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Matters relating to finance
Report of the Standing Committee on Finance

Report of the Standing Committee on Finance to the Conference of the Parties*

Summary

This report contains information on the outcomes of the work of the Standing Committee on Finance (SCF), including its meetings, in 2014. The report also contains: (i) a list of the members of the SCF; (ii) the summary and recommendations by the SCF on the 2014 biennial assessment and overview of climate finance flows; (iii) the executive summary of the technical paper on the fifth review of the Financial Mechanism of the Convention; (iv) the executive summary of the report on the SCF forum on mobilizing adaptation finance; (v) annotated suggestions for elements of draft guidance to the Global Environment Facility submitted by members of the SCF; (vi) inputs received from the Adaptation Committee and the Technology Executive Committee with regard to draft guidance to the operating entities; (vii) a list and timelines of ongoing activities related to measurement, reporting and verification of support under the Convention; and (viii) the workplan of the SCF for 2015.

* This document was submitted after the due date in order to include the results of the intersessional work of the Standing Committee on Finance after its last meeting in 2014.

Contents

I. Introduction

A. Mandate

1. The Conference of the Parties (COP), by decision 1/CP.16,[1] established a Standing Committee, renamed the Standing Committee on Finance (SCF) by decision 5/CP.18,[2] to assist the COP in exercising its functions with respect to the Financial Mechanism of the Convention in terms of: improving coherence and coordination in the delivery of climate change financing; rationalization of the Financial Mechanism; mobilization of financial resources; and measurement, reporting and verification of support provided to developing country Parties.

2. The COP, by decision 2/CP.17,[3] decided that the SCF shall report and make recommendations to it, for its consideration, at each of its ordinary sessions on all aspects of the work of the SCF.

3. By decision 5/CP.18,[4] the COP endorsed the work programme of the SCF for 2013–2015,[5] and, by decision 7/CP.19,[6] the workplan of the SCF for 2014–2015.

B. Scope of the note

4. This document contains the outcomes of the work of the SCF and the Committee's recommendations to the COP for consideration at COP 20, as well as reports on the 6th, 7th and 8th meetings of the SCF and its second forum.

C. Recommendations for action by the Conference of the Parties at its twentieth session

5. The COP may wish to take note of the following:

(a) The changes in the membership of the SCF, detailed in annex I;

(b) The executive summary of the report on the SCF forum on mobilizing adaptation finance, including the conclusions (see paras. 42–50 of annex IV) and the way forward (see paras. 51–57 of annex IV), contained in annex IV;

(c) The 2015 forum of the SCF focusing on the issue of financing for forests;

(d) The list and timelines of ongoing activities related to measurement, reporting and verification (MRV) of support under the Convention, contained in annex VII;

(e) The updated workplan of the SCF for 2015, contained in annex VIII.

6. In relation to the mandate of the SCF to prepare a biennial assessment and overview of climate finance flows,[7] the SCF submits to the COP for its consideration the summary and recommendations by the SCF on the 2014 biennial assessment and overview of climate

[1] Decision 1/CP.16, paragraph 112.
[2] Decision 5/CP.18, paragraph 9.
[3] Decision 2/CP.17, paragraph 120.
[4] Decision 5/CP.18, paragraph 3.
[5] FCCC/CP/2012/4, annex II.
[6] Decision 7/CP.19, paragraph 6.
[7] Decision 2/CP.17, paragraph 121(f).

finance flows, as contained in annex II. The COP may wish to consider the SCF recommendations included in paras. 18–20 of annex II.

7. In response to the request of the COP for the SCF to provide expert input to the fifth review of the Financial Mechanism,[8] the Committee submits to the COP for its consideration the executive summary of the technical paper on the fifth review of the Financial Mechanism, including conclusions and recommendations, as contained in annex III.

8. The SCF recommends that the COP consider the annotated suggestions for elements of draft guidance to the Global Environment Facility (GEF) submitted by members of the SCF, as contained in annex V, in its deliberations on the guidance to be provided to the GEF at COP 20. The COP may also wish to consider the inputs received from the Adaptation Committee and the Technology Executive Committee (TEC), as contained in annex VI, in its deliberations on the guidance to be provided to the GEF at COP 20.

9. The SCF also recommends that the COP consider the annotated suggestions for elements of draft guidance to the Green Climate Fund (GCF) submitted by members of the SCF, to be provided in an addendum to this document upon issuance of the GCF report, in its deliberations on the guidance to be provided to the GCF at COP 20. The COP may also wish to consider the inputs received from the Adaptation Committee and the TEC which were received by the SCF before the issuance of the annual report of the GCF, as contained in annex VI, in its deliberations on the guidance to be provided to the GCF at COP 20.

10. In improving the consistency and practicality of providing draft guidance to the operating entities of the Financial Mechanism of the Convention,[9] the COP may wish to take note of the following proposed actions to be undertaken by the SCF:

(a) Conduct an analysis of past guidance provided in order to identify a set of core guidance to serve as basis for the provision of future guidance in order to reduce redundancies, incoherence, and inconsistencies within the guidance provided to the operating entities;

(b) Increase collaboration between the SCF and the thematic bodies of the Convention in the provision of draft guidance to the operating entities;

(c) Consider the issue of complementarity between the operating entities and the funds they administer when the GCF is operationalized.

II. Proceedings of the meetings of the Standing Committee on Finance in 2014

A. Membership

11. During 2014 several changes occurred in the membership of the SCF. Ms. Suzanty Sitorus (Indonesia) replaced Ms. Bernarditas Muller (Philippines),[10] Ms. Rajasree Ray (India) replaced Mr. Syed Mujtaba Hussain (Pakistan),[11]

[8] Decision 8/CP.19, paragraph 3.

[9] Decision 2/CP.17, paragraph 121(c).

[10] In a letter to the secretariat dated 5 September 2012, the Coordinator of the Asia-Pacific group informed the secretariat that Ms. Bernarditas Muller (Philippines) will serve for the first year of the term and that Ms. Suzanty Sitorus (Indonesia) will serve for the second year of the term. This was endorsed by the Chair of the Group of 77 and China.

[11] In a letter to the secretariat dated 5 September 2012, the Coordinator of the Asia-Pacific group informed the secretariat that Mr. Syed Mujtaba Hussain (Pakistan) will serve for the first year of the

Ms. Jessica Brown (United States of America) replaced Mr. Paul Bodnar (United States of America), Ms. Inka Gnittke (Germany) replaced Mr. Ulf Moslener (Germany), Mr. Roger Dungan (New Zealand) replaced Mr. Gregory Andrews (Australia), Ms. Sarah Conway (United States of America) replaced Ms. Jessica Brown (United States of America) and Ms. Wilhelmina Verdegaal (Netherlands) was replaced by Mr. Mark Storey (Sweden). A list of the members of the SCF as at 15 October 2014 is contained in annex I. Ms. Diann Black Layne (Antigua and Barbuda) and Mr. Stefan Schwager (Switzerland) were re-elected as Co-Chairs of the SCF in 2014.

B. Meetings of the Standing Committee on Finance

12. The 6th meeting of the SCF was held in Bonn, Germany, on 4 and 5 March 2014. At the meeting, the Committee agreed to revise the annotated outline for the 2014 biennial assessment and overview of climate finance flows and the workplan, which includes the modalities and activities, the indicative timeline and internal and external collaboration. The Committee also agreed to prepare a technical paper on the fifth review of the Financial Mechanism based on an agreed outline and to hold the second forum of the SCF in conjunction with the Climate Investment Funds Partnership Forum in Montego Bay, Jamaica, and further agreed on a provisional programme for the forum. Members also agreed to focus the third SCF forum on the issue of financing for forests. On the matter of draft guidance to the operating entities of the Financial Mechanism, the members of the SCF agreed to form a working group in order to identify specific proposals on how to improve the draft guidance in terms of practicality and consistency. Furthermore, members agreed to elaborate the strategy and workplan for MRV beyond the biennial assessment and overview of climate finance flows throughout 2014 through the working group also working on the biennial assessment and overview of climate finance flows, but agreed that the work on the biennial assessment and overview of climate finance flows would be prioritized. Two SCF members were nominated to participate in the Executive Committee of the Warsaw International Mechanism for Loss and Damage associated with Climate Change Impacts,[12] who will attend the meetings of the Executive Committee in their personal expert capacity. Decisions were also made with regard to the representation of the SCF in the task force on national adaptation plans (NAPs) of the Adaptation Committee, as well as in the Advisory Board of the Climate Technology Centre and Network (CTCN).

13. The 7th meeting of the SCF was held in Bonn from 16 to 18 June 2014. Members agreed to further refine the draft 2014 biennial assessment and overview of climate finance flows report and the technical paper on the fifth review of the Financial Mechanism in advance of the 8th meeting based on the inputs provided during the 7th meeting. Members engaged in in-depth discussions on the improvement of draft guidance to the operating entities, as well as on the procedural approach towards the provision of draft guidance to COP 20. With regard to the issue of financing for forests in the context of coherence and coordination, members agreed to form a working group to progress work on this matter, including the development of a draft workplan, as well as the organization of the third SCF forum to focus on the issue of financing for forests.

14. The 8th meeting of the SCF was held in Bonn from 1 to 3 October 2014. During the meeting, members agreed on the summary and recommendations on the 2014 biennial assessment and overview of climate finance flows, as well as the Committee's approach to the provision of draft guidance to the GEF and the GCF to be provided to COP 20. With regard to the expert input to the fifth review of the Financial Mechanism and the report on the 2014 SCF forum, members agreed to finalize the executive summaries, as well as the

term and that India will nominate its representative to serve for the second year of the term.

12 In response to decision 2/CP.19, paragraph 4.

report/technical paper, intersessionally based on the discussions during the meeting. Members also discussed the organization of the 2015 SCF forum, as well as the working paper on the issue of coherence and coordination with regard to the issue of financing for forests. It was decided that the respective working groups would continue work on those two issues intersessionally. With respect to MRV of support beyond the biennial assessment and overview of climate finance flows, members identified possible activities to be taken forward in 2015 by the SCF. Furthermore, members were invited to provide inputs on various issues, including on the first biennial assessment and overview of climate finance flows report, the revised technical paper on the fifth review of the Financial Mechanism, the draft guidance to be provided to the GEF and the GCF, the report on the 2014 SCF forum and the working paper on the issue of coherence and coordination with regard to the issue of financing for forests.

15. The SCF conducted its meetings through plenary and breakout group discussions. All of the meetings of the SCF were webcast and the recordings are also available on demand.[13] The representatives of observer organizations were invited to express their views on the various issues under discussion and to engage actively in the deliberations of the breakout groups.

16. The meetings of the SCF were attended by a considerable number of observers, including Party observers and representatives of non-governmental organizations, intergovernmental organizations, think tanks, multilateral development banks and operating entities of the Financial Mechanism of the Convention. The observers actively took part in the deliberations of the SCF, such as on guidance to the operating entities, the 2014 biennial assessment and overview of climate finance flows, the fifth review of Financial Mechanism and forest financing.

17. The meeting documents are available on the SCF website.[14]

III. Work of the Standing Committee on Finance in 2014

A. The 2014 biennial assessment and overview of climate finance flows

18. In accordance with decision 2/CP.17,[15] and as indicated in its 2014–2015 workplan,[16] the SCF finalized the preparation of the 2014 biennial assessment and overview of climate finance flows. COP 18 requested the SCF, in preparing its 2014 biennial assessment and overview of climate finance flows, to consider ways of strengthening methodologies for reporting climate finance.[17] Additionally, the SCF was requested, in initiating the first biennial assessment and overview of climate finance flows, to take into account relevant work by other bodies and entities on MRV of support and the tracking of climate finance.[18] In decision 7/CP.19,[19] the COP took note of the information provided by the SCF on the workplan for the first biennial assessment and overview of climate finance flows.[20] Furthermore, COP 19 requested the SCF, in the context of the preparation of its biennial assessment and overview of climate finance flows, to consider ongoing technical work on operational definitions of climate finance, including private finance mobilized by

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[13] The recordings of the meetings are available on the SCF website at <http://unfccc.int/7703.php>.
[14] <https://unfccc.int/6881.php>.
[15] Decision 2/CP.17, paragraph 121(f).
[16] As contained in document FCCC/CP/2013/8, annex VIII.
[17] Decision 5/CP.18, paragraph 11.
[18] Decision 1/CP.18, paragraph 71.
[19] Decision 7/CP.19, paragraph 8.
[20] As contained in document FCCC/CP/2013/8, annex VII.

public interventions, to assess how adaptation and mitigation needs can most effectively be met by climate finance, and to include the results in its annual report to the COP.[21]

19. The SCF discussed the issue of the 2014 biennial assessment and overview of climate finance flows during its 6th, 7th and 8th meetings, and a dedicated working group also worked intersessionally. The work on the biennial assessment and overview of climate finance flows was co-facilitated by two SCF members and was carried out in two stages. The first stage included literature review, data-gathering and drafting. The second stage included reviewing and guidance by the SCF, as well as fact-checking by external contributors. Collaboration with external contributors was an essential part of the work, particularly in the first stage. In addition, two types of activities were undertaken: technical meetings and updates to Parties. Two technical meetings were organized in conjunction with the 6th and the 7th meetings of the SCF, involving interested stakeholders and various external contributors. A side event was also organized on the sidelines of the fortieth sessions of the subsidiary bodies to update Parties and observer organizations on the progress made to date. Information on the work on the first biennial assessment and overview of climate finance flows can be accessed on the SCF web page.[22]

20. The work on both stages was guided by the mandates referred to in paragraph 18 above. Furthermore, the SCF also took into consideration the submissions from developed country Parties containing information on the appropriate methodologies and systems used to measure and track climate finance.[23] Additionally, in early 2014, the SCF invited inputs from interested stakeholders to support its work on the biennial assessment and overview of climate finance flows in general, as well as on the objective, scope and proposed outline of the biennial assessment and overview of climate finance flows in particular.[24] Continued interaction with external contributors, who provided data and information on climate finance flows, was an important part of the work on the biennial assessment and overview of climate finance flows, especially during the literature review, data-gathering and fact-checking. In addition, external contributors and interested organizations were an important part of the activities referred to in paragraph 19 above.

21. At the 6th meeting, members of the SCF elaborated a draft workplan which outlines the steps involved in organizing and implementing the work on the first biennial assessment and overview of climate finance flows. The drafting of the full report was carried out iteratively, intersessionally and during the 6th and 7th meetings. During the 8th meeting, the SCF discussed and agreed on the summary and recommendations on the biennial assessment and overview of climate finance flows and decided to finalize the full report intersessionally. It was also agreed that the summary and recommendations would be annexed to the report of the SCF to COP 20, whereas the full report would only be published on the SCF website for reference information.[25] The summary and recommendations by the SCF on the 2014 biennial assessment and overview of climate finance flows, as contained in annex II, include information on the mandate, challenges and limitations, key findings and recommendations.

[21] Decision 3/CP.19, paragraph 11.

[22] Available at <http://unfccc.int/ 8034.php>.

[23] As per decision 5/CP.18, paragraph 10. Submissions received are available at <http://www4.unfccc.int/submissions/SitePages/sessions.aspx?showOnlyCurrentCalls=1&populateData=1&expectedsubmissionfrom=Parties&focalBodies=COP>.

[24] Inputs received are available at <http://unfccc.int/8453.php>.

[25] Available at <http://unfccc.int/8034.php>.

B. Fifth review of the Financial Mechanism of the Convention

22. By decision 8/CP.18,[26] the COP initiated the fifth review of the Financial Mechanism of the Convention. By decision 8/CP.19,[27] the COP adopted the updated guidelines for the fifth review of the Financial Mechanism, and requested the SCF to continue to provide expert input to the fifth review of the Financial Mechanism, with a view to the review being finalized by COP 20.

23. This issue was discussed during the 6th, 7th and 8th meetings of the SCF and intersessional work was also conducted by the SCF on this matter. During the 6th meeting, the SCF agreed to prepare a technical paper as the basis for its expert input based on an agreed outline.[28] The first draft of the technical paper was discussed during the 7th meeting, with representatives of the operating entities actively engaging with the SCF in order to revise and improve the content of the technical paper. Members and the operating entities were also invited to provide comments on the first draft intersessionally. An updated draft of the technical paper was discussed during the 8th meeting and members agreed to include the executive summary of the technical paper in the SCF report to COP 20, including conclusions and recommendations, with the full technical paper to be posted on the SCF website for reference information only.[29] Members agreed that the executive summary would constitute the SCF expert input on the fifth review of the Financial Mechanism. Furthermore, it was agreed that the summary and technical paper would be finalized intersessionally. The executive summary of the technical paper is contained in annex III.

