



Standing Committee on Finance

08 October 2018

**Eighteenth meeting of the Standing Committee on Finance
Bangkok, Thailand, 10–11 September 2018**

**Report of the eighteenth meeting of the Standing
Committee on Finance**

Attendance

Ms. Diann Black-Layne
Mr. Georg Børsting (Co-Chair)
Mr. Randy Caruso
Mr. Zaheer Fakir (Co-Chair)
Ms. Outi Honkatukia
Mr. Kazuhiro Iryu
Ms. Claudia Keller (Replacement for Ms. Gemma O'Reilly)
Mr. Jonghun Lee
Mr. Edmund Mortimer
Mr. Hussein Alfa (Seyni) Nafo
Mr. Mohamed Nasr
Ms. Vicky Noens
Mr. Paul Oquist-Kelley
Mr. Ayman Shasly
Mr. Pieter Terpstra
Mr. Ismo Ulvila
Mr. Ivan Zambrana Flores

Absent with apologies

Ms. Sonia Djukic
Ms. Edith Kateme-Kasajja

1. Opening of the meeting

1. The 18th meeting of the Standing Committee on Finance (SCF) was opened at 10 a.m. on Monday, 09 September 2018.
2. Mr. Georg Børsting introduced and welcomed the new member Mr. Edmund Mortimer (Australia) and thanked Mr. Peter Horne who was replaced by the new member, for his contribution to the SCF over the past years.
3. Mr. Børsting announced that, to ensure transparency and broad participation in the SCF meetings, they would be available via Skype broadcast.

2. Election of officers

4. As the Co-Chair Ms. Bernarditas Muller resigned inter-sessionally, the SCF elected Mr. Zaheer Fakir as the Co-Chair from Non-Annex I countries for the remainder of the year 2018.



3. **Organizational matters**

(a) *Adoption of the agenda*

5. The SCF adopted the agenda contained in document SCF/2018/18/2 as proposed.¹

(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/2018/18/2. The SCF also took note of the proposed priority areas of work that were presented to members by the Co-Chairs.

4. **2018 Forum of the Standing Committee on Finance**

(a) *Report of the 2018 Standing Committee on Finance Forum on The Climate Finance Architecture: Enhancing collaboration, seizing opportunities*

Proceedings

7. The SCF took note of document SCF/2018/18/3. The agenda sub-item was introduced in the plenary by the co-facilitators, Mr. Mohamed Nasr and Mr. Pieter Terpstra, and was discussed among members in two breakout group sessions, and agreed during a plenary session.² The summary of the discussions is contained in annex I.

Outcomes

8. The SCF revised and adopted the report of the 2018 SCF Forum, including the revised executive summary.

Next steps

9. The SCF will include the report of the 2018 SCF Forum as an annex to the annual report of the SCF to COP 24, and will recommend to the COP to take note of the report.

(b) *Theme for the 2019 Forum of the Standing Committee on Finance*

Proceedings

10. The SCF took note of document SCF/2018/18/4. The agenda sub-item was introduced in the plenary by the Co-Chairs, discussed amongst members in two breakout group sessions, and agreed during a plenary session.³ The summary of the discussions is contained in annex II.

Outcomes

11. The SCF acknowledged that Sustainable Cities could be one of the potential themes, based on ongoing work on climate finance by relevant stakeholders, including C40, ICLEI and UN Habitat, and that 1-2 additional elements should be considered by the SCF (e.g. sustainable transportation or water infrastructure), as possible themes or sub-themes. Capacity-building, gender and youth could be sub-topics or cross-cutting elements of the agreed topic.

Next steps

12. The SCF agreed:

- (a) To issue a call for submissions on the possible theme of the next Forum;

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

² As footnote 1 above.

³ As footnote 1 above.

(b) To request the co-facilitators to prepare options for consideration by the SCF at its next meeting, based on the discussions held during this meeting.

