



Report of the fourth meeting of the Standing Committee on Finance

15–17 June 2013
Bonn, Germany

Attendance

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

Proceedings

The fourth meeting of the Standing Committee on Finance (SCF) was opened at 9.34 a.m. on Friday 15 June 2013.

1. Opening of the meeting

1. Co-chair Stefan Schwager opened the meeting by welcoming the members of the SCF as well as the observers to the meeting, including Party observers, representatives of UN agencies, and intergovernmental and civil society organizations.
2. He informed SCF members that Ms. Wilhelmina Verdegaal from the Netherlands replaced Mr. Søren Jakobsen from Denmark in the committee.
3. Co-chair Schwager also informed the committee of the opportunity to webcast the meeting. Several members supported webcasting as a way to increase transparency about the committee's work. Concerns were raised by some members as to whether webcasting might impede the informal character of the committee's meetings. The SCF also requested the secretariat to provide information on the costs of webcasting and video-recording meetings, and the number of people watching the meeting webcasts and video-records including of meetings of other committees. The SCF decided to webcast SCF-4 and return to the issue at SCF-5 pending this information.



2. Organizational matters

(a) Adoption of the agenda

4. Several committee members highlighted the importance of addressing the agenda items on arrangements between the Conference of the Parties (COP) and the Green Climate Fund (GCF) and the fifth review of the financial mechanism. The SCF adopted the agenda as contained in document SCF/2013/4/1/Rev.1.

(b) Organisation of the work of the meeting

5. Co-chair Schwager explained that the working arrangements for the fourth SCF meeting would include plenary discussions on each agenda item and possibly breakout sessions on the key issues.

3. Reflections on the outcomes of the first forum of the SCF

A. Discussion

6. Co-chair Schwager introduced the agenda item noting that the forum was organised at a short notice and the overall experience was highly positive.

7. Mr. Syed Mujtaba Hussain, coordinator of the SCF's inter-sessional working group on organising the forum, explained that all committee members had an opportunity to contribute to the preparation of the forum including its programme and the list of resource persons. The first forum of the SCF, as agreed by committee members, took place on Tuesday, 28 May 2013, prior to the Carbon Expo in Barcelona, Spain, and was organized in collaboration with the World Bank Institute. The forum was held under the general theme of "Mobilizing finance and investments for climate action now" and had a balanced focus on both mitigation and adaptation aspects. The main topics and conclusions are contained in the background paper (SCF/2013/4/3).

8. In response, committee members raised the following issues: that the length of the forum should be decided upon finalising a programme; that there should be more focus on, and participation from, Africa and Least Developed Countries; that scaling up climate finance was missing from discussions; that the next forum could take place in a developing country to enable regional participation; that timing should be considered more carefully and well in advance to enable as many participants as possible; that the goal of the forum is to promote linkages and coherence among climate finance bodies; and that the forum is an on-going activity. Also, it was noted that the report on the forum to COP 19 should be explicit in stating that its conclusions reflect a diversity of views expressed including in relation to figures on financial flows and investments, which do not necessarily represent the views of the SCF and/or its members.

9. Co-chair Schwager noted that the virtual platform for the forum has been launched and is available at www.unfccc.int/SCF/Forum, as well as that the video-recording of the first forum of the SCF would be uploaded on this website¹ soon. Committee members suggested addressing activities under the virtual forum and planning possible events for 2014 at the next meeting.

¹ <<http://unfccc.int/7554.php>>



B. Outcome of the discussions

10. The committee considered the summary report of the first SCF forum contained in document SCF/2013/4/3.

11. The co-chairs took note of the views expressed by members and agreed to take them into account in preparing a report to COP 19 on the first forum of the SCF. A draft report will be considered at SCF-5.

12. The committee restated that the views and conclusions of the forum contained in the summary of the forum do not necessarily reflect the position of the committee or committee members on those respective issues.

13. The committee agreed that Mr. Syed Mujtaba Hussein, with the help of the working group and assistance by the secretariat, coordinates the preparation of a background document reflecting on the lessons learnt from the first forum of the SCF, as well as potential options on scope, format, timing, venue, topics and other modalities for the next version of the forum.