24. As requested by decision 8/CP.19,[30] the SCF also provided an update on the status of its work to the Subsidiary Body for Implementation (SBI) at its fortieth session and held a side event to update Parties and all relevant stakeholders on its work related to the fifth review of the Financial Mechanism.[31]

C. The forum of the Standing Committee on Finance and the virtual forum

25. In accordance with decision 2/CP.17,[32] one of the functions of the SCF is to organize a forum for the communication and continued exchange of information among bodies and entities dealing with climate change finance in order to promote linkages and coherence.

26. In addition, the COP requested the SCF, noting the urgency of these issues, and the request to the SCF to consider, in its work on coherence and coordination, inter alia, the issue of financing for forests, taking into account different policy approaches, to focus its soonest possible forum on issues related to finance for forests, including the implementation of the activities referred to in decision 1/CP.16, paragraph 70, inter alia: (a) ways and means to transfer payments for results-based actions, as referred to in decision 1/CP.18, paragraph 29; and (b) the provision of financial resources for alternative

[26] Decision 8/CP.18, paragraph 1.
[27] Decision 8/CP.19, paragraphs 2 and 3, and the annex thereto.
[28] Contained in document SCF/2014/6/11, annex II.
[29] <http://unfccc.int/7561.php>.
[30] Decision 8/CP.19, paragraph 3.
[31] The programme of the side event is available at <http://unfccc.int/files/cooperation_and_support/financial_mechanism/standing_committee/application/pdf/programme_side_event_final_5th_review.pdf>.
The presentation made at the side event is available at <http://unfccc.int/files/cooperation_and_support/financial_mechanism/standing_committee/application/pdf/update_by_the_scf_on_the_fifth_review.pdf>.
[32] Decision 2/CP.17, paragraph 121(a).

approaches. It further requested the SCF to invite experts on the implementation of the activities referred to in decision 1/CP.16, paragraph 70, to the forum.[33]

27. The second SCF forum, entitled “Mobilizing adaptation finance”, took place on 21 and 22 June 2014 in Montego Bay, Jamaica, and was organized in conjunction with the Climate Investment Funds Partnership Forum.[34] Work on the organization of the 2014 SCF forum, including the preparation of the agenda,[35] the identification of participants and presenters, as well as outreach activities, was taken forward during the 6th and 7th meetings and intersessionally by a dedicated working group. The SCF collaborated with the Adaptation Committee in the organization of the forum and a joint information note was produced, which served as a background document to the forum.[36] Members of the Adaptation Committee, the TEC and the Least Developed Countries Expert Group (LEG) participated actively in the forum. During the 8th meeting, the SCF officially expressed its gratitude to the Adaptation Committee for its collaboration in the organization of the forum, towards the host country of Jamaica and the Saint James Parish, and to the Climate Investment Funds Administrative Unit and the Inter-American Development Bank. Furthermore, the SCF agreed to report to COP 20 on the forum in the form of an executive summary of the full report, including conclusions and the way forward, with the full report posted on the virtual forum website.[37] The executive summary of the forum report is contained in annex IV.

28. With regard to its third forum to be organized in 2015, the SCF agreed that the focus should be on finance for forests. During its 8th meeting, the SCF initiated discussions on the organization of the 2015 SCF forum in conjunction with discussions on the broader issue of coherence and coordination in the context of financing for forests. The discussions focused, inter alia, on the modalities, scope, target audience, and possible partners and events for the 2015 SCF forum. Members saw the importance of facilitating the broad participation of diverse stakeholders involved in finance for forests, including experts on the implementation of the activities referred to in decision 1/CP.16, paragraph 70, and private-sector actors. It was agreed that the scope will include the broader landscape of finance for forests, in line with the Standing Committee on Finance’s mandate on improving coherence and coordination in the delivery of climate change financing, taking into account different policy approaches. The forum will also address the two areas specified in the mandate by COP 19 on ways and means to transfer payments for results-based actions as referred to in decision 1/CP.18, paragraph 29; and the provision of financial resources for alternative approaches. Members acknowledged the need to seek financial contributions to cover the cost of the 2015 forum.

29. Members agreed that a working group would take this issue forward intersessionally, and a call for submissions from interested organizations was issued on proposals for potential partnership with the SCF on the organization of the 2015 forum.[38] The working paper on coherence and coordination, mentioned in paragraph 39 below, will be refined and will serve as a background paper for the forum.

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[33] Decision 9/CP.19, paragraphs 20 and 21.

[34] All information on the second forum of the SCF, including the agenda, list of speakers, presentations and list of participants is available at <http://unfccc.int/8138.php>.

[35] Available at <http://unfccc.int/files/cooperation_and_support/financial_mechanism/standing_committee/application/pdf/programme_forum_final.pdf>.

[36] Available at <http://unfccc.int/files/cooperation_and_support/financial_mechanism/standing_committee/application/pdf/publication3_v4.pdf>.

[37] <http://unfccc.int/7561.php>.

[38] More information is available at <http://unfccc.int/7561.php>.

30. Furthermore, the SCF continued to make use of its virtual forum[39] where information on the meetings of the forum, as well as other relevant information such as submissions, presentations by members during external events, and other relevant documents, is available to all interested stakeholders.

D. Guidance to be provided to the operating entities of the Financial Mechanism of the Convention

31. In accordance with decision 2/CP.17,[40] one of the functions of the SCF is to provide to the COP draft guidance to the operating entities of the Financial Mechanism of the Convention, 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 relevant submissions from Parties.

32. This matter was discussed by the SCF during its 6th, 7th and 8th meetings and work on this issue was taken forward intersessionally. Representatives of the operating entities were also actively engaged in the discussions during the meetings. At the 6th meeting, it was agreed that the dedicated working group would provide an initial paper on improving the draft guidance to the operating entities of the Financial Mechanism.[41] The first version of this paper was revised,[42] based on various submissions received from SCF members,[43] and served as the input to the discussions during the 7th meeting. Based on those discussions, members identified three proposals on how to improve the consistency and practicality of draft guidance provided to the COP, and agreed to present those proposals to COP 20, as contained in paragraph 10 above.

33. At the 8th meeting, members agreed to modify the template for the provision of draft guidance to the GEF and the GCF which the SCF used as the basis for the elements of draft guidance provided to COP 19, as well as to annex the template to its report for consideration by COP 20. However, members noted that the template would in no way prejudge draft guidance to be provided in the future. It was highlighted that the elements identified in the template would remain over time, but that the sub-elements would be adjusted based on the need to provide specific guidance in the future. Members were given the opportunity during the meeting, as well as after the meeting, to provide inputs to the template, including a rationale accompanying the proposed inputs. In addition, members were given the opportunity to review and comment on the compiled version of the inputs. It was agreed that such comments would also be included in the template for information for consideration by the COP. Members also noted that, as no submissions had been received from Parties with regard to views and recommendations on the elements to be taken into account in the development of annual guidance for the operating entities of the Financial Mechanism of the Convention at the time of the 8th meeting, the SCF would not be in a position to consider such submissions in its draft guidance provided to COP 20.[44] Furthermore, in the light of the late issuance of the GCF report, it was highlighted that the completed template containing the annotated suggestions for elements of draft guidance to the GCF as submitted by members of the SCF will be provided in an addendum to the SCF

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[39] <http://unfccc.int/SCF/Forum>.

[40] Decision 2/CP.17, paragraph 121(c).

[41] As contained in annex I to document SCF/2014/7/6.

[42] <http://unfccc.int/files/cooperation_and_support/financial_mechanism/standing_committee/application/pdf/revised_initial_paper_on_improving_draft_guidance_to_oes_%282%29.pdf>.

[43] The submissions received are contained in annex II to document SCF/2014/7/6.

[44] The deadline for submissions was 19 September 2014. More information is available at <http://www4.unfccc.int/submissions/SitePages/sessions.aspx?showOnlyCurrentCalls=1&populateData=1&expectedsubmissionfrom=Parties&focalBodies=COP>.

report to COP 20 upon issuance of the GCF report. The annotated suggestions for elements of draft guidance to the GEF as submitted by members of the SCF are contained in annex V.

34. Furthermore, the SCF invited inputs from the TEC and the Adaptation Committee regarding draft guidance to the operating entities by sharing the template for inputs by the bodies. Inputs received from the Adaptation Committee and the TEC are contained in annex VI for consideration by the COP. The inputs received were neither discussed, nor commented on, nor endorsed by the SCF.

E. Measurement, reporting and verification of support beyond the biennial assessment and overview of climate finance flows

35. In accordance with decision 1/CP.16,[45] the SCF shall assist the COP in exercising its functions with respect to the Financial Mechanism of the Convention, inter alia, in terms of MRV of support provided to developing country Parties. COP 19 requested the SCF to consider ways to increase its work on MRV of support beyond the biennial assessment and overview of climate finance flows in accordance with its workplan for 2014–2015 and its mandates.[46] Developed country Parties were invited by COP 18 to submit information on the appropriate methodologies and systems used to measure and track climate finance.[47] Already in 2013, the SCF had called for submissions from interested stakeholders on elements to be taken into account for the development of a work programme on MRV of support.[48]

36. At its 6th and 7th meetings, the SCF briefly discussed this agenda item and decided that work on the biennial assessment and overview of climate finance flows should be prioritized in 2014, but that it would continue its deliberations on this matter during its 8th meeting. During the 8th meeting, various organizations were invited to provide short presentations on their work regarding the issue of MRV of support.[49] Members acknowledged that substantial progress had been made on issues related to MRV of support since COP 16 and noted the various ongoing processes under the Convention, as well as the information provided to the SCF and the COP by Parties and external stakeholders. It was agreed that a detailed list of timelines of ongoing activities related to MRV of support under the Convention would be included for reference information in the SCF report to COP 20. This list is contained in annex VII. Furthermore, members discussed possible activities that could be taken forward under the framework of the 2015 workplan of the SCF, with an elaborated workplan on MRV of support to be developed in 2015 based also on the decisions taken during COP 20.[50]

37. In the context of the possible linkages between the work of the SCF and the work of the Subsidiary Body for Scientific and Technological Advice (SBSTA), one member also provided a short update on the preparation of the 2014 biennial assessment and overview of climate finance flows during the first meeting of the contact group on the agenda item on

[45] Decision 1/CP.16, paragraph 112.
[46] Decision 7/CP.19, paragraph 9.
[47] Decision 5/CP.18, paragraph 10. The submissions received are available at <http://www4.unfccc.int/submissions/SitePages/sessions.aspx?showOnlyCurrentCalls=1&populateData=1&expectedsubmissionfrom=Parties&focalBodies=COP>.
[48] The inputs received are available at <http://unfccc.int/8453.php>.
[49] The presentations made are available at <https://unfccc.int/6881.php>.
[50] More information on possible activities identified by the working group of the SCF on this subject matter is contained in document SCF/2014/8/9.

the issue of methodologies for the reporting of financial information by Parties included in Annex I to the Convention during SBSTA 40.[51]

F. Coherence and coordination: the issue of financing for forests taking into account various policy approaches

38. As per decision 1/CP.16, the SCF is to assist the COP in exercising its functions with respect to the Financial Mechanism of the Convention in terms of, inter alia, improving coherence and coordination in the delivery of climate change financing.[52] COP 19 requested the SCF to consider, in its work on coherence and coordination, inter alia, the issue of financing for forests, taking into account different policy approaches.[53] In addition, the COP requested the SCF, noting the urgency of these issues, and the request to the SCF to consider, in its work on coherence and coordination, inter alia, the issue of financing for forests, taking into account different policy approaches, to focus its soonest possible forum on issues related to finance for forests, including the implementation of the activities referred to in decision 1/CP.16, paragraph 70, inter alia: (a) ways and means to transfer payments for results-based actions as referred to in decision 1/CP.18, paragraph 29; and (b) the provision of financial resources for alternative approaches. It further requested the SCF to invite experts on the implementation of the activities referred to in decision 1/CP.16, paragraph 70, to the forum.[54]

39. The SCF considered this issue during its 7th and 8th meetings. Members highlighted the organization of the 2015 forum as an important aspect of its overall work on this issue. A background paper prepared by the secretariat served as an input to the discussions during the 7th meeting, and a revised version of the document served as an input during the 8th meeting.[55] During the 8th meeting, members elaborated on the revised version of the document and agreed to turn it into a working document, so that it could serve as an input for the work of the SCF on coherence and coordination on financing for forests and also for the 2015 forum. In terms of the scope of the working document, members agreed that it should cover the broader landscape of financing for forests, including for the implementation of the activities referred to in decision 1/CP.16, paragraph 70, in order to have an overarching understanding of financing for forests. Members identified elements to be incorporated in the working document, which includes further information on: (a) public international flows of financing for forests; (b) private investments that may be related to deforestation and forest degradation and that promote sustainable (or unsustainable) land-use activities; and (c) mapping of key institutions related to financing for forests. Members, observers and other stakeholders were invited to submit information, including case studies, to the SCF.[56] Furthermore, it was agreed that a working group would continue to work on this issue intersessionally, including the undertaking of outreach activities in the context of the further revision of the document.

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[51] Available at <http://unfccc.int/files/meetings/bonn_jun_2014/in-session/application /pdf/02_sbsta_11d_update_scf_mrv_ba.pdf>.

[52] Decision 1/CP.16, paragraph 112.

[53] Decision 7/CP.19, paragraph 11.

[54] Decision 9/CP.19, paragraphs 20 and 21.

[55] Documents SCF/2014/7/5 and SCF/2014/7/5/Rev.1.

[56] Additional information is available at <http://unfccc.int/6877.php>.

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

40. By decision 2/CP.17,[57] the SCF was mandated to maintain linkages with the SBI and the thematic bodies of the Convention. At COP 19, Parties called on the SCF to further enhance its linkages with the SBI and the thematic bodies of the Convention.[58]

41. Two members, one from a developed and one from a developing country, were nominated by the SCF to participate in the Executive Committee of the Warsaw International Mechanism for Loss and Damage associated with Climate Change Impacts in their personal expert capacity. The SCF members participated in both meetings of the Executive Committee and reported on their engagement to the SCF. Members were also invited to provide comments and inputs to the SCF representatives in advance of the resumed initial meeting of the Executive Committee.[59]

42. The SCF was invited to nominate one of its members to support the work of the task force on NAPs. Following this invitation, two SCF members attended one conference call of the NAP task force, and one member attended a meeting of the task force in conjunction with the 6th meeting of the Adaptation Committee.[60] Reports were provided to the SCF by the SCF members on the outcomes of discussions.

43. The Co-Chairs of the SCF were unable to attend the meetings of the Advisory Board of the CTCN in 2014.

44. The Co-Chairs of the SCF attended an informal meeting with the Chair and Vice-Chair of the TEC and the Co-Chairs of the Adaptation Committee, as well as a conference call with the Co-Chairs of the Adaptation Committee, and reported on the outcome of those conversations to the SCF. The aim of the conversations was to identify areas of possible synergies between the work of the different thematic bodies, as well as to identify specific areas where inputs from one committee may enrich the work of another. This resulted, inter alia, in the collaboration between the Adaptation Committee and the SCF in the organization of the forum of the SCF, as well as the active participation of members of the Adaptation Committee, the TEC and the LEG in the forum (see para. 27 above). Furthermore, the SCF invited the Adaptation Committee and the TEC to provide inputs to the draft guidance to the operating entities. In addition, the Adaptation Committee also invited the SCF to consider two documents.[61] Relevant documents, including the report of the forum, the biennial assessment and overview of climate finance flows, and the executive summary of the fifth review of the Financial Mechanism were shared by the SCF with the Adaptation Committee and the TEC. The committees also expressed the need for continued collaboration.

45. Other events in which SCF members actively participated included: the 3rd meeting of the Durban Forum on capacity–building;[62] the special event organized by the Adaptation Committee entitled "Promoting synergy and strengthening engagement with national, regional and international organizations, centres and networks";[63] the 9th meeting of the

[57] Decision 2/CP.17, paragraph 121(b).

[58] Decision 7/CP.19, paragraph 10.

