the secretariat to produce a table based on the mandates received from COP 23, for further consideration by the SCF. This table was shared with the SCF members and considered in the third plenary.

24. Members were invited to sign up for the various working groups of the SCF on the understanding that the working groups are open-ended and that members are welcome to sign up to any working group at any point in time.

25. The SCF agreed that working groups should continue with their respective work based on the new membership list, with the support of the secretariat (see annex II).

26. The SCF also agreed to continue consideration of the COP 23 mandates table, following some revisions from the secretariat, at SCF 18.

Next steps

27. The SCF agreed to organize a side event during the forty-eighth sessions of the subsidiary bodies to provide an overview to stakeholders of the progress made in the implementation of its workplan, particularly the 2018 biennial assessment and overview of climate finance, the 2018 Forum and the draft guidance to the operating entities, and tasked the Co-Chairs, together with the secretariat, to organize the side event in consultations with the SCF members.

28. The SCF also agreed that the secretariat would circulate the revised mandates table in preparation for SCF 18 and no later than 1 August.

6. 2018 Biennial assessment and overview of climate finance flows

Proceedings

29. The SCF took note of document SCF/2017/15/4. It considered a zero order draft of the 2018 biennial assessment and overview of climate finance flows (BA), which was distributed to participants of SCF 17 as an in-room paper. The agenda item was introduced by Ms. Outi Honkatukia, the co-facilitator of the BA working group, in the opening plenary session and discussed further in the context of one breakout group session. The plenary and breakout group discussions were preceded by a technical meeting held on 10 April.² The outcomes of the discussions were presented to the SCF for its consideration.³

Outcomes

30. The SCF, in discussing the zero order draft of the 2018 BA technical report, underlined the importance of emphasizing what is new in the 2018 BA and what has evolved since the 2016 and 2014 BAs on matters relating to methodological issues related to the measurement, reporting and verification of climate finance, and climate finance flows data, as well as consideration of the emergent trends and implications of climate finance flows in the context of UNFCCC objectives and the goal outlined in Article 2, paragraph 1(c), of the Paris Agreement. 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 Committee underlined the

² See

https://unfccc.int/sites/default/files/resource/Agenda%20of%20the%201st%20technical%20meeting%20on%202018%20BA_new.pdf

³ As footnote 1 above.

emergent nature of the topic, and acknowledged the preliminary nature of this work in the context of the 2018 BA. The summary of discussions is contained in annex III.

Next steps

31. The SCF agreed to announce the extension of the deadline of the call for evidence to mid-May.
32. SCF members are invited to send their written comments on the scope and structure of the zero order draft to the secretariat by mid-May.
33. The secretariat, under the guidance of the co-facilitators, will circulate the first order draft by the end of May/beginning of June.
34. The co-facilitators, with the support of the secretariat, will convene conference calls to discuss next iterations of the drafts of the 2018 BA technical report.
35. The secretariat, under the guidance of the co-facilitators, will circulate the second order draft to the SCF before SCF 18.

7. Measurement, reporting and verification of support beyond the Biennial assessment and overview of climate finance flows

Proceedings

36. The SCF took note of document SCF/2017/15/4. The agenda item was introduced by Mr. Randy Caruso, whose co-facilitator, Mr. Nafo, was unable to attend the meeting, in one plenary session.⁴

Outcomes

37. The SCF agreed that the Co-Chairs and Co-facilitators will continue consultations with the Chairs of the ongoing work under agenda item 13 of the forty-eighth session of the Subsidiary Body for Scientific and Technological Advice (SBSTA) and the ongoing work under agenda item 5 of the fifth part of the first session of the Ad Hoc Working Group on the Paris Agreement (APA) with a view to providing technical input on matters relating to the transparency of support to the ongoing work under these bodies.

Next steps

38. Co-Chairs and Co-facilitators will continue consultations with the Chairs of the ongoing work under SBSTA 48 agenda item 13 and the ongoing work under APA 1.5 agenda item 5 with a view to providing technical input on matters relating to the transparency of support to the ongoing work under these bodies.