5. **2018 Biennial Assessment and Overview of Climate Finance Flows**

Proceedings

13. The SCF took note of document SCF/2018/18/5. This agenda item was introduced in the plenary by the co-facilitators, Ms. Outi Honkatukia, and Mr. Seyni Nafo, and further discussed in the technical expert meeting on the 2018 Biennial Assessment and Overview of climate finance flows (BA) in the afternoon on 09 September 2018 and in one breakout group discussion. The outcomes of the discussions were presented to the SCF for its consideration in a plenary session.⁴ The summary of the discussions is contained in annex III.

Outcomes

14. The SCF agreed that written comments on the second order draft of the 2018 BA technical report can be sent by the end of September 2018.

15. It was further agreed to enhance the website dedicated to the 2018 BA, including by making the wealth of knowledge generated in the 2018 BA preparation process more accessible to the wider audiences.

Next steps

16. The co-facilitators, with the assistance of the secretariat, will organise a webinar to further discuss the elements of the draft summary and recommendations with a view to develop a full draft for consideration at the nineteenth meeting of the SCF.

17. Under the guidance of the co-facilitators, the secretariat will develop the third order draft of the 2018 BA technical report inter-sessionally, with a view to make the draft available prior to SCF 19.

6. **Draft guidance to the operating entities of the Financial Mechanism**

Proceedings

18. The SCF took note of document SCF/2018/18/6. This agenda item was introduced in the plenary session by Ms. Diann Black-Layne and Ms. Vicky Noens, and further discussed in one breakout group session and one plenary session. The outcomes of the discussions were presented to the SCF for its consideration.⁵ The summary of the discussions is contained in annex IV.

Outcomes

19. The SCF invited the representatives of the operating entities of the Financial Mechanism provided a brief description of the contents of their annual report to the COP and an indicative timeline of their addenda reports.

20. During the break-out group views were expressed on possible elements of draft guidance to the operating entities.

Next steps

21. The co-facilitators will prepare a consolidated draft text by the next meeting, based on the views expressed during SCF 18 as well as additional inputs to be received inter-sessionally from the SCF members, Parties, the Adaptation Committee (AC) and the Technology Executive Committee (TEC).

⁴ As footnote 1 above.

⁵ As footnote 1 above.

22. Deadline of the inputs are as follows:

- (a) Submission from Parties: 24 September 2018;
- (b) Members of the SCF, the AC and the TEC: 1 October 2018.

23. The SCF members are encouraged to submit any additional inputs to the Green Climate Fund (GCF) draft guidance as soon as possible after the conclusion of the 21st meeting of the GCF Board for timely consideration by the SCF at its next meeting.

24. The SCF requested the secretariat to prepare an introductory material on how draft guidance is prepared by the SCF and make it available on the SCF webpage for information for Parties and observers.

7. **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

25. The SCF took note of document SCF/2018/18/7. This agenda item was introduced by the Co-Chairs and discussed by the SCF in the plenary session.

Outcomes

26. The SCF agreed that focal points should be appointed to advance and take forward possible recommendations and innovative solutions to be further discussed at SCF 19, with the aim to forward recommendations to COP 24.

27. SCF members also agreed that innovate solutions should be considered and implemented to enhance stakeholder engagement at SCF 19 and for future SCF meetings and events.

Next steps

28. The focal points, with the support of the secretariat, to circulate options to enhance stakeholder engagement for consideration at SCF 19.

29. The secretariat to implement, resources permitting, ways to enhance virtual participation by stakeholders in future SCF meetings.

8. **2018 workplan of the Standing Committee on Finance**

Proceedings

30. The SCF took note of document SCF/2018/18/8. The Co-Chairs introduced this agenda item in the plenary session, and discussed and agreed by members.

Outcomes

31. The SCF agreed to compile SCF work for each of the thematic areas, as appropriate, with the support of the secretariat, and circulate the compilation with the aim to provide them as inputs as needed.

32. The SCF also agreed to appoint a focal point to the thematic issue on financing for forests.⁶

Next steps

33. The secretariat to circulate the compilation of SCF work to SCF members for their consideration.

⁶ See Annex V for details.

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

Proceedings

34. The Co-Chairs introduced this agenda item in the plenary session and members reached an agreement on this item. 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.

