

# Climate Finance Advisory Service



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## Daily Briefing

### 14th Standing Committee on Finance Meeting (3 October 2016)

This is the Climate Finance Advisory Service (CFAS) Daily Briefing. Produced at key meetings and negotiations by the CFAS expert team, the Daily Briefings try to provide a concise, informative update on key discussions that have taken place at each day of the meeting and give an overview of substantive points of action or progress. Please note that this is an independent summary by CFAS and not officially mandated by the SCF.

During the meetings, CFAS experts are available to provide advice to and answer specific questions for Board Members, Alternates and their advisers from developing countries. The CFAS team can be reached via [cfas@germanwatch.org](mailto:cfas@germanwatch.org).

Previous daily briefings and other CFAS analyses are available on the **new CFAS website** [www.cfas.info](http://www.cfas.info).

The CFAS Team

## Summary from 3 October 2016

On Monday, 3 October 2016, the Standing Committee on Finance (SCF) convened for its 14th meeting in Bonn, Germany. Being the last meeting of the year and taking place only a couple of weeks before the Conference of the Parties (COP) in Marrakesh, the Committee needs to work through a heavy agenda in the next three days.

After opening the meeting and adopting the agenda, the Committee conducted a brief plenary session during which the different agenda items were presented and discussed. The co-chairs highlighted the necessary steps and objectives for the SCF to achieve on each topic during the upcoming days and SCF members were given the opportunity to reflect on the several issues and share initial deliberations. Following this general exchange of views, the different items were discussed in more detail in dedicated breakout groups in the afternoon.

### **2016 Biennial Assessment and Overview of Climate Finance Flows**

As the first agenda item of the day, the co-chairs briefly introduced the agenda item on the 2016 Biennial Assessment (BA) and Overview of Climate Finance Flows - the most important deliverable of the SCF this year. The BA provides information on the overall climate finance flows, elaborates on trends, and gives an overview of total resources mobilized and their geographical and thematic distribution. At COP 22 in Marrakesh, the SCF will be at the center of the finance negotiations because of this critical agenda item. To conclude its work on the 2016 BA, SCF members will be invited to finalize the technical report of the 2016 BA, as well as agree on the executive summary and recommendations, which will be annexed to the annual report of the SCF to the COP.

In the afternoon, SCF members and observers were invited to comment on the summary and recommendations of the 2016 BA prepared by the co-facilitators. Sub-chapter after sub-chapter members made recommendations on the whole summary document by providing either general reflections or substantial inputs. On the challenges and limitations in the preparation of the report, there was consensus among the group that they should be more comprehensive and detailed, in order to shed light into the context in which the findings were gathered. With respect to the findings, there was an understanding shared by SCF members and observers that the respective sub-chapter needed to be restructured and be as factual as possible. In doing so, some members pointed out the need to ensure consistency in terms of the language and formats of the findings. On the overview of climate finance flows, several questions were raised around the underlying assumptions and sources of the figures presented. After a long discussion, the co-facilitators invited some members and consultants to discuss on how to best present these figures. The assessment sub-chapter was the least controversial sub-chapter, while the recommendations of the report were questioned by several members. To conclude the discussions for the day, the co-chairs suggested revising the document based on the suggestions made by SCF members, with the view of making the summary short, clear and structured.

### **Forum of the Standing Committee on Finance in 2016 and 2017**

The Committee briefly discussed both the outcomes of the 2016 SCF Forum, as well as potential themes for the next SCF Forum in 2017.

On the 2016 Forum, the working group's facilitator delivered a short report from the Forum held in Manila on 5-6 September 2016. Accordingly, the stand-alone event held at the headquarter of the Asian Development Bank was well received and able to mobilize attendance from around 200 participants, with a good and varied representation from both regions and institutions, including government representatives, representatives of risk pooling facilities, donor agencies, multilateral development banks, private sector entities, the Executive Committee, academia and the civil society. Following the event, the group's co-facilitators prepared a draft summary report of the outcomes of the forum, as well as proposals for conclusions, recommendations and follow-up activities by the SCF.

In the afternoon, the breakout group on the 2016 SCF Forum considered the draft summary of the outcomes of the 2016 Forum, as well as the draft conclusions and recommendations, which will be annexed to the SCF report to the COP upon approval. Going through the report, the group's facilitator invited participating SCF members to focus primarily on the draft conclusions and recommendations. Members welcomed the report, highlighting the good documentation of the event and the effort to outline challenges and opportunities. In addition, it was pointed out that results should also be reflected in the SCF's work on the Biennial Assessment. Some SCF members had minor textual suggestions to the conclusions, which will be taken into account and incorporated into a revised version, before discussions on this agenda item resumes tomorrow.

On the theme for the 2017 SCF Forum, Committee members briefly exchanged views and ideas for potential themes to frame the planned event next year. Some members reiterated the ideas of holding a Forum on achieving the goals set out by Article 2 of the Paris Agreement, as well as focusing the event on the implementation of Nationally Determined Contributions. Besides discussing possible themes, the SCF also engaged in deliberations on the frequency of holding SCF Forums. Some members highlighted that in light of the evolving landscape of forums and events related to UNFCCC pro-

cesses, it could be useful to change the frequency of SCF Forums to every two years. On a similar note, other members pointed out the importance of assessing the impact the SCF is having with conducting these events, also in light of the considerable amount of work needed for their preparation and planning. During the course of the meeting, SCF members will aim to finalize the identification of topics for its 2017 forum with a view to include a recommendation on this matter in its report to COP for consideration by Parties.

### **Draft Guidance to the Operating Entities of the Financial Mechanism**

The SCF also discussed the Draft Guidance to the Operating Entities (OEs) of the Financial Mechanism (FM). In assisting the COP on matters related to climate finance, the SCF annually provides draft guidance to the OEs, namely the Global Environment Facility (GEF) and the Green Climate Fund (GCF). During the course of the meeting, SCF members are invited to agree on a) a draft decision containing draft guidance to the GEF; b) a draft decision containing draft guidance to the GCF; c) to consider an update on the recent discussions with the co-chairs of the GCF Board and its secretariat and to agree on the approach to be taken by the SCF; d) to consider the frequency of guidance to the GEF; e) to include in its report to COP 22 the recommendations agreed at SCF 13.

After a short round in the plenary highlighting the importance of this agenda item for the work of the SCF, members engaged in textual discussions in the breakout group, based on draft guidance prepared by the group's co-facilitators. At that, SCF members and observers briefly discussed draft guidance to the GEF. Regarding the frequency of guidance, SCF members agreed on a set of recommendations to be included in its report to COP 22 relating to the frequency of guidance to the GCF, and the preparation of draft core guidance to the OEs of the Financial Mechanism.

On enhancing coherence and coordination, a representative of the GCF informed SCF members that the GCF Board had decided to hold an annually meeting with the different thematic bodies under the UNFCCC. A first meeting will take place at the margins of COP 22 in Marrakesh. In addition, it was pointed out that a discussion on an overall operational framework on coherence would be considered at the last meeting of the GCF Board in 2016.

**Contact:** <http://www.cfas.info> and [cfas@germanwatch.org](mailto:cfas@germanwatch.org)



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