8. 2018 Forum of the Standing Committee on Finance

Proceedings

39. The SCF took note of document SCF/2017/15/4. The agenda item was introduced in the plenary by the Co-facilitators, Mr. Mohamed Nasr and Mr. Pieter Terpstra, and discussed further in the context of three breakout group sessions. The summary of the breakout group discussions is contained in annex IV. The outcomes of the discussions were presented to the SCF for its consideration in the plenary.⁵

Outcomes

40. The SCF agreed on the following:
 - a. Based on the inputs received at the meeting, the Co-facilitators will revise the draft concept note and circulate it to the SCF;
 - b. The SCF agreed to mandate the Co-facilitators to work with the secretariat intersessionally to further develop the programme, based on the presented objective

⁴ As footnote 1 above.

⁵ As footnote 1 above.

and scope, and to identify potential participants. A draft programme will be circulated in due course;

c. The SCF will continue to engage with the Government of the Republic of Korea on organizational arrangements.

Next steps

41. The Co-facilitators will circulate the revised draft concept note by Tuesday, 17 April based on the feedback received from the members during the closing plenary.

42. The SCF will be invited to agree on the concept note to be circulated by the Co-facilitators on a non-objection basis by Friday, 19 April.

43. The secretariat will prepare a draft programme for consideration by the Co-facilitators by Thursday, 26 April with a view to sending out invitations by 21 May and preparing travel arrangements accordingly.

9. Draft guidance to the operating entities of the Financial Mechanism

Proceedings

44. The SCF took note of document SCF/2017/15/4. The agenda item was introduced in the plenary and discussed further in two breakout group sessions. The outcomes of the discussions were presented to the SCF for its consideration in the plenary.⁶

Outcomes

45. The SCF expressed its appreciation to the Co-facilitators for guiding the work of the breakout group and decided to continue with its current approach in preparing draft guidance to the operating entities.

Next steps

46. The SCF agreed to consider this item at its 19th meeting and to prepare draft guidance to the operating entities.

10. Linkages with the Subsidiary Body for Implementation and the constituted bodies of the Convention

Proceedings

47. The SCF took note of document SCF/2017/15/4. The agenda item was introduced in the second plenary and the Co-Chairs invited the focal points for the constituted bodies under the Convention to report back to the SCF on the meetings that they have attended and any other intersessional work.⁷

Outcomes

48. Mr. Peter Horne provided a brief progress report on the work undertaken jointly with Mr. Richard Sherman related to the Adaptation Committee (AC) and the Least Developed Countries Expert Group. It included SCF collaboration on mandates arising from decision 1/CP.21, participation in AC task forces and working groups, as well as facilitating the AC input to the SCF for the draft guidance to the operating entities. It was noted that Mr. Sherman also attended the Green Climate Fund technical expert workshop on climate adaptation finance held in Songdo, Republic of Korea, from 7 to 9 March. The Co-Chairs invited other SCF members to support Mr. Horne in the role as focal point to adaptation-related matters going forward due to the resignation of Mr. Sherman.

49. SCF members noted that linkages with the Technology Executive Committee have also progressed in 2018, and are supported by the secretariat.

50. Ms. Gemma O'Reilly and Ms. Edith Kateme-Kasajja provided a short overview of their engagement with the Paris Committee on Capacity-building (PCCB) during its first meeting in

⁶ As footnote 1 above.

⁷ As footnote 1 above.

May 2017. SCF members noted the interest of the PCCB in the work of the SCF, including related to the draft guidance to the operating entities and the BA. They also noted that it would continue to be useful to attend future meetings of the PCCB, particularly for outreach by the SCF.

51. The SCF agreed to continue its considerations of the linkages with the constituted bodies in the context of its 2018 workplan.

52. The SCF agreed to appoint representatives to the various thematic areas of work (see paras. 23 and 24 above).

Next steps

53. The SCF will continue consideration of the linkages with the constituted bodies at SCF 18 (see para. 25 above).

11. Other matters

(a) Report of the seventeenth meeting of the Standing Committee on Finance

Next steps

54. The Co-Chairs, with the support of the secretariat, will prepare the draft report for consideration by the SCF members on a no-objections basis no later than 23 April 2018.

