



Report of the second meeting of the Standing Committee

4–6 October 2012
Cape Town, South Africa

Attendance

Mr. Stefan Agne
Mr. Gregory Andrews
Ms. Diann Black Layne (Chair)
Mr. Paul Bodnar
Mr. Georg Børsting
Ms. Outi Honkatukia
Mr. Syed Mujtaba Hussain
Ms. Edith Kateme-Kasajja
Mr. Raymond Landveld
Mr. Ali Daud Mohammed
Mr. Ulf Moslener
Ms. Bernarditas Muller
Mr. Houssen Alfa Nafu
Mr. Erik Naeraa-Nicolaisen
Mr. Kyekyeku Yaw Oppong Boadi
Mr. Paul Herbert Oquist Kelley
Mr. Stefan Schwager (Vice-Chair)
Mr. Ayman Shasly

Two members were unable to participate:

Mr. Jozef Buys
Mr. Teruhiko Shinada

Proceedings

The meeting was opened at 9.35 a.m. on 4 October 2012.

1. Opening of the meeting

1. The chair welcomed the members of the Standing Committee (SC) and the observers to the meeting, including Party observers, and representatives of intergovernmental organizations, UN agencies and civil society organizations.

2. Organizational matters

(a) Adoption of the agenda

2. The SC adopted the agenda of the meeting as contained in document SC/2012/2/1.

(b) Adoption of the report of the first meeting of the Standing Committee

3. Members discussed the report of the first meeting of the SC prepared by the secretariat as contained in document SC/2012/1/6. Some members provided comments and suggestions to better reflect the discussions of the first meeting. The chair proposed that the comments will be reflected and the revised report will be circulated to the members.

4. A member proposed that members not present should not be allowed to provide comments on the report of a meeting that they were not involved in. Another member



suggested that the report of the first meeting should include the matrix, which contains the substantive inputs on the work programme based on the initial discussions held during the first meeting in Bangkok. The chair clarified that the contents of the purpose of the matrix was to compile the inputs for the draft work programme.

(c) Organization of the work of the meeting

5. The chair emphasized that the priority of work at this meeting is the finalization of the work programme of the SC and the report of the SC to the Conference of Parties (COP). The chair also encouraged the SC to be ambitious and strive to deliver recommendations on other agenda items as well.

6. The chair explained that the working arrangements for the second SC meeting include plenary discussions on each agenda item, and breakout sessions as deemed necessary.

7. The chair stated that observer organizations would be given the opportunity to provide their views during the meeting.

3. Modalities of work of the Standing Committee

8. The SC members discussed the background document on the modalities of work of the SC, SC/2012/2/2, which has been revised by the secretariat based on the inputs from the first SC meeting.

9. The comments provided by the members include the following: the lengthy and prescriptive nature of the modalities; alignment of the SC with other thematic bodies of the Convention; inclusion of mandated activities in the modalities (e.g. on Forum and linkages); the transitional nature of the members' appointment to the SC that is subject to approval by the COP; the need to define a quorum of the meeting; timeframe of document preparation.

10. Some members stated that as the SC is body under the COP, its modalities should be consistent with the formal procedures used under the Convention. Other members proposed to streamline the modalities as the current draft is too detailed.

11. Some members suggested postponing the adoption of modalities at the next meeting of the SC, taking into account that COP 18 decisions on the SC could potentially affect its modalities. However, other members highlighted the need to agree on the modalities at this meeting and amend them at a later stage if needed.

12. Some members noted that annex VI to decision 2/CP.17 only provided for the further development of modalities regarding the participation of observers and there is no mandate for the SC to report this result back to the COP. The chair confirmed that it is not necessary for the SC to report its modalities of work to the COP.

13. Based on the proposal from the chair, members agreed to include in its report to the COP additional modalities on observers, the co-chairing arrangements, and the extension of term of office of the SC members. As for the draft modalities of work the SC agreed to discuss further intersessionally and its working modalities will remain as an internal document of the SC.

14. The chair requested the secretariat to prepare and circulate an amended version of draft modalities of work, reflecting the discussions above for consideration by the Committee.

4. Finalization of the work programme of the Standing Committee for 2012 and 2013–2015

15. The vice-chair invited members to provide their views on the draft work programme as contained in document SC/2012/2/3.