[59] Further information on the Executive Committee is available at <http://unfccc.int/adaptation/cancun_adaptation_framework/loss_and_damage/items/8464.php>.

[60] The presentation delivered by the member is available at <http://unfccc.int/7561.php>.

[61] The two documents shared with the SCF were "Policy discussion document: issues related to financing the NAP process" (AC/2014/20) and "Scoping paper for the workshop on means of implementation" (AC/2014/27).

[62] Further information is available at <http://unfccc.int/8121.php>.

[63] Additional information is available at <http://unfccc.int/8246.php>.

TEC, as well as the TEC thematic dialogue on climate technology financing which was organized at the margins of this meeting;[64] the 6th meeting of the Adaptation Committee; the “Informal dialogue on climate finance” hosted by the incoming Presidency of COP 20; and the Global Forum of the Climate Change Expert Group.[65]

[64] Information on the thematic dialogue is available at <http://unfccc.int/ttclear/pages/ttclear/templates/render_cms_page?s=TEC_TD4>.

[65] The presentations delivered by SCF members are available at <http://unfccc.int/7561.php>.

Annex I

[English only]

List of members of the Standing Committee on Finance as at 15 October 2014

1. Parties included in Annex I to the Convention

Mr. Jozef Buys (Belgium)
Mr. Stefan Agne (European Union)
Ms. Outi Honkatukia (Finland)
Ms. Inka Gnittke (Germany)
Mr. Yorio Ito (Japan)
Mr. Roger Dungan (New Zealand)
Mr. Georg Børsting (Norway)
Mr. Mark Storey (Sweden)
Mr. Stefan Schwager (Switzerland)
Ms. Sarah Conway (United States of America)

2. Parties not included in Annex I to the Convention

Africa
Mr. Ali Daud Mohammed (Kenya)
Mr. Houssen Alfa Nafo (Mali)

Asia and the Pacific
Ms. Rajasree Ray (India)
Mr. Ayman Shasly (Saudi Arabia)

Latin America and the Caribbean
Mr. Paul Herbert Oquist Kelley (Nicaragua)
Mr. Raymond Landveld (Suriname)

Least developed countries
Ms. Edith Kateme-Kasajja (Uganda)

Non-Annex I Parties
Mr. Kyekyeku Yaw Oppong Boadi (Ghana)
Ms. Suzanty Sitorus (Indonesia)

Small island developing States
Ms. Diann Black Layne (Antigua and Barbuda)

Annex II

[English only]

Summary and recommendations by the Standing Committee on Finance on the 2014 biennial assessment and overview of climate finance flows

I. The Mandate

1. The Standing Committee on Finance (SCF) assists the Conference of the Parties (COP) in exercizing its functions with respect to the Financial Mechanism of the Convention. The COP requested the SCF to prepare a biennial assessment and overview of climate finance flows (BA), drawing on available sources of information, and including information on the geographical and thematic balance of flows. Subsequently, the COP requested the SCF to consider:

(a) Relevant work by other bodies and entities on measurement, reporting and verification of support and the tracking of climate finance;

(b) Ways of strengthening methodologies for reporting climate finance;

(c) Ongoing technical work on operational definitions of climate finance, including private finance mobilized by public interventions, to assess how adaptation and mitigation needs can most effectively be met by climate finance.[1]

2. This report is the first of the biennial assessments and overview of climate finance flows (BA). It reviews the operational definitions of climate finance and reporting systems used by institutions that collect climate finance data. It also discusses the available estimates of global climate finance and of flows of climate finance from developed to developing countries. It then attempts to assess these two sets of information, and identifies areas where further work is needed. The 2014 BA comprises of a summary and recommendations and a technical report. The summary and recommendations on the 2014 BA has been prepared by the SCF. The technical report was prepared by experts under the guidance of the Committee, and draws on data and statistics from various sources.

II. Challenges and Limitations

3. The 2014 BA presents a picture of climate finance to the extent possible. Due diligence has been undertaken to utilize the best information available from the most credible sources. The report encountered challenges in collecting, aggregating and analysing information from diverse sources. For example, each of these sources uses its own definition of climate finance and its own systems and methodologies for reporting. The wide range of delivery channels and instruments used for climate finance also poses a challenge in quantifying and assessing finance. These limitations need to be taken into consideration when deriving conclusions and policy implications from this report. The SCF will contribute, through its activities, to the progressive improvement of the compilation of climate finance information in future BAs.

[1] Decisions 2/CP.17 paragraph 121(f); 1/CP.18 paragraph 71; 5/CP.18 paragraph 11; 3/CP.19, paragraph 11.

III. Key findings

A. Methodological issues relating measurement, reporting, and verification of public and private climate finance

4. **Definitional issues:** The United Nations Framework Convention on Climate Change (UNFCCC) does not have a definition of climate finance. Data collectors and aggregators use different operational definitions but with common elements. The review of the climate finance definitions adopted by data collectors and aggregators identified in this report points to a convergence that can be framed as: "*Climate finance aims at reducing emissions, and enhancing sinks of greenhouse gases and aims at reducing vulnerability of, and maintaining and increasing the resilience of, human and ecological systems to negative climate change impacts.*"

5. **Reporting approaches:** Institutions report on climate finance for different purposes, and use different methods. Quality assurance of reporting and public disclosure of the underlying data also varies. Efforts to improve the comparability of reported data are beginning. Further efforts to develop common approaches for measuring, and reporting, to the extent feasible, could improve the quality of data of climate finance in future reports.

6. **Measurement and reporting relating to the Convention:** Reporting on climate finance provided by developed countries to developing countries (National Communications and Biennial Reports) is intended to promote transparency as to how, where and for what purpose, climate finance flows. Initial analysis of the Biennial Reports (BRs) on climate finance for this BA report suggests inconsistencies in how UNFCCC guidelines have been used so far. This suggests a need to better understand the reasons. To form a comprehensive picture of climate finance, information on both finance provided by developed countries and finance received by developing countries is needed.

B. Overview of current climate finance flows 2010–2012

7. Climate finance data are aggregated in two ways in the 2014 BA: (i) **Global total climate finance** which includes public and private financial resources devoted to addressing climate change globally, and (ii) **Flows from developed to developing countries** aimed at addressing climate change, which includes climate finance reported to UNFCCC.

8. **Global total climate finance** in all countries ranges from USD 340 to USD 650 billion per year (see figure). Several sources of climate finance are not fully captured by these estimates, so the total may be higher. Some of the sources included report the full investment rather than the climate component. If estimates were limited to incremental costs, the totals might be lower.

9. **Flows from developed to developing countries** range from USD 40 to USD 175 billion per year. This includes annual flows of USD 35 to 50 billion through public institutions and USD 5 to USD 125 billion of private finance. Public institutions, that help channel climate finance from developed to developing countries, include developed country governments, bilateral finance institutions, multilateral development banks, and multilateral climate funds.

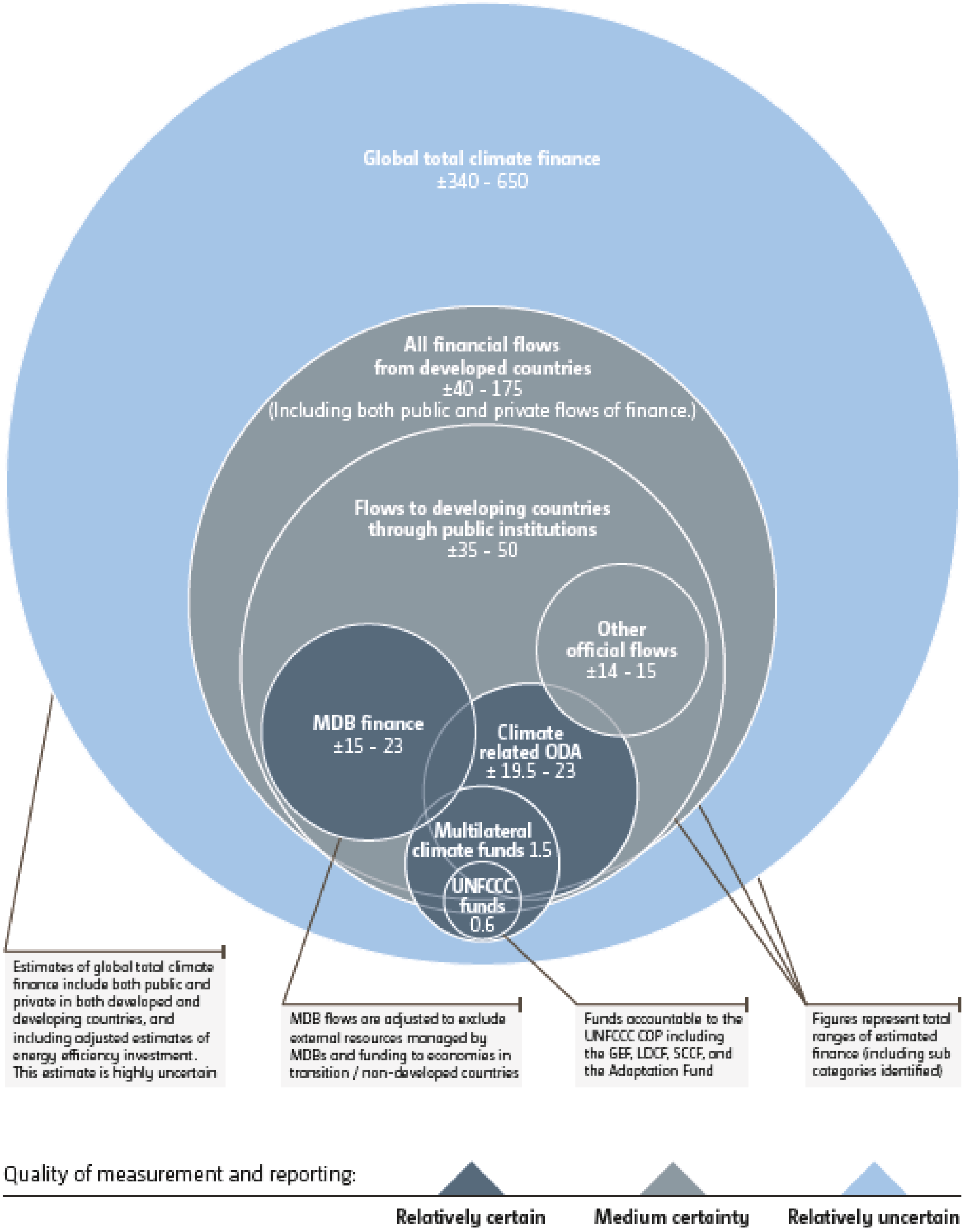
10. **Climate finance reported through the BRs is included in the flows from developed to developing countries.**

(a) Total climate finance provided by developed countries reported through BRs was USD 28.755 billion in 2011 and USD 28.863 billion in 2012.[2]

(b) The amount of fast-start finance (FSF) committed and reported by developed countries for the period 2010–2012 exceeded USD 33 billion.

[2] Figures include mitigation, adaptation, cross-cutting, and core contributions. Data accessed and compiled from the BRs/Common Tabular Forms (CTFs) by the secretariat on 21 October 2014. The figures may not include the final numbers for the calendar year.

Climate finance flows (USD Billion and annualized)



Notes to diagram

1. Estimates of global total climate finance, which are probably conservative figures include both public and private finance, and incorporate adjusted estimates of energy efficiency investment.
2. Bilateral ODA flows are adjusted to exclude funding through multilateral climate funds to reduce double counting.
3. MDB flows are adjusted to exclude external resources managed by MDBs and funding to economies in transition / developed countries.
4. Other official flows (OOF) consist of: i) grants or loans from the government sector not specifically directed to development or welfare purposes and ii) loans from the government sector which are for development and welfare, but which are not sufficiently concessional to qualify as ODA. These flows are channelled through bilateral channels (e.g. IDFC members, OPIC)
5. ** ** Figures represent total ranges of estimated finance (including sub categories identified).

6. The representation is not to scale.

C. Assessment of climate finance

11. **Current climate finance**: Estimates of global climate finance span a wide range. This is in part due to the lack of adequate information on domestic public spending on adaptation in developing and developed countries; on private finance; on energy efficiency investment; and on finance for reducing non-CO_2 emissions.

12. **Instruments of finance**: Forty-four to fifty-one per cent of funding through multilateral climate funds, as well as FSF and climate-related Official Development Assistance (ODA) is provided as grants. Concessional loans, Other Official Flows (OOFs) and export credit finance for climate change activities were also reported as part of FSF. There appears to have been a greater use of both loan and non-concessional finance in the larger economies of Asia and the Middle East.[3]

13. **Thematic distribution of finance**: Forty-eight to seventy-eight per cent of finance reported as FSF, in BRs, through multilateral climate funds, and through MDBs supports mitigation, or other/multiple objectives (six to forty-one per cent). Classifying REDD+ finance as contributing to multiple objectives, as many countries have done in their BRs, results in a reduction in the share of mitigation finance relative to that reported in FSF. Adaptation finance in the same sources ranges from 11 per cent to 24 per cent. There is some evidence that adaptation finance has been increasing, though it remains a small share of the current estimates.[4] The Least Developed Countries Fund, Special Climate Change Fund and Adaptation Fund approved an average USD 190 million per year between 2010 and 2012.

14. **Geographic distribution of finance**: In general, the largest share of funding from multilateral climate funds, FSF, and climate-related development assistance has been directed to the countries of the Asia and Pacific region (38 to 53%). Thirteen to twenty per cent of funding has been directed to global programs that target multiple countries. The countries of Latin America and the Caribbean and Sub-Saharan Africa appear to have received broadly comparable shares of the finance committed (12 to 15%) of multilateral climate funds and FSF. More than 25 per cent of climate-related development assistance appears to have been directed to Africa.[5]

15. **Understanding mitigation and adaptation impact**: Climate finance providers are starting to assess the impact of mitigation finance on emissions; many investors are also beginning to account for their emissions impact. Adoption of such approaches is nascent. Furthermore methodologies are not always consistent. Methodologies for assessing impact on resilience and effective adaptation are much less developed.

16. **Alignment with needs:** Many developing countries are assessing their needs for climate finance and the level of climate change investments. Case studies from Indonesia, the Maldives, Niger and Peru show that efforts are getting underway in developing countries to strengthen national systems to manage climate finance. Needs assessment processes have not always been well linked to decision-making on finance and investment. Better systems to track finance received may help strengthen alignment with national priorities.

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[3] Chapter III, Figure III-5.
[4] Chapter III, Table III-4.
[5] Chapter III, Figures III-7, 8 and 9.

D. Assessing quality and coverage of data

17. **Efforts to improve quality and coverage of climate finance data are underway.** The international assessment and review (IAR), including the ongoing technical review of the first BRs, is likely to identify specific proposals that could improve the accuracy, completeness, and comparability of data on climate finance flows to developing countries. The submissions on the experiences with the first BRs, and on the methodologies used to measure and track climate finance, also include valuable information to enhance these efforts. The Development Assistance Committee of the Organisation for Economic Development (OECD-DAC) is working to improve the application of the Rio Markers, and support more consistent quantified reporting towards the Rio Conventions. Multilateral Development Banks (MDBs) are working to harmonize the reporting of climate finance data in their joint MDB report on mitigation and adaptation finance. They are collaborating with the International Development Finance Club (IDFC) on these matters. Methodologies for reporting on mobilized private finance are at an early stage, with OECD Research Collaborative on Tracking Private Climate Finance and MDBs exploring options for estimating mobilized private finance. Efforts are also underway to improve understanding of private flows.

IV. Recommendations

18. **Methodologies:** Further efforts would enable better measuring, reporting and verifying of climate finance flows. This will require many steps over a number of years and require the cooperation of all data producers and aggregators identified in this report. The SCF highlights the following for consideration by the COP:

(a) Invite a relevant body under the Convention to consider the key findings of the BA with a view to improve the guidelines for reporting climate finance under the Convention;

(b) Invite a relevant body of the Convention to develop common reporting methods for needs and climate finance received in time for the next cycle of BURs, with consideration of developing countries experiences;

(c) Invite relevant data producers, collectors, aggregators, and experts from both developed and developing countries to offer suggestions for the enhancement of approaches for measuring and reporting climate finance through, inter alia, (i) introduction of formal data assessment processes; (ii) improvements in the use of common definitions, and; (iii) further efforts to develop common methodologies, particularly for the provision of information on adaptation finance and private climate finance, to the extent possible, disaggregated data to improve comparability of data;

(d) Invite multilateral climate funds, bilateral agencies, financial institutions as well as relevant international organizations to continue working to advance common approaches to assess the impact of their finance on greenhouse gas (GHG) emissions, low carbon development, and climate resilience;

(e) Request the SCF to cooperate with relevant institutions and experts, including from the private sector, to devise practical options for estimating and collecting data on private climate finance, taking into consideration the findings of the OECD Research Collaborative on Tracking Private Climate Finance; and,

(f) Invite relevant international institutions, organizations, and experts from both developed and developing countries to explore options to strengthen tracking and reporting of domestic climate finance from public and private sources in developed and developing countries, building on international experience and emerging practices.