55. The list of participants for SCF 17 will be made available on the UNFCCC website.⁸

(b) Other matters

Proceedings and outcomes

56. The SCF explored various options for possible meeting dates. It agreed on the following dates for its next meetings:

- a. SCF 18: 9 to 11 September 2018, Bangkok, Thailand (tbc);
- b. SCF 19: 29 to 31 October 2018, Bonn, Germany.

Next steps

57. The secretariat will confirm the arrangements and venues for SCF 18 and SCF 19 by 14 May 2018, following the confirmation of a possible additional APA session.

58. The secretariat will finalize and circulate the list of participants as soon as possible to SCF members, and no later than 26 April 2018.

59. The Co-Chairs, with the support of the secretariat, will circulate the SCF 18 provisional agenda to SCF members at least eight weeks prior to SCF 18.

60. The Co-Chairs, with the support of the secretariat, will circulate the SCF 18 annotations to the provisional agenda at least four weeks prior to SCF 18.

12. Closure of the meeting

61. The 17th meeting of the SCF closed at 2 p.m. on Thursday, 12 April 2018.

⁸ <https://unfccc.int/topics/climate-finance/events-meetings/scf-meetings/standing-committee-on-finance-meetings-and-documents>

Annex I. Report of the breakout group on the Guidance from the Conference of the Parties resulting from the Review of the functions of the Standing Committee of Finance and the Report of the Standing Committee on Finance

1. The Co-Chairs, Ms. Diann Black-Layne and Mr. Georg Børsting, introduced the agenda item and the background note. Nine additional Standing Committee on Finance (SCF) members
2. ¹ and seven observers participated in the breakout group.

I. Summary of the discussions

(a) Options to enhance the participation of members

3. Following the discussions in the plenary, the Co-Chairs invited members and observers to continue their deliberations on the different options to enhance the participation of members as outlined in the background note. Taking note of the different options presented in the background note, the discussions revolved particularly around option 1, introduction of alternate members. Members and observers discussed their respective concerns and opportunities around this option, including with respect to continuity, capacity-building of constituency members, legal or financial implications, and ensuring representation of all constituencies in the SCF meetings.

4. Some of the opportunities in having alternate members raised include:
 - a. Ensuring the representation of all constituencies in the SCF meetings;
 - b. Building capacities of constituencies and ensuring accountability and commitment;
 - c. Reducing the challenge of identifying meeting dates suitable to all members.
5. Some of the concerns raised around alternative members include:
 - a. The need to ensure consistency in the representation and engagement of members, as well as maintenance of institutional knowledge;
 - b. Introducing alternate members could result in alternate members expressing a strong interest in attending the SCF meetings as observers, which could lead to a higher representation of some constituency observers over others.
6. The group further discussed the challenges of setting meeting dates at a late stage once calendars were already full, and changing meeting dates, to ensure the participation of members in the SCF meetings.

(b) Possible actions in response to mandates received at the twenty-third session of the Conference of the Parties

7. The group started its deliberation on the mandates and expressed some views on how to address the four mandates, including as part of its 2018 workplan. Owing to time constraints this part was not agreed upon.

II. Agreements reached in the breakout group

- a. The group agreed to continue its deliberation on this agenda item in the meeting plenary on Thursday, 12 April 2018.

¹ Mr. Randy Caruso, Ms. Sonja Djukic, Mr. Peter Horne, Mr. Mohamed Nasr, Ms. Vicky Noens, Mr. Ayman Shasly and Mr. Pieter Terpstra.