16. Some members indicated that the Forum should not be one of the expected outcomes under the function on the rationalization of the financial mechanism. Other members, however, suggested retaining the Forum as one of the expected outcomes of the function, as appropriate.

17. With regards to the function on the mobilization of climate finance, some members suggested that the preparation of a technical paper on the mobilization of financial resources should not be included in the work programme for the time being, as it is not clear what will emanate from the discussion on the work programme on long-term finance during COP 18.

18. The SC discussed whether additional activities other than the ones outlined in paragraph 121 of decision 2/CP.17 should be included in the work programme. One member mentioned that the Technology Executive Committee has also presented additional activities to those specified by the COP while other members suggested that the initial work programme should be limited on the six suggested activities of decision 2/CP.17 and the work programme may be amended after COP 18, as appropriate. The vice-chair suggested including a placeholder at the end of the work programme to allow the inclusion of other activities in the future.

19. Members exchanged views on the need to include budgetary implications in the work programme to assist the Committee in identifying priority activities and in raising resources to support its work. In this regard, the chair requested the secretariat to brief the members on the current budgetary situation, to which the secretariat explained that in the budget proposal for the biennium 2014–2015 the regular meetings of the SC have been included in the core budget and that a proposal to cover from supplementary funding other SC activities different to regular meetings for the biennium 2014–2015 has also been prepared. The secretariat also mentioned the availability of resources from voluntary contributions to finance the regular meetings and other activities of the SC for 2012 and 2013.

20. Some members provided comments on the strategic nature of the work programme and suggested that the work programme should provide more details in terms of tasks and resources. Other members however commented that an overly prescriptive work programme could hinder the flexibility of the SC at a later stage. In this context, members agreed that the draft work programme should continue to be a strategic document but it should also prepare a work plan for 2013 for consideration by the Committee during this meeting.

21. Upon invitation by the vice-chair, Ms. Marcia Levaggi of the Adaptation Fund secretariat invited members to consider the experiences of the Adaptation Fund in implementing adaptation projects, including the operationalization of the direct access modality.

5. Strategy for the Forum of the Standing Committee

22. The SC members discussed the background paper on the strategy of the Forum SC/2012/2/4 prepared by the secretariat.

23. There was a general understanding among the members that the web based interactive activities will be useful in supporting the Forum. Members discussed on the timing of the launching the web-based activities, as it may generate low participation if launched before the Forum. One member noted that it is more preferable to put more emphasis on the actual Forum than the web based activities to be fair for countries with low internet connectivity.

24. Members discussed issues regarding the organization of the Forum in conjunction with other climate finance relevant events (for example, the Global Environment Facility (GEF) council, Climate Investment Fund (CIF) events or even regional level forums), as it



can attract more attention and participation, and save costs by sharing the burden with partner institutions.

25. Some members mentioned that the focus of the Forum has to be carefully designed, so that it can attract ample attention and participation of relevant stakeholders. It was also pointed out that the topics of existing climate finance related events should be explored to avoid the redundancy of topics. One member reminded the group about the importance of ensuring high visibility of this event outside of the Convention, and reiterated that it would be fundamental for the SC to deliver a substantive Forum with added value.

26. Some members highlighted the importance of attracting a wide range of stakeholders to the Forum, ensuring comprehensive dialogue and participation of small and medium sized businesses and national implementing entities.

27. One member suggested that it would be useful for the SC to develop an inventory of relevant analytical work on climate finance building on reports from AGF, G20, IMF, WB, etc.

28. There has been a discussion among the members whether the content of the Forum should be confined to the four functions of the SC. The chair clarified that the content of the Forum will be closely related to the four functions, and it is still necessary for the Forum to be in a plain language so that it can sufficiently attract various stakeholders outside of the Convention.

29. Three interventions by the observers were heard by the SC members: Ms. Mariama Marjorie from the South Centre stressed the importance of delivering a substantive and participatory Forum; Mr. Zhihong Zhang from the CIF introduced the CIF partnership forum to the SC members; Ms. Mafalda Duarte from the African Development Bank mentioned the importance of holding a focused and participatory Forum.

30. As recommended by the chair, SC members formed working groups to further discuss and prepare the preliminary elements of the Forum and agenda item 6 and 7.

