



Convention-cadre sur les changements climatiques

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Questions relatives au financement

Rapport du Comité permanent du financement

Rapport du Comité permanent du financement à la Conférence des Parties*

Résumé

Le présent rapport contient des informations sur les travaux réalisés et les recommandations adoptées par le Comité permanent du financement en 2013 lors de ses troisième (8-10 mars), quatrième (15-17 juin) et cinquième réunions (27-30 août), qui se sont toutes déroulées à Bonn (Allemagne). Il contient en outre la liste des membres du Comité permanent, le rapport sur son premier Forum, le projet d'arrangements entre la Conférence des Parties et le Fonds vert pour le climat, le résultat des discussions concernant le projet actualisé de directives pour le cinquième examen du mécanisme financier de la Convention, des éléments du projet de directives à l'intention du Fonds pour l'environnement mondial, des éléments du projet initial de directives à l'intention du Fonds vert pour le climat, l'objet, la portée et un calendrier provisoire concernant la première évaluation biennale faisant le point sur les flux financiers et le plan de travail du Comité permanent pour l'année 2014-2015.

* Le présent document a été soumis après la date prévue de façon à pouvoir y faire figurer les résultats des travaux intersessions menés par le Comité permanent du financement après sa dernière réunion en 2013.



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I. Introduction

A. Mandat

1. Par sa décision 1/CP.16¹, la Conférence des Parties a créé un Comité permanent, qu'elle a renommé, par sa décision 5/CP.18² Comité permanent du financement, chargé de l'aider à s'acquitter de ses fonctions relatives au mécanisme financier de la Convention, qu'il s'agisse d'améliorer la cohérence et la coordination du financement des mesures liées aux changements climatiques, de rationaliser le mécanisme financier, de mobiliser des ressources financières ou de mesurer, notifier et vérifier l'appui fourni aux pays en développement parties.
2. Par sa décision 2/CP.17³, la Conférence des Parties a décidé que le Comité permanent lui ferait rapport et lui adresserait des recommandations à chacune de ses sessions ordinaires sur toutes les composantes de ses travaux.
3. Par sa décision 5/CP.18⁴, la Conférence des Parties a approuvé le programme de travail du Comité permanent du financement pour 2013-2015⁵.

B. Objet de la note

4. La présente note contient les recommandations formulées par le Comité permanent à l'intention de la dix-neuvième session de la Conférence des Parties, ainsi que les rapports sur tous les aspects de ses travaux en 2013, notamment ses troisième, quatrième et cinquième réunions, le premier Forum et les travaux intersessions.

C. Recommandations concernant les mesures que pourrait prendre la Conférence des Parties à sa dix-neuvième session

5. La Conférence des Parties pourrait prendre note:
 - a) De la modification de la composition du Comité permanent, précisée à l'annexe I;
 - b) Du rapport sur le premier Forum du Comité permanent, contenu à l'annexe II;
 - c) Du projet de plan de travail pour la première évaluation biennale des flux financiers, contenu à l'annexe VII;
 - d) Le plan de travail actualisé du Comité permanent pour 2014-2015, contenu à l'annexe VIII.
6. S'agissant du mandat confié au Comité permanent⁶ de poursuivre la révision des directives concernant l'examen du mécanisme financier de la Convention et la rédaction d'un projet de directives actualisées pour examen et adoption par la Conférence des Parties

¹ Décision 1/CP.16, par. 112.

² Décision 5/CP.18, par. 9.

³ Décision 2/CP.17, par. 120.

⁴ Décision 5/CP.18, par. 3.

⁵ FCCC/CP/2012/4, annexe II.

⁶ Décision 8/CP.18, par. 2.

à sa dix-neuvième session en vue de finaliser le cinquième examen du mécanisme financier pour examen par la Conférence des Parties à sa vingtième session, le Comité permanent:

a) Soumet pour examen à la Conférence des Parties les résultats de ses discussions concernant le projet de directives actualisées (annexe IV);

b) Se tient prêt à appuyer le cinquième examen du mécanisme financier de la Convention.

7. Le Comité permanent recommande que la Conférence des Parties utilise à sa dix-neuvième session les éléments figurant à l'annexe V lors de ses délibérations au sujet des directives à formuler à l'intention du FEM.

8. Le Comité permanent recommande également que la Conférence des Parties tienne compte, au moment de la formulation de ses premières directives à l'intention du Fonds vert pour le climat, des éléments qui figurent à l'annexe VI.

9. Le Comité permanent recommande en outre à la Conférence des Parties d'approuver le projet d'arrangements avec le Fonds vert pour le climat qui figure à l'annexe III, suite à l'accord auquel est parvenu le Conseil du Fonds sur ce projet à sa cinquième réunion.

II. Délibérations des troisième, quatrième et cinquième réunions du Comité permanent du financement

A. Composition du Comité

10. En 2013, la composition du Comité a été ainsi modifiée: M^{me} Wilhelmina Verdegaal (Pays-Bas) a remplacé M. Søren Jakobsen (Danemark) et M. Yorio Ito (Japon) a remplacé M. Teruhiko Shinada (Japon). La liste des membres du Comité permanent au 1^{er} septembre 2013 figure à l'annexe I.

B. Réunions du Comité permanent du financement

11. Le Comité permanent du financement a tenu sa troisième réunion à Bonn (Allemagne) du 8 au 10 mars 2013. Il a examiné les principaux résultats de la dix-huitième session de la Conférence des Parties et quelles en étaient les conséquences pour ses travaux en 2013, les arrangements convenus entre la Conférence des Parties et le Fonds vert pour le climat ainsi que l'organisation de son premier forum. Les autres questions examinées ont été la portée du cinquième examen du mécanisme financier de la Convention et le mandat confié au Comité permanent d'actualiser les directives concernant cet examen, ainsi que les contributions au programme de travail sur le financement à long terme. Les membres du Comité permanent ont convenu d'organiser le premier forum à l'occasion de Carbon Expo prévu à Barcelone (Espagne) et ont identifié entre autres, des thèmes principaux et subsidiaires qui pourraient être examinés à cette occasion. En outre, le Comité permanent a établi une liste d'éléments possibles, une proposition concernant les modalités de travail et un calendrier pour l'élaboration des arrangements entre la Conférence des Parties et le Fonds vert pour le climat, qui ont été officiellement transmis au Conseil du Fonds avant sa troisième réunion. Deux groupes de travail ont été constitués, chargés du forum et du cinquième examen du mécanisme financier, respectivement, afin de permettre au Comité de poursuivre ses travaux pendant la période intersessions.

12. Le Comité permanent a tenu sa quatrième réunion du 15 au 17 juin 2013 à Bonn. Il a examiné les résultats de son premier forum et engagé le débat sur les directives à établir à l'intention des entités fonctionnelles du mécanisme financier de la Convention. En outre, il a étudié les questions des arrangements entre la Conférence des Parties et le Fonds vert pour le climat et des directives actualisées concernant le cinquième examen du mécanisme financier. Il a également examiné les questions des contributions des experts au programme de travail sur le financement à long terme; de la mesure, de la notification et de la vérification de l'appui fourni et de la préparation de l'évaluation biennale des flux financiers; des liens avec l'Organe subsidiaire de mise en œuvre (SBI) et les organes thématiques de la Convention ainsi que d'un éventuel code de conduite pour lui-même. Au cours de la réunion, les membres du Comité ont réalisé des progrès sensibles s'agissant de la rédaction du projet d'arrangements entre la Conférence des Parties et le Fonds vert pour le climat et ont été invités à faire part de leur point de vue concernant le programme de travail sur le financement à long terme; la mesure, la notification et la vérification de l'appui fourni et l'évaluation biennale des flux financiers liés aux changements climatiques; les directives actualisées pour le cinquième examen du mécanisme financier et le projet de directives à l'intention des entités fonctionnelles du mécanisme financier. Le Comité a également invité les parties prenantes externes à faire part de leur point de vue concernant la mesure, la notification et la vérification de l'appui fourni ainsi que l'évaluation biennale des flux financiers liés aux changements climatiques.