19. **Operational definition of climate finance:** The transparency and accuracy of estimates of climate finance could be strengthened with a common definition of climate finance. The SCF highlights the following for consideration by the COP:

(a) Invite Parties to consider the definitional elements in paragraph 4 above for future reporting under the Convention; and,

(b) Request the SCF, in collaboration with relevant international financial institutions and organizations, to continue technical work on operational definitions.

20. **Ownership, impact and effectiveness**: Steps can be taken to advance the effectiveness and developing country ownership of climate finance. The SCF highlights the following for consideration by the COP:

(a) Invite climate finance providers to continue to deepen their engagement with recipient countries to strengthen alignment with national needs and priorities;

(b) Encourage climate finance providers to inform UNFCCC national focal points of climate finance committed and reported to the Convention as directed to their country to the extent possible; and,

(c) Further work with regards to needs assessment processes is needed to inform future BAs of the SCF.

Annex III

[English only]

Executive summary of the technical paper on the fifth review of the Financial Mechanism of the Convention

I. Background

1. At its sixth meeting, the Standing Committee on Finance requested the secretariat to prepare a technical paper that will inform the Committee in deliberating on the effectiveness of the Financial Mechanism of the Convention and drafting its expert inputs to be submitted to the COP. The paper builds on the criteria for the review agreed by Parties at COP 19.[1] These criteria have been grouped in the following clusters of issues: (i) Governance; (ii) Responsiveness to COP guidance; (iii) Mobilization of financial resources; (iv) Delivery of financial resources; (v) Results and impacts achieved with the resources provided; (vi) Consistency of the activities of the Financial Mechanism with the objectives of the Convention; (vii) Consistency and complementarity of the Financial Mechanism with the other sources of investment and financial flows.

2. This paper is informed by desk research and literature review of the sources of information identified in the updated guidelines,[2] complemented with past decisions related to the Financial Mechanism and inputs from the secretariats of the operating entities of the Financial Mechanism. Interviews with stakeholders of the operating entities of the Financial Mechanism were also undertaken to generate further information. Furthermore, the paper also benefited from information included in the 2014 biennial assessment and overview of financial flows prepared by the Standing Committee on Finance. As there were time limitations, it was not possible to expand the research beyond the available literature and conduct surveys on an appropriate sample of recipient countries in order to complement aspects where updated information was not available. Such an approach could be undertaken in preparing for the sixth review of the Financial Mechanism.

3. The Standing Committee on Finance, having considered the technical paper, prepared this executive summary as its expert input to the fifth review of the Financial Mechanism.

II. Key insights, conclusions and possible recommendations

A. Governance

1. Transparency of decision-making process of the operating entities

4. An independent assessment by Transparency International evaluated the decision-making process at the Global Environment Facility (GEF) as being fairly transparent and democratic to all its stakeholders. Stakeholders for the GEF include the Parties to the relevant Conventions, the COP, donors, civil society organizations and non-governmental organizations. Decisions by the GEF Assembly and the GEF Council are made by consensus, following consultation with stakeholders who have advance access to

[1] As contained in the annex to decision 8/CP.19.
[2] Ibid.

background documents prepared for the two decision-making bodies. The meetings of the GEF council are webcasted and all Council documents and decisions are available online.

5. While it was found that there is transparency at the level of the GEF Assembly and Council, Transparency International indicated that there remains room for improvement in information disclosure by the GEF Agencies to GEF stakeholders. Furthermore, the fourth Overall Performance Study of the GEF also highlighted a lack of transparency at the level of the identification phase of the GEF projects.

6. As the Least Developed Countries Fund (LDCF) and the Special Climate Change Fund (SCCF) follow the policies, procedures and governance structure of the GEF, their stakeholders experience similar challenges regarding transparency and accountability at the level of project implementation.

7. The Green Climate Fund (GCF)'s governance structure follows a constituency model, with an established Board composed of an equal number of members from developed and developing countries. The Board is independent, accountable to the COP and aims to promote transparent decision-making. Board members are selected by their respective constituency or regional group within a constituency. The GCF Board meetings are not webcasted but they are recorded and the recordings are available three weeks after the meeting on a website accessible to registered users. The meeting documents are publicly available before every meeting of the Board.

Conclusion

8. Based on the review by Transparency International, there is evidence that the decision-making process at the GEF is transparent. The operations and interactions of the GEF implementing agencies with the countries during project implementation could benefit from further transparency of information disclosure on the status of implementation of the projects. This transparency is particularly critical in those recipient countries where project implementation capacity is weak.

9. With respect to the transparency at the project preparation phase, the review found that the National Portfolio Formulation Exercises (NPFEs) promoted by the GEF during GEF-5 has helped to improve transparency at the stage of project preparation. Recipient countries are therefore encouraged to continue to undertake the NPFEs to facilitate the identification of projects.

2. Level of stakeholder involvement

10. The GEF has fostered a high level of participation from civil society organizations, and the private sector. The GEF Civil Society Organization (CSO) Network, which comprises all accredited CSOs to the GEF, spans its participation in GEF action from upstream policy development to project implementation at both national and local levels. The GEF Council meetings are preceded by a meeting of the GEF CSO Network, and in addition, two CSO representatives participate in GEF Council meetings as observers and are invited to make interventions during the meeting. The GEF is currently reviewing the Policy on Public Involvement in GEF projects, in consultation with the CSO Network, in order to formulate draft guidelines for public involvement to be presented to GEF Council in October 2014.

11. The GCF's Governing Instrument mandates the Board to make arrangements, including developing and operating accreditation processes, to allow for effective participation by accredited observers in its meetings and to invite to participate as active observers two civil society representatives, one each from developing and developed countries, and two private sector representatives, one each from developing and developed countries.

12. The GCF Board has adopted additional rules of procedures of the Board relating to observers and an accreditation process of observers to the Fund was put in place. To date, 183 organizations including CSOs, private sector organizations and international entities have been accredited as observers to the meetings of the GCF Board. As well, all four accredited active observers from the civil society and the private sector participate in the GCF Board meetings and are invited to make interventions.

Conclusion and recommendation

13. The GEF has been successful in ensuring stakeholder's involvement both at the level of the Council and in project implementation.

14. The GCF could build on the experience and lessons learned from the GEF in terms of stakeholder's involvement. In this regard, the GCF may consider establishing a robust consultative process with its observers in order to ensure that adequate and timely consultation is undertaken with respect to the development of its policies, procedures, guidelines, and, later on, during the implementation of programmes and projects of the Fund.

3. Gender sensitive approaches

15. The sub-study on gender mainstreaming made in the context of fifth Overall Performance Study of the GEF found that the GEF Secretariat had made significant efforts to implement gender mainstreaming, while there was scope for improvement in the application of the policy by the GEF Agencies. In addition, the GEF-6 Policy Recommendation on further work on gender mainstreaming emphasised that more concerted efforts need to be taken to enhance gender mainstreaming within the GEF. Accordingly, the GEF Secretariat is currently developing a Gender Action Plan, which will identify ways to enhance gender mainstreaming, including the use of relevant gender sensitive indicators and sex-disaggregated data. The Action Plan will be presented to the GEF Council in October 2014.

16. In light of the provisions of its Governing Instrument to take a Fund-wide "gender-sensitive approach", the GCF has committed to integrating gender considerations in its procedures and operational modalities. At its seventh meeting the GCF Board approved initial results management framework with provisions for sex-disaggregated indicators, including initial criteria for assessing programmes and projects proposals which include gender aspects. The GCF secretariat is currently preparing a draft gender action policy and action plan for consideration by the Board at its meeting in October 2014.

Conclusion and recommendation

17. The GEF has made considerable progress in mainstreaming gender into its activities. Since there is scope for improvement, an action plan is to be approved by the GEF Council in October 2014 and the results of this progress are expected to be reflected in GEF's programmes and projects.

18. In developing its own approach to gender mainstreaming, the GCF could build on the experience from the GEF. It is recommended that gender equality be integrated in the structure and organization of the GCF itself, and that gender sensitive criteria are taken into account in funding approvals of the Fund.

4. Environmental and social safeguards

19. The GEF Policy on Agency Minimum Standards on Environment and Social Safeguards applies across all GEF Agencies. As well, all entities seeking to be accredited must demonstrate not only that their internal policies and procedures comply with the minimum standards, but also that the entities themselves have the institutional capacities

and systems in place to implement those standards. To date, all existing GEF Agencies are in compliance with the environmental and social safeguards of the GEF.

20. The GCF Board has adopted, on an interim basis, the International Financial Corporation (IFC)'s Performance Standards on Environmental and Social Sustainability, with the view of developing its own environmental and social safeguard policy within three years of becoming operational.

Conclusion and recommendation

21. As the GCF is developing its own Environment and Social Safeguards, it should consider consistency with the Safeguards of the GEF.

22. Since the GCF will also be using financial intermediaries such as commercial banks, it is recommended that the GCF also develops an appropriate oversight mechanism to ensure that the institutions to which these intermediaries will channel funding, also comply with the policies on environmental and social safeguards of the GCF.

5. Fiduciary standards

23. The GEF's minimum fiduciary standards build on international best practices. GEF Agencies are responsible for monitoring and implementing these standards. To date, all existing GEF Agencies are in compliance with the minimum fiduciary standards established by the GEF.

24. At its seventh meeting, the GCF Board adopted initial fiduciary principles and standards, which will be reviewed within three years of their adoption. The GCF Board also requested the Secretariat to develop, under the guidance of an accreditation panel established by the Board, additional specialized fiduciary standards that may be deemed necessary to effectively accommodate all capacities required in Implementing Entities and intermediaries in the initial phase of operations of the Fund.

Recommendation

25. As it monitors use of its initial fiduciary standards and reviews those standards within the next three years, the GCF should consider consistency with the standards of the GEF.

B. Responsiveness to Conference of the Parties guidance

1. Level of responsiveness to Conference of the Parties guidance

26. In assessing the GEF's responsiveness to Convention guidance, the Fifth Overall Performance Study found that Convention guidance is fully reflected in the strategies of the GEF and that requests from the COP are largely taken into account in programming GEF resources. It concludes that the level of responsiveness of the GEF to Convention guidance is high both at the strategic and portfolio levels.

27. Some of the parties and stakeholders of the GEF found the GEF to be slow in operationalizing some of the guidance provided by the COP. The fifth Overall Performance Study of the GEF, however, indicated that there are a few issues that made it difficult for the GEF to respond to the guidance received including: (i) the lack of clarity and prioritization in the guidance; (ii) the repetitive nature of the guidance, which has led to an enormous volume of requests to the GEF; and (iii) the timing of the provision of guidance that falls between replenishments.

Conclusion and recommendation

28. The GEF's Evaluation Office has found that the GEF is highly responsive to Convention guidance, and that it has taken considerable steps to report to the COP in this regard. The GEF is encouraged to continue to provide information on how it has responded to the guidance received via its report to the COP.

29. As the GCF is under development, it is too early to assess the level of its responsiveness to Convention guidance. However, the efforts made by the GCF Board to respond to Convention guidance can be acknowledged.

2. Efficiency of Global Environment Facility project cycle

30. The GEF has been making considerable efforts over the past 10 years to improve the efficiency of its project cycle. Full Size Projects (FSPs) approved during GEF-1 took an average of 36 months to move through the full project preparation cycle. This already lengthy preparation time increased to 50 months for GEF-2 projects, and to 66 months for GEF-3 projects. However, during GEF-5, the average time for preparation of GEF project cycle dropped to 18.5 months, as the GEF Council established a standard of 18 months for project preparation.

31. Since 2012, the GEF has undertaken a series of measures that seek to improve the efficiency of its project cycle, including a pilot project for the harmonization of the GEF and World Bank project cycles. The GEF-6 Policy Recommendation on improving the efficiency of the GEF project cycle requested the GEF Secretariat to continue reviewing performance against the current project cycle time-standard of 18 months between Council Approval and CEO endorsement to identify: (i) more effective measures to expedite project preparation; and (ii) an appropriate project cycle time-standard for GEF-6.

32. Consequently, the GEF Secretariat will prepare, for consideration by the GEF Council at its meeting in October 2014, a set of further measures to improve the policies and procedures associated with the full project cycle including the programmatic approach, and a proposal for a policy for the cancellation of projects that exceed time-frame targets for project preparation as requested by the GEF Council at its November 2013 meeting.

Conclusion

33. It is recognized that the GEF has undertaken measures to improve the length and efficiency of its project cycle over the years. These have resulted in significant improvements and the GEF is encouraged to continue on this path.

C. Mobilization of financial resources

1. Amount of resources provided to developing countries

34. The GEF Trust Fund has been the primary source of grants provided to developing countries though the Financial Mechanism of the Convention. Funding for climate change mitigation by the GEF has increased steadily from the GEF pilot phase to GEF-5. As at June 2014, the GEF has funded 787 projects on climate change mitigation amounting to more than USD 4.5 billion. Specifically, during GEF-5, about USD 1.2 billion of GEF funding was programmed for direct mitigation projects. Recently in April 2014, Donors pledged USD 4.43 billion to the GEF for its sixth replenishment period (from July 2014 to June 2018).

35. With the complete programming of the USD 50 million allocations for the Strategic Priority on Adaptation under the GEF Trust Fund, funding in support to adaptation at the

GEF is now delivered directly through the LDCF and SCCF. As at 30 June 2014, about USD 1.3 billion overall has been programmed by the GEF for adaptation.

36. The LDCF and SCCF rely on voluntary contributions from developed countries and have experienced increasing trends in contributions. Cumulative pledges to the LDCF went from a level of USD 292 million in October 2010 to about USD 900 million in June 2014 (of which 96 per cent has been disbursed by developed countries), while cumulative pledges to the SCCF went from a level of USD 167 million in October 2010 to about USD 344 million in June 2014 (of which 94 per cent have been disbursed by developed countries).

37. An important milestone was achieved at the seventh meeting of the GCF Board, when it completed the eight essential requirements for the Fund to receive, manage, programme and disburse resources, and thereby decided to commence the process for an initial resource mobilization. Although no numerical figure or target was defined for this initial resource mobilization, it was agreed that it would be commensurate with the Fund’s ambition to promote the paradigm shift towards low-emission and climate resilient development pathways in developing countries.

Conclusion

38. The GEF has mobilized resources via a replenishment process (GEF Trust Fund) and voluntary channels for the LDCF and the SCCF. Additional resources are mobilized by co-financing for GEF funds. Combined, the GEF has raised considerable funds for climate change.

2. Amount of finance leveraged and modalities of co-financing

39. From the estimates of co-financing ratios achieved by the GEF, climate change has attained the highest co-financing ratios. As a result, climate change constitutes about 50 per cent of total co-financing mobilized by the GEF. However, caution should be used when looking at these ratios, as they mask a high variability in co-financing ratios at the project level, and the flexibility accorded by the GEF to Least Developed Countries (LDCs) and Small Island Developing States (SIDS), from which a higher level of co-financing is not necessarily requested during the approval process.

40. National governments have been the main source of co-financing (equivalent to about 41 per cent of GEF-4 and GEF-5 co-financing mobilized), followed by the GEF Agencies as the second highest provider of co-financing (about 25 per cent of GEF-4 and GEF-5 total co-financing), the private sector and bilateral, multilateral sources, foundations or NGOs.

41. Two main issues have been raised within the GEF partnership with regards to co-financing. One is the lack of clarity in the definition and application of co-financing by the GEF. The other is that the process of seeking co-financing can significantly delay the project cycle. At its meeting in May 2014, the GEF Council approved a “revised co-financing Policy”, in response to the GEF-6 Policy Recommendations on co-financing and the request made by the COP to the GEF, to clarify the concept of co-financing and its application to the review of funding proposals. The new policy clarifies the definition of co-financing and approaches to promoting effective co-financing. It also sets an ambition for the overall GEF portfolio to reach a co-financing ratio of at least six (co-financing) to one (GEF) with expectations for greater co-financing in upper middle income countries that are not SIDS. There are no project-specific co-financing requirements.