31. Outcomes of the discussions within the working group on the strategy on the Forum were presented for consideration by the Committee.

32. The following suggestions were made by members after the presentation: it has to be decided who will process the inputs received through the virtual Forum; virtual Forum should be a venue of sharing the lessons learned; the discussion in the Forum can take place in plenary roundtable settings with breakout groups, and the synthesized result of the Forum can be presented through the web-based tools; the Forum can take place in May or June of every year; preparatory meeting should be considered for African countries for effectiveness of Forum; it is important to build partnership with other institutions; the chair and vice-chair with support from the secretariat should start exploring possible partners; fundraising option should be considered with the GCF host candidates; GEF and CIF meetings should be considered as the partner of the Forum; the first Forum may have a different format considering the time and resource availability; Forum should be focused, and it should aim to yield concrete recommendation and step forward; the SC should make use of its competency of having direct relation to the COP in designing the Forum.

33. All members stressed the importance of determining themes and topics for the Forum and the web-based interactive activities for productive engagement of stakeholders and information exchange. Some members discussed ideas for the over-arching theme of the Forums, and others provided input themes for each Forum meeting.

34. Some members recommended that a date for the Forum be determined while other members were of the opinion that further discussion is required regarding the organization of the first Forum before committing to a date. Some members highlighted the importance of the first Forum in setting a positive precedent for future Forum meetings.



35. The members agreed that further work will be required to determine the details of the Forum at the first meeting of the SC in 2013, regarding the issues mentioned above.

36. Two interventions by the observers were heard by the SC members: Ms. Chizuru Aoki from the GEF informed the SC about the GEF council meeting schedules and recent outreach activities of the GEF; Ms. Marcia Levaggi from the Adaptation Fund secretariat made a small correction on her input made during the breakouts.

6. Expert input into the fifth review of the financial mechanism / 7. Draft guidance and recommendations to the COP for the operating entities of the financial mechanism

37. The SC members discussed the background paper on agenda items 6 and 7 contained in SC/2012/2/5 and SC/2012/2/6.

38. A working group was established to work on the draft guidance to the operating entities and input fifth review. Observers were allowed to participate in the working group.

39. Members indicated that the year 2012 should be considered as a transitional period on the work of the SC, due to limited time to provide input to the fifth review of financial mechanism or the draft guidance to operating entities. In this regard, the Committee will recommend the following procedural decision at COP 18 in Doha: 1) The Subsidiary Body for Implementation (SBI) to develop the draft guidance for operating entities at SBI 37, and for the SC to start developing the draft guidance from 2013; 2) The COP to extend the review of financial mechanism to COP 20, and for the SC to coordinate the review with the SBI.

7. Report of the Standing Committee to COP 18

40. The SC members reviewed the draft report of the SC to COP 18 prepared by the secretariat, based on the discussions and inputs made during the first and the second SC meetings and the exchange of emails between the two meetings.

41. In this report, the members agreed to provide recommendations to COP 18 on the following items:

- a. The term of office of the SC members and the interim chairing arrangements;
- b. The modalities on the participation of the observers;
- c. The adoption of the work programme of the SC;
- d. The adoption of preliminary elements of the Forum;
- e. The providing of expert input into the review of the fifth mechanism;
- f. The providing of draft guidance to the operating entities;
- g. The willingness of the SC to play a role in the development of arrangements between the COP and the GCF;
- h. The renaming of the SC to the Standing Committee on Finance.

42. During the discussions on the role of the SC in the development of arrangements between the COP and the GCF, some members suggested that the SC should undertake the development of the arrangements between the COP and the GCF; others members mentioned that the SC does not currently have the mandate to do so. The SC agreed to reflect its discussions on this matter in its report, and to state that it stands ready to play a role in the development of the arrangements between the COP and the GCF, as may be decided by the COP.



43. Based on the chair's proposal, the members agreed to adopt the report of the SC to the COP based on the discussions that took place during this meeting, and the chair stated that the report will be circulated among the members shortly after the meeting. The SC also agreed to adopt the report of the first and the second meeting of the SC intersessionally.