13. Le Comité permanent a tenu sa cinquième réunion du 27 au 30 août 2013 à Bonn. Il a examiné le projet de directives actualisées pour le cinquième examen du mécanisme financier de la Convention et les projets de directives à l'intention des entités fonctionnelles du mécanisme, à savoir le projet de directives à l'intention du FEM et le projet initial et le projet additionnel de directives à l'intention du Fonds vert pour le climat. Il a également examiné la question de la mesure, de la notification et de la vérification de l'appui fourni, ainsi que celles de la première évaluation biennale des flux financiers liés aux changements climatiques et de son deuxième forum. Au cours de la réunion, il a finalisé les projets d'arrangements entre la Conférence des Parties et le Fonds vert pour le climat en vue de sa transmission au Conseil du Fonds et a élaboré des suggestions pour le deuxième forum ainsi qu'un plan de travail pour la première évaluation biennale des flux financiers. Des groupes de travail ont été constitués afin de poursuivre au cours de la période d'intersessions les travaux concernant le deuxième forum, la première évaluation biennale des flux financiers et le projet de directives à l'intention des entités fonctionnelles du mécanisme financier.

14. Le Comité permanent a mené ses travaux lors de ses réunions en séances plénières et en séances de groupe ainsi que dans le cadre de groupes de travail intersessions. À chacune de ses réunions, des représentants d'organisations observatrices ont été invités à faire part de leur point de vue sur les diverses questions examinées et à participer activement aux débats lors des séances de groupe.

15. En particulier, lors de la cinquième réunion, des experts du secrétariat du FEM et du Bureau de l'évaluation du FEM, de l'Organisation de coopération et de développement économiques (OCDE), de la Banque européenne pour la reconstruction et le développement (BERD) et de l'Overseas Development Institute (ODI) ont été invités à présenter des exposés ciblés concernant le projet de directives à l'intention du FEM ainsi que la mesure, la notification et la vérification de l'appui fourni. Les membres du Comité ont ensuite longuement examiné ces questions avec les experts.

16. À chaque réunion, un nombre considérable d'observateurs représentant des Parties ainsi que d'organisations non gouvernementales et intergouvernementales et des centres de réflexion étaient présents.

17. Les quatrième et cinquième réunions du Comité permanent ont été diffusées sur Internet et suivies par un nombre satisfaisant de participants, aussi bien en direct que par la suite sur demande. L'enregistrement des séances est disponible sur le site Web du Comité permanent⁷.

18. Tous les documents établis pour les réunions de même que les rapports des réunions, listes de participants, exposés présentés et documents soumis sont également disponibles sur le site Web du Comité permanent⁸.

III. Travaux du Comité permanent du financement en 2013

A. Premier forum du Comité permanent du financement et forum virtuel

19. Conformément à la décision 2/CP.17⁹, le Comité permanent du financement a notamment pour fonction d'organiser un forum de communication et d'échanges permanents de l'information entre les organes et les entités chargés de financer les mesures prises pour faire face aux changements climatiques afin de promouvoir l'établissement de liens et la cohérence. Dans sa décision 5/CP.18¹⁰, la Conférence des Parties s'est félicitée des travaux consacrés au forum et a encouragé le Comité permanent à y faciliter la participation du secteur privé, des institutions financières et des milieux universitaires. Par ailleurs, dans sa décision 1/CP.18¹¹, la Conférence a déclaré attendre avec intérêt l'exécution du programme de travail du Comité permanent, notamment la création d'un forum du financement des activités liées au climat, qui permettra à toutes les Parties et à tous les acteurs intéressés d'échanger notamment des idées sur l'accroissement des moyens de financement dans le domaine climatique.

20. La première réunion du forum, organisée en collaboration avec l'Institut de la Banque mondiale, s'est tenue à Barcelone (Espagne) le 28 mai 2013 à l'occasion de Carbon Expo avec pour thème principal la mobilisation de financements et d'investissements pour prendre dès maintenant des mesures face aux changements climatiques, qu'il s'agisse de l'atténuation des effets du changement comme de l'adaptation à ces effets, ainsi que pour suivre la question du financement. Un rapport détaillé et un résumé des principaux thèmes abordés figurent à l'annexe II du présent document. Il convient de noter que le résumé des questions ne doit pas être considéré comme ayant été approuvé par le Comité permanent mais reflète simplement les principaux thèmes abordés lors des exposés et des débats qui ont suivi.

21. Parallèlement à son premier forum, le Comité permanent a lancé son forum virtuel entre autres, qui offre des informations de base, présente les contributions reçues de Parties, d'organisations internationales, de centres de réflexion et d'autres parties prenantes au sujet de questions en rapport avec le financement des mesures liées aux changements climatiques et contient les enregistrements du premier forum¹². Par ailleurs, toutes les parties prenantes intéressées sont invitées à lui fournir des informations sur les questions l'intéressant. Le Comité utilise ce forum virtuel pour solliciter des contributions au sujet de questions précises, comme par exemple la mesure, la notification et la vérification de l'appui fourni et

⁷ <http://unfccc.int/7703.php>.

⁸ <https://unfccc.int/6881.php>.

⁹ Décision 2/CP.17, par. 121 a).

¹⁰ Décision 5/CP.18, par. 4.

¹¹ Décision 1/CP.18, par. 70.

¹² Disponible à l'adresse suivante: <http://unfccc.int/7552.php>.

la première évaluation biennale des flux financiers, intervenue en juin 2013. Compte tenu du grand nombre de contributions reçues, il prévoit d'accroître la portée de ses outils en ligne.

22. À ses quatrième et cinquième réunions, le Comité permanent a examiné les enseignements tirés de son premier forum et les options concernant l'organisation du deuxième, qui se tiendra en 2014. Il a convenu de tenir son deuxième forum, d'une durée de deux jours, à l'occasion du Forum des partenaires des fonds d'investissement climatique, prévu provisoirement fin juin 2014 à Montego Bay (Jamaïque). Il a par ailleurs engagé les discussions au sujet de questions telles que les questions principales et subsidiaires qui seront abordées ainsi que le public cible et a constitué un groupe de travail chargé de continuer à élaborer des suggestions concrètes à cet égard.

B. Arrangements entre la Conférence des Parties et le Fonds vert pour le climat

23. Par sa décision 7/CP.18, la Conférence des Parties a demandé au Comité permanent et au Conseil du Fonds vert pour le climat de mettre au point des arrangements entre les deux entités conformément à l'instrument de base du Fonds¹³ et au paragraphe 3 de l'article 11 de la Convention, pour accord du Conseil du Fonds et accord ultérieur de la Conférence des Parties à sa dix-neuvième session. Elle a reconnu que les dispositions énoncées au paragraphe 3 de l'article 11, la décision 3/CP.17 et l'instrument régissant le Fonds vert pour le climat formaient la base des arrangements entre les deux entités.