Outcomes

35. Mr. Ismo Ulvila provided a brief progress report on his engagement with the Paris Agreement Committee on Capacity-Building (PCCB) where he highlighted capacity-building related elements in the areas of work of the SCF on the BA, the Forum, and the draft guidance to the operating entities of the Financial Mechanism of the Convention. Mr. Ulvila highlighted that the SCF was invited to take part in the next PCCB meeting to maintain linkages between the two bodies.

36. On linkages with loss and damage, Mr. Randy Caruso and Mr. Paul Oquist-Kelley reported back on their engagement with the Executive Committee of the Warsaw International Mechanism for Loss and Damage (ExCom). Following the COP mandate to prepare a technical paper elaborating the sources of financial support, as provided through the Financial Mechanism, for addressing loss and damage as described in relevant decisions, as well as modalities for accessing such support, the ExCom requested the SCF to support the ExCom in defining the scope of the technical paper, including by participating in the 8th meeting of the ExCom (18–21 September 2018). The SCF agreed that Mr. Caruso would deliver a presentation at the 8th meeting of the ExCom on the outcomes of the work that the SCF has undertaken in relation to loss and damage, including from the 2016 SCF Forum and the 2016 BA.

37. On linkages with technology development and transfer, Ms. Noens provided a brief progress report on her engagement with the Climate Technology Centre and Network (CTCN). Ms. Noens participated in a conference call on 29 August 2018 to discuss the CTCN's programme of work and will continue with this engagement during the 12th meeting of the Advisory Board of the CTCN on 03–05 October 2019.

38. The SCF agreed to appoint representatives to the thematic issue of adaptation and adjust working groups for all areas of work as contained in Annex V.

10. **Other matters**

(a) *Report of the eighteenth meeting of the Standing Committee on Finance*

Next steps

39. The SCF agreed to adopt the report of SCF 18 inter-sessionally on a non-objection basis.

40. The list of participants at SCF 18 is available on the UNFCCC website.⁷

(b) *Other matters*

41. The SCF reaffirmed that its nineteenth meeting will take place from 29 to 31 October 2018, Bonn, Germany.

11. **Closure of the meeting**

42. The 18th meeting of the SCF closed at 5 p.m. on Tuesday, 11 September 2018.

⁷ As footnote 1 above.

Annex I

Report of the breakout group on Report of the 2018 Forum of the Standing Committee on Finance (Agenda item: 4(a))

I. Summary of the discussions

1. During the breakout group on 10 September 2018, the co-facilitators presented the draft executive summary report from the 2018 Forum of the Standing Committee on Finance. Nine SCF members⁸ and seven observers participated in the breakout group, who were invited for comments.
2. Overall, the SCF members expressed satisfaction with the draft executive summary report and comments were made to clarify some of the paragraphs.

II. Agreements reached in the breakout group

1. The breakout group agreed that the SCF should:
 - (a) Include the report of the 2018 SCF Forum to the annual report of the SCF to the COP;
 - (b) Highlight in the executive summary of the 2018 Forum report that it captures the discussions held by the participants during the Forum and does not represent agreed views of the SCF;
 - (c) Recommend to the COP that it takes note of the report of the 2018 SCF Forum.

⁸ Mr. Georg Børsting, Mr. Randy Caruso, Mr. Zaheer Fakir, Ms. Claudia Keller, Mr. Jonghun Lee, Mr. Mohamed Nasr, Ms. Vicky Noens, Mr. Pieter Terpstra, Mr. Ismo Ulvila.

Appendix I

Executive summary report from the 2018 Forum of the Standing Committee on Finance

I. Introduction

1. At its 17th meeting, the Standing Committee on Finance (SCF) agreed on the theme of its 2018 Forum: “Climate Finance Architecture: enhancing collaboration, seizing opportunities”. The SCF also agreed on the three overall objectives of the Forum:

(a) To identify trends, developments and challenges under the climate finance architecture at the international and national level in order to improve climate finance flows from the international to the national level;

(b) To enhance collaboration between the UNFCCC climate funds⁹ and other actors;