Conclusion and recommendation

42. In order to expedite the project cycle during GEF-6, the GEF should ensure that its co-financing policy is clearly understood and appropriately applied by accredited GEF Project Agencies and GEF Implementing Agencies.

3. Adequacy, predictability and sustainability of funds

43. With a replenishment process taking place every four years, funding to the GEF Trust Fund is provided in a predictable and sustainable manner by developed countries. As there is no agreed assessment of the financing needs of developing countries at the level of the Convention, it is challenging to assess the adequacy of the financing provided to the GEF. Furthermore, the GEF represents only a channel through which financial support is provided to developing countries. Therefore, an assessment of the adequacy of resources mobilized for developing countries which looks only at the operating entities of the Financial Mechanism will be misleading because of the narrow scope.

44. Through the application of the System for Transparent Allocation of Resources (STAR), the GEF has provided a good level of predictability of funding for its recipient countries, especially SIDS and LDCs. The mid-term evaluation of the STAR allocation system undertaken by the GEF Independent Evaluation Office highlighted that the STAR has contributed to making GEF operations more relevant to country needs and priorities and has led to greater transparency in GEF operations. As a result, high levels of utilization of STAR allocations were experienced during GEF-5 by all GEF recipients, with 85 and 80 per cent of utilization of overall STAR allocations by SIDS and LDCs respectively. Moreover, GEF-6 Policy Recommendation on updating the STAR allocation system provides measures to increase the funding allocations for the LDCs.

45. Although the LDCF has seen considerable growth over recent years, additional contributions are needed if the fund is to meet the full costs of addressing the urgent and immediate adaptation needs of LDCs. For example, as at September 2014, no resources were available for new funding approvals under the LDCF, whereas resources amounting to USD 41.8 million were sought for five full-sized projects that had been technically cleared by the GEF Secretariat. For the next GEF cycle, the GEF has estimated the financing needs of the LDCF between USD 700 and 900 million over 4 years (2014–2018).

46. Despite a successful record, both in terms of positive evaluations and accelerated approval and disbursement rates, the main obstacle to adaptation programming under the SCCF remains the lack of adequate and predictable resources. Given the continued high demand for resources from the SCCF the GEF has reported that, for example during the fiscal year 2014, the SCCF could meet less than 30 per cent of the demand captured in the priority project documents submitted to the GEF secretariat for technical review and Work Programme entry. The GEF has estimated the financing needs of the SCCF between USD 400 and 500 million over the period of 4 years (2014–2018).

47. The STAR allocation system does not apply to the LDCF and SCCF funding. However, the LDCF applies a principle of "equitable access" to ensure that funding is available to all LDCs. This consists of a "ceiling", in order to avoid that countries with strong institutional capacity in preparing projects, deplete the limited resources of the Fund to the disadvantage of the other LDCs. In April 2014, the ceiling was increased from USD 20 million to USD 30 million in response to the significant, additional contributions received between June and December 2013.

48. Like the GEF, the GCF is expected to have a replenishment process over time. The Fund will aim for a 50:50 balance between mitigation and adaptation over time, and aim for at least 50 per cent of the adaptation finance to be allocated to particularly vulnerable

countries including LDCs, SIDS, and African States. The Board has also decided to maximize the engagement of the private sector, including through significant allocation to the Private Sector Facility of the Fund.

Conclusion and recommendations

49. The financing for climate change in the GEF Trust Fund increased significantly from GEF-4 to GEF-5. While the allocation to the GEF-6 Climate Change Focal Area has slightly decreased compared to GEF-5, there are several climate-relevant components in the new Integrated Approaches and within the Sustainable Forest Management set-aside. Overall, financing for climate change related interventions has continued to increase from GEF-5 to GEF-6. Moreover, the GEF Trust Fund is considered to be predictable and sustainable. Its adequacy, however, cannot be determined since the GEF is only one fund of many financing channels for climate change in developing countries.

50. The review has found that the funds provided to the LDCF and SCCF have substantially increased over the period of the review. During this period however, the needs have also increased and there remains a backlog of fundable projects. The financing provided to these funds is via voluntary channels and therefore are not considered predictable and sustainable.

51. The GEF and the GCF may consider collaborating in the use of funding pathways that may include the LDCF and the SCCF.

D. Delivery of financial resources

1. Accessibility to funds

52. The GEF delivers financing to recipient countries' Governments, to NGOs and the private sector. This is guided by a country allocation for the different Focal Areas of the GEF Trust Fund. There is no allocation system for the LDCF and the SCCF. However, the GEF has established a ceiling for the LDCF in order to avoid that countries with strong institutional capacity in preparing projects, deplete the limited resources of the Fund to the disadvantage of the other LDCs. The GEF has also established a process for direct access to the GEF Trust Fund for enabling activities, but only a few countries have applied for direct access at the GEF.

53. The GEF's allocation parameters, its procedures and those of its Agencies, as well as the capacity of countries to formulate and develop proposals, affect developing countries' access to the GEF. To further assist countries, the GEF secretariat is working to directly engage countries and increase their awareness and understanding of policies and procedures of the GEF. This is done through national dialogues and other such mechanisms.

54. During GEF-5, all developing countries including LDCs and SIDS were able to programme their STAR allocation. Estimates of the overall utilization of the STAR allocations by developing countries show an uptake of 93 per cent for the overall GEF Trust Fund with 80 and 85 per cent of utilization by LDCs and SIDS respectively. While some of the barriers to accessing GEF Fund were solved with the STAR allocation system, co-financing remains an issue to access, especially for LDCs and SIDS.

55. The GEF Council, in 2010, decided to accredit up to 10 new GEF Project Agencies, with at least half based in developing countries, in order to expand the range of Agencies with which GEF recipient countries could work. Out of the 10 new Project Agencies to be accredited, the GEF aims to accredit at least five national institutions with a regional balance, at least one national institution from an LDC and at least one national institution

from a middle income country. This process has moved slower than expected and the GEF is reviewing its strategy in light of the findings of the report of the fifth Overall Performance Study of the GEF.

56. The GCF will allow direct access to the Fund by national institutions based in developing countries. The GCF readiness program is intended to foster a better direct engagement between the Fund and its recipient countries. It will provide technical and capacity building support for implementing entities (particularly national and sub-national institutions) that may not yet meet the standards of the Fund.

Conclusion and recommendation

57. The GEF has taken significant steps to inform the countries of the programs and policies of the GEF and as a result, recipient countries have utilized most of their allocations. Nevertheless LDCs and SIDS still face challenges to access all of their resources.

58. The GCF would benefit from lessons learned on the accreditation process from other funds particularly the GEF. In the case of the GEF, the goal of accreditation of ten project Agencies was only partially achieved. The GCF may consider building upon existing systems of GEF intermediaries and implementing entities. In so doing, the GCF may also consider providing financial assistance to support accreditation of national entities in recipient countries that may need it.

2. Disbursement of funds

59. The speed and efficiency of disbursement appears to be improving at the GEF, despite some challenges. While the number of projects delayed by more than two years is substantially reduced from GEF-4 levels, information on the amount of funding that has actually been disbursed by the GEF Agencies to the recipient countries has not been made available in an integrated form. This is due to a lack of reliability of data which is derived from a lack of standard definitions of when “disbursement” takes place from GEF Agencies to the recipient countries. Countries have identified slow disbursements as a reason for project delays. The GEF is currently working in harmonizing the timeline for the disbursement of funds and setting performance targets.

60. There has been significant emphasis on disbursement in the LDCF and SCCF. In the case of the former, the May 2014 annual monitoring report finds that active projects amounted to USD134.98 million as of 30 June 2013, of which USD 46.49 million had been disbursed, representing an average disbursement rate of 38 per cent. The SCCF had committed USD 94.29 million to 21 projects by 30 June 2013 of which USD 33.22 million or 32 per cent had been disbursed.

Conclusion

61. There is a recognised need to strengthen GEF project monitoring systems in order to be able to provide better information on the level of disbursement of the approved funds. The GEF should coordinate with its Agencies on a standard definition of “disbursement” in order to generate a common understanding within the GEF partnership and enhance transparency of its processes.

3. Country-ownership of programmes and projects

62. Efforts were made to strengthen the country ownership of GEF programmes and projects during GEF-5. In this regard, the mid-term reviews of the experiences with the STAR allocation system suggest that the clarity that countries now have on the scale and scope of their GEF allocation has contributed to strengthening ownership of programming at the GEF. Additionally, countries are now also supported to undertake a National

Portfolio Formulation Exercise (NPFE) to engage across government and relevant stakeholders on how GEF resources should best be used and prioritised. In the majority of cases, the NPFE provided a helpful framework for interaction between the Fund and stakeholders, but its uptake during GEF-5 was relatively low. Participants to the GEF-6 replenishment process encouraged recipient countries to undertake NPFEs as early as possible to facilitate the programming of GEF-6 country allocations.

63. The concept of country ownership has been a driving principle in the design of the GCF. It is also a key element of the GCF Investment Framework approved in May 2014. Coherence with national policies and strategies and engagement with national stakeholders will be key considerations to foster country-ownership in the actions of the GCF and a transparent no-objection procedure is to be developed to this end. Through early investments in readiness, the GCF secretariat is beginning the process of engagement with countries to understand their priorities.

Recommendation

64. There is a recognised need to continue to deepen engagement at different levels of the GEF partnership as a means to foster ownership of projects and programmes in recipient countries. Upfront support to facilitate national stakeholder engagement on how best to use country allocations has proven to be useful through the NPFEs. Developing countries should continue to avail themselves to the undertaking of the NPFEs in order to facilitate the programming of their GEF-6 STAR allocations.

4. Sustainability of programmes and projects

65. The GEF defines sustainability as the maintenance of the benefits of the project and programs beyond the life of the GEF intervention. In this regard, the review found that 70 per cent of GEF projects have been rated moderately satisfactory or higher in terms of their sustainability. Financial and institutional risks, as well as staff turnover and changes in government priorities have been highlighted as potential impediments to sustainability. Mainstreaming of the activities of the projects has been found to be best practice. However, mainstreaming normally requires time that goes well beyond the life of the project.

Conclusion

66. Policy and legislative changes as well as mainstreaming have been seen to promote sustainability, but cannot always be fully implemented within the lifetime of the project.

5. Enabling environments

67. A significant share of GEF-5 programmes have sought to strengthen policy and regulatory environments to support low emission and climate resilient development. In this regard, a recent evaluation of GEF support for mitigation documented causal links between support and key policy changes in a third of the projects that it reviewed. It emphasised the importance of public sector institutions, strategies and policies to private sector replication of the approaches piloted. It found that enabling programmes that engaged key non-governmental stakeholders (including the private sector) who could be advocates for policy change were more successful.

68. Country-driven GEF projects that aim to develop and enact key policy changes may improve the enabling environment in recipient countries. However, it should be noted that strengthening policy and regulatory environments may require more time than a single GEF project cycle.

Conclusion

69. There is ample room for the GCF to learn from the experiences of other Funds in terms of improving the enabling environments in recipient countries. It can do this by linking investments with focused efforts to engage stakeholders within countries in programming, and providing technical assistance and capacity building to strengthen the enabling environments – institutions, policies, and regulations – that support mitigation and adaptation actions in developing countries.

E. Results and impacts

70. In an effort to assess impacts of its activities, the GEF has created a result-based management framework (RBM) and monitoring and evaluation (M&E) requirements. The Fifth Overall Performance Study, however, has reported that the RBM and M&E requirements of the GEF are too onerous to be executed and had recommended that the RBM framework of GEF-6 include a limited number of outcomes that can be measured through existing or easily generated data.

71. As a result the GEF has made and is continuing to make efforts to streamline its RBM in order to improve the measurement of the results and impacts of its activities.

1. Mitigation results

72. The fifth Overall Performance Study of the GEF found that as of June 30, 2013, the GEF has allocated a total of USD 3.3 billion to 615 projects that address climate change mitigation, of which USD 3.1 billion has been allocated to 547 projects with mitigation targets. The total amount of direct and indirect mitigation impact expected from these 547 projects is 2.6 and 8.2 billion tons of CO2-eq emissions, respectively, or 10.8 billion tons combined.

73. Despite improving methodologies for the measurement of greenhouse gas (GHG) emission reductions, GEF evaluations of mitigation impact stress the difficulties of consistent reporting. The key underpinning parameters are dynamic, and this may result in substantial changes to realised GHG emission reductions. Similarly, assessing the cost effectiveness of interventions is difficult. The GEF has initiated a work program to improve its methodologies and systems for measuring GHG reductions more consistently.

2. Adaptation results

74. Over the years, the GEF Adaptation Programme (GEF Trust Fund, LDCF and SCCF) has supported focused efforts to help developing countries to adapt to and strengthen their resilience to the impact of climate change. As at 26 September 2014, a total of 79 LDCF projects provided an estimate of the expected number of direct beneficiaries. These projects, with LDCF resources amounting to USD 386.31 million, seek to directly reduce the vulnerability of an estimated 8.1 million people. 49 LDCF projects support 35 countries in their efforts to integrate climate change adaptation into 112 national development policies, plans and frameworks. The LDCF also assists countries in laying the groundwork for climate-resilient development planning through 51 projects that will enable 34 countries to strengthen their national hydro-meteorological and climate information services.

75. Under the SCCF, 32 projects provided an estimated number of direct beneficiaries as at 26 September 2014. These projects, with SCCF resources amounting to USD 135.72 million, aim to directly reduce the vulnerability of an estimated 3.54 million people. In addition, 19 SCCF projects are already supporting 34 countries in their efforts to integrate climate change adaptation into 102 national development policies, plans and frameworks.”

Recommendation to strengthen adaptation and mitigation results

76. The GEF and the GCF may consider collaborating to harmonize impact indicators and set new norms around reporting practice, especially in the context of adaptation finance. Further, the operationalization of the GCF results management framework presents an opportunity to make progress in this regard.

3. Technology transfer

77. During GEF-5, the GEF promoted technology transfer at various stages of the technology development cycle, from demonstration of innovative emerging low-emission and climate-resilient technologies to diffusion of commercially-proven environmentally-sound technologies and practices. Moreover, support for technology transfer has also been delivered in the context of the Poznan Strategic Programme on technology transfer for which a funding window of USD 50 million was created at the GEF with funds from both the GEF Trust Fund and the SCCF. The GEF has also supported the operationalization of the Climate Technology Centre and Network (CTCN).

4. Capacity-building

78. The GEF has made significant investments in capacity-building including through cross cutting capacity building projects as well as through capacity gained in designing and implementation of projects. GEF investments covered most of the priority areas listed in the framework for capacity-building in developing countries. Furthermore, capacity-building replication and scaling up, and climate change mainstreaming into national development planning are increasingly becoming common practice within the GEF. For example, several GEF small grants projects developed into medium- and full-sized projects.

Conclusion on results and impacts

79. There is evidence that good results and impacts have been achieved with the resources provided by the GEF. Efforts to harmonise and improve methodologies for measuring the results and impacts of the supported activities need to continue.

F. Consistency of the Financial Mechanism with the objective of the Convention

80. Article 2 of the UNFCCC stipulates that the ultimate objective of this Convention or any legal instrument adopted by the Convention is to achieve, in accordance with the relevant provisions of the Convention, stabilization of greenhouse gas concentrations in the atmosphere at a level that would prevent dangerous anthropogenic interference with the climate system, within a time-frame sufficient to allow ecosystems to adapt naturally to climate change, to ensure that food production is not threatened and to enable economic development to proceed in a sustainable manner. Further, by decision 1/CP.16, Parties agreed on the long-term goal of holding the increase in the global average temperature below two degrees Celsius above pre-industrial levels.

81. The review found that as an operating entity of the Financial Mechanism, the GEF, through its projects and programmes, contributes to supporting developing countries in meeting the objective of the Convention while enhancing their resilience to the adverse effects of climate change. In relation to the below two degrees goal, the Intergovernmental Panel on Climate Change (IPCC) has noted that emission patterns that limit temperature increase from pre–industrial level to no more than 2°C require considerably different patterns of investment.