24. À sa troisième réunion, le Comité permanent a élaboré les éléments des arrangements entre la Conférence des Parties et le Fonds vert pour le climat, qui ont été par la suite transmis au Conseil du Fonds. Ce dernier, par sa décision GCF/B.01-13/11, a décidé que les Coprésidents du Fonds devraient être chargés d'élaborer le projet d'arrangements avec les Coprésidents du Comité permanent. Suite à cette décision, les Coprésidents des deux entités ont engagé des consultations officieuses. Lors des quatrième et cinquième réunions du Comité permanent, ses membres ont finalisé le projet de texte et l'ont transmis au Conseil du Fonds en prévision de sa cinquième réunion. Le projet d'arrangements tel que convenu figure à l'annexe III.

C. Cinquième examen du mécanisme financier de la Convention

25. Par sa décision 8/CP.18¹⁴, la Conférence des Parties a décidé d'engager le cinquième examen du mécanisme financier de la Convention, conformément aux critères énoncés dans les directives qui figurent en annexe aux décisions 3/CP.4 et 6/CP.13 et dans les directives qui pourraient éventuellement être élaborées ultérieurement. Par la même décision, elle a demandé au Comité permanent d'apporter de nouvelles modifications aux directives pour l'examen du mécanisme et de lui présenter un projet de directives actualisées pour examen et adoption à sa dix-neuvième session en vue de mener à bien le cinquième examen de façon qu'elle puisse l'examiner à sa vingtième session. Elle a chargé le Comité permanent de tenir compte ce faisant des directives existantes et de l'évolution récente du mécanisme financier, en mettant à profit les informations disponibles, entre autres, sur le financement à mise en œuvre rapide et les activités du Fonds, sans oublier que celui-ci en est au premier stade de sa mise en œuvre opérationnelle, ainsi que sur l'examen initial du Fonds pour l'adaptation et le programme de travail sur le financement à long terme.

¹³ Décision 3/CP.17, annexe.

¹⁴ Décision 8/CP.18, par. 1.

26. Sur la base de ce mandat, le Comité permanent a élaboré à ses quatrième et cinquième réunions et à l'occasion des travaux intersessions menés après sa cinquième réunion des propositions d'éléments à prendre en considération pour l'élaboration de nouvelles directives en vue du cinquième examen du mécanisme financier. Au cours de la quatrième réunion, les membres du Comité ont été invités à participer à l'élaboration du projet de directives actualisées. S'appuyant sur les contributions reçues de ses membres¹⁵, ainsi que de Parties¹⁶ comme demandé par la Conférence des Parties à sa dix-huitième session¹⁷, il est tombé d'accord sur la plupart des éléments à faire figurer dans le projet de directives actualisées. Le résultat de ces discussions figure à l'annexe IV.

27. Comme demandé par la Conférence des Parties à sa dix-huitième session¹⁸, le Comité permanent présentera à la trente-neuvième session de l'Organe subsidiaire de mise en œuvre un rapport sur l'état d'avancement de ses travaux concernant le cinquième examen du mécanisme financier. Il n'a pu présenter pour des raisons de procédure un tel rapport à la trente-huitième session du SBI mais a tenu en lieu et place une réunion d'information à l'intention des Parties.

28. Les membres ont convenu que le Comité permanent était prêt à appuyer la réalisation du cinquième examen du mécanisme financier au cas où à sa dix-neuvième session, la Conférence des Parties lui en donnerait mandat.

D. Directives à l'intention des entités fonctionnelles du mécanisme financier de la Convention

29. Conformément à la décision 2/CP.17¹⁹, le Comité permanent est notamment chargé de formuler à l'attention de la Conférence des Parties des projets de directives concernant les entités fonctionnelles du mécanisme financier de la Convention afin d'en accroître la cohérence et l'utilité, et ce en tenant compte de leurs rapports annuels ainsi que des communications pertinentes des Parties.

30. Le Comité permanent a examiné cette question à ses quatrième et cinquième réunions ainsi qu'à l'occasion de ses travaux intersessions. À sa quatrième réunion, il a invité ses membres à faire part de leurs suggestions à cet égard. Des représentants du Bureau de l'évaluation et du secrétariat du FEM ont été invités à participer à sa cinquième réunion. Un exposé a été présenté²⁰ et tout au long de la réunion les membres du Comité ont pu échanger de nouvelles informations avec les représentants du FEM.

31. S'appuyant sur les communications reçues de ses membres²¹, le Comité permanent a élaboré les éléments d'un projet de directives à l'attention du FEM (voir annexe V) ainsi que les éléments d'un premier projet de directives pour le Fonds vert pour le climat (voir annexe VI). Il n'a pas été en mesure de prendre en considération les communications des Parties²², qui n'ont été reçues qu'après sa cinquième réunion, mais il a souligné qu'il importait d'en tenir compte lors de la rédaction des directives. Étant donné qu'au moment de sa cinquième réunion le rapport annuel du Fonds vert pour le climat à la dix-neuvième session de la Conférence des Parties n'était pas encore disponible, le Comité n'a pas été en mesure d'élaborer les éléments additionnels à l'intention du Fonds sur la base de ce rapport annuel.

¹⁵ Document SCF/2012/5/8.

¹⁶ Disponible à l'adresse suivante: <https://unfccc.int/5916.php>.

¹⁷ Décision 8/CP.18, par. 4.

¹⁸ Décision 8/CP.18, par. 3.

¹⁹ Décision 2/CP.17, par. 121 c).

²⁰ Disponible à l'adresse suivante: <https://unfccc.int/6881.php>.

²¹ Document SCF/2013/5/8.

²² Disponible à l'adresse suivante: <https://unfccc.int/5916.php>.

E. Contribution des experts au programme de travail sur le financement à long terme

32. Par sa décision 4/CP.18²³, la Conférence des Parties a demandé au Comité permanent d'apporter son appui à la mise en œuvre du programme de travail sur le financement à long terme en lui fournissant les contributions d'experts. Par la même décision, elle a invité les organes thématiques et les organes d'experts créés au titre de la Convention à communiquer leurs avis sur le financement à long terme pour examen par les Coprésidents chargés du programme de travail²⁴. Le Comité permanent a examiné cette question à ses troisième et quatrième réunions. À sa quatrième réunion, il a invité ses membres à présenter des communications sur la question²⁵. Par ailleurs, l'un des Coprésidents a participé à la quatrième réunion et fait le point des travaux entrepris. Par la suite, les membres du Comité permanent ont engagé un débat de fond avec lui.

33. S'appuyant sur trois de leurs communications reçues à la suite de ses réunions de 2013, le Comité permanent a appelé l'attention des Coprésidents sur les questions suivantes: les synergies possibles entre les activités du programme de travail et le Forum du Comité permanent; une liste de thèmes qui pourraient être examinés dans le cadre du programme de travail; le fait que plusieurs membres du Comité permanent participaient activement, à titre individuel, au programme de travail et l'utilisation des contributions reçues de membres du Comité permanent lors de la préparation de ces activités.

