

Input from the Standing Committee on Finance

to the Expert meeting to assess progress made in the process to formulate and implement National Adaptation Plans to be held in Sao Tome, 7-9 February 2018

The Standing Committee on Finance (SCF) welcomes the work of the Least Developed Countries Expert Group, in collaboration with the Adaptation Committee, in organizing the Expert meeting to assess progress made in the process to formulate and implement National Adaptation Plans (as per decision 4/CP.21). In support of the actions and steps for the SBI assessment of progress made in the process to formulate and implement national adaptation plans, the SCF would like to provide this input to the expert meeting, and in particular as it may relate to session VII on support provided and support received. As the SCF was unable to participate in person at the expert meeting due to time constraints, the SCF values the very important work to be considered at the Expert meeting, and in this regard, appreciates the opportunity provide this input.

Recommendation by the SCF

The participants of the expert meeting may wish to consider the following recommendation by the SCF: As part of its work assisting the Conference of the Parties (COP) in exercising its functions with respect to the Financial Mechanism, the SCF provides draft guidance to the Global Environment Facility (GEF), and specifically related to the Special Climate Change Fund (SCCF) and the Least Developed Countries Fund (LDCF), as part of its annual reports to the COP. In this context, experts on the process to formulate and implement National Adaptation Plans may wish to consider providing inputs on guidance to be provided by the SCF to the GEF as regards the SCCF and the LDCF, noting that inputs to be provided should be based on the annual reports of the GEF to the COP. The SCF will discuss its approach to the provision of draft guidance to the operating entities of the Financial Mechanism for the year 2018 during its seventeenth meeting (10 to 12 April 2018), and will finalize its draft guidance to be provided to COP 24 during its last meeting of the year (tbc in October 2018).

The participants of the expert meeting may also wish to consider the references below that include the concluding comments from the 2014 SCF Forum on mobilizing adaptation finance, and the engagement of the SCF with the Adaptation Committee as outlined in its workplan. Participants may also wish to keep in mind in their deliberations Article 9.4 of the Paris Agreement, whereby the provision of scaled-up financial resources should aim to achieve a balance between adaptation and mitigation, taking into account country-driven strategies, and the priorities and needs of developing country Parties, especially those that are particularly vulnerable to the adverse effects of climate change and have significant capacity constraints, such as the least developed countries and small island developing States, considering the need for public and grant-based resources for adaptation.

The SCF remains committed to supporting the work of the expert meeting, in addition through its SCF member representation in the work of the Adaptation Committee, and looks forward to receiving the outcomes of the Expert workshop as a reference for SCF work on financing adaptation.

Relevant references

2014 SCF Forum on mobilizing adaptation finance

Concluding comments

1. The forum generated new insights into the topic of adaptation finance and brought together a number of important stakeholders. Both opportunities and barriers exist in terms of mobilization and access to adaptation finance from different perspectives, including providers and recipients.
2. The integration of adaptation into development planning at different levels, including the regional, national, subnational, municipal and local levels, provides an opportunity to improve access to financing.
3. The current state of adaptation finance includes varied mechanisms, flows, practices, issues, challenges and opportunities. Complementarity and synergy between existing adaptation finance flows, and between

adaptation and development finance can be improved. There are different requirements in order to access different funding sources. These requirements should be streamlined as much as possible, in order to assist developing countries to access much-needed funds for adaptation.

4. Finance from a wide variety of sources is needed, including public and private sources, and from a wide range of mechanisms, including innovative mechanisms. Coherence and complementarity among the different sources of finance is also required. Public funding can be an effective way of leveraging finance from the private sector to support adaptation.
5. Approaches to match available public and private financing sources and mechanisms with the adaptation needs of developing countries should be enhanced. In that respect, the forum served as a platform for networking, bringing together recipients and donors of climate finance.
6. Concrete actions to support cities/communities to access funds are important: this includes work on enhancing creditworthiness, lowering interest rates through cooperation with financial institutions, and the use of innovative mechanisms such as 'green' bonds.
7. Given that the amount of private climate finance available is greater than the amount of funding from the public sector, it is imperative to continuously mobilize private-sector finance.
8. Capacity-building is needed to assist developing countries to build their enabling environments in order to attract investments from a range of sources and build investor confidence.
9. Numerous co-benefits exist between mitigation and adaptation, including in the form of finance benefits. Information on such benefits should be shared through case studies.

The way forward

10. New financing schemes have been developed for adaptation. Awareness-raising of many of these innovative approaches is needed. The forum was a good way of helping to raise such awareness and place innovative financing options on the agenda; however, continued information exchanges are required. The SCF should take a role in further disseminating information about good practices in terms of financing for adaptation, beyond the annual forums.
11. The relevance of the SCF forums for the private sector needs to be more clearly communicated in the future. The SCF may wish to consider ways of further enhancing private-sector participation in the organization of future forums.
12. Logistical and administrative lessons can be learned from the first and second forums, which should be applied to future forums. Some of the modalities from the second forum should be repeated, such as using two or three focused guiding questions for each topic.
13. The interactive breakout groups, the two-day format, and a range of case studies from which to learn should also be repeated.
14. Further work between the SCF and the Adaptation Committee could assist in the mobilization of adaptation finance.
15. The outcomes of the forum on mobilizing adaptation finance, as well as of future SCF forums, can feed into other areas of work of the SCF, such as the biennial assessment and overview of climate finance flows.

Workplan of the Standing Committee on Finance for 2018

<i>Activities</i>	<i>Outcomes/results</i>	<i>Time frame</i>
5. Further mandates of the SCF as per various decisions adopted at COP 21	Recommendations provided to the COP, as appropriate	COP 24
Decision 1/CP.21, paragraph 45: The Adaptation Committee (AC) and the Least Developed Countries Expert Group (LEG), in collaboration with the SCF and other relevant institutions, to develop methodologies and make recommendations for consideration and adoption by the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement at its first session on: (a) Taking the necessary steps to facilitate the mobilization of support for adaptation in developing countries in the context of the limit to global average temperature increase referred to in Article 2 of the Paris Agreement (b) Reviewing the adequacy and effectiveness of adaptation and support referred to in Article 7, paragraph 14(c), of the Paris Agreement	Input provided to the AC and the LEG, as appropriate	2018