14. Co-chair Schwager restated the standing invitation by the SCF to all stakeholders and interested organisations to provide inputs to the virtual forum of the SCF, encouraging them to actively engage with the SCF via this platform.

4. COP – GCF arrangements

A. Discussion

15. Co-chair Black-Layne invited the committee members to consider a revised version of the draft co-chairs' text on the COP-GCF arrangements, as contained in SCF/2013/4/4, which further defined and elaborated on the elements identified during SCF-3. She explained that this version of the text was built on the consolidated co-chairs' text that was based on the textual inputs provided by two SCF members inter-sessionally, as well as on the first draft version of the text that was circulated to members previous to the meeting, as contained in the background paper on the COP-GCF arrangements (SCF/2013/4/4). Co-chair Black-Layne explained that the revisions made by the co-chairs after the circulation of the documents were based on informal consultations the co-chairs were able to conduct with many of the committee members during the SB session in Bonn. The SCF discussed the text in plenary section-by-section, as well as in a smaller drafting group.

16. Considerable progress was made by members on the textual development of the COP-GCF arrangements. Albeit strenuous efforts, the committee was not able to agree on some issues contained in these arrangements, especially with regards to the purpose of the arrangements, the reconsideration of funding decisions and, linked to that, the independent redress mechanism to be established by the GCF Board, as well as the termination of the arrangements.

17. An observer representative from Transparency International highlighted that an independent redress mechanism of the GCF is not a truly independent body since it will be instituted by the GCF Board and report to it. She suggested that the COP can fill the gap. Another representative from Oxford Climate Policy stressed that using an international redress mechanism created by the GCF Board does not represent good governance as there is a clear conflict of interests. He suggested that the SCF may want to address this issue after the GCF Board puts in place arrangements for an independent redress mechanism.



18. Committee members deliberated on procedural steps to be taken upon the closure of the meeting, seeing that no agreement was reached on the text which contained options for some provisions. Various committee members opposed sending a draft text to the GCF Board containing options, whereas other members indicated that sending an options text to the GCF Board may be the only way forward, especially in light of time constraints and the possibility that the SCF would not meet before the final meeting of the GCF Board in 2013. One member clearly opposed sending any textual input to the GCF Board at this point in time, as well as to include the latest version of the draft text in the report of SCF-4.

B. Outcome of the discussions

19. The committee may continue its consideration at SCF-5, depending, among potentially other factors, on the timing of the meeting. The SCF co-chairs will inform the co-chairs of the GCF Board about the outcome of this meeting.

5. Fifth review of the financial mechanism**A. Discussion**

20. Co-chair Schwager introduced the agenda item noting inter-sessional work conducted by the working group (SCF/2013/4/5). He noted a new draft of the guidelines for the fifth review of the financial mechanism had been developed to take into account submissions received from members and a submission made by Colombia during the SB session in June this year.

B. Outcome of the discussions

21. The committee considered the revised draft consolidated guidelines prepared by the co-chairs as contained in annex I to this report and after an initial discussion agreed to continue working on this issue inter-sessionally with a view to finalizing its work at SCF-5.

22. The committee also agreed that members will submit their views on the revised draft text by end of July 2013.

6. Draft guidance to the operating entities of the financial mechanism.**A. Discussion**

23. The SCF held a brief discussion on the agenda item (SCF/2013/3/6). A couple of committee members suggested a meeting with representatives of operating entities, including the Global Environment Facility (GEF) and its Evaluation Office.

B. Outcome of the discussions

24. The committee held initial discussions on this item and requested the co-chairs to work with the secretariat to coordinate the potential participation of representatives of the secretariats of the operating entities at SCF-5.

25. The committee invited its members to submit their inputs on this matter by end of July 2013.

26. The committee agreed to continue its consideration of this item at SCF-5.



7. Issues arising from SCF-3

(a) Expert inputs to the work programme on long-term finance

A. Discussion

27. Co-chair Black-Layne explained that COP 18 invited thematic and expert bodies under the Convention to provide views on long-term finance to the work programme for consideration by the co-chairs of the work programme (decision 4/CP.18). The agenda item was addressed by the SCF in plenary and break out group discussions.