F. Mesure, notification et vérification de l'appui fourni et évaluation biennale des flux de financement liés au climat

34. Par sa décision 1/CP.16²⁶, la Conférence des Parties a décidé de créer un Comité permanent chargé de l'aider à s'acquitter de ses fonctions relatives au mécanisme financier de la Convention et notamment de la mesure, de la notification et de la vérification de l'appui fourni aux pays en développement Parties. Conformément à la décision 2/CP.17²⁷, et comme indiqué dans le programme de travail du Comité permanent pour 2013-2015, le Comité est chargé de procéder à une première évaluation biennale des flux de financement liés au climat pour communication à la Conférence des Parties à sa vingtième session.

35. Le Comité a examiné ces questions à ses quatrième et cinquième réunions. À sa quatrième réunion, il a invité ses membres et des parties prenantes extérieures à lui présenter des contributions à cet effet²⁸. Des représentants d'organisations intéressées, telles que l'OCDE (recherche collaborative pour le suivi du financement privé des activités liées au climat), la BERD pour ce qui concerne l'initiative des banques multilatérales de développement visant à suivre le financement lié au climat, et l'ODI ont été invités à présenter leurs travaux sur la question à la cinquième réunion, ce qui a permis un large échange entre les représentants des organisations et les membres du Comité permanent²⁹.

²³ Décision 4/CP.18, par. 6.

²⁴ Disponible à l'adresse suivante: <https://unfccc.int/5916.php>.

²⁵ Voir document SCF/2013/5/8.

²⁶ Décision 1/CP.16, par. 112.

²⁷ Décision 2/CP.17, par. 121 f).

²⁸ Les contributions reçues des membres du Comité permanent sont publiées sous la cote SCF/2013/5/8; celles reçues d'autres parties prenantes sont consultables sur le site Web du Comité permanent à l'adresse suivante: <https://unfccc.int/6881.php>.

²⁹ Les exposés sont consultables sur le site Web du Comité permanent à l'adresse suivante: <https://unfccc.int/6881.php>.

36. Sur la base des discussions menées ainsi que des contributions reçues de ses membres et d'autres parties prenantes, le Comité permanent a défini l'objectif et la portée de la première évaluation biennale des flux financiers liés au climat ainsi que le calendrier de cette évaluation (voir annexe VII). Il a par ailleurs créé un groupe de travail chargé de poursuivre les activités sur la question au cours de la période intersessions.

G. Liens avec l'Organe subsidiaire de mise en œuvre et les organes thématiques de la Convention

37. Par sa décision 2/CP.17³⁰, la Conférence des Parties a chargé le Comité permanent d'entretenir des liens avec l'Organe subsidiaire de mise en œuvre et les organes thématiques de la Convention. En 2013, les Coprésidents du Comité permanent ont participé à plusieurs réunions d'autres organes de la Convention et présenté, selon qu'il convenait, les travaux du Comité, notamment à l'occasion d'une réunion du Conseil du Fonds vert pour le climat, d'une réunion du Comité exécutif de la technologie et d'une réunion du Comité de l'adaptation. En outre, de fréquents échanges ont eu lieu avec le Président de l'Organe subsidiaire de mise en œuvre et les Coprésidents du Groupe de travail spécial de la plate-forme de Durban pour une action renforcée. Les Coprésidents du Comité permanent ont également mené des consultations officielles avec diverses parties prenantes extérieures au cours de la dix-huitième session de la Conférence des Parties. En outre, au cours de sa quatrième réunion, le Comité a organisé un déjeuner de travail avec des membres du Comité de l'adaptation. De plus, l'un des Coprésidents du programme de travail sur le financement à long terme a participé à la quatrième réunion du Comité permanent et le Président du Groupe consultatif d'experts des communications nationales des Parties non visées à l'annexe I de la Convention a participé à la cinquième réunion du Comité. Comme indiqué au paragraphe 27 ci-dessus, le Comité a organisé lors de la trente-huitième session de l'Organe subsidiaire de mise en œuvre une réunion afin de tenir les Parties informées de l'état d'avancement de ses travaux, et il fera à nouveau le point lors de la trente-neuvième session du SBI.

38. Le Comité permanent a convenu d'examiner quant au fond la question des liens avec l'Organe subsidiaire de mise en œuvre et les organes thématiques de la Convention. Ses Coprésidents ont proposé d'organiser une réunion des Présidents, Coprésidents et Vice-Présidents des divers organes concernés début 2014 afin d'identifier les liens et les synergies possibles, notamment compte tenu des nouveaux mandats que pourrait décider la Conférence des Parties à sa dix-neuvième session.

H. Autres questions

39. À la suite d'une suggestion de l'un de ses membres, le Comité a brièvement examiné à sa quatrième réunion la question d'un éventuel code de conduite le concernant. À sa cinquième réunion, il a décidé de suspendre l'examen de la question en raison de l'importance de la charge de travail découlant des autres questions.

³⁰ Décision 2/CP.17, par. 121 b).

Annexe I

[Anglais seulement]

List of the members of the Standing Committee on Finance as at 1 September 2013

1. Parties included in Annex I to the Convention

Mr. Gregory Andrews (Australia)
 Mr. Jozef Buys (Belgium)
 Mr. Stefan Agne (European Union)
 Ms. Outi Honkatukia (Finland)
 Mr. Ulf Moslener (Germany)
 Mr. Yorio Ito (Japan)
 Ms. Wilhelmina Verdegaal (Netherlands)
 Mr. Georg Børsting (Norway)
 Mr. Stefan Schwager (Switzerland)
 Mr. Paul Bodnar (United States of America)

2. Parties not included in Annex I to the Convention

Africa

Mr. Ali Daud Mohammed (Kenya)
 Mr. Houssen Alfa Nafo (Mali)

Asia and the Pacific

Mr. Syed Mujtaba Hussain (Pakistan)
 Mr. Ayman Shasly (Saudi Arabia)

Latin America and the Caribbean

Mr. Paul Herbert Oquist Kelley (Nicaragua)
 Mr. Raymond Landveld (Suriname)

Least developed countries

Ms. Edith Kateme-Kasajja (Uganda)

Non-Annex I

Mr. Kyekyeku Yaw Oppong Boadi (Ghana)
 Ms. Bernarditas Muller (Philippines)

Small island developing States

Ms. Diann Black Layne (Antigua and Barbuda)

Annexe II

[Anglais seulement]

Report on the first forum of the Standing Committee on Finance

I. Theme, programme and format

1. The first forum of the Standing Committee on Finance (SCF), as agreed by its members, took place on 28 May 2013 at the premises of Fira Barcelona in Barcelona, Spain, and was organized in collaboration with the World Bank Institute.

2. The main theme of the forum was “mobilizing finance and investments for climate action now”, as agreed by the SCF. It covered mitigation and adaptation aspects, as well as the tracking of climate finance. Special consideration was given to showcasing concrete practical experiences at the national and regional levels as well as case studies.

3. The forum consisted of two panel discussions and four follow-up group discussions. The panel discussions covered financing and investment drivers for mitigation and adaptation activities, respectively. The follow-up group discussions addressed: (a) innovative approaches and case studies of national, bilateral, regional and multilateral organizations and the private sector in providing funding and investments for mitigation; (b) innovative approaches and case studies of national, bilateral, regional and multilateral organizations and the private sector in providing funding and investments for adaptation; (c) the role of local investors in mobilizing additional climate finance; and (d) tracking climate finance.³¹

II. Participation, representation and resource persons

4. The forum attracted a wide range of different stakeholders, including representatives of Parties, financial institutions, national and multilateral development banks, governments, think tanks, non-governmental organizations, international organizations and academia. Overall, participation was high, with around 150 people having taken part in the event.

