

Climate Finance Advisory Service



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Daily Briefing

14th Standing Committee on Finance Meeting (5 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.

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

The CFAS Team

Summary from 5 October 2016

On Wednesday, 5 October 2016, the Standing Committee on Finance (SCF) concluded its 14th meeting by bringing together the work conducted over the past three days. As the Committee lost its quorum at the end of the meeting, some agenda items will need to be finalized intersessionally before the Conference of the Parties (COP) in Marrakesh.

2016 SCF Forum

The group's co-facilitator reported back on the progress made on the report of the outcomes of the 2016 SCF Forum, as well as the conclusions and recommendations which will be forwarded to the COP in Marrakesh. Specific input and amendments provided by SCF members during the formal breakout sessions and informal consultations during the course of the meeting were incorporated in a revised version. Without further discussions, the Committee adopted the report, which will be included as an annex in the SCF report to the COP.

Linkages with the SBI and other thematic bodies of the Convention

Resuming their discussion on the issue of Linkages with the Subsidiary Body for Implementation (SBI) and the thematic bodies of the Convention, SCF members agreed to request the Secretariat to submit on their behalf the revised SCF inputs to the call for submissions by the Adaptation Committee (AC) and the Least Developed Countries Expert Group (LEG) regarding the mandate given by decision 1/CP.21 paragraph 45. Besides confirming the participation of the SCF adaptation focal points in the

AC/LEG side-event during COP 22 in Marrakesh, the Committee also requested the Secretariat to draft a submission on adaptation related institutional arrangements under the Convention.

In addition, as announced on day one, the co-chairs proposed a way forward on the issue of linkages between the Technology Mechanism and the Financial Mechanism of the UNFCCC, which was endorsed by SCF members: Noting its potential contribution to the discussions on this matter, the SCF co-chairs will invite the co-chairs of the Technology Executive Committee (TEC) to discuss the matter on the margins of COP 22.

Draft Guidance to the Operating Entities of the Financial Mechanism

On the Guidance to the Global Environment Facility (GEF), the group's facilitator presented a revised version of the draft guidance to the GEF, based on the discussions held during the last two days. Going through the document section by section, special attention was given to those paragraphs in brackets where consensus could not be reached so far. Ultimately, the SCF was able to remove all the brackets, inter alia by deleting redundancies, streamlining some of the paragraphs and incorporating some additional textual amendments from SCF members. The document will serve as the SCF input to the draft guidance to the GEF and will be forwarded to the COP for consideration.

On the Guidance to the Green Climate Fund (GCF), SCF members resumed their discussion from day two in a breakout group in the morning. Following the same format, members started with comments on the different subchapters in the draft guidance. On readiness, a representative from the GCF Secretariat announced the recent conclusion of a framework agreement with an UN organization, which has allowed clearing a large number of readiness requests, which - although already approved - were stuck in a pipeline awaiting implementation. This was a response to concerns raised yesterday by some SCF members, with regard to the pace of disbursement of resources for approved readiness support. On accreditation, members discussed on the best way to craft a recommendation to urge the Board of the GCF to strike balance between accreditation of international and national entities, while giving special attention to adaptation action, national adaptation planning processes, and including the promotion of the local private sector. Furthermore, members exchanged views on how to provide guidance in order to request the GCF to expedite the implementation of projects, as well as its work plan.

Back in the plenary in the afternoon, the group's facilitator presented a revised draft composed of three parts: one with the draft guidance to the GCF that will be forwarded to the COP; one as an annex with issues that the SCF was not able to address because of one outstanding meeting of the GCF before COP 22; and one as an annex with areas where the SCF could not complete its discussions. Focussing on the first part, SCF members tried to resolve some outstanding issues, also trying to accommodate additional input from members. With the meeting running late, the SCF lost its quorum and was therefore not able to formally adopt the final set of draft guidance to the GCF. The final version of the document will be circulated to remaining SCF members for intersessional approval before the COP on a non-objection basis.

MRV of support beyond the BA

On the issue of Measurement, Reporting and Verification (MRV) of support beyond the Biennial Assessment, the co-chairs proposed a way forward on dealing with the matter. After some discussions,

SCF members agreed to recommend to the COP to mandate the SCF to continue undertaking work on this matter based on its 2016-2017 work plan, including considerations related to measurement and verification, taking into account the recommendations emanating from the 2016 Biennial Assessment, as well as relevant further decisions taken by COP 22.

2016 Biennial Assessment and Overview of Climate Finance Flows

Building on the comprehensive consultations during the last two days, a new draft version of the summary of the Biennial Assessment and Overview of Climate Finance Flows was distributed to Committee members. Engaging in textual discussions, minor changes in the different chapters were made in order to accommodate different views.

Most of the amendments were made in the overview subchapter. The first issue centered on the framing of the difficulty to specify the geographical origin of co-financing used in climate finance, due to the fact that co-financing is raised from different sources, including domestically. Furthermore, some SCF members questioned some of the figures that were changed in the new version, due to some amendments introduced by the consultants without previous consultations in the plenary. In the discussion, one member suggested that any change in the summary would need to be reconciled with the figures in the main technical document. This should also apply to figures presented in terms of instruments used to channel climate finance flows. On the subchapter on recommendations, an intense discussion took place on how to improve the data quality to enhance transparency and completeness of further climate finance flows. The main point was whether the section should have more comprehensive technical recommendations, or to keep the whole recommendations as simple as possible, in order to allow the COP or the Ad Hoc Working Group on the Paris Agreement (APA) to define the appropriate measure for improving the data. Ultimately, it was decided to keep the new version, while including a footnote that enumerates a set of activities that could help improve the quality of the data.

Incorporating all the necessary changes, SCF members finally adopted the summary of the 2016 BA – a key input of the Committee to COP 22.

2017 SCF Forum

The group's co-facilitator reported back to the plenary on the progress made on finding a theme for the 2017 SCF Forum. As a result of the work of the group, the theme of "How to support the implementation (Intended) Nationally Determined Contributions ((I)NDCs) and National Adaptation Plans in the context of achieving the goal set out in Article 2.1(c) of the Paris Agreement" was suggested to the SCF members. One SCF members highlighted that prior to talking about implementation, it was rather necessary to discuss the needs (capacity building, technology and finance) identified in INDCs. After some discussion, informal consultations were held to agree on a way forward. Ultimately, SCF members could not reach consensus on a suitable theme for its 2017 Forum. However, the report of the SCF to the COP will include the procedural information that discussions on the matter have taken place during the year, with a view of receiving guidance from the COP on how to proceed on the matter.

Other issues

Without having a quorum, the SCF could not conclude discussions on the Report of the SCF to the COP, the input to the Review of the Functions of the SCF, and the Date of the 2017 SCF meetings.

As a way forward, the co-chairs suggested that proposals on the outstanding agenda items would be circulated to SCF members on a non-objection basis until Friday, 7th October. If no objections are received, they will be deemed to have been accepted as proposed and be included to the SCF report to COP 22. Nevertheless, before closing the meeting, tentative dates for SCF 15 and SCF 16 were presented to the members: 6-9 March 2017 for SCF 15, and 4-8 September 2017 for SCF 16.

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