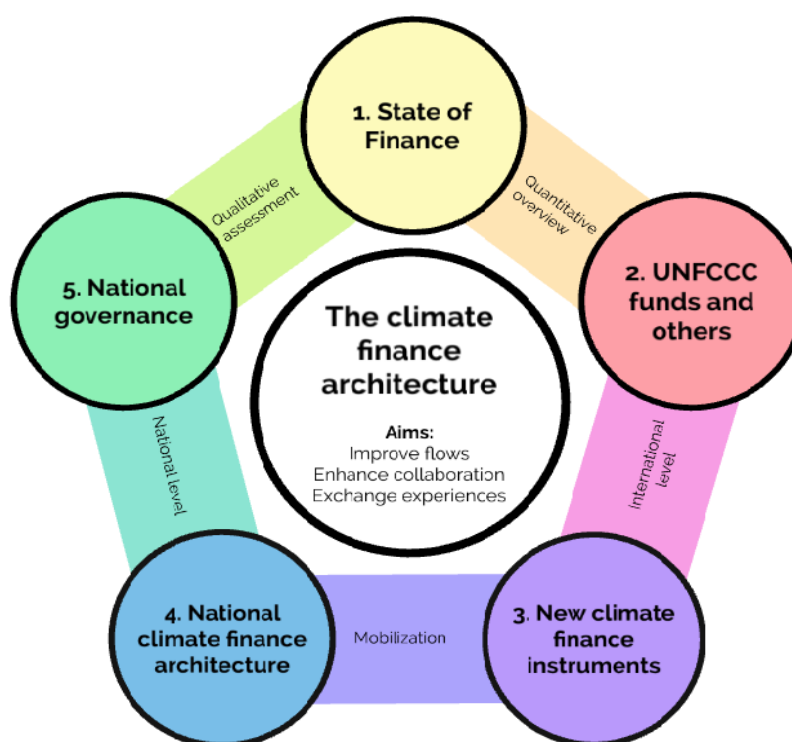
(c) To exchange experiences and to identify opportunities for further collaboration at the international and national level.

2. About 130 participants representing national and sub-national governments, civil society, academia, think-tanks, multilateral and national banks and the private sector attended the Forum.

3. The Forum was structured around five thematic clusters in order to analyse the international and national climate finance architecture from various perspectives (see figure 1).

Figure 1:

The five thematic clusters of the 2018 Forum of the Standing Committee on Finance



⁹ Adaptation Fund, Global Environment Facility, Green Climate Fund, Least Developed Countries Fund and Special Climate Change Fund.

4. Day 1 of the Forum focused on the **international climate finance architecture**. Commencing with the state of climate finance, an overview was provided, under Cluster 1, the trends in the climate finance architecture and the scale of finance flows from the international to the national level, including a qualitative assessment of that scale. Under **Cluster 2**, participants discussed the role of the UNFCCC climate funds, multilateral and bilateral institutions and other actors in channelling international climate finance and in enhancing both mitigation and adaptation actions to tackle climate change. The different strategies and operations of the various actors involved in the international climate finance architecture were discussed with a view to identifying opportunities for complementary efforts to meet the objectives of the Paris Agreement. Finally, in relation to scaling up climate finance, new climate finance instruments, including green bonds, and options for how developing countries can be supported in harnessing the full potential of such instruments were identified under **Cluster 3**.

5. Day 2 of the Forum focused on the **national climate finance architecture**. Under **Cluster 4**, participants addressed the state of the national climate finance architecture and the interplay between national and international finance. They discussed how domestic climate finance is generated, including through the establishment of national climate funds. The focus of **Cluster 5** was on the governance of climate finance, and participants discussed ways to enhance stakeholder engagement, for example by introducing conducive policies and coordination structures to facilitate interaction between the relevant stakeholders so as to generate and facilitate access to climate finance.

6. The Forum consisted of the following three types of session, which were arranged around the five thematic clusters:

(a) Plenary sessions, including scene-setting presentations and panel discussions aimed at stimulating further discussion among participants;

(b) Break-out group sessions, consisting of case study presentations for initiating in-depth, facilitated group discussions on challenges encountered and opportunities to overcome them;

(c) Feed-back plenary sessions, for summing up the breakout group discussions and identifying opportunities for collaboration and enhanced action, with the overall aim of identifying possible recommendations for the Conference of the Parties on each cluster.