44. In discussions on the preliminary elements of the Forum as contained in Annex III of the report to the COP, various members questioned whether these elements should be included in the report. Following lengthy discussions, members agreed that the annex should be maintained but requested the secretariat to revise the section so that it was more in-line with the discussions on the Forum that were held during the meeting.

45. Members also agreed that the chair and vice-chair should undertake intersessional work on:

- a. The preparation of the Forum of the SC;
- b. Further modalities of the work of the SC;
- c. The operational plan of the SC for 2013.

8. Other matters

(a) Date and venue of next meeting

46. The SC agreed to consult intersessionally on the date and venue of the next meeting, the first meeting of the SC in 2013, taking into account the busy work programme for the SC in 2013 and thus the need to begin work early in the new year, especially with regards to the SC Forum.

(b) Report of the second meeting of the Standing Committee

47. Due to time constraints, the SC requested the secretariat to circulate the report of the second meeting after the conclusion of the meeting, and agreed to adopt the report intersessionally.

(c) Issues for further consideration at the next meeting

48. Members raised no further issues.

9. Closure of the meeting

49. The chair of the SC thanked the secretariat for its support of the second meeting of the SC, thanked observers for their participation and active inputs, and closed the second meeting of the SC.

10. Output of the meeting

50. The SC adopted the report of the SC to the COP, which includes the work programme of the SC for 2013–2015.

51. The SC adopted the report of the first meeting of the SC.

11. Actions required

52. The chair and vice-chair are to circulate the report of the SC to the COP and the report of the second meeting of the SC to the members for their review.

53. The chair and vice-chair are to provide the secretariat with comments and guidance on substantive matters in preparing for the third meeting of the SC, and liaise with other members in the process.

54. The chair and vice-chair are to undertake intersessional work, in coordination with the secretariat, on:



- a. The preparation of the Forum of the SC;
- b. Further modalities of the work of the SC;
- c. The operational plan of the SC for 2013.

**Annex I****List of observers and secretariat staff that attended the second meeting of the Standing Committee****Party observers**

Ms. Laetita De Marez (Antigua and Barbuda)
Mr. David Higgins (Australia)
Mr. Simon Roz (Australia)
Mr. Soren Jakobsen (Denmark)
Ms. Jane Macpherson (European Union)
Ms. Inka Gnitke (Germany)
Mr. Takuma Iino (Japan)
Ms. Fatuma Mohamed Hussein (Kenya)
Ms. Julie Irene Bjørk (Norway)
Mr. Mahmoud Jaida (Qatar)
Mr. Benito Mueller (Uganda)
Ms. Elizabeth Lien (United States of America)

Intergovernmental and United Nation Organizations

Ms. Marcia Levaggi (Adaptation Fund Board Secretariat)
Ms. Mafalda Duarte (African Development Bank)
Mr. Simon Billett (Climate Investment Fund)
Mr. Zhihong Zhang (Climate Investment Fund)
Mr. Frank Schroeder (Executive Office of the United Nations Secretary General)
Ms. Chizuru Aoki (Global Environment Facility)
Ms. Virginie Marchal (Organisation for Economic Co-operation and Development)
Ms. Mariama Marjorie (South Centre)
Ms. Christina Colón (United Nations Development Programme)

Secretariat

Mr. Yolando Velasco
Mr. Alejandro Kilpatrick
Mr. Dennis Tirpark
Mr. Hyunwoo Kim
Mr. Asher Lessels
Ms. Magdalena Wegrzyniak

**Annex II****Background documents provided by the secretariat**

Title	Symbol
Provisional agenda and annotations for the Second Meeting of the Standing Committee.	SC/2012/2/1
Report of the First Meeting of the Standing Committee	SC/2012/1/6
Draft modalities of work of the Standing Committee. Note by the secretariat.	SC/2012/2/2
Draft work programme of the Standing Committee.	SC/2012/2/3
Background paper on the strategy of the Forum. Note by the secretariat	SC/2012/2/4
Background paper on possible inputs by the Standing Committee on the preparation and conduct of the fifth review of the financial mechanism. Note by the secretariat	SC/2012/2/5
Background paper on providing draft guidance and recommendations to the Conference of the Parties at its 18th session for the operating entities of the financial mechanism. Note by the secretariat	SC/2012/2/6
Matrix on the work programme of the Standing Committee	-