28. In the plenary discussion, committee members raised the following: that the work programme should look into how to ensure the sustainability of climate finance and provide clarity on the USD 100 billion pledge; that the key challenge is how to access foreign direct investments and resources of institutional investors and target them to low-carbon development; that the programme should address enabling environments and the role of developing countries in attracting private finance; that it should involve treasuries and finance ministries; that the adequacy of climate finance has to be addressed; that there are synergies between the work programme and the SCF forum; and that the programme should address a global regulatory investment framework since general financial regulations do not account for climate change needs.

29. The break out group was facilitated by Mr. Gregory Andrews and included several members of the SCF and a number of observers.

B. Outcome of the discussions

30. The committee agreed that the co-chairs should send the summary of the breakout group contained in paragraph 5 of annex II to this report as inputs to the work programme on long-term finance along with additional issues raised during the plenary discussion.

31. Additional issues raised by members included:

- a. Issues related to predictability, accessibility and adequacy, as well as “new and additional”, should be taken into account in the context of long term finance.
- b. Greater attention to adaptation and public finance should be devoted as much as on the role and mobilisation of private finance.
- c. Further exploration of the use of guarantee funds to support systemic shifts towards renewable energy sources;
- d. How enabling environments and policies interlink to and interact with pathways for the mobilisation of resources.

32. The committee also agreed to call for submissions by members to provide further inputs to the work programme by end of July 2013.

(b) Measurement, Reporting and Verification (MRV) of support

A. Discussion

33. Co-chair Black-Layne explained that the committee needs to agree on a work plan how to approach MRV of support and the preparation of the first biennial assessment. The



agenda item was addressed by the SCF briefly in plenary and then in more detail in break out group discussions.

34. In plenary, several committee members highlighted the need to avoid duplication with relevant work of other bodies under the Convention such as the work on a common tabular format for reporting on provision of financial support as per decision by the COP in Doha and further work on the review guidelines under the Subsidiary Body for Scientific and Technological Advice (SBSTA) and work on biennial reports under the Subsidiary Body for Implementation (SBI). Moreover, relevant work conducted thus far by other institutions and organisations, such as the Organisation for Economic Co-operation and Development on tracking climate finance was noted as important. Several committee members supported establishing a permanent working group on MRV of support.

35. The following issues were also raised: that the SCF is not yet ready to agree on modalities and to establish a working group; that further, more in-depth discussion is necessary with the participation of donors and the Climate Change Expert Group (CCXG); and that for such discussion, background information should be provided in advance by the secretariat, including on existing MRV initiatives as well as resources available at the secretariat to support the work of the committee on the biennial assessments and overview of financial flows. The urgency of initiating discussion on MRV of support was also noted.

36. The break out group was facilitated by Mr. Gregory Andrews.

B. Outcome of the discussions

37. The committee took note of the discussion undertaken by the breakout group as contained in annex II to this report;

38. The committee agreed that it should have an in-depth and targeted plenary discussion on this issue at its next meeting. Relevant donors, multilateral institutions and fora such as the CCXG, the Research Collaborative on Private Sector Finance Tracking and the Multilateral Development Banks (MDBs) initiative on tracking climate finance, among others, should be invited to make targeted interventions and briefings at SCF-5.

39. The committee agreed that the co-chairs should coordinate participation by these institutions at SCF-5 with the assistance of the secretariat.

40. The committee also requested the secretariat to prepare for SCF-5: (i) a matrix with an overview of existing work relevant to MRV of support within the UNFCCC; (ii) a paper with an overview of relevant work on climate finance tracking and MRV of support outside of the UNFCCC.

41. Inputs relevant to MRV of support, including those requested above, should be provided to committee members well in advance of the next meeting.

42. The committee also agreed to call for submissions by members for consideration at SCF-5 by 31 July 2013.

43. The committee also extended an invitation to observers and interested organisations to submit their inputs to the secretariat for consideration at SCF-5 by end of July 2013.