7. Various innovative arrangements were used to trigger interactive and dynamic discussions at the Forum, including video openings to introduce the discussion objectives and the resource persons, and the real-time polling of participants for generation of 'word clouds' (see figures 2 and 6)¹⁰ to collect key takeaway messages on the perspectives of the international and national climate finance architecture.¹¹

8. Under the request of the co-facilitators, the secretariat circulated a survey to the participants of the 2018 SCF Forum to evaluate the organization of the Forum, from both substantive and logistical perspectives. The outcomes of the survey are available online.¹²

9. The following five chapters summarize the discussions under the five clusters of the Forum. The full summary report will be available online¹³.

10. The report captures the discussions held by the participants during the Forum and does not represent agreed views of the SCF.

¹⁰ A word cloud provides a visual representation of how frequently words are used by participants – the more a word is used, the bigger it appears in the cloud.

¹¹ All presentations, outcomes of breakout group discussions and the video recordings are available at: <<https://unfccc.int/topics/climate-finance/events-meetings/scf-forum/2018-forum-of-the-standing-committee-on-finance>>. The scene-setting presentation of session 1, is available at: <<https://prezi.com/view/tOX0HoLpePd0R2WuSCun/>>.

¹² 2018 SCF Forum page: <<https://unfccc.int/topics/climate-finance/events-meetings/scf-forum/2018-forum-of-the-standing-committee-on-finance>>.

¹³ Available at: <<https://unfccc.int/topics/climate-finance/meetings-events/scf-committee-meetings>>.

II. Summary of discussions on the thematic clusters

A. State of climate finance

11. Planning and implementing ambitious climate actions to meet the goals of the Paris Agreement requires mobilizing finance from all sources taking into consideration the need for predictability and sustainability resources from all sources.

12. Challenging aspects of mobilizing and delivering climate finance from public sources include:

(a) Matchmaking actors at the international and national level to design and implement climate projects;

(b) Identification of country needs that are aligned with nationally determined policies and plans, as well as the design of interventions to address them;

(c) Demonstrating the benefits of climate actions for convincing one's own government.

13. A challenge remains on the lack of clarity in definitions of climate finance including in relation to the financial instruments used.

14. Developing countries are already engaged in developing a range of sectoral, sub-national and national plans and programmes in order to identify their needs and priorities in taking climate actions. However, the plans and programmes are often fragmented because of the lack of mapping of existing policies and plans.

15. In decision making and reporting, there is often a challenge in distinguishing between adaptation and development and the lack of commonly agreed criteria and definitions.

B. Role of UNFCCC funds and multilateral and bilateral institutions in delivering climate finance

16. Several multilateral and bilateral institutions are aligning their strategies with the Paris Agreement and mainstreaming climate change in their operations and internal reporting.

17. Multilateral and bilateral institutions have difficulty identifying fundable projects, while developing countries encounter challenges in designing quality projects and programmes – this creates a discrepancy between supply and demand in climate finance, particularly for adaptation. The discrepancy can be better alleviated by:

(a) Setting ambitious strategies and actions both from supporting institutions (supply) and countries (demand), through clear policies and targets;

(b) Setting aspirational targets in relation to adaptation;

(c) Further mainstreaming climate change in the agendas of public institutions and private sector entities in developing countries to reflect commitment for action.

18. Enhancing the support provided to developing countries for designing and implementing quality projects and programmes, including through project preparation facilities and the facilitation of mutual cooperation and collective learning.

19. Multilateral climate funds consider the need to enhance coherence of policies related to accessing funds, which would include standardized requirements.

C. New climate finance instruments

20. Although insurance is a risk-mitigating instrument, developing countries, and particularly the most vulnerable communities, often face internal as well as external barriers in accessing insurance and harness their potential, including to high upfront costs, lack of the data required to assess risk levels, and general lack of access to the insurance market.

21. Enhanced financial support and technical assistance, including from domestic, bilateral and multilateral institutions could help developing countries to enhance their access to green financial markets over time and scale up the mobilization of financial resources through new climate instruments.

