

Outcomes from the 20th meeting of the Standing Committee on Finance

This information note was prepared by Ms. Vicky Noens, with the support of the UNFCCC secretariat, as a member of the Advisory Board to the Climate Technology Centre & Network (CTCN), in the capacity of a member of the Standing Committee on Finance (SCF). The note aims to provide the members of the Advisory Board to the CTCN a general overview of the key outcomes from the 20th meeting of the SCF and the activities that the SCF will be undertaking in 2019.

Draft guidance to the operating entities of the Financial Mechanism

The Conference of the Parties (COP) at its 21st session decided that the SCF shall serve the Paris Agreement in line with its functions and responsibilities established under the COP,¹ and this decision was confirmed by the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement (CMA) in Katowice.² The CMA requested the SCF to prepare draft guidance for the entities entrusted with the operation of the Financial Mechanism, and on the Least Developed Countries Fund and the Special Climate Change Fund, for consideration and adoption by the CMA at its second session (December 2019).³

SCF members, at its 20th meeting, discussed on how the SCF could fulfil the mandate from the COP and the CMA relating to preparing the draft guidance for consideration by the COP and the CMA. The SCF agreed that:

- I. A common set of draft guidance should be prepared for consideration both by the COP and the CMA;
- II. Should there be draft guidance that would need to be specifically considered by the CMA, this draft guidance should be clearly identified through a distinct heading within the common set of draft guidance.

The SCF also discussed ways to further improve the quality of the draft guidance. The SCF will encourage the providers of the inputs to submit their proposed draft text in advance of the next meeting of the SCF and within the deadline which will be communicated by the SCF. The input providers will also be encouraged to present clear rationale of the proposed inputs and be invited to engage with the SCF for any clarifications that may be required on the inputs. The SCF will also continue to utilize the database of previous guidance to the operating entities, as well as the criteria it has established to technically assess the inputs received.

As a key input provider, the SCF will invite the Technology Executive Committee to continue to provide their expert inputs to the draft guidance.

The Biennial Assessment and Overview of Climate Finance Flows, including information relevant to Article 2, paragraph 1(c) of the Paris Agreement

The Biennial Assessment and Overview of Climate Finance Flows (BA) is one of the flagship products that the SCF produces as an activity mandated by the COP. In 2018, the SCF published its third BA, which is comprised of a technical report and a summary and recommendations by the SCF. The technical report included information on methodologies for tracking and reporting on technology development and

¹ Decision 1/CP.21, paragraph 63.

² Decision 3/CMA.1, paragraph 6.

³ Decision 3/CMA.1, paragraph 8.

transfer, estimates of global investments and investment trends in renewable energy and energy efficiency technologies across various sectors. The report was welcomed with appreciation by the COP at its 24th session.

At its 20th meeting of the SCF, members discussed how the SCF will prepare the 2020 BA and how the Committee will address the new mandates from the COP relating to the BA, including the mandate on the Article 2.1(c) of the Paris Agreement.⁴ The Committee agreed to follow a similar overall approach taken for the preparation of the 2018 BA – *i.e.* the 2020 BA will comprise of a technical report as well as a summary and recommendations by the SCF; the 2020 BA will include chapters on methodologies, overview of finance flows and assessment of climate finance and; it will be reviewed by an open-ended working group, which would include SCF members and data providers, producers and aggregators.

Furthermore, the SCF considered a preliminary draft outline of the 2020 BA, which reflects how the SCF will address the new BA-related mandates, including related to Article 2.1(c).⁵ Information on the technology investment will continue to be a part of the assessment chapter. The SCF will develop an advanced draft outline of the 2020 BA for consideration and finalization by its next meeting in September/October 2019.

Determination of the needs of developing countries related to the implementation of the Convention and the Paris Agreement

The COP, at its 24th session, requested the SCF to prepare, every four years, a report on the determination of the needs of developing country Parties related to implementing the Convention and the Paris Agreement, for consideration by the COP starting at its 26th session (November 2020), and the CMA, starting at its 3rd session (November 2020).

SCF members, at the 20th meeting, discussed how the Committee will fulfill this mandate. A draft outline of the report will be prepared by the next meeting of the SCF. In the informal note prepared by the SCF co-facilitators,⁶ it is indicated that the draft outline would include an assessment of developing countries' needs, including a thematic scope on finance needs for mitigation, adaptation, technology development and transfer, capacity-building and loss and damage.

The Committee will initiate technical work on mapping and analysis of available information on the needs of developing country Parties, including:

- I. Data collection from different reports and databases;
- II. Undertaking data gaps and analysis;
- III. Obtaining information on various methodologies being used to determine developing country Parties' needs.

⁴ The COP requested the SCF to map, every four years, as part of its BA, the available information relevant to Article 2, paragraph 1(c), of the Paris Agreement, including its reference to Article 9 thereof.

⁵ The preliminary draft outline will be included in the report of the 20th meeting of the SCF, to be published at: <https://unfccc.int/topics/climate-finance/meetings--events/scf-committee-meetings>.

⁶ The draft outline will be included in the report of the 20th meeting of the SCF.

Furthermore, the SCF will be reaching out to developing country Parties and relevant stakeholders that have undertaken relevant work. There will be a workshop on methodologies and processes for determining and assessing the needs of developing country Parties on 10–11 July 2019 in Manila, Philippines.

2019 Forum of the Standing Committee on Finance

The SCF Forum is an activity mandated by the COP to enhance the communication and exchange of information and promote of linkages and coherence among climate finance actors globally.⁷ Through the Forum, the SCF facilitates a technical discussion among the key climate finance practitioners and generates policy recommendations to the COP, thereby serving as a bridge between the practitioners and the policy makers.

The 2019 Forum will focus on the theme of Climate Finance and Sustainable Cities. Its 4 sub-themes include:

- I. Financing cities' low emission development;
- II. Financing climate-resilient cities;
- III. Capacity-building of local authorities to finance sustainable cities;
- IV. The role of climate finance in facilitating a transition towards inclusive, participatory and gender-responsive and youth-oriented cities.

The SCF, at its 20th meeting, agreed on the provisional programme of the Forum.⁸ The dates and the venue of the Forum will be decided inter-sessionally.

⁷ Decision 2/CP.17, paragraph 121 (a).

⁸ Available at: <https://unfccc.int/process-and-meetings/bodies/constituted-bodies/standing-committee-on-finance-scf/scf-forum/2019-forum-of-the-standing-committee-on-finance>.