(c) Linkages with the Subsidiary Body for Implementation and thematic bodies of the Convention

A. Discussion

44. The agenda sub-item was addressed by the SCF in plenary and break out group discussions facilitated by Mr. Gregory Andrews.

B. Outcome of the discussions

45. The committee agreed that the co-chairs should engage with the SBI chair on the nature of the relationship between the two bodies. It was also noted that the SCF co-chairs may choose to delegate this task to other members of the SCF.

46. On the issue of linkages with bodies other than the SBI, the committee agreed that it is important to cooperate with other bodies under the UNFCCC on relevant tasks. This should only take place when there would be a clear value from that cooperation.

(d) Code of Conduct of the Standing Committee on Finance

A. Discussion

47. The agenda sub-item was addressed by the SCF in plenary and break out group discussions facilitated by Mr. Gregory Andrews.

48. Several committee members underlined the importance of a Code of Conduct for the SCF. It was noted: that there are UN-wide rules on ethics and conduct which could be applicable; and that the SCF is a technical body which should be reflected in its Code of Conduct.

B. Outcome of the discussions

49. The committee agreed on the value of having a Code of Conduct and noted suggestions by some members that the United Nations system may already have ethics policies and procedures in place. The committee requested the secretariat to inform the committee at its next meeting about UN Codes of Conduct which could be relevant for the consideration by the SCF.

8. Other matters

(a) Dates and venues of future meetings

50. The committee considered holding its next meeting either in Bonn in October 2013 or in Songdo, Republic of Korea, in conjunction with a meeting of the GCF Board, during the last week of August 2013. The co-chairs will finalise the arrangements for the next meeting inter-sessionally. Several committee members requested to avoid holding meetings on weekends.

(b) Issues for further consideration at the next meeting

51. The committee agreed to consider the following items at its next meeting:

- a. Fifth review of the financial mechanism;
- b. Draft guidance to the operating entities of the financial mechanism;
- c. MRV of support, biennial assessments and overview of financial flows;



- d. Forum of the SCF;
- e. Code of conduct;
- f. Report of the SCF to the COP;
- g. COP-GCF arrangements (tbc); and
- h. Other matters.

(c) Report of the fourth meeting of the SCF

52. The committee agreed to adopt the report of SCF-4 inter-sessionally.

9. Closure of the meeting

53. Co-chair Black-Layne thanked the committee members, the secretariat and observers, and closed SCF-4 at 13.51 p.m. on Monday, 17 June 2013.



Annex I - Co-chairs' draft text on the consolidated guidelines for the fifth review of the financial mechanism

A. Objectives

1. In accordance with Article 11.4 of the Convention, the objectives will be as follows:
 - (a) to review the financial mechanism and take appropriate measures regarding:
 - (i) Its conformity with the provisions of Article 11 of the Convention;
 - (ii) Its conformity with the guidance of the Conference of the Parties (COP);
bis The determination of how the Green Climate Fund and the Global Environment Facility, as operating entities of the financial mechanism of the Convention, fulfil the requirement of accountability to the Conference of the Parties;
~~(ii)(iii)~~ The effectiveness of the activities it funds on the ground, which serve the implementation of implementing the Convention, in terms of their contribution to a shift of paradigm at the global level toward a low-carbon, climate resilient development pathway;
~~(iii)(iv)~~ Its effectiveness in providing financial resources on a grant or concessional basis, including for the transfer of technology, for the implementation of the Convention's objective on the basis of the guidance provided by the COP;
 - (v) Its effectiveness in providing new and additional, adequate and predictable resources to developing country Parties under Article 4.3 of the Convention, taking into account appropriate burden sharing among the developed country Parties;
 - (vi) The coherence and complementarity of the activities undertaken by the different operating entities of the financial mechanism;
 - ~~(iv)(vii)~~ The appropriateness of the balance in the allocation of resources that flow through the financial mechanism for adaptation and mitigation actions;
 - (b) to examine how to facilitate consistency in financing activities and how to improve the complementarity of the financial mechanism with other sources of investment and financial flows, including:
 - (i) Examining relevant sources, channels and means of financing, as indicated in Article 11, paragraph 5, of the Convention, ~~that would assist~~ availed of by developing countries to contribute to the achievement of the objective for the implementation of the Convention, in particular innovative means of financing, such as for the development of endogenous technologies in developing countries including support for the development and enhancement endogenous capacities and technologies of developing country Parties;
 - (ii) Examining the role of the financial mechanism and its appropriateness in mobilizing and pathways for scaling up the level of resources by developed country Parties;
 - (iii) Assessing enabling environments of all Parties for catalysing investment in, and the transfer of, sustainable technologies that mitigate greenhouse gas emissions, and for enhancing resilience to climate change;