Conclusion

82. The GEF programs and policies are consistent with the objectives of the Convention.

G. Consistency and complementarity of the Financial Mechanism with the other financial flows and sources of investment

83. Decision 11/CP.1, paragraph 2(a), provides that “consistency should be sought and maintained between the activities (including those related to funding) relevant to climate change undertaken outside the framework of the financial mechanism and the policies, programme priorities and eligibility criteria for activities as relevant, established by the Conference of the Parties”.

84. In terms of activities funded outside the framework of the Financial Mechanism of the Convention, the Clean Development Mechanism (CDM) has been a successful incentive to implement mitigation action in developing countries. By the end of 2013, over 7400 projects had been registered in 93 developing countries representing an estimated investment in excess of USD 400 billion and an amount of 1.46 billion of Certified Emission Reductions (CERs) issued (or 1.46 billion tons of CO2-eq reduction).

85. Additionally, the Clean Technology Fund (of the Climate Investment Funds (CIFs)), presently the largest multilateral mitigation fund with a cumulative capitalization of USD 5.5 billion, has been providing grants and concessional loans to developing countries.

86. As for adaptation, the Adaptation Fund has been an important vehicle in support to adaptation in developing countries. Established to finance concrete adaptation projects and programmes in developing countries, since its operationalization, the AF has allocated USD 232 million of grants to 40 developing countries. The AF has also pioneered direct access with the accreditation of national implementing entities (NIEs) in developing countries which can directly access the Fund without having to go through intermediaries. To date, 17 NIES have been accredited to the AF.

87. Another channel that has supported adaptation in developing countries is the Pilot Programme for Climate Resilience (PPCR) of the CIFs. The PPCR funds technical assistance and investments to support countries’ efforts to integrate climate risk and resilience into core development planning and implementation. With a total amount of pledges amounting to USD 1.3 billion, the PPCR provides incentives for scaled-up action and initiates transformational change by catalysing a shift from “business as usual” to broad-based strategies for achieving climate resilience at the country level.

88. In terms of ensuring complementarity with the other financial flows and sources of investment, the GEF has reported that it continues to work collaboratively with other organizations on financing complementary activities. For example, synergies have been highlighted between the Clean Technology Fund and the GEF Climate Change Focal Area, as well as between the Pilot Programme on Climate Resilience and the LDCF and SCCF. Furthermore, the GEF and the AF have been working collaboratively in order to enhance synergies and avoid duplication of their respective actions in developing countries.

89. With the establishment of the GCF, the risk of overlap among the activities financed within and outside the framework of the Convention is high. Although duplication is not desirable, it may not be the most important issue at this time, since, as outlined by the fifth Assessment Report of the IPCC, much greater climate financing is needed than that provided through all of these funds combined. Moreover, the funds can collaborate with each other to learn lessons from each other’s programmes and to set common performance

targets. In this context, the respective funds under the Convention should be actively engaging on their strategic positioning towards the GCF and how they could foster complementarity with the latter.

90. The Governing Instrument of the GCF provides that the Board will develop methods to enhance complementarity between the activities of the Fund and the activities of other relevant bilateral, regional and global funding mechanisms and institutions to better mobilize the full range of financial and technical capacities.

Conclusions and recommendations

91. The GEF has developed policies and programs that have allowed it to be complementary to the community of climate finance providers.

92. The operating entities of the Financial Mechanism and the Funds under the Convention should collaborate with the view to taking advantage of the complementarity of their respective policies and programmes. The operating entities of the Financial Mechanism should provide information on the progress made in ensuring the complementarity with the other sources of climate finance in their respective reports to the COP.

93. The Standing Committee on Finance could take into account the information on the efforts of the operating entities to enhance complementarity, when providing draft guidance for consideration by the COP.

Annex IV

[English only]

Executive summary of the report on the second Standing Committee on Finance forum entitled "Mobilizing adaptation finance"

A. Introduction

1. The second forum of the Standing Committee on Finance (SCF) took place from 21 to 22 June 2014 at the Montego Bay Convention Centre, Montego Bay, Jamaica. The theme was "Mobilizing adaptation finance" with the objective of promoting the mobilization of adaptation finance through the sharing of experiences, best practices and innovative ideas.

2. It was organized in collaboration with the Climate Investment Funds Partnership Forum, through effective cooperation with the Climate Investment Funds Administrative Unit and the Inter-American Development Bank. The forum was also made possible by the cooperation of the Jamaican Government, the Saint James Parish and the United Nations Development Programme (UNDP) in Jamaica. In addition, the SCF collaborated with the Adaptation Committee and a joint information note was produced.[1]

3. The forum took the form of panel discussions, presentations and interactive breakout group discussions, with emphasis given to questions and answers, and interaction from the floor. Special consideration was given to showcasing concrete practical experiences at the national and regional levels. The first day focused on national-level adaptation finance options, and the second day on mobilizing finance in specific sectors.

4. Further information on the forum can be found in the full forum report which has been made available online on the virtual forum website.[2] The virtual forum aims at engaging stakeholders and providing, inter alia, relevant background information, inputs on climate finance related issues received by the SCF, presentations and recordings of the SCF forums.

5. The forum brought together representatives from Parties, financial institutions, the private sector, civil society and academia, with over 140 participants. More than 40 resource persons were engaged in the forum as panellists and facilitators, including representatives of: the SCF, the Adaptation Committee, the Least Developed Countries Expert Group (LEG) and the Technology Executive Committee (TEC); governments; multilateral and national financial institutions; the private sector, including the insurance sector; national, regional and international organizations; think tanks; and other relevant sectors.

6. Opening statements were made by the UNFCCC Executive Secretary, Ms. Christiana Figueres (by video), as well as by representatives of the Government of Jamaica, the UNDP and the Climate Investment Funds Administrative Unit. Hon. Ian Hayles, Minister of State of the Government of Jamaica, provided the closing statement.

[1] <http://unfccc.int/files/cooperation_and_support/financial_mechanism/standing_committee/application/pdf/publication3_v4.pdf>.

[2] <http://unfccc.int/8138>.

B. Highlights of the outcomes of the discussions

7. The forum generated a multitude of new insights. Some of the key substantive outcomes are highlighted below.

1. Mobilizing adaptation finance

8. Discussions amongst participants during the forum highlighted the latest science from the Intergovernmental Panel on Climate Change (IPCC), namely that climate change is not a future event, it is already occurring, and it is caused by human activities. Thereafter, it was mentioned that finance must be a catalyst that mitigates the emissions that cause climate change, and must serve as a driving force behind efforts to build resilience and enable adaptation.

9. With regard to the Green Climate Fund (GCF), participants noted the recent decision by the Board of the GCF to aim for a 50/50 balance between adaptation and mitigation over time, on a grant-equivalent basis.[3] This was seen as a key factor in scaling up adaptation finance.

10. Participants also discussed how to replicate and disseminate good practices for the delivery of adaptation finance in both the public and the private sectors in the future. A number of case studies from different sectors were shared, highlighting opportunities and barriers (please see the full report[4]). Many of the case studies mentioned adaptation investments in infrastructure development and cities. It was highlighted that action taken today, at a sufficient scale and speed, minimizes risk and reduces costs in the long term.

11. The need for sustainable and predictable adaptation finance was discussed during the forum, in conjunction with discussions on scaling up finance. Participants emphasized that finance from a wide variety of sources is needed, including public, private and innovative finance. It was noted that opportunities and barriers exist in terms of access to adaptation finance from different channels. These are elaborated further in the full report.[5]

12. Many participants mentioned that it is important to obtain sufficient information prior to making adaptation investment decisions and that cost-benefit analysis can be very useful. Some called for better matching of available public and private financing sources and mechanisms with the adaptation needs of developing countries.

2. The landscape of adaptation finance flows

13. During the forum, the current state of adaptation finance was discussed in terms of mechanisms, amount of flows, practices, issues, challenges and opportunities.

14. Data and information from the World Bank and Climate Policy Initiative showed that annual international adaptation finance flows to developing countries reached USD 13 billion in 2011/2012,[6] with the World Bank estimating that the costs (between 2010 and 2050) of adapting to a world that is approximately 2 °C warmer by 2050 are USD 70–100 billion per year (estimate published in 2010).[7] Many participants at the forum mentioned that support for adaptation currently falls far short of the level of demand.

[3] Decision GCF/B.06/06.
[4] <http://unfccc.int/8138>.
[5] <http://unfccc.int/8138>.
[6] <http://unfccc.int/files/cooperation_and_support/financial_mechanism/standing_committee/application/pdf/s1_barbara_scf_june_2014_bbuchner_final.pdf>.
[7] <http://www.worldbank.org/en/news/feature/2011/06/06/economics-adaptation-climate-change>.

15. Development finance institutions, with the key support of governments and climate funds' grants and concessional financing, channelled 67 per cent of the total adaptation finance mentioned in paragraph 14 above. Furthermore, low-cost loans and grants made up 74 per cent of the total for that specific period. In total, 47 per cent of the total was used to support investments in the highly vulnerable water and agriculture sectors. Sub-Saharan Africa and South Asia were the key recipients, receiving 25 and 20 per cent of the total amount of adaptation finance, respectively.[8]

16. The linkages between official development assistance (ODA) and adaptation were discussed. Data from the Organisation for Economic Co-operation and Development showed that the total ODA commitment in one year (2012) was approximately USD 132 billion and of this, about half is relevant to adaptation. The total adaptation-related ODA commitments amount to USD 9 billion, or 7 per cent of ODA, per annum. Grants comprise 69 per cent of all adaptation-related aid commitments. Furthermore, adaptation overlaps with other ODA objectives such as desertification, mitigation, biodiversity and the environment.[9]

17. It was noted that tracking private-sector finance for adaptation is not straightforward, partly due to the fact that adaptation action funded by private-sector entities may not be labelled as adaptation. Private-sector companies do not always report on their adaptation efforts. It is important for the public and private sectors to "speak the same language" in order for them to collaborate on adaptation.

3. Integrating adaptation into development planning

18. The forum discussed how adaptation finance is linked to development finance, and that resilience to climate change should be included in development planning. It was noted that integrating adaptation into development planning can increase access to finance and coherence.

19. The forum also highlighted how adaptation can be integrated at different levels, as illustrated by a number of case studies. Adaptation can be integrated into planning processes at the regional, sectoral, national and municipal/city levels. The integration of adaptation into long-term planning is a practical mechanism to scale up adaptation finance and can lead to mainstreamed resilience.

20. The second day of the forum featured examples of how to mobilize adaptation finance in specific sectors. It became clear that sectoral policies promoting climate resilience and the integration of adaptation into sectoral development plans are essential.

4. Public adaptation finance

21. A variety of public finance instruments for adaptation exist, including grants and concessional loans and investments. There are also a range of channels, with associated opportunities and barriers for developing countries.

22. Some barriers mentioned by participants included those related to the diversity and complexity of procedures, requirements and reporting requirements of multilateral funds. The project approach can also present barriers, as it does not necessarily catalyse the sustainability of adaptation projects and programmes in the longer term. Other barriers include the lack of national strategies/policy frameworks for adaptation; high transaction costs for small-scale projects; a lack of incentive of the public sector to engage the private

[8] <http://unfccc.int/files/cooperation_and_support/financial_mechanism/standing_committee/application/pdf/s1_barbara_scf_june_2014_bbuchner_final.pdf>.

[9] <http://unfccc.int/files/cooperation_and_support/financial_mechanism/standing_committee/application/pdf/s3_2_stephanie_bilateral_finance_for_adaptation_final.pdf>.

sector; difficulties related to national ownership of adaptation projects and programmes when external consultants are hired or agencies are tasked with planning; and limited and unpredictable adaptation finance.

23. Opportunities were also discussed, including how programmatic funding can be a way to facilitate the integration of adaptation into development planning, retain national capacity and access scaled-up and predictable financial resources. Participants noted that as adaptation is a long-term commitment, any financial mechanism for adaptation should "be in it for the long haul". Furthermore, some participants pointed out that the transformation of economies is inherently programmatic, and should first begin with a measure to provide sufficient budget space for mitigation and adaptation. It was also discussed that a pipeline of projects is needed as an alternative to programmes, based on and mainstreamed into national plans and policies.

24. In terms of country ownership and direct access to finance, the experiences of the national implementing entities under the Adaptation Fund were highlighted during the forum. Another good practice identified by some participants was the equitable access modality of the Least Developed Countries Fund.

25. The co-financing of climate investments was highlighted by some participants and identified as a means of leveraging additional funding and investments from a broad range of financial institutions, including multilateral development banks and international financial institutions. Others pointed out the challenges experienced by some developing countries in meeting co-financing requirements.

5. Private adaptation finance

26. The participants discussed private climate finance in terms of how private-sector companies can adapt their infrastructure and value chains to ensure sustainable productivity in a world affected by climate change, and by examining ways in which the private sector can fund adaptation as part of environmental and social responsibility efforts.

27. It was highlighted that companies can improve the quality of their products, and can use 'green labels' to increase the sale value of their products, if they integrate adaptation into their production processes. Participants also mentioned the need for improved understanding of adaptation finance on the part of the private sector, and that the private sector would be a willing partner if companies could identify the risk to their operations posed by climate change. Climate vulnerability and risk assessments are also relevant for micro, small and medium-sized enterprises.

28. It was noted that integrating adaptation objectives into business plans can be an effective way of leveraging adaptation finance from the private sector. Furthermore, public funding can help to leverage and promote private investment in adaptation and climate resilience.

29. Private finance options exist for adaptation activities including: financial market instruments; innovative approaches; micro-finance; and micro-insurance. It was noted that the financial leverage and expertise of the private sector, as well as its capacity to innovate and produce new adaptation technology, could form an important part of a multisectoral partnership between governmental and non-governmental organizations, and private and multilateral entities.

6. Innovative adaptation finance options

30. A number of innovative options were discussed, many of which involve private and public finance. One of the main forms of innovative finance discussed was insurance. Some participants mentioned that there is a need to promote the development of financial and

risk-sharing mechanisms, particularly insurance and reinsurance, and that risk pools and early response mechanisms can provide cost-effective funding.

31. Other participants highlighted the key role to be played by micro-finance, particularly at the community level, where livelihood diversification could be further enabled. Parallel interventions in different sectors were also seen as an innovative way of financing adaptation, as were innovative agreements that create partnerships between governments and the private sector.

32. 'Green' bonds were also discussed, and one of the benefits mentioned was that the market for 'green' city bonds can assist cities to adapt and to enhance their credit worthiness. Furthermore, policy-based loans can introduce innovative mechanisms, such as hybrid loans that encompass an investment component.

33. Some innovative features of financing under the Adaptation Fund were discussed, including the share of proceeds from certified emission reductions and the direct access modality.

7. Enabling environments

34. Some participants mentioned the need to improve access to funding and investor confidence through well-articulated domestic enabling environments, which, in turn, require funds to achieve. The need was also noted for increased capacity to plan for, access, deliver, monitor, report and verify climate finance.

35. Participants further discussed how climate change finance might be managed in a cross-cutting manner which would engage different ministries, including ministries of planning, finance and environment. It was mentioned that national adaptation plans (NAPs) are an important way to create an enabling environment, and the NAP Global Support Programme[10] seeks to do this.

8. Co-benefits between adaptation and mitigation

36. Co-benefits between mitigation and adaptation were discussed as a way of scaling up adaptation finance. It was mentioned that without adequate adaptation, mitigation efforts would not achieve the desired results. Adaptation can increase the cost of development, but the resultant benefits are seen as outweighing the costs.

37. It was explained that clean development mechanism projects and other mitigation projects deliver multiple adaptation-related, as well as sustainable development related, co-benefits. The small island developing States (SIDS) Dock[11] was another example cited as a means of generating financial resources for adaptation through the energy sector.

9. Outreach and awareness-raising

38. Participants noted the importance of awareness-raising on adaptation in order to scale up finance. They discussed the importance of the dissemination of information on adaptation finance and how the forums of the SCF are a good means of doing so. Some suggestions to complement the existing modalities included the enhanced use of social media and webinars, while taking into account the fact that some countries do not have access to high bandwidths.

[10] <http://www.undp-alm.org/projects/naps-ldcs/about>.