Annex II. 2018 Workplan of the Standing Committee on Finance

Membership of the Standing Committee on Finance working groups 2018

Note: Membership in Standing Committee on Finance working groups and collaboration with constituted bodies/thematic areas is open-ended

Working group	Standing Committee on Finance members
2018 Biennial assessment and overview of climate finance flows	Mr. Seyni Nafu, Ms. Outi Honkatukia , Mr. Randy Caruso (for information), Mr. Peter Horne, Mr. Kazuhiro Iryu, Ms. Edith Kateme-Kasajja, Mr. Jonghun Lee, Mr. Mohamed Nasr, Ms. Vicky Noens, Ms. Gemma O'Reilly, Mr. Ayman Shasly, Mr. Ismo Ulvila, Mr. Carlos Ivan Zambrana Flores
Measurement, reporting, and verification of support beyond the Biennial assessment and overview of climate finance	Mr. Seyni Nafu, Mr. Randy Caruso , Mr. Zaheer Fakir, Ms. Outi Honkatukia, Ms. Vicky Noens
2018 Forum	Mr. Mohamed Nasr, Mr. Pieter Terpstra , Mr. Randy Caruso (for information), Ms. Outi Honkatukia, Mr. Jonghun Lee, Ms. Vicky Noens, Mr. Paul Oquist-Kelley, Ms. Gemma O'Reilly, Mr. Ayman Shasly, Mr. Ismo Ulvila, Mr. Carlos Ivan Zambrana Flores
Draft guidance to the operating entities of the Financial Mechanism	Ms. Diann Black-Layne, Ms. Sonja Djukic , Mr. Randy Caruso (for information), Mr. Zaheer Fakir, Mr. Peter Horne, Mr. Pieter Terpstra, Mr. Ayman Shasly
Coherence and coordination: financing for forests	Ms. Vicky Noens, Mr. Paul Oquist-Kelley, Mr. Carlos Ivan Zambrana Flores, Mr. Peter Horne
Gender and Climate Finance	Co-Chairs , Ms. Sonja Djukic, Ms. Outi Honkatukia, Mr. Peter Horne, Ms. Edith Kateme-Kasajja, Ms. Vicky Noens, Ms. Gemma O'Reilly, Mr. Pieter Terpstra

Collaboration with constituted bodies/thematic areas

Adaptation related matters	Mr. Peter Horne, Mr. Ismo Ulvila
Technology related matters	Ms. Sonja Djukic, Ms. Vicky Noens
Capacity-building related matters	Ms. Gemma O'Reilly, Mr. Ismo Ulvila
Loss and Damage related matters	Mr. Randy Caruso, Mr. Paul Oquist-Kelley

Annex III. Report of the breakout group on the 2018 Biennial assessment and overview of climate finance flows

I. Summary of the discussions

1. General considerations:
 - (a) Consider thematic focus for the 2018 **biennial assessment and overview of climate finance flows** (BA) and the subsequent ones;
 - (b) Enhance consistency across chapters, including the use of terminology;
 - (c) Highlight what is new in the 2018 BA and what has evolved since the 2016 and 2014 BAs on matters relating to methodological issues related to the measurement, reporting and verification of climate finance, and climate finance flows data, as well as consideration of the emergent trends and implication of climate finance flows in the context of UNFCCC objectives and the goal outlined in Article 2, paragraph 1(c), of the Paris Agreement.
2. 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 Committee underlined the emergent nature of the topic, and acknowledged the preliminary nature of this work in the context of the 2018 BA.
3. The Standing Committee on Finance (SCF) identified the following topical areas for further consideration:

A. Methodological issues relating to the measurement, reporting and verification of climate finance

1. Identify the commonalities and differences in the operational definitions of climate finance, including, where possible, in terms of sectors and financial instruments, and explore options for the visualization through a Venn diagram;
2. Include information on the consistency of operational definitions of climate finance with the long-term goals outlined in the Paris Agreement;
3. Include information on the measurement of grant equivalents in different statistical systems;
4. Include information on how funds are determined to be new and additional in the reporting under the Convention.

B. Overview of climate finance flows

1. Revisit the upper and lower bound approach applied to derive the ranges of estimates for the global total flows and sub-flows in an onion diagram;
2. Include clarification on the concepts “provided” and “mobilised” for the datasets used;
3. Where relevant, include more information on the changes of methodologies used in tracking and reporting the underlying data. In connection with this, where possible, apply the revised methodologies to data sets used in the previous periods in the trends analysis;
4. Differentiate between the flows and the capital stock;
5. Strengthen the data gaps and analysis section;
6. Consolidate the identified data sets that indicate integration of climate change considerations into insurance, lending and investment decision-making processes, and that include information relevant to tracking consistency with the long-term goal outlined in Article 2, paragraph 1(c), of the Paris Agreement.