- (c) to suggest measures for the COP to take in order to guarantee that the financial mechanism is working appropriately when it is not doing so.

B. Methodology

2. The review shall draw upon the following sources of information:
- (a) Information provided by the Parties on their experiences regarding the financial mechanism, including information provided in accordance with paragraph 93 (e) of Decision 2/CP.17 and paragraph 19 (b) of Decision 1/CP.18;
 - (b) Annual reviews by the COP on the conformity of the activities of the financial mechanism with the guidance of the COP on policies, programme priorities and eligibility criteria, and the accountability of the operating entities of the financial mechanism to the COP;
 - (c) The annual report of the Standing Committee on Finance (SCF) to the COP on its activities and other relevant information documents regarding the SCF;
 - (d) The annual report of the Global Environment Facility (GEF) to the COP on its activities as the operating entity of the financial mechanism, the annual reports of the GEF and other relevant GEF policy and information documents;
 - (e) Reports from the GEF monitoring and evaluation programme;
 - (f) The annual report of the Green Climate Fund (GCF) to the COP, on its initial policies and measures as well as on its activities as the operating entity of the financial mechanism, the annual reports of the GCF and other relevant GCF policy and information documents;
bis The report of the Adaptation Fund Board as well as the technical paper of the secretariat mentioned in paragraph 12 of Decision 3/CMP.8;
 - (g) Reports from any other operating entities of the financial mechanism that may be designated as such in the future;
 - ~~(f)~~(h) Reports from the United Nations Commission on Sustainable Development agencies dealing with climate change financing and relevant bilateral and multilateral funding institutions and information from institutions outside of the framework of the financial mechanism, such as Article 11.5 institutions, including information provided at the Forum organized by the Standing Committee on Finance and the work programme on long-term finance;
 - ~~(g)~~(i) All relevant information provided by other intergovernmental and non-governmental organizations, including in particular the Assessment Reports of the Intergovernmental Panel on Climate Change, as well as information on enabling environments for catalysing investment in, and the transfer of, sustainable technologies that mitigate greenhouse gas emissions and for enhancing resilience to climate change;
 - ~~(h)~~(j) Technical papers and reports prepared by the secretariat upon the request of the Conference of the Parties, which are relevant to the financial needs of developing countries under the Convention;
 - (k) Information contained in the national communications of Parties to the Convention, technology needs assessments and national adaptation programmes of action;



- (l) Information contained in biennial reports and biennial update reports with respect to financial resources provided and financial needs to implement adaptation and mitigation action;
- (+)(m) Inputs that are generated as a result of the biennial assessment of the financial mechanism that the SCF will conduct;
- (+)(n) Relevant information available on the following:
 - (i) Private-sector financing and investment for climate change activities;
 - (ii) Fast-start finance;
 - (iii) The initial review of the Adaptation Fund;
 - (iv) The work programme on long-term finance;
 - (v) The Special Climate Change Fund;
 - (vi) The Least-Developed Country Fund and relevant reports of the LDC Expert Group (LEG);