[11] <http://www.google.de/url?sa=t&rct=j&q=&esrc=s&frm=1&source=web&cd=1&ved=0CCMQFjAA&url=http%3A%2F%2Fsidsdock.org%2F&ei=iEYgVNDhMIraasXmgpgE&usg=AFQjCNGGQotHVR6spoASKATCUxwzIY_Lfw&sig2=UI07rNYHT4qlYM-OjN6PzA&bvm=bv.75775273,d.d2s>.

39. It was noted that national governments have a role to play in communicating with domestic stakeholders and other governments about the positive results of their work, so that lessons can be learned and best practices be shared.

40. It was emphasized that the business sector needs to be aware of how climate change will affect their profits in order to incentivize their engagement in adaptation efforts, both for themselves and for the communities in which they operate.

41. In terms of making adaptation more effective, conveying the science of climate change to different stakeholders in different ways and languages was also highlighted as important.

C. Conclusions

42. 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.

43. 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.

44. 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.

45. 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.

46. 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.

47. 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.

48. 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.

49. 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.

50. 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.

D. The way forward

51. 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.

52. 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.

53. 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.

54. The interactive breakout groups, the two-day format, and a range of case studies from which to learn should also be repeated.

55. Further work between the SCF and the Adaptation Committee could assist in the mobilization of adaptation finance.

56. 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.

57. The next SCF forum should be informed by a background paper, based on the discussions of the SCF on coherence and coordination of financing for forests.

Annex V

[English only]

Annotated suggestions for elements of draft guidance to the Global Environment Facility submitted by members of the Standing Committee on Finance

Elements	*Sub-elements*	*Sources of information for accountability*	*Proposed inputs and rationale*	*Comments by the Standing Committee on Finance members*
Policies		Global Environment Facility (GEF) report	Welcome replenishment outcomes	
		Findings of the Fifth Overall Performance Study (OPS5) and the annual monitoring review	Reinforce the Conference of the Parties' (COP's) acceptance and support of replenishment outcomes	
		GEF report Findings of OPS5 and the annual monitoring review	Welcome the efforts by the GEF to improve its project cycle, inviting the GEF to continue to report on its efforts, particularly with respect to the issues identified in OPS5	
	Communication and interaction	GEF report Findings of OPS5 and the annual monitoring review	Engage with the GCF secretariat to define complementarity between the two operating entities Avoid the duplication of activities and ensure complementarity. This will require ongoing engagement Work with the GCF secretariat to collaborate on the impact indicators for projects and programmes	
		GEF report Findings of OPS5 and the annual monitoring review	Engage with the thematic bodies under the Convention to explain the thematic programme and plans of the GEF. The thematic bodies may also provide guidance on the use of impact indicators	
		GEF report Findings of OPS5 and the annual monitoring review	Provide a snapshot of the new data available in each of the annual reports of the GEF to the COP	
		GEF report Findings of OPS5 and the annual monitoring review	Provide information on the work of the ombudsman in the annual reports of the GEF to the COP	
	Co-financing	GEF report	Welcome the GEF policy on co-financing, request further information on steps taken by the GEF to address the special circumstances of least	

Elements	*Sub-elements*	*Sources of information for accountability*	*Proposed inputs and rationale*	*Comments by the Standing Committee on Finance members*
		Findings of OPS5 and the annual monitoring review	developed country Parties (LDCs) and small island developing States (SIDS), and other countries particularly vulnerable to the loss and damage resulting from climate change	
	Reconsideration of funding decisions	GEF report Findings of OPS5 and the annual monitoring review		
	Accessibility	GEF report	Engage in lesson-sharing on direct access	
		Findings of OPS5 and the annual monitoring review	The GEF pilot programme on direct access can provide lessons for other institutions, such as the Green Climate Fund (GCF)	
		GEF report Findings of OPS5 and the annual monitoring review	Provide information on the progress and status of the accreditation of national implementing entities, continue to provide support and increase the efforts of the GEF in this regard	
		GEF report Findings of OPS5 and the annual monitoring review	[Possible guidance on simplification of the results management framework]	
		GEF report Findings of OPS5 and the annual monitoring review	Welcome the gender mainstreaming policy of the GEF; the GEF must ensure that the implementation of this policy does not result in negative impacts on the project cycle	
		GEF report Findings of OPS5 and the annual monitoring review	The GEF to continue to increase its efforts on the issue of disbursements, and provide information on this matter at future sessions of the COP	
		GEF report Findings of OPS5 and the annual monitoring review	The GEF and the GCF to jointly develop a coordination mechanism with a view to harmonizing the targets for their respective project cycles	
		GEF report Findings of OPS5 and the annual monitoring review	Ensure that all steps of the project cycle are transparent. Efforts in this regard should be communicated to the national focal points and other stakeholders	

Elements	*Sub-elements*	*Sources of information for accountability*	*Proposed inputs and rationale*	*Comments by the Standing Committee on Finance members*
Programme priorities		GEF report Findings of OPS5 and the annual monitoring review	Welcome the GEF 6 replenishment set-aside to support reporting of actions on climate change Reporting of mitigation actions is critical for providing transparency on implementation under the UNFCCC	
	Strategies	GEF report GEF 6 programming documents		
		GEF report Findings of OPS5 and the annual monitoring review	The GEF to continue improvements of its monitoring and tracking tools in an effort to improve the assessment of project impacts without cumbersome mentoring programmes. These are particularly onerous for SIDS and LDCs where there is limited research capacity and where allocations are small	
		GEF report Findings of OPS5 and the annual monitoring review	[National adaptation plans]	
Eligibility criteria		GEF report Findings of OPS5 and the annual monitoring review		

Annex VI

[English only]

Inputs received from the Adaptation Committee and the Technology Executive Committee with regard to draft guidance to the operating entities

Table 1: Annotated suggestions for elements of draft guidance to the Global Environment Facility[1]

Elements	*Sub-elements*	*Sources of information for accountability*	*Proposed inputs and rationale*	*Input provided by*
Policies		*Report of the Global Environment Facility (GEF) to the Conference of the Parties (COP)* *Linkages between the Technology Mechanism and the Financial Mechanism: recommendations by the TEC* *Joint annual reports of the TEC and the CTCN*	*Activities related to the technology cycle, policy, regulatory frameworks and financing should be considered in an integrated manner*[2] *The Financial Mechanism could benefit from the expertise, policy advice, information and/or technical assistance that the TEC and the Climate Technology Centre and Network (CTCN) can provide to the operations of the Financial Mechanism*[3] *Work closely together with the TEC on the evaluation of the Poznan strategic programme on technology transfer*[4] *The TEC can provide inputs to the work undertaken by the Scientific and Technical Advisory Panel of the GEF on innovative policy packages and market initiatives to foster a new range of mitigation actions*[5] *Technology needs assessments (TNAs) identify that financial and economic barriers are critical and should be referred to by all financial entities under and outside of the Convention*[6] *TNAs, as well as other studies of technology needs, are rich sources of information on the needs of developing countries related to technology and should be referred to by all bodies under and outside of the Convention*[7]	*The Technology Executive Committee (TEC)*

[1] The inputs received were neither discussed, nor commented on, nor endorsed by the SCF.
[2] Report on activities and performance of the Technology Executive Committee for 2012 (FCCC/SB/2012/2), paragraph 35(d).
[3] Linkages between the Technology Mechanism and the Financial Mechanism of the Convention: recommendations by the Technology Executive Committee (FCCC/CP/2014/6), paragraph 10.
[4] FCCC/CP/2014/6, paragraph 16(a).
[5] FCCC/CP/2014/6, paragraph 16(c).
[6] Joint annual report of the Technology Executive Committee and the Climate Technology Centre and Network for 2013 (FCCC/SB/2013/1), paragraph 45(b).
[7] FCCC/SB/2013/1, paragraph 45(c).

Elements	*Sub-elements*	*Sources of information for accountability*	*Proposed inputs and rationale*	*Input provided by*
			In the TNA process, sound planning practices which encourage the early engagement of the national and international financial and business communities are essential to ensuring project compatibility with funding criteria and availability[8] *The TNA process should be improved to facilitate the implementation of the project ideas emanating from it. This can be done through the provision of technical assistance and finance to each TNA process, which should also aim to integrate the economic, environmental and social aspects into the development of the TNA. This improvement will help to ensure that the TNA process results in bankable (commercial and concessional) projects, which is one of the objectives of TNAs*[9]	
		Adaptation Committee national adaptation plan (NAP) task force meeting, September 2014	*In supporting the NAP process, note the importance of generating interest in, demand for and leadership of the NAP process at the national level* *Also note the importance of improving coordination, collaboration and coherence of actions among: (i) bilateral and multilateral agencies and institutions, including the operating entities of the Financial Mechanism; (ii) national ministries; and (iii) Parties and regions to:* • *Enhance accessibility of NAP support* • *Further understand effective pathways to achieving the objectives of the NAP process, based on experience* • *Foster coherence in the provision of NAP support*	*The Adaptation Committee*
Programme priorities		*Report of the GEF to the COP* *Linkages between the Technology Mechanism and the Financial Mechanism: recommendations by the TEC* *Joint annual reports of the TEC and the CTCN*	*Engaging the financial and business community, at both the international and the national levels, at an early stage is crucial to enhance access to financing for the development and transfer of technologies*[10] *The TEC recommends that joint work be initiated with the operating entities of the Financial Mechanism to determine the collaborative activities that would provide greater value to both the Financial Mechanism and the Technology Mechanism in the future*[11] *Invite the operating entities of the Financial Mechanism to provide financial support for the operation and services of the CTCN, and Parties in a position to do so to support the CTCN through the provision of financial and other resources in accordance with decision*	*The TEC*

8 FCCC/SB/2013/1, paragraph 45(d).

9 Joint annual report of the Technology Executive Committee and the Climate Technology Centre and Network for 2013 (FCCC/SB/2014/3), paragraph 53(a)(i).

10 FCCC/SB/2012/2, paragraph 35(e).

11 FCCC/CP/2014/6, paragraph 13.

Elements	*Sub-elements*	*Sources of information for accountability*	*Proposed inputs and rationale*	*Input provided by*
			2/CP.17, paragraphs 139–141[12]	
			Technologies for adaptation that have mitigation co-benefits should be identified, encouraged and promoted[13]	
			Past experiences from international financial institutions show that key elements for successful climate technology proposals are their economic, environmental and social soundness; a demonstrated capacity to deliver impact; the ability to be replicated and scaled up; and stakeholder involvement[14]	
		Adaptation Committee monitoring and evaluation expert meeting, September 2013	*As the GEF implements its new programming strategy on adaptation for the Least Developed Countries Fund and the Special Climate Change Fund, it should consider the initial conclusions from the Adaptation Committee on monitoring and evaluation:*	*The Adaptation Committee*
			• *Planning and allocation of technical and financial resources are key for effective monitoring and evaluation*	
			• *Monitoring and evaluation frameworks need to be appropriate and relevant to the needs and tailored to country-circumstances. There is no 'one-size-fits-all' framework and not just one measure of success for adaptation. Clearly formulated goals, objectives and output measures are essential for good monitoring and evaluation frameworks*	
			• *Indicators are useful, but are not the only means of monitoring progress. National-level assessments measure different aspects of adaptive capacity compared with subnational/project-based assessments. National-level assessments could, for example, seek to measure the degree of coordination and integration of adaptation into national priorities*	
			• *Formal and informal learning is a key part of monitoring and evaluation and should be encouraged, including through creating the necessary enabling environment, drawing from different sources of knowledge, establishing respective communication channels and incentives, building in and budgeting for learning, and involving all relevant stakeholders, including communities and civil society*	
			• *Peer-to-peer learning and participatory approaches can be effective and help to reveal underlying inequality/rights/structural causes of vulnerability*	
			• *Learning should also include sharing of negative experiences and challenging of fundamental assumptions*	

[12] FCCC/SB/2014/3, paragraph 1(e).

[13] FCCC/SB/2014/3, paragraph 53(c)(ii).

[14] FCCC/SB/2014/3, paragraph 53(b)(iv).

Elements	*Sub-elements*	*Sources of information for accountability*	*Proposed inputs and rationale*	*Input provided by*
		Joint Adaptation Committee/Nairobi work programme workshop on indigenous, local and traditional knowledge, April 2014	*As the GEF implements its new programmatic strategy, it should also consider and integrate local, indigenous and traditional knowledge and practices into its procedures for monitoring, evaluation and reporting*	*The Adaptation Committee*
Eligibility criteria		*Report of the GEF to the COP* *Linkages between the Technology Mechanism and the Financial Mechanism: recommendations by the TEC* *Joint annual reports of the TEC and the CTCN*	*Project proponents face many challenges in securing financing for technology projects and programmes. Solutions to these challenges require close stakeholder collaboration to ensure that policies, finance, technologies and project planning are aligned to make projects and programmes that are economically, environmentally and socially sound*[15] *Stakeholders such as technology owners and developers should be encouraged to submit project proposals for technologies prioritized in TNAs, with a view to sharing those proposals with potential investors*[16] *The use of a road mapping approach may help to improve planning processes, including technology action plans, nationally appropriate mitigation actions (NAMAs) and NAPs, and may help Parties to transform the results of their TNAs into actions*[17] *There is a need to enhance coherence between international institutions, given that different criteria and evaluation of international climate finance and technology support can lead to increased burdens on developing countries' limited institutional capacity to access international finance*[18] *There is a need to integrate technology and financial expertise to address risks, both real and perceived, in order to enhance the economic soundness of climate technology projects*[19] *The adaptation and mitigation benefits of technology projects in the earlier stages of the technology cycle may be difficult to quantify and measure. The operational entities of the Financial Mechanism of the Convention should take this into account in the criteria for assessing such projects*[20] *Prioritization of technologies for adaptation that enhance resilience should take into consideration vulnerability and adaptation assessments undertaken during the NAP process*[21]	*The TEC*

15 FCCC/CP/2014/6, paragraph 7.
16 FCCC/SB/2014/3, paragraph 53(a)(ii).
17 FCCC/SB/2013/1, paragraph 45(f).
18 FCCC/SB/2014/3, paragraph 53(b)(ii).
19 FCCC/SB/2014/3, paragraph 53(b)(iii).
20 FCCC/SB/2014/3, paragraph 53(b)(v).
21 FCCC/SB/2014/3, paragraph 53(c)(i).

Elements	Sub-elements	Sources of information for accountability	Proposed inputs and rationale	Input provided by
			The Adaptation Committee has not deliberated on or undertaken work, as per its three-year workplan approved by the COP, which would prepare it for providing technical input on the issue of eligibility criteria	*The Adaptation Committee*

Table 2: Annotated suggestions for elements of draft guidance to the Green Climate Fund[22]

Elements	*Sub-elements*	*Sources of information for accountability*	*Proposed inputs and rationale*	*Input provided by*
Policies		*Governing instrument for the Green Climate Fund (GCF)* *Joint annual reports of the Technology Executive Committee (TEC) and the Climate Technology Centre and Network (CTCN)* *Linkages between the Technology Mechanism and the Financial Mechanism: recommendations by the TEC*	*Activities related to the technology cycle, policy, regulatory frameworks and financing should be considered in an integrated manner*[23] *The Financial Mechanism could benefit from the expertise, policy advice, information and/or technical assistance that the TEC and the CTCN can provide to the operations of the Financial Mechanism*[24] *The TEC highlights the need to establish linkages with the Board of the GCF on issues of common interest. The TEC has identified potential areas within the Board's workplan which may benefit from inputs by the TEC. In order to jointly determine which future work would provide greater value, consultations with the Board of the GCF are required*[25] *Technology needs assessments (TNAs) identify that financial and economic barriers are critical and should be referred to by all financial entities under and outside of the Convention*[26] *TNAs, as well as other studies of technology needs, are rich sources of information on the needs of developing countries related to technology and should be referred to by all bodies under and outside of the Convention*[27] *In the TNA process, sound planning practices which encourage the early engagement of the national and international financial and business communities are essential to ensuring project compatibility with funding criteria and availability*[28] *The TNA process should be improved to facilitate the implementation of the project ideas emanating from it. This can be done through the provision of technical assistance*	*The TEC*

22 The inputs received were neither discussed, nor commented on, nor endorsed by the SCF.
23 FCCC/SB/2012/2, paragraph 35(d).
24 FCCC/CP/2014/6, paragraph 10.
25 FCCC/CP/2014/6, paragraph 17.
26 FCCC/SB/2013/1, paragraph 45(b).
27 FCCC/SB/2013/1, paragraph 45(c).
28 FCCC/SB/2013/1, paragraph 45(d).