5. UNFCCC Executive Secretary, Ms. Christiana Figueres, State Secretary for the Environment at the Ministry of Agriculture, Food and Environment of Spain, Mr. Federico Ramos de Armas, and the Co-Chairs of the SCF, Ms. Diann Black-Layne and Mr. Stefan Schwager, concluded the forum.

6. A total of 33 resource persons were engaged in the forum, including facilitators and panellists. The panellists included representatives of the financial sector, private investors, multilateral and national financial institutions, international organizations and other relevant sectors.

7. The presentations made and a video recording of the forum are available on the virtual forum website.³²

³¹ The full forum programme and other relevant information are available at <<https://unfccc.int/7561.php>>.

³² Available at <<http://unfccc.int/7624.php>>.

III. Summary of the issues raised at the forum

8. The key issues raised at the first forum of the SCF are summarized below under the following themes: overview of climate finance flows; private-sector investments; demand-side issues – absorptive capacity; mobilizing finance and investments through market-based mechanisms; the role of local and regional actors; adaptation finance; and tracking climate finance.

1. Overview of climate finance flows

9. Three presentations provided a comprehensive view from different perspectives of the scale and current flows of, and urgent needs for, climate finance.

10. The first speaker referred to various studies showing the extreme urgency of shifting investments to climate-relevant actions if the international community is to avoid crossing the dangerous threshold of a 2 °C temperature change. A point was raised related to the need to change paradigms, focusing on the short-term financial gain to avoid long-term catastrophe, and to prioritize finance over eco- and life-sustaining systems. The experience of Nicaragua was highlighted as a case study, an example of increasing renewable energy at the expense of traditional oil imports with comprehensive social involvement.

11. One presentation indicated that total climate finance flows in both developed and developing countries reached around USD 364 billion in 2010/2011. Climate finance coming from the private sector amounted to 75 per cent of the total climate finance flows, but public finance remained important as a catalyst for private finance. About one third of the total climate finance flowed through intermediary institutions, including multilateral, bilateral and national financing institutions.

12. With regard to climate finance provided to developing countries, another speaker pointed out that there is a large gap between the needs for financing, which are about USD 600 billion in 2020 and USD 3 trillion in 2050, and what is actually provided.

2. Private-sector investments

13. Investment decisions are based on risk and return; hence there are four barriers to scaling up mitigation investments: policy risks; macroeconomic risks; the cash-flow profile of an investment; and liquidity, which is the capacity for investors to enter and exit investments cost-effectively.

14. Three approaches to mobilizing private-sector investments can be suggested, namely considering: what kind of instruments can deliver additional returns; ways to cheapen the debt; and ways to address the lack of initial seed capital, especially in small and medium-sized enterprises.

15. Lack of legal and regulatory frameworks is a fundamental barrier to encouraging private-sector investments in climate mitigation.

16. A credible measurement, reporting and verification system needs to be in place for the private sector to demonstrate project effectiveness.

17. There are several examples of how investments can reach small and medium-sized enterprises: (a) the Forest Investment Program, which is known as the first private-sector programme for activities on reducing emissions from deforestation and forest degradation; (b) investments in ‘greening’ the supply chain of multinational companies to reduce their greenhouse gas emissions; (c) regional green microfinance product coordination; and (d) private-equity investing for small businesses.

3. Demand-side issues – absorptive capacity

18. There is a shortage of bankable, monitorable and technically robust projects. Banks are typically risk averse; therefore, public policy should support projects through risk mitigation mechanisms. Technology certification and benchmarking are important for attracting financing.

4. Mobilizing finance and investments through market-based mechanisms

19. The clean development mechanism (CDM) has historically been a success, having mobilized USD 200 billion in investments. Key elements of the CDM infrastructure, such as scoping, baseline setting, the governmental process, information technology, the measurement, reporting and verification system and others, should be carried over into the future. The Green Climate Fund could, for instance, provide performance payments for the CDM to ensure returns for investors if the market does not work.

20. The CDM and nationally appropriate mitigation actions (NAMAs) are not mutually exclusive. A purely sectoral approach may put some countries at a disadvantage. Also, it is difficult to determine additionality and ensure environmental integrity in sectoral approaches.

21. There are niche opportunities for private-sector investments in climate-related projects, such as for example reducing emissions from gas flaring and the development of renewables. Investors engage in such projects because of the favourable policy environment, technology advancement and resource instability, rather than just for future carbon credits.

5. The role of local and regional actors and institutional investors

22. In the presentations, reference was made to the fact that a large share of investments for renewable energy in developing countries comes from developed countries. North–South investment flows for renewable energy amounted to around USD 8 billion in 2011, while total investments in renewable energy in developing countries reached USD 112 billion in the same year.

23. Institutional financiers have the potential to become the main investors in long-term climate finance. Institutional investors hold USD 70 trillion worth of assets. Local pension funds are growing, for instance in Asia (Malaysia and Thailand), and part of that money is invested abroad.

24. The role of national development banks is significant as they know the local conditions and business environments and can more easily find bankable projects in line with the country's priorities. National municipal banks are also instrumental in financing climate change activities, with existing examples of NAMAs relating to solid waste and public lighting.

25. Local banks have a larger role in financing large-scale projects, for instance the installation of solar water heaters on roofs. The advantage of local investors is that they can finance in local currency, which is a big challenge for international funds. However, local banks are not up to speed with international processes and face a number of challenges, such as lack of information, training and capacity-building.

26. Crowd-funding, or crowd-financing, can be a complementary source of microfinance for climate mitigation and adaptation. It should however be approached with caution as crowd-funding takes place between private players without any approval procedures.

6. Adaptation finance

27. The overall scale of adaptation finance is modest but it has increased significantly in recent years as part of fast-start finance. Two elements should be looked at: the scale of adaptation finance and the diversity of approaches. Experience so far shows that the use of the public sector for attracting private-sector financing for adaptation has been difficult and that the linkages between adaptation and development are complex. Adaptation finance has moved on from individual projects to more holistic approaches, such as addressing disaster risk reduction, food security, etc. Mitigation and adaptation are interlinked and can be mutually supportive; for instance, solar energy has mutual benefits.

28. Several new funds have been established recently including the Adaptation Fund, the Climate Investment Funds Pilot Program for Climate Resilience and bilateral schemes. Some funds have pioneering design features, but there is a need for more innovation when it comes to adaptation in practice.

29. The perception of risk differs in relation to mitigation and adaptation projects, as estimating the cost of mitigation is easier than for adaptation. The risks and uncertainties in adaptation projects are different from those in mitigation projects, for instance in relation to sea level rise.

30. In addition, it is difficult to assess the effectiveness of an adaptation project since the impacts of a successfully implemented project are not obviously apparent.

31. Three main elements to be taken into account in assessing the effectiveness of adaptation finance from the on-the-ground perspective are: (a) the development of a knowledgeable institution to fill literacy gaps among different ministries; (b) the enhancement of an enabling policy environment; and (c) tailor-made support for developing countries in promoting country ownership and coordination.

32. The need to work with diverse vulnerable groups, often at the household level, in the developing world poses constraints on adaptation financing.