C. Assessment of climate finance flows,

1. To the extent possible, align the analysis of the underlying data on geographic distribution with the UNFCCC country classification;

2. Where possible, disaggregate data on cross-cutting activities;
3. Enhance the analysis of climate finance flows to the least developed countries and small island developing States, including through more insights on proportional terms;
4. Provide more insights on the nuances and the differences between the different types of accredited entities;
5. Consider gender aspects.

II. Agreements reached in the breakout group

Next steps:

- (a) The deadline of the call for evidence to be extended to mid-May;
- (b) SCF members were invited to send written inputs by mid-May;
- (c) Organization of work to finalize the 2018 BA:
 - End of May/beginning of June: the BA team, under the guidance of the co-facilitators, to circulate the first order draft;
 - Early June: SCF conference call/webinar to present the first order draft and invite written comments;
 - Late June: SCF conference call/webinar to discuss SCF comments;
 - Before SCF 18: second order draft circulated to the SCF;
 - SCF 18: Consideration of second order draft, discussion on emerging key messages and preliminary elements for recommendations;
 - Three weeks before SCF 19: circulation of 3rd order draft and draft summary and recommendations to the SCF;
 - SCF 19: finalization of the 2018 BA.

Annex IV. Report of the breakout group on the 2018 Forum of the Standing Committee on Finance

1. The Co-facilitators, Mr. Mohamed Nasr and Mr. Pieter Terpstra, introduced the agenda item and the draft concept note that they had developed with the support of the secretariat. Ten additional SCF members¹ and ten observers participated in the breakout group.

I. Summary of the discussions

2. The breakout group suggested that the following substantive issues be considered in the further development of the scope and sub-topics of the Forum:

a. Defining the climate finance architecture more broadly, including bilateral and multilateral institutions and private sector entities in the picture, and looking at actors at the local, subnational, national and international level;

b. Including the relevant experiences of and challenges faced by the least developed countries (LDCs) and small island developing States (SIDS) with climate finance in the Forum programme;

c. Introducing new and innovative approaches to climate finance, such as green bonds, policies and other concrete examples;

d. Ensuring that the Forum discussions take place within the remit of the Standing Committee on Finance (SCF);

e. Building into the forum programme how the UNFCCC climate funds may be used to unlock other sources of funding;

f. Ensuring an exchange of relevant experiences, lessons learned, challenges and best practices among the forum participants;

g. Incorporating gender aspects, especially in relation to issues concerning access to climate finance;

h. Taking into consideration the need for discussing the perceived discrepancies between international climate finance and national priorities and circumstances.

3. Based on the inputs received during the breakout group discussions, the draft concept note was revised several times. The agreements reached at the final breakout discussion are outlined in paragraphs 5–7 below.

4. The breakout group also discussed practical matters related to the organization of the Forum, including the participation of representatives from developing countries in the Forum and its resource implications, noting that the Forum will be held immediately after the conclusion of the next Board meeting of the Green Climate Fund (GCF) in the Republic of Korea, scheduled to take place from 1 to 4 July 2018. Mr. Jonghun Lee, SCF member from the Republic of Korea, told the breakout group that the Government of the Republic of Korea may be able to fund approximately 30 to 40 participants from developing countries, including the LDCs and SIDS.