Elements	*Sub-elements*	*Sources of information for accountability*	*Proposed inputs and rationale*	*Input provided by*
			and finance to each TNA process which should also aim to integrate the economic, environmental and social aspects into the development of the TNA. This improvement will help to ensure that the TNA process results in bankable (commercial and concessional) projects, which is one of the objectives of each TNA[29]	
	Results management framework	*Adaptation Committee letter to the Board of the GCF, March 2014*	*With respect to its results management framework, the Board of the GCF should consider:* • *Keeping indicators simple* • *Designing indicators that are qualitative as well as quantitative* • *Designing indicators in a way that can capture the progress that countries are able to make in integrating adaptation into development and sectoral planning, policies and action* • *Giving countries sufficient flexibility to define their indicators in line with national and local planning, strategies and priorities*	*The Adaptation Committee*
	Monitoring and evaluation	*Adaptation Committee monitoring and evaluation expert meeting, September 2013*	*The Board of the GCF should also note that:* • *Planning and allocation of technical and financial resources are key for effective monitoring and evaluation* • *Monitoring and evaluation frameworks need to be appropriate and relevant to the needs and tailored to national circumstances. There is no 'one-size-fits-all' framework and no single measure of success for adaptation. Clearly formulated goals, objectives and output measures are essential for good monitoring and evaluation frameworks* • *Indicators are useful, but are not the only means of monitoring progress* • *National-level assessments measure different aspects of adaptive capacity compared with subnational/project-based assessments. National-level assessments could, for example, seek to measure the degree of coordination and integration of adaptation into national priorities* • *Formal and informal learning is a key part of monitoring and evaluation and should be encouraged, including by creating the necessary enabling environment, drawing from different sources of knowledge, establishing respective communication channels and incentives, building in and budgeting for learning, and involving all relevant stakeholders including communities and civil society*	*The Adaptation Committee*

[29] FCCC/SB/2014/3, paragraph 53(a)(i).

Elements	*Sub-elements*	*Sources of information for accountability*	*Proposed inputs and rationale*	*Input provided by*
			• *Peer-to-peer learning and participatory approaches can be effective and help to reveal underlying inequality/rights/structural causes of vulnerability* • *Learning should also include sharing of negative experiences and challenging of fundamental assumptions*	
	Coordination, collaboration and coherence	*Adaptation Committee's national adaptation plan (NAP) task force meeting, September 2014*	*The Board of the GCF should also note that:* • *Planning and allocation of technical and financial resources are key for effective monitoring and evaluation* • *Monitoring and evaluation frameworks need to be appropriate and relevant to the needs and tailored to country-circumstances. There is no 'one-size-fits-all' framework and not just one measure of success for adaptation. Clearly formulated goals, objectives and output measures are essential for good monitoring and evaluation frameworks* • *Indicators are useful, but are not the only means of monitoring progress* • *National-level assessments measure different aspects of adaptive capacity than do subnational/project-based assessments. National-level assessments could, for example, seek to measure the degree of coordination and integration of adaptation into national priorities* • *Formal and informal learning is a key part of monitoring and evaluation and should be encouraged, including by creating the necessary enabling environment, drawing from different sources of knowledge, establishing respective communication channels and incentives, building in and budgeting for learning, and involving all relevant stakeholders including communities and civil society* • *Peer-to-peer learning and participatory approaches can be effective and help to reveal underlying inequality/rights/structural causes of vulnerability* • *Learning should also include sharing of negative experiences and challenging of fundamental assumptions*	*The Adaptation Committee*
Programme priorities		*Governing instrument for the GCF* *Joint annual reports of the TEC and the CTCN* *Linkages between the Technology Mechanism and the Financial*	*Engaging the financial and business community, at both the international and the national levels, at an early stage is crucial to enhance access to financing for the development and transfer of technologies*[30] *The TEC recommends that joint work be initiated with the operating entities of the Financial Mechanism to determine the collaborative activities that would provide greater value to both the Financial Mechanism and the Technology Mechanism in*	*The TEC*

[30] FCCC/SB/2012/2, paragraph 35(e).

Elements	*Sub-elements*	*Sources of information for accountability*	*Proposed inputs and rationale*	*Input provided by*
		Mechanism: recommendations by the TEC	*the future*[31] *Invite the operating entities of the Financial Mechanism to provide financial support for the operation and services of the CTCN, and Parties in a position to do so to support the CTCN through the provision of financial and other resources in accordance with decision 2/CP.17, paragraphs 139–141*[32] *Technologies for adaptation that have mitigation co-benefits should be identified, encouraged and promoted*[33] *Past experiences from international financial institutions show that key elements for successful climate technology proposals are their economic, environmental and social soundness; a demonstrated capacity to deliver impact; the ability to be replicated and scaled up; and stakeholder involvement*[34]	
Eligibility criteria		*Governing instrument for the GCF* *Joint annual report of the TEC and the CTCN for 2014*	*Project proponents face many challenges in securing financing for technology projects and programmes. Solutions to these challenges require close stakeholder collaboration to ensure that policies, finance, technologies and project planning are aligned to make projects and programmes that are economically, environmentally and socially sound*[35] *Stakeholders such as technology owners and developers should be encouraged to submit project proposals for technologies prioritized in TNAs, with a view to sharing those proposal with potential investors*[36] *The use of a road mapping approach may help to improve planning processes, including technology action plans, nationally appropriate mitigation actions (NAMAs) and NAPs, and may help Parties to transform the results of their TNAs into actions*[37] *There is a need to enhance coherence between international institutions, given that different criteria and evaluations of international climate finance and technology support can lead to increased burdens on developing countries' limited institutional capacity to access international finance*[38]	*The TEC*

[31] FCCC/CP/2014/6, paragraph 13.
[32] FCCC/SB/2014/3, paragraph 11(e).
[33] FCCC/SB/2014/3, paragraph 53(c)(ii).
[34] FCCC/SB/2014/3, paragraph 53(b)(iv).
[35] FCCC/CP/2014/6, paragraph 7.
[36] FCCC/SB/2014/3, paragraph 53(a)(ii).
[37] FCCC/SB/2013/1, paragraph 45(f).
[38] FCCC/SB/2014/3, paragraph 53(b)(ii).

Elements	*Sub-elements*	*Sources of information for accountability*	*Proposed inputs and rationale*	*Input provided by*
			There is a need to integrate technology and financial expertise to address risks, both real and perceived, in order to enhance the economic soundness of climate technology projects[39]	
			The adaptation and mitigation benefits of technology projects in the earlier stages of the technology cycle may be difficult to quantify and measure. The operational entities of the Financial Mechanism of the Convention should take this into account in the criteria for assessing such projects[40]	
			Prioritization of technologies for adaptation that enhance resilience should take into consideration vulnerability and adaptation assessments undertaken during the NAP process[41]	
			The Adaptation Committee has not deliberated on or undertaken work, as per its three-year workplan approved by the COP, which would prepare it for providing technical input on the issue of eligibility criteria	*The Adaptation Committee*
	Others	*Adaptation Committee letter to the Board of the GCF, March 2014*	*The Adaptation Committee extends, once again, an invitation to the Board of the GCF to nominate one of its members to contribute to the work of the Adaptation Committee's NAP task force*	*The Adaptation Committee*
			The Adaptation Committee also reiterates its invitation to the Board of the GCF to consider the significant work undertaken under the Cancun Adaptation Framework and on the NAP process as it continues to provide governance of the Fund	
			The Adaptation Committee also reiterates its suggestion to the Board of the GCF to engage with institutions that have started initiatives on countries' readiness to access the GCF funding and explore how a greater number of countries can benefit from such initiatives	

[39] FCCC/SB/2014/3, paragraph 53(b)(iii).

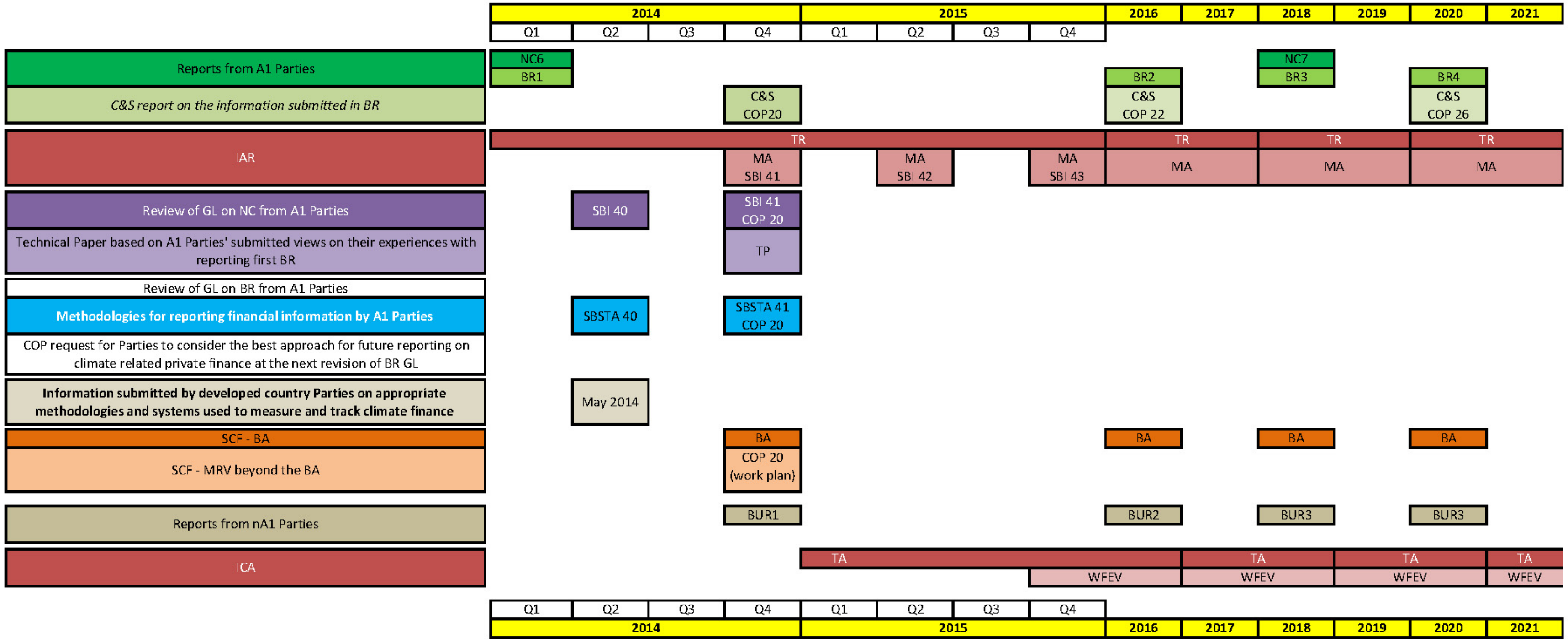
[40] FCCC/SB/2014/3, paragraph 53(b)(v).

[41] FCCC/SB/2014/3, paragraph 53(c)(i).

Annex VII

[English only]

List and timelines of ongoing activities related to measurement, reporting and verification of support under the Convention



Legend			
BR:	Biennial Reports	ICA:	International Consultation and Analysis
BUR:	Biennial Update Reports	MA:	Multilateral Assessment
C&S:	Compilation and synthesis report on the information reported by developed country Parties in the biennial reports	NC:	National Communications
		TA:	Technical Analysis
GL:	Guidelines	TR:	Technical Review
IAR:	International Assessment and Review	TP:	Technical Paper
		WFEV:	Workshop for facilitative exchange of views

Annex VIII

[English only]

Workplan of the Standing Committee on Finance for 2015

Activities	*Outcome/results*	*Time frame*
1. Mandated activities of the Standing Committee on Finance (SCF) as per decision 2/CP.17, paragraph 121		
(a) Organize a forum for the communication and continued exchange of information among bodies and entities dealing with climate change finance in order to promote linkages and coherence	Third in-person forum meeting and further enhancement of the virtual online forum	Mid 2015: third in-person forum Ongoing: activities of the virtual forum
	Continuous updating and implementation of the SCF communication strategy	Ongoing
	Established linkages and continued exchange with bodies and entities dealing with climate finance, internal and external to the Convention	Mid 2015: third in-person forum Ongoing outreach activities of the virtual forum
(b) Maintaining linkages with the Subsidiary Body for Implementation (SBI) and the thematic bodies of the Convention	Co-Chairs of the SCF to meet presiding officers of the thematic bodies of the Convention	Beginning of 2015
	Continuous updating and implementation of the SCF communication strategy	Ongoing
	Established linkages with the SBI and the thematic bodies of the Convention	Ongoing
(c) Providing to the Conference of the Parties (COP) draft guidance to the operating entities of the Financial Mechanism of the Convention, with a view to improving the consistency and practicality of such guidance, taking into account the annual reports of the operating entities and relevant submissions from Parties	Draft guidance provided to the COP	COP 21
(d) Making recommendations on how to improve the coherence, effectiveness and efficiency of the operating entities of the Financial Mechanism	Recommendations provided to the COP, as appropriate	Sessions of the COP

Activities	*Outcome/results*	*Time frame*
(e) Providing expert input, including through independent reviews and assessments, into the preparation and conduct of the periodic reviews of the Financial Mechanism by the COP	No work to be undertaken in 2015 as the sixth review of the Financial Mechanism will only take place in 2018	
(f) Preparing a biennial assessment, overview of climate finance flows, to include information on the geographical and thematic balance of such flows	Preparatory work for the second biennial assessment and overview of climate finance flows	2015 Outcome at COP 22
2. Further mandates of the SCF as per various decisions adopted at COP 18		
Decision 1/CP.18, paragraph 70: implementing the work programme of the SCF, including the creation of a climate finance forum which will enable all Parties and stakeholders to, inter alia, exchange ideas on scaling up climate finance	See 1(a) above	
Decision 5/CP.18, paragraph 4: facilitating the participation of the private sector, financial institutions and academia in the forum	See 1(a) above	
3. Further mandates of the SCF as per various decisions adopted at COP 19		
Decision 3/CP.19, paragraph 11: requests the Standing Committee on Finance, in the context of the preparation of its biennial assessment and overview of climate finance flows, to consider ongoing technical work on operational definitions of climate finance, including private finance mobilized by public interventions, to assess how adaptation and mitigation needs can most effectively be met by climate finance, and to include the results in its annual report to the COP	See 1(f) above	
Decision 7/CP.19, paragraph 9: considering ways to increase its work on the measurement, reporting and verification of support beyond the biennial assessment and overview of climate finance flows	Recommendations provided to the COP, as appropriate	COP 21
Decision 7/CP.19, paragraph 11: considering, in its work on coherence and coordination, inter alia, the issue of financing for forests, taking into account different policy approaches	Recommendations provided to the COP, as appropriate	COP 21
Decision 9/CP.19, paragraphs 20–21: focusing its soonest possible forum on issues related to finance for forests, including the implementation of the activities referred to in decision 1/CP.16, paragraph 70, inter alia: (a) ways and means to transfer payments for results-based actions as referred to in decision 1/CP.18, paragraph 29; (b) the provision of financial resources for alternative approaches; inviting experts on the implementation of the activities referred to in decision 1/CP.16, paragraph 70, to the forum	See 1(a) above	Mid 2015
4. Functions of the SCF as per decision 1/CP.16, paragraph 112		
Improving coherence and coordination in the delivery of climate change financing, including the undertaking of analyses and information exchanges	Recommendations provided to the COP, as appropriate	Sessions of the COP, ongoing

Activities	*Outcome/results*	*Time frame*
	Exchanges through the forum, as appropriate	
Rationalization of the Financial Mechanism, including the undertaking of analyses and information exchanges	Recommendations provided to the COP, as appropriate Exchanges through the forum, as appropriate	Sessions of the COP, ongoing
Mobilization of financial resources, including the undertaking of analyses and information exchanges	Recommendations provided to the COP, as appropriate Exchanges through the forum, as appropriate	Sessions of the COP, ongoing
Measurement, reporting and verification of the support provided to developing country Parties, including the undertaking of analyses and information exchanges	Recommendations provided to the COP, as appropriate Exchanges through the forum, as appropriate	Sessions of the COP, ongoing
5. Other functions assigned by the COP		
Any other functions that may be assigned to the SCF by the COP	-	-