

Climate Finance Advisory Service

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Daily Briefing

10th Standing Committee on Finance Meeting

(12 June 2015)

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.

Summary from 12 June 2015

On Friday, 12 June 2015, the members of the Standing Committee on Finance (SCF) convened for their 10th meeting in Bonn, Germany. Even though most of the committee members came directly from two weeks of exhausting UNFCCC negotiations, they engaged directly in substantive discussions, after the SCF adopted the agenda and the co-chairs explained the organization of work: before starting the work in different breakout groups, the respective co-facilitators were offered the floor to present to the plenary an update on discussion and progress made since the last SCF meeting.

In the breakout group on **MRV of support beyond the Biennial Assessment** the discussion was mostly focused on reporting of climate finance provided and received. At the outset, the facilitator invited attendees of this breakout group to consider the background document by the secretariat on the outcome of the in-session technical workshop on methodologies for reporting financial information by Annex I Parties. This workshop was held during the meeting of the subsidiary bodies, under the auspices of the SCF, the Subsidiary Body for Scientific and Technological Advice (SBSTA), and the Subsidiary Body for Implementation (SBI).

The workshop showed that there is a need to understand the underlying assumptions behind the reporting format used by different Parties, in order to enable comparability across information provided. This would provide greater certainty and reduce the range between the different estimates of climate finance flows. The issue of granularity (level of detail of the information provided) was also discussed. It was stressed that more disaggregated data would be needed in order to enhance transparency. It was recognized that a lot of work has already been done by actors outside the Convention to harmonize the different methodologies. It was noted that in this context it would be important for the SCF to provide further guidance, as MDBs or OECD develop their methodologies. One participant pointed out the lack of data on private finance flows and called for more joint efforts to provide more accurate in this area.

The co-facilitator, in wrapping up the session, mentioned that the discussion will continue intersessionally among committee members. He also announced that the discussion in the breakout group tomorrow will focus on the work plan of the SCF with regard to MRV of support beyond biennial assessment.

The breakout group on the **2015 Forum of the SCF** engaged in discussions on the draft concept note for the Forum, which will be held in Durban, South Africa from 8-9 September 2015, in conjunction with the 14th World Forestry Congress, hosted by the Food and Agriculture Organization. SCF members and observers exchanged views on the objective and scope of the Forum, as well as the concrete programme of the two-day event. The event's purpose is bringing together key organisations and stakeholders working on forest financing, sharing experience and knowledge and learning from practice. As proposed in the draft concept note, the Forum will start with a general "scene setting" focus on the first day, before going more in-depth by exploring concrete case studies and experiences from countries on the second.

Group participants offered some points for improvement, such as feeding in deliberations from the Finance for Development debate and considering joint mitigation and adaptation approaches. It was also discussed what next steps could be taken for fostering coherence and coordination efforts on a continuous basis, not only through a one-off event.

In the afternoon, one breakout group considered the best way to provide **Guidance to the Operating Entities (OE) of the Financial Mechanism**. Representatives from the OEs were present to answer questions by participants. In the past two years, the SCF has been preparing recommendations on guidance to be provided by the COP to the OEs, related to policies, programme priorities and eligibility criteria. Since last year, the SCF has been exploring how it can develop technical guidance to the OEs that is implementable, which would enhance the accountability of the OEs to the COP. Participants considered a compilation and analysis of past guidance, with a view to identifying a set of core guidance, which has been repeatedly provided to the OEs and determining the frequency of the provision of guidance that would allow the OEs to be more responsive. It was mentioned that changing the frequency might have legal implications, because the Memoranda of Understanding (MoU) between the COP and the OEs require annual guidance. The necessity of distinguishing between the GEF and the GCF was also highlighted. The latter is in its early stages and needs further guidance until full operationalization. The SCF will continue its discussion tomorrow in plenary.

In the other parallel session, the breakout group on **Coherence and Coordination: Finance for Forests** elaborated on the working paper that will be presented in September, providing key technical findings on financing for forests that can inform guiding questions for the SCF Forum, as well as serving as a basis for the overall outcome of the SCF's work on enhancing coherence and coordination. Several group participants have engaged with the SCF in the past, providing valuable input to the working paper and indicated that they will continue to do so, such as the Climate Policy Initiative, the Global Environment Facility and the UN Forum on Forests. SCF Board members and other stakeholders were invited to continue delivering input to improve the document, which is envisaged to be finalized by the end of July.

The last item of the day considered the **2016 Biennial Assessment** (BA) report. Participants considered initiating the technical work including all elements, processes, as well as time frames to be considered for the preparation of the second BA. The facilitator collected input from participants on the good experiences from the first BA and on areas for improvement.

In terms of good features to be kept in the second BA, participants highlighted that the process around the BA brought different stakeholders under and outside the Convention together to discuss climate finance information data. It was also mentioned that the BA helped to build more coherence and coordination among different institutions collecting data for different purposes. It has also helped stimulating the discussion around recipient countries' perspectives on climate finance, as well as identifying different gaps. In terms of areas for improvement, the issue of data on private climate finance was at the centre of the discussion. It was stressed that more comprehensive and granular data is needed not only for private sectors, but also on bilateral flows. It was also suggested that the second BA should cover additional issues, such as needs assessments and how adaptation and mitigation needs from recipient countries could best be met.

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