33. Some of the lessons learned in relation to the financing of adaptation projects by multilateral financing institutions include: (a) the need to build ownership in developing countries at the national level; (b) the need for high-level support and the engagement of ministries of finance in applying a programmatic and cross-sectoral approach; (c) the need to enhance partnership between multilateral development banks and a wider range of stakeholders at the national level; (d) the need for linkages with private-sector investment; and (e) that there is controversy when it comes to adaptation finance in the form of loans.

7. Tracking climate finance

34. Current estimates of the levels of climate finance mobilized by developed countries for mitigation and adaptation activities in developing countries are patchy and incomplete. The recent analysis by the Climate Change Expert Group highlights that those estimates are also not comparable, owing to the different definitions used by different actors.

35. There is no single point on the 'supply side' of climate finance where measuring, reporting and verifying could occur, without the risk of either missing some money flows or double counting others. It would therefore be useful to explore the possibility of increased reporting of the climate finance received.

36. The relevant panel considered that the SCF could assist in making the tracking of climate finance more comparable, complete, credible and efficient by:

(a) Developing working definitions of the activities, flows and interventions that comprise mobilized climate finance;

- (b) Focusing tracking efforts on the most uncertain areas (private climate finance and inflows);
- (c) Encouraging the provision of data on both inflows and outflows of mobilized climate finance;
- (d) Building on tracking efforts which are already under way, for example the Rio markers of the Development Assistance Committee of the Organisation for Economic Co-operation and Development and the multilateral development banks' joint initiative, as well as using the tools available for the reporting of financial flows under the UNFCCC, such as biennial reporting.

Annexe III

[Anglais seulement]

Draft arrangements between the Conference of the Parties and the Green Climate Fund

Preamble

Recalling Conference of the Parties (COP) decisions 1/CP.16, paragraph 102, and 3/CP.17, paragraphs 3–5, as well as the governing instrument for the Green Climate Fund (GCF), paragraphs 3–6.

Recognizing that the provisions contained in Article 11, paragraph 3, of the Convention, decision 3/CP.17 and the governing instrument for the GCF contained in the annex to 3/CP.17 form the basis for arrangements between the COP and the GCF.

The Conference of the Parties (hereinafter referred to as “the COP”) to the United Nations Framework Convention on Climate Change (hereinafter referred to as “the Convention”) and the Green Climate Fund (hereinafter referred to as the “GCF”) hereby reach the following arrangements:

Purpose of these arrangements

1. The purpose of these arrangements is to set out the working relationship between the COP and the GCF to ensure that the GCF is accountable to and functions under the guidance of the COP to support projects, programmes, policies and other activities in developing country Parties.

Determination and communication of guidance from the Conference of the Parties

2. The GCF shall receive guidance from the COP, including on matters related to policies, programme priorities and eligibility criteria.
3. The COP will, after each of its sessions, communicate guidance to the GCF.
4. The COP will provide guidance based, inter alia, upon a thorough consideration of the annual reports of the GCF.

Conformity with guidance of the Conference of the Parties

5. The GCF will take appropriate actions in response to the guidance received and will report on such actions taken.

Reconsideration of funding decisions

6. These arrangements reaffirm that the Board of the GCF has full responsibility for funding decisions.
7. The Board of the GCF has been mandated by paragraph 69 of the governing instrument to establish an independent redress mechanism that will report to the Board.
8. The independent redress mechanism will be open, transparent and easily accessible and will address, inter alia, the reconsideration of funding decisions.
9. The GCF will include in its annual reports to the COP the recommendations of its independent redress mechanism, and any action taken by the Board of the GCF in response to those recommendations. The COP may provide additional guidance to clarify policies, programme priorities and eligibility criteria as they impact funding decisions.
10. Further modalities for the reconsideration of funding decisions as per Article 11, paragraph 3(b), will be developed appropriately once the independent redress mechanism is operational.

Reports from the Green Climate Fund to the Conference of the Parties

11. The GCF is to submit annual reports to the COP for its consideration. Such annual reports shall include information on the implementation of policies, programme priorities and eligibility criteria provided by the COP, including information on the extent to which COP guidance has been adhered to by the Board of the GCF.
12. The GCF will include in its reports a synthesis of the different activities under implementation and a listing of the activities approved, as well as a financial report.
13. The GCF will also include in its reports information on all activities financed by the GCF.
14. The GCF will indicate in its reports actions it has undertaken to balance the allocation of resources between adaptation and mitigation activities under the Fund.
15. The GCF will also include information on the development and implementation of mechanisms to draw on appropriate expert and technical advice, including from the relevant thematic bodies established under the Convention, as appropriate.
16. The COP may request additional information from the GCF via its annual guidance.

Determination and periodic review of funding necessary and available

17. In accordance with Article 11, paragraph 3(d), of the Convention, which calls for arrangements to determine in a predictable and identifiable manner the amount of funding necessary and available for the implementation of the Convention, and the conditions under which that amount shall be periodically reviewed:

- (a) The COP will make assessments of the amount of funds that are necessary to assist developing countries in implementing the Convention, in order to help inform resource mobilization by the GCF;
- (b) The GCF is to provide information on resource mobilization and the available financial resources, including any replenishment processes, in its annual reports to the COP.

Cooperation between secretariats and representation in meetings of the governing bodies

18. The secretariat of the GCF and the secretariat of the Convention may, as necessary and subject to the direction of the Board of the GCF and the COP, respectively, cooperate and exchange views on matters relevant to the operation of the financial mechanism of the Convention, including implementation of these arrangements between the COP and the GCF, coordination with other international financing channels and participation of representatives at relevant meetings of the bodies.
19. The participation of representatives of the secretariat of the Convention in the meetings of the GCF, and of the secretariat of the GCF in the sessions of the COP, is to be governed by the rules of procedure of the GCF and the COP, respectively.

Review and evaluation of the financial mechanism

20. The reports of the GCF should include any reports of the independent evaluation unit, including for the purposes of the periodic reviews of the financial mechanism of the Convention.
21. The COP may commission an independent assessment of the overall performance of the GCF, including of the performance of the Board of the GCF, to coincide with periodic reviews of the financial mechanism.
22. The COP will invite feedback from the GCF in advance of making any conclusions or findings from the review or evaluation of the financial mechanism.

Review of these arrangements

23. These arrangements can only be modified in writing by agreement between the COP and the GCF.
24. These arrangements shall come into force upon agreement by the GCF and subsequent agreement by the COP.
25. These arrangements may only be terminated in writing by agreement between the COP and the GCF.