C. Criteria

3. The effectiveness of the financial mechanism will be assessed taking into account the following:
- (a) The transparency of decision-making processes of all funds under the Convention and its Protocol, and in particular the operating entities of the financial mechanism, the GCF and the GEF;
 - (b) The adequacy, predictability and accessibility of financial resources provided to developing country Parties in the long term, providing a solid ground to incentivize and catalyze mitigation and adaptation action on the ground, and timely disbursement of funds for activities in developing country Parties;
 - (c) The responsiveness and efficiency of the GEF project cycle and expedited procedures, including its operational strategy, as they relate to climate change;
 - (d) The amount of resources provided to and reported as received by, developing country Parties, including financing for technical assistance and investment projects;
 - (e) The amount of finance leveraged and the amount of co-financing required by the operating entities of the financial mechanism, if any, in all funds under the Convention;
 - (f) The sustainability of funding for climate change-funded projects/programmes in developing country Parties from all sources and through all channels;
 - (g) The extent to which the financial mechanism is contributing to a global paradigm shift toward a low-carbon and climate resilient development pathway;
 - (+)(h) The extent to which the resources that flow through the financial mechanism were used to identify innovative projects that could be used for dissemination and how lessons learnt from projects were generated and distributed.



Annex II: Report from the break out group on agenda item 7 “Issues arising from SCF-3”

1. A break out group on agenda item 7 met twice on Sunday to address the sub-items:
 - (a) Expert inputs to the work programme on long-term finance;
 - (b) MRV of support;
 - (c) Linkages with the Subsidiary Body for Implementation and thematic bodies of the Convention;
 - (d) Code of Conduct of the Standing Committee on Finance.
2. The group was facilitated by Gregory Andrews SCF member from Australia, and included several members of the SCF, secretariat staff and a number of observers participated in the discussions which were highly constructive and productive. The main conclusions from the group discussions are summarized below.

7(a) Expert inputs to the work programme on long-term finance

3. Naderev Saño, Co-Chair of the UNFCCC work programme on long-term finance, gave an overview of the structure of the work programme on long-term finance (WPLTF) and breakout group members agreed to the approach taken. Breakout group members and observers then had a meaningful discussion with the WPLTF Co-Chair and provided him with a number of significant suggestions on how the WPLTF could add maximum value.
4. Breakout group members agreed that there was no need for a formal document from the SCF to the WPLTF co-chairs about this input and the discussion. They felt that a short summary in the SCF-4 report would suffice. A number of SCF members also advised that they would be providing individual submissions to the WPLTF.
5. Advice to the WPLTF co-chair on themes for the WPLTF to consider exploring included:
 - (a) Use of policy instruments to bring the savings accrued from renewable energy forward, and thus to make renewable energy investments more viable.
 - (b) Intelligent instrument design for using public funds to incentivise private flows and to create a one-stop-shop effect for investors.
 - (c) Ensuring adequate funding for adaptation.
 - (d) Strategies to take the political heat out of the private/public finance discussions.
 - (e) Maximising the beneficial links between the SCF Forum and the WPLTF – including through the Forum’s website.
 - (f) Creative solutions and ideas for dealing with the unique circumstances of LDCs and SIDS in accessing affordable climate finance.
 - (g) Analysis of Brown vs Green technology investment flows and use of these as a measurement of success of the Convention.
 - (h) Inviting Brown Technology investors to the WPLTF to discuss the incentives that drive their investments.
 - (i) A focus on the effectiveness of climate finance in achieving results.



- (j) Integration of climate into development policy via fiscal policy targets, carbon pricing (including for internal project budgeting), and carbon footprinting.
- (k) Consideration of sectoral budget support as climate finance.
- (l) Pathways, baselines and burden sharing.
- (m) Links to the Ministerial Dialogue on climate finance at COP 19.
- (n) Inviting the CCXG and Research Collaborative on Private Climate Finance Tracking.
- (o) The four succinct suggestions in the IEA's latest report on measures with no net cost that can reduce emissions: energy efficiency, phasing out inefficient coal plants, reducing emissions from gas flaring, and partial phasing out of fossil fuel subsidies.
- (p) Recognition of policy contributions that create enabling environments for climate finance as efforts under the Convention, for example in a 2015 new agreement.
- (q) The role of multilateral institutions, including the GCF, in facilitating private climate finance flows. On the GCF, also the role that it could play as a catalyser and policy influencer.

