

Climate Finance Advisory Service



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Daily Briefing

13th Standing Committee on Finance Meeting

(20 July 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.

Previous daily briefings and other CFAS analyses are available on the **new CFAS website www.cfas.info**.

The CFAS Team

Summary from 20 July 2016

On Wednesday, 20 July 2016, the Standing Committee on Finance (SCF) concluded its 13th meeting by bringing together the work conducted over the past three days. At the outset of the session the newly appointed Executive Secretary to the UN Framework Convention on Climate Change (UNFCCC), Ms. Patricia Espinosa, addressed the Committee and observers. She acknowledged the important role and valuable contribution of the SCF within the UNFCCC process.

2016 Biennial Assessment and Overview of Climate Finance Flows

In the morning, the SCF held another technical meeting on the 2nd Biennial Assessment and Overview of Climate Finance Flows (BA). SCF members considered a proposal by the BA co-facilitators for a draft outline of the summary and recommendations of the 2016 BA. In their initial reactions, SCF members welcomed the summary, noting a number of areas which require further technical discussions. In terms of the structure of the summary, many SCF members felt that streamlining and a rearrangement of sections was needed, in order to make the document more accessible to the reader and enhance the overall reading flow. It was highlighted that the inclusion of sub-headers could be a helpful way to improve the document. Some members felt that the findings of the BA were still too generic and that a higher level of specificity was needed in order to deduce detailed and useful recommendations. Regarding the assessment of climate finance flows, members highlighted that besides a quantitative assessment of flows, a communication of trends would be helpful. Furthermore, many members

stressed the urgency to ensure consistency between the main report and the summary, as well as verifying the underlying data sets and numbers. In light of this, it was proposed that after introducing the context and mandate in which the BA is prepared, it would be important to outline the challenges and limitations encountered in collecting, aggregating and analysing information from diverse sources, in order to manage expectations of the reader.

Some members pointed out that some of the findings in the BA would lead to further and more complex questions, which the document so far fails to answer.

Discussion on the BA will continue tomorrow in an informal technical meeting. SCF members are invited to also provide written comments on the first order draft, as well as the outline of the summary and recommendations. Deadline for this is 15 August 2016, in order to allow the consultants enough time to incorporate changes into a final draft of the technical report. Following the comments received, the BA facilitators, with support from the Secretariat will prepare a revised version of the summary and recommendations for consideration by the SCF at its next meeting.

Forum of the Standing Committee on Finance in 2016 and 2017

The co-facilitator of the working group on the 2016 Forum reported back to the plenary, outlining the work undertaken in the course of the meeting, which mainly consisted in revising the draft programme for the 2016 Forum. SCF members welcomed the draft programme, in which all the views expressed by Committee members and observers over the past days were incorporated. The group's facilitators will now engage to identify a final list of speakers and resource persons for the event, for which members and observers are invited to make suggestions by 29 July 2016. The final programme, including all the speakers and resource persons, will be uploaded on the SCF website as soon as possible. To increase outreach, the forum will be promoted through various websites, e.g. of the Asian Development Bank, UNEP, UNDP and the Green Climate Fund. In addition, efforts will be made to ensure webcasting of the Forum.

The co-facilitator of the 2017 SCF Forum working group also briefly updated the Committee on the deliberations undertaken by members and observers for finding a theme for next year's SCF Forum. Generally, SCF members welcomed the proposed options outlined by the group. Members reiterated the need for finding a theme that adds value to the processes under the UNFCCC. In this regards, some members welcomed the idea of framing the forum in the context of how to achieve the goals set out in Article 2 of the Paris Agreement.

The SCF will continue consultations on the matter, also intersessionally, in order to agree on a theme at the next SCF meeting.

Draft Guidance to the Operating Entities of the Financial Mechanism

After the lunch break, the Committee resumed with the report backs from the various groups. The co-facilitator of the working group on the Draft Guidance to the Operating Entities (OEs) of the Financial Mechanism informed SCF members on the progress achieved over the past days, addressing the issues of (i) draft core guidance, (ii) the frequency of guidance, and (iii) draft guidance to the OEs in 2016. On the preparation of draft core guidance, a compilation and analysis (C&A) of past guidance will be sent to the OEs to exchange feedback and further identify practical areas of use. The thematic bodies of the UNFCCC (e.g. Adaptation Committee, Technology Expert Committee, etc.) will also be

invited to use the C&A as a basis for developing guidance and provide feedback on its uses and contents. In addition, a call will be issued to SCF members, Parties and observers to submit inputs. Regarding the frequency of guidance, the SCF agreed to recommend to the COP to provide annual guidance to the Green Climate Fund (GCF), in light of the early stage of operationalisation of the institution. With respect to the Global Environment Facility (GEF), the SCF recommends to continue considerations on the matter of frequency in 2017, with a view to provide a final recommendation by COP23. Last but not least, discussions have started to formulate draft guidance to the OEs in 2016. In addition, SCF members, Parties, observer organisations and the UNFCCC thematic bodies are invited to submit further elements for draft guidance to the OEs prior to the next SCF meeting.

Other Matters

Before closing the meeting, SCF members briefly discussed other matters. As pointed out by one of the Committee members, the COP in Paris decided to initiate the review of the functions of the SCF at COP22 in Marrakesh. For the review, the Subsidiary Body for Implementation (SBI) was requested to prepare draft terms of reference on the basis of submissions from members of the SCF, Parties and observer organisations. The Committee had a very short round of comments from the floor and decided to address this issue and how to respond to the request at its 14th meeting.

SCF members also engaged in a prolonged debate in order to find a suitable date and venue for its 14th meeting. Options included having the meeting in early September 2016 in conjunction with the SCF Forum in Manila, as well as holding it in the first week of October 2016 in Bonn. The Committee will aim to clarify the exact dates of the meeting intersessionally.

Last but not least, the Committee was informed that the co-chairs of the GCF had reached out to the SCF co-chairs, in order to arrange a joint meeting, as part of the efforts to enhance complementarity and coherence between the institutions. The co-chairs will explore options to participate in one of the upcoming GCF Board meetings.

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