Annexe IV

[Anglais seulement]

Outcome of the discussions on the draft updated guidelines for the fifth review of the financial mechanism of the Convention³³

A. Objectives

1. In accordance with Article 11.4 of the Convention, the objectives will be as follows:

- (a) To review the financial mechanism and take appropriate measures regarding:
 - (i) Its conformity with the provisions of Article 11 of the Convention and the guidance of the Conference of the Parties (COP);
 - (ii) The effectiveness of the activities it funds in implementing the Convention;
 - (iii) Its effectiveness in providing financial resources on a grant or concessional basis, including for the transfer of technology, for the implementation of the Convention's objective on the basis of the guidance provided by the COP;
 - (iv) Its effectiveness in providing new and additional [and, as appropriate, adequate and predictable] resources to developing country Parties under Article 4.3 of the Convention;
 - (v) Effectiveness of access modalities for developing countries, in particular direct access;
 - (vi) The coherence and complementarity between the different operating entities of the financial mechanism in order to contribute to a global paradigm shift toward a low-[GHG] emission and climate-resilient development pathway;
 - (vii) The principles and practice for the allocation of funds through the financial mechanism;
- (b) To examine how to improve consistency and complementarity of the financial mechanism with other sources of investment and financial flows, including:
 - (i) Examining relevant sources, channels and means of financing, as indicated in Article 11, paragraph 5, of the Convention, availed of by developing countries to contribute to the achievement of the objectives of the Convention and conformity with COP guidance;
 - (ii) Examining the role of the financial mechanism in identifying pathways for scaling up the level of resources;
 - (iii) Assessing enabling environments of all Parties for catalysing investment in, and the transfer of, environmentally sound technologies that mitigate greenhouse gas emissions, and for adapting to the adverse effects of climate change.

³³ Based on the results of the discussions that took place during the 5th meeting of the Standing Committee on Finance (SCF) and incorporating additional inputs from some members of the SCF thereafter.

B. Sources of information

1. The review shall draw upon, inter alia, the following sources of information:

- (a) Information provided by the Parties on their experiences regarding the financial mechanism [on support provided and received in accordance with COP decisions];
- (b) Annual reviews by the COP on the conformity of the activities of the financial mechanism with the guidance of the COP;
- (c) The annual report of the Standing Committee on Finance (SCF) to the COP on its activities and other relevant information documents regarding the SCF[, including expert inputs through independent reviews and assessments for the preparation and conduct of the periodic reviews of the financial mechanism];
- (d) The annual report of the Global Environment Facility (GEF) to the COP on its activities as an operating entity of the financial mechanism, including the information on the Least Developed Country Fund and the Special Climate Change Fund, and other relevant GEF policy and information documents;
- (e) The reports from the GEF evaluation office;
- (f) The annual report of the Green Climate Fund (GCF) to the COP on its activities as an operating entity of the financial mechanism and other relevant GCF policy and information documents;
- (g) The report of the Adaptation Fund Board to the Conference of the Parties serving as the Meeting of the Parties to the Kyoto Protocol and the outcomes of the initial review of the Adaptation Fund;
- (h) The outcomes and reports from the United Nations processes, relevant bilateral and multilateral funding institutions, other intergovernmental and non-governmental organizations dealing with climate change financing;
- (i) Relevant reports on private-sector financing and investment for climate change activities;
- (j) Technical papers and reports prepared by the secretariat upon the request of the Conference of the Parties, which are relevant to the financial needs of developing countries under the Convention;
- (k) Information contained in the national communications of Parties to the Convention, technology needs assessments and national adaptation programmes of action;
- (l) Information on fast-start finance provided by developed country Parties and other information on fast-start finance;
- (m) The reports of the work programme on long-term finance [and REDD+ finance work programme];
- (n) The reports of the LDC Expert Group (LEG) and the Consultative Group of Experts on National Communications from Parties not included in Annex I to the Convention (CGE).

C. Criteria

1. The effectiveness of the financial mechanism will be assessed taking into account the following:

- (a) The transparency of decision-making processes of operating entities under the Convention and its Protocol;
- (b) The level of stakeholder [involvement] in the decision making processes of operating entities under the Convention;
- (c) The adequacy, predictability, accessibility, equitability and timely disbursement of funds for activities in developing country Parties;
- (d) The responsiveness and efficiency of the GEF project cycle and expedited procedures, including its operational strategy, as they relate to climate change;
- (e) The amount of [resources provided [and received]][impacts achieved] to developing country Parties, including financing for technical assistance and investment projects, and the mechanisms for country allocation;
- (f) The amount and the extent of accessibility of finance leveraged by and from different sources, including from the private sector, and modalities of co-financing when applicable;
- (g) [The results and impacts achieved with the resources provided [and their sustainability];]
- (h) The sustainability of [the results and impacts achieved through] funding operations in developing country Parties;
- (i) The extent to which the financial mechanism is contributing to a global paradigm shift toward a low-[GHG] emission and climate-resilient development pathway [in the context of sustainable development];
- (j) The extent to which the resources that flow through the financial mechanism were used to identify innovative projects that could be used for dissemination and how lessons learnt from projects were generated and distributed;
- (k) The extent to which projects presented by recipient countries for financing are consistent with low-[GHG] emissions development strategies and national adaptation plans developed pursuant to decision 1/CP.16;
- (l) Progress by all Parties in improving enabling environments for catalyzing investment in, and the transfer of, sustainable technologies that mitigate greenhouse gas emissions, and for enhancing resilience to climate change;
- (m) The relative effectiveness and operational efficiency of Convention funds in delivering support compared to other multilateral climate finance channels.

Elements of draft guidance to the Global Environment Facility

Table 1

Elements of draft guidance to the Global Environment Facility

<i>Element</i>	<i>Potential inputs</i>
Policies, programme priorities and eligibility criteria	<i>Requests</i> the Global Environment Facility: (a) To allocate resources for the full implementation of at least three of the already submitted national adaptation programme of action projects on a first-come-first-served basis, in addition to funding for the activities of the least developed countries aimed at formulating national adaptation programmes of action which have not been submitted; (b) To increase the number of supported nationally appropriate mitigation action projects from three, reported in the 2012/2013 financial year, to six in the 2014/2015 financial year; (c) To intensify efforts in raising awareness about the need for adequate and predictable financial resources to be put into the Least Developed Countries Fund for the full implementation of least developed countries' prioritized work programmes, including the implementation of national adaptation programme of action projects;
Replenishments	<i>Requests</i> the Global Environment Facility to consider, in developing the strategy for its sixth replenishment, its role within the evolving finance architecture under the Convention, especially with regard to its respective role in the light of the operationalization of the Green Climate Fund; <i>Reaffirms</i> that the Global Environment Facility will indicate how it has responded during the replenishment cycle to the previous assessment of the Conference of the Parties prepared in accordance with paragraph 1 of the annex to the memorandum of understanding between the Conference of the Parties and the Council of the Global Environment Facility (determination of funding necessary and available);
Emerging matters	<i>Requests</i> the Global Environment Facility to continue to pay particular attention to the specific needs and special situations of the least developed countries and, in particular, to ensure that more funds are allocated to projects and programmes in the block of countries that have up to now received less than their fair share of the allocated funds;
Guidance from the Conference of the Parties (COP)	<i>Calls on</i> other thematic bodies under the Convention to closely cooperate with the Standing Committee on Finance so that it can guide and support clarification and the reduction of repetition, as well as facilitate future work on the guidance to be provided to the operating entities of the financial mechanism of the Convention;
Accountability	<i>Requests</i> the Subsidiary Body for Implementation to identify, at its fortieth session, how the compliance of the Global Environment Facility with the guidance of the Conference of the Parties can be measured;