7(b) MRV of support

6. Breakout group members raised a number of important policy themes in relation to the MRV of support. These included:

- (a) The difference between what countries felt had been received or mobilised in terms of climate finance, and what had been received or what resources or investments had flowed.
- (b) There was a need for a better definition of climate finance and greater clarity on the verification element of MRV in particular.
- (c) Difference in the nature and work between MRV of support and biennial assessments should be kept in mind.
- (d) A standard methodology for tracking flows would be useful.
- (e) It was important to consider that MRV of support overlaps with other work occurring in the Convention.
- (f) MRV of support should not only consider flows of finance but the effectiveness of those flows.
- (g) The final fast-start finance reports would have valuable information which could contribute to policy development on this issue.
- (h) It was important to be mindful of the capacity burdens of MRV compliance on developing countries.
- (i) It might be better to elaborate on this issue in a small working group comprising some SCF members.
- (j) Reference was made to a mapping tool recently implemented on the Adaptation Fund's web site, which helps finding information related to each project. Such tools could be useful particularly in the context of tracking and verification of support.
- (k) Impacts of adaptation actions may have multivariate values, which could be meaningful for the design of an MRV system.



7. On next steps, the breakout group felt it was important to avoid duplication with the work of other bodies and instead build on lessons learned and methodologies already developed. The SCF was not yet ready to agree on modalities and the timeline gave the SCF some flexibility. The breakout group agreed that:

- (a) The SCF should have an in-depth but targeted plenary discussion about this issue at its next meeting. Relevant donors, multilateral institutions and fora such as the CCXG, the Research Collaborative on Private Sector Finance Tracking and the MDB initiative on tracking climate finance, among others, should be invited to make targeted interventions and briefings. The secretariat can engage with these institutions in order to coordinate their participation at SCF 5.
- (b) The SCF should also task the Secretariat to provide it with (i) a matrix with an overview of existing work relevant to MRV of support within the UNFCCC and (ii) a paper that overviewed the broader work on climate finance tracking and MRV of support that was occurring outside of the UNFCCC which may also be relevant.
- (c) Paperwork relevant to MRV of support, including that requested above, should be provided to SCF members with adequate time for thoughtful consideration.

7(c) Linkages with the Subsidiary Body for Implementation and thematic bodies of the Convention

8. Breakout group members agreed that the SCF needed to clarify its relationship with the SBI. Breakout group members agreed to propose that the SCF ask its co-chairs to engage with the SBI chair on the nature of this clarification. Breakout group members also noted that the SCF co-chairs may choose to delegate this task to other members of the SCF.

9. On the issue of linkages beyond the SBI, breakout group members agreed that it was important to cooperate with other bodies under the UNFCCC on relevant tasks. This should only take place where there would be a clear value-add from that cooperation.

7(d) Code of Conduct of the Standing Committee on Finance

10. SCF members in the breakout group agreed on the value of having a code of conduct and noted that the United Nations system already had ethics policies and procedures in place. Breakout group members agreed that the SCF should ask the Secretariat to inform SCF-5 on existing UN's codes of conduct that would be relevant for the SCF to consider.



**Annex III – List of observers and secretariat staff attending the fourth meeting
of the Standing Committee on Finance**

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**Annex IV – Background documents**

Title	Symbol
Background paper on the outcomes of the first forum of the Standing Committee on Finance	SCF/2013/4/3
Background paper on the COP – GCF arrangements	SCF/2013/4/4
Background paper on the initial draft of the consolidated guidelines for the fifth review of the financial mechanism of the Convention	SCF/2013/4/5
Background paper on procedural aspects of the provision of draft guidance to the operating entities of the financial mechanism	SCF/2013/4/6
Background paper on expert inputs to the work programme on long-term finance	SCF/2013/4/7
Background paper on measurement, reporting and verification of support	SCF/2013/4/8
Background paper on linkages with the Subsidiary Body for Implementation and thematic bodies of the Convention	SCF/2013/4/9
Background paper on the Code of Conduct of the Standing Committee on Finance	SCF/2013/4/10