D. National climate finance architecture

22. National climate funds contribute to building national capacity for the development and implementation of climate projects, and can benefit from sustainable, predictable and accessible financial and technical support. Challenges remain in meeting the criteria and requirements of resource providers in mobilizing financial resources to replenish national climate funds.

23. Budgetary planning and devising climate investment plans facilitate the process of determining the expenditure required for climate projects, and identifying and attracting additional resources to cover for any financing and investment gap. However, challenges remain in:

- (a) Mainstreaming adaptation and resilience considerations in sustainable development;
- (b) Identifying economic and social co-benefits of climate actions;
- (c) Engaging with national stakeholders on fully integrating their needs into budgetary planning and climate investment plans;
- (d) Gaining the necessary buy-in across ministries and relevant stakeholders.

24. Efficient access to the readiness support programmes of the multilateral climate funds and international support providers is a key factor in successful country planning can be time-consuming and complex. Better coordination among the support providers and a tailored approach to providing the services may help improve access. Moreover, many government authorities find it difficult to navigate the capacity-building and readiness support programme and to select the ones suitable for their capacity-building needs. This problem may be addressed through better matchmaking of the readiness support providers and national focal points.

E. National governance

25. A number of countries have governance structures in place that will suit their country circumstances and ensure national and sub-national coordination on climate change. However, additional opportunities remain for countries to continue to enhance and align domestic policies environments with their nationally determined plans and strategies. Strong political will and the articulation of climate change in national agendas could help to overcome barriers between ministries and enhance communication with sub-national actors. Good practices and lessons learned in relation to overcoming national coordination challenges can be shared among countries, while acknowledging the specific national circumstances of each country.

26. Engaging a wide range of stakeholders is crucial for assessing the needs and priorities of sub-national and local actors, as well as for preparing and implementing inclusive and well-informed climate change projects, taking into consideration the different governance structures and stakeholder engagement policies and regulations within countries. Stakeholder engagements may be enhanced by, inter alia:

- (a) Financial resources and dedicated budget lines for continuous engagement with relevant stakeholders;
- (b) A greater awareness of climate change and opportunities that can be harnessed through climate finance;
- (c) Long-term perspectives on engagement among the stakeholders involved;

- (d) Guidelines and tool-kits on good practices for stakeholder engagements;
- (e) Joint indicators for demonstrating stakeholder engagement in the planning and implementing phases.

27. MSMEs are important actors in the national climate finance architecture because they form the backbone of developing countries' economies. Support, including from domestic, multilateral and bilateral institutions can help enable access by MSMEs to climate finance. Several tasks remain in scaling up MSME engagement in climate action and making international climate finance more accessible to them, including providing favourable national enabling environments that will help lower their risk profiles and de-risk investment in them.

28. Country-ownership is key to ensuring that developing countries take the lead in developing and implementing climate projects to address their needs and priorities. Ensuring country ownership requires a deep understanding of developing countries' needs and priorities on the part of multilateral climate funds and the relevant developing country authorities. In this context, multilateral climate funds and developing country authorities need to communicate closely with each other, including on strategies and approaches for achieving transformative change through country programming and on the latest policies and decisions of the funds.

Annex II

Report of the breakout group on the theme for the 2019 Forum of the Standing Committee on Finance (Agenda item: 4(b))

I. Summary of the discussions

1. Eight SCF members¹⁴ and seven observers participated in the breakout group and deliberated on the theme of the 2019 Forum. Members of the breakout group considered the following possible topics put forward by the SCF members and observers:

(a) **Matters related to Article 2.1(c) of the Paris Agreement**, for example a reorientation of finance flows consistent with a pathway towards low greenhouse gas emissions and climate-resilient development. This topic would help to build linkages between the UNFCCC process and climate finance activities undertaken outside the process. Furthermore, it would be an opportunity to reach out to a wide range of stakeholders, and make further progress with the outcomes of the 2018 SCF Forum.

(b) **Climate finance and capacity-building**: Domestic human and institutional resource for effective climate action. The Paris Committee on Capacity Building (PCCB) could assist in organizing this Forum, thereby further strengthening the collaboration between the SCF and the PCCB.