II. Agreements reached in the breakout group

5. The breakout group agreed to recommend to the SCF the following as the scope and sub-topics of the 2018 SCF Forum:

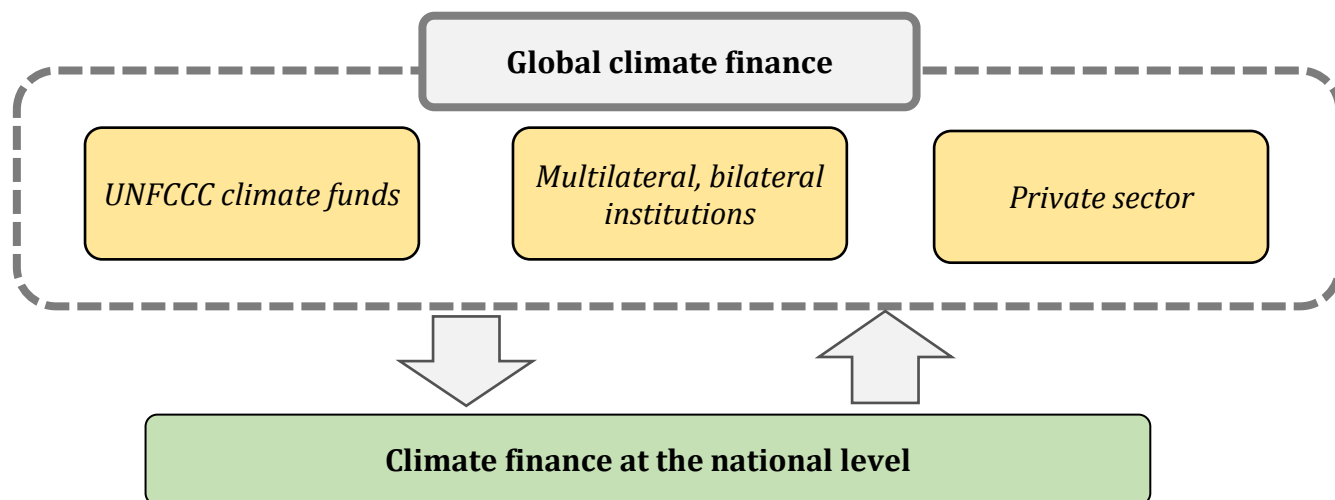
A. Global climate finance architecture

- [The big picture] Who does what (scale and scope of climate finance flows)
 - 2016 SCF BA findings
 - Private, alternative finance (South–South cooperation, voluntary contributions, etc.)

¹ Mr. Ayman Shasly, Ms. Edith Kateme-Kasajja, Ms. Gemma O'Reilly, Mr. Georg Børsting, Mr. Jonghun Lee, Mr. Kazuhiro Iryu, Mr. Paul Oquist-Kelley, Mr. Peter Horne, Mr. Randy Caruso and Ms. Sonja Djukic.

- New developments in the climate finance architecture in support of the goals of the Paris Agreement (e.g. green bonds, policies, concrete examples)
 - State of play of UNFCCC climate funds and lessons learned
 - Ensuring country ownership
 - Ensuring accessibility of climate finance, including gender aspects, as well as sustainability, predictability and effectiveness
 - Effectiveness of climate finance in mobilizing national actors and complementarity with national financial flows
 - How to optimize UNFCCC climate funds to help to unlock other sources of funding
- B. National experiences related to climate finance (policies, alignment with nationally determined contributions and national adaptation plans)
- Climate finance governance at the national level (e.g. the role of national climate change funds)
 - Stakeholder engagement at the national level for the mobilization of resources
 - Successes and challenges in reducing investment risks and leveraging private investments in developing economies
 - Challenges experienced in accessing funds from different sources, especially by LDCs and SIDS
- C. Coherence and complementarity of climate finance: enhancing collaboration between the UNFCCC climate funds and other actors

Figure 1: Schematic overview of interacting bodies within the global finance architecture to be discussed at the Forum



6. Based on paragraph 5 above, the breakout group requested the co-facilitators to further develop the objective of the Forum. Responding to this request, the co-facilitators developed the following objective for consideration by the SCF:

Objective

To identify trends, developments and challenges under the climate finance architecture at the international and national level with a view to:

- a. Improving climate finance flows from the international to the national level;
- b. Enhancing collaboration between the UNFCCC climate funds and other actors.

7. The breakout group proposed the following next steps:
- a. Mandate the co-facilitators to work with the secretariat intersessionally to further develop the programme based on the objective and scope of the Forum presented above;
 - b. Collaborate with relevant institutions, including the Global Green Growth Institute (GGGI) and the GCF, to identify potential participants and resource persons;
 - c. Ensure a balanced participation from developed and developing countries in the Forum;
 - d. Engage with the Government of the Republic of Korea on organizational arrangements for the Forum.
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