(c) **Gender and climate finance**. By decision 3/CP.23, Annex, Table 4 D.1, the SCF was invited to host a dialogue in 2019 on the implementation of its commitment to integrate gender considerations into its work, emphasizing the relevant of gender-responsive access to finance in the implementation of climate actions.

(d) **New collective quantified goal**. This theme could provide another space for negotiators and non-Party stakeholders to exchange views on how to address politically sensitive topics such as the new collective quantified goal.

(e) **Sustainable cities**. This theme could identify how climate finance can be mobilized to support sustainable cities. This theme could also discuss the role of cities in the mobilization of climate finance, and highlight the contribution of cities in taking climate actions.

(f) **Transitional climate finance / future generation climate finance**. This topic, suggested by the youth constituency relates to the role of climate finance in facilitating a transition towards gender equality and a more inclusive future for youth.

2. Members of the breakout group exchanged views on ways to consolidated the possible themes into fewer options. There was a general agreement that the theme for the Forum should be concrete and focused, to ensure that the Forum is value-adding and it facilitates a robust, action-oriented discussion on climate finance. The group highlighted that neither capacity-building, gender or nor youth should be standalone themes of the Forum, but they should be considered as possible sub-topics, or cross-cutting elements of the Forum.

3. The group acknowledged that Sustainable Cities could be one of the potential topics, based on ongoing work on climate finance by relevant stakeholders, including C40, ICLEI and UN Habitat. However, it was noted that:

(a) One to two 1-2 additional topics should be considered by the SCF (e.g. sustainable transportation or water infrastructure), as possible theme or sub-themes;

(b) Capacity-building, gender and youth could be sub-topics or cross-cutting element of the agreed topic;

¹⁴ Mr. Georg Børsting, Mr. Randy Caruso, Mr. Zaheer Fakir, Ms. Claudia Keller, Mr. Jonghun Lee, Mr. Mohamed Nasr, Ms. Vicky Noens, Mr. Pieter Terpstra, Mr. Ismo Ulvila.

(c) The SCF should avoid any potential overlap with the discussions that was held during the 2016 Forum on climate-resilient infrastructure.

4. The group identified following relevant events that are scheduled to take place in 2019, which could be considered by the SCF as potential partners to organize the next Forum with:

- (a) Resilient cities (26–28 June 2019, Bonn);
- (b) 2019 C40 Mayors Summit in Paris (tbc);
- (c) 2019 World Congress of United Cities and Local Governments (tbc);
- (d) Adaptation Expo in March 2019 (tbc);
- (e) Tailored capacity-building or expert meetings by the UNFCCC on gender and climate finance in March/April 2019 (tbc).

II. Agreements reached in the breakout group

5. The breakout group agreed to report back to the plenary with the potential option of Sustainable Cities and the sub-topics described in paragraph 3 above, for further deliberation by the SCF on this subject matter.

Annex III

Report of the breakout group on the 2018 Biennial Assessment and Overview of climate finance flows (Agenda item: 5)

I. Summary of the discussions

1. The SCF highlighted the following for consideration in the development of the third order draft of the 2018 BA technical report:

(a) Strengthening the sections on adaptation finance with a view to ensure balanced treatment in the coverage of sub-topics relating to adaptation finance;

(b) Articulating the differences in quantification of mitigation and adaptation finance flows (i.e. total value versus incremental costs);

(c) Where available, make greater use of disaggregated data on geographical distribution and complementary data on sustainable transport from other sources of information;

(d) Providing sufficient information on the country classifications for the datasets used in the overview and assessment chapters;

(e) Ensuring full consistency in the sequencing of sections and sub-sections in the methodologies, overview and assessment chapters;

(f) Reviewing the literature on the relationships between the policies and climate financing and investment trends, particularly in the energy sector, for possible consideration in the assessment chapter.

2. With respect to information relevant to Article 2.1.(c), the SCF highlighted the following.

(a) Considering whether a taxonomy could be applied in cases where overlaps may exist in the datasets, flows, and stocks covered in the overview chapter;

(b) Capturing more of the evolving literature on traditional investment models in context of the long-term goals of the Paris Agreement;

(c) Whether ongoing efforts at the country level could be presented in the form case studies.

3. It was agreed that written comments on the second order draft of the 2018 BA technical report can be sent by end of September 2018.

4. It was further agreed to enhance the website dedicated to the 2018 BA, including by making the wealth of knowledge generated in the 2018 BA preparation process more accessible to the wider audiences.

II. Agreements reached in the breakout group

5. The breakout group agreed that the co-facilitators, with the assistance of the secretariat, will organize a webinar to further discuss the elements of draft summary and recommendations with a view to develop a full draft for consideration at the nineteenth meeting of the SCF.

6. The team, under the guidance of the co-facilitators, will develop the third order draft of the 2018 BA technical report interessionally, with a view to make the draft available prior the nineteenth meeting of the SCF.

Annex IV

Report of the breakout group on the draft guidance to the operating entities of the Financial Mechanism (Agenda item: 6)

1. Ms. Diann Black-Layne and Ms. Vicky Noens co-facilitated the breakout group discussion. seven additional SCF members¹⁵ and 14 observers participated in the breakout group, including two representatives from the operating entities of the Financial Mechanism.

I. Summary of the discussions

2. Upon invitation by the co-facilitators, the representatives of the operating entities of the Financial Mechanism provided a brief description of the contents of their annual report to the COP and an indicative timeline of their addenda reports. The GEF addenda reports are expected to be available in mid-October and the GCF addendum report will be available soon after the conclusion of the 21st meeting of the GCF Board (17–20 October 2018).

3. Subsequently, views were expressed during the breakout group on the possible elements of draft guidance to the operating entities, including:

- (a) Replenishment of the operating entities of the FM;
- (b) Efficiency of the Capacity-building Initiative on Transparency programme of the GEF;
- (c) Transparency of information reported by the GCF on the status of approved projects in its portfolio;
- (d) GCF support for alternative policy approaches for the integral and sustainable management of forests;
- (e) Direct access and simplified access modalities of the GCF.

II. Agreements reached in the breakout group

4. The breakout group agreed that the co-facilitators will prepare a consolidated draft text by the next meeting, based on the additional inputs to be received inter-sessionally from the SCF members, Parties, the AC and the TEC.

5. Deadline of the inputs are as follows:

- (a) Submission from Parties: 24 September 2018;¹⁶
- (b) Members of the SCF, the AC and the TEC: 1 October 2018;

6. Any additional inputs to the GCF draft guidance after the conclusion of the 21st meeting of the GCF Board should be submitted as soon as possible for timely consideration by the SCF at its next meeting.

¹⁵ Mr. Kazuhiro Iryu, Mr. Paul Herbert Oquist Kelley, Mr. Randy Caruso, Mr. Edmund Mortimer, Ms. Outi Honkatukia, Mr. Zaheer Fakir and Mr. Ivan Carlos Zambrana Flores.

¹⁶ Decision 9/CP.23, paragraph 19.

Annex V

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 Nafo, Ms. Outi Honkatukia , Mr. Randy Caruso (for information), 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 Nafo, Mr. Randy Caruso , Mr. Zaheer Fakir, Ms. Outi Honkatukia, Ms. Vicky Noens
2019 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. Pieter Terpstra, Mr. Ayman Shasly
Coherence and coordination: financing for forests	Mr. Carlos Ivan Zambrana Flores , Ms. Vicky Noens, Mr. Paul Oquist-Kelley
Gender and Climate Finance	Co-Chairs , Ms. Sonja Djukic, Ms. Outi Honkatukia, Ms. Edith Kateme-Kasajja, Mr. Edmund Mortimer, Ms. Vicky Noens, Ms. Gemma O'Reilly, Mr. Pieter Terpstra
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	Mr. Carlos Ivan Zambrana Flores (forests, indigenous peoples) [others (tbc)]

Collaboration with constituted bodies/thematic areas

Adaptation related matters	Mr. Mohamed Nasr, Mr. Pieter Terpstra
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, Mr. Ismo Ulvila