<i>Element</i>	<i>Potential inputs</i>
Response of the Global Environment Facility (GEF) to the guidance of the COP	<i>Welcomes</i> the inclusion of information on mitigation impacts in the report of the Global Environment Facility; <i>Also welcomes</i> the response of the Global Environment Facility to the guidance of the Conference of the Parties with regard to the duration of the project cycle; <i>Encourages</i> the Global Environment Facility to continue to improve in that regard;
Flexibility and unavailability of funding	<i>Requests</i> the Global Environment Facility to take into consideration room for flexibility in order to address emerging mandates and/or requests from the Conference of the Parties for the next replenishment period;
Reconsideration of funding decisions	<i>Requests</i> the Global Environment Facility to include, in its report to the Conference of the Parties at its twentieth session, information on the modalities that it has established in response to paragraph 5 of the memorandum of understanding between the Conference of the Parties and the Council of the Global Environment Facility;
Positive mitigation effects of the GEF project portfolio	<i>Encourages</i> the Global Environment Facility to ensure that all activities in the context of its project portfolio entail positive impacts on the reduction of greenhouse gas emissions;
Communication and interaction	<i>Encourages</i> the Standing Committee on Finance to continue its close partnership with the Global Environment Facility in order to improve the guidance provided to the Global Environment Facility;
Report of the GEF	<i>Requests</i> the Global Environment Facility to include, in its report and for the consideration of the Global Environment Facility Evaluation Office, information on the role and performance of its implementing agencies, as viewed by recipient countries and in response to the request of the Conference of the Parties contained in decision 2/CP. 4, paragraphs 4 and 5; <i>Invites</i> the Global Environment Facility to consider the provision of annual reports on an annual year basis (1 January to 31 December) in order to facilitate the work of the Standing Committee on Finance on the guidance to be provided to the Global Environment Facility;
Special Climate Change Fund (SCCF)	<i>Requests</i> the Global Environment Facility to further specify steps that it has undertaken to implement the provisions contained in decision 9/CP.18, paragraphs 1(c) (requesting the GEF, as an operating entity of the financial mechanism, through the SCCF, to consider how to enable activities for the preparation of the national adaptation plan (NAP) process for interested developing country Parties that are not least developed countries, as it requested the GEF, through the Least Developed Countries Fund, to consider how to enable activities for the preparation of the NAP process for the least developed countries) and 3 (requesting the GEF to include information in its annual report to the COP on further steps taken and the amount of resources made available under the SCCF for the implementation of the provisions contained in that decision, including in paragraph 5);
National communications	<i>Encourages</i> interested Parties to identify what amount of funding is needed for the preparation of national communications, in order to address insufficient funding at this point in time;
Biennial update reports	<i>Requests</i> the Global Environment Facility to consider whether the agreed costs for the preparation of biennial update reports are adequate and to report back to the Conference of the Parties at its twentieth session.

Elements of draft initial guidance to the Green Climate Fund

Table 2

Elements of draft initial guidance to the Green Climate Fund

Element	Textual suggestions
Preambular paragraphs	<i>The Conference of the Parties,</i> <i>Recalling</i> Article 11, paragraph 1, of the Convention, <i>Taking into account</i> decision 11/CP.1, <i>Recalling</i> decisions 1/CP.16, paragraph 102, 3/CP.17, including the governing instrument of the Green Climate Fund (decision 3/CP.17, annex), 6/CP.18 and 7/CP.18, <i>Decides</i> to adopt the following initial guidance on policies, programme priorities and eligibility criteria for the Green Climate Fund, as an operating entity of the financial mechanism of the Convention;
Programme priorities	<i>Confirms</i> that the Green Climate Fund will be guided, inter alia, by the following programme priorities: (a) The Board of the Green Climate Fund will balance the allocation of resources between adaptation and mitigation activities under the Green Climate Fund and ensure an appropriate allocation of resources for other activities; (b) In allocating resources for adaptation, the Green Climate Fund will take into account the urgent and immediate needs of developing countries that are particularly vulnerable to the adverse effects of climate change, including the least developed countries, small island developing States and African States, using minimum allocation floors for those countries, as appropriate. The Board of the Green Climate Fund will aim for an appropriate geographical balance; (c) The Green Climate Fund will support developing countries in pursuing project-based and programmatic approaches in accordance with their climate change strategies and plans, such as low-emission development strategies or plans, nationally appropriate mitigation actions, national adaptation programmes of action, national adaptation plans and other related activities; (d) The Board of the Green Climate Fund shall also ensure adequate resources for capacity-building and technology development and transfer. The Green Climate Fund will also provide resources for innovative and replicable approaches; <i>Requests</i> the Green Climate Fund: (a) To prioritize the balancing of the allocation of resources between adaptation and mitigation, ensuring an appropriate allocation of resources for other activities (decision 3/CP.17, annex, paragraph 50), taking into account the country-driven approach to be pursued by the Fund; (b) To base funding on the agreed full incremental cost of the implementation of developing countries' commitments under Article 4,

Element	Textual suggestions
	paragraph 1, of the Convention and to provide essentially grant-based funding for meeting adaptation costs in accordance with Article 4, paragraphs 4 and 9, of the Convention; (c) To establish an indicative list of incremental cost funding, where feasible and in consultation with the recipient countries; (d) To provide the necessary resources for the deployment and diffusion of environmentally sound technologies, including their development, application and transfer (Article 4, paragraphs 1(c) and 5, of the Convention), as well as capacity-building and the enhancement of the endogenous capacities and technologies of developing country Parties; (e) To also provide the necessary resources for activities identified through decisions of the Conference of the Parties on Articles 5 (research and systematic observation) and 6 (education, training and public awareness) of the Convention; (f) To fund the agreed full cost of the preparation of national communications by developing country Parties and any other obligations for reporting provided for in decisions of the Conference of the Parties, such as the biennial update reports (decision 2/CP.17, paragraph 41(e)); (g) To set up expert groups and technical panels in coordination with the Adaptation Committee and the Technology Executive Committee to assist in addressing specific adaptation and technology needs identified for funding by developing country Parties; (h) To prioritize technology transfer, capacity-building, national adaptation programme of action projects, national public awareness and education and national adaptation plan activities when financing decisions are being taken;
Resource allocation	<i>Requests</i> the Board of the Green Climate Fund to give full consideration to transparency and equity in the design of resource allocation methodologies for the Green Climate Fund;
Policies	<i>Confirms</i> that the Green Climate Fund will be guided, inter alia, by the following policies contained in the governing instrument of the Green Climate Fund (decision 3/CP.17, annex) as approved by the Conference of the Parties: (a) The Green Climate Fund will have thematic funding windows. Initially, it will have windows for adaptation and mitigation. An integrated approach to funding mitigation and adaptation will be used to allow for cross-cutting projects and programmes; (b) The Green Climate Fund will provide simplified and improved access to funding, including direct access, basing its activities on a country-driven approach, and will encourage the involvement of relevant stakeholders, including vulnerable groups and addressing gender aspects; (c) The Green Climate Fund will have a streamlined programming and approval process to enable timely disbursement of funds. The Board of the Green Climate Fund will develop simplified processes for the approval of proposals for certain activities, in particular small-scale activities; (d) The Green Climate Fund will provide financing in the form of grants and concessional lending, as well as through other modalities, instruments or facilities as may be approved by its Board. Financing will be tailored to cover the identifiable additional costs of the investment necessary to make the project viable. The Green Climate Fund will seek to catalyse additional public and private finance through its activities at the national and international levels; (e) The Green Climate Fund may employ results-based financing approaches, including, in particular for incentivizing mitigation

Element	Textual suggestions
	actions, payment for verified results, where appropriate; (f) The Green Climate Fund will have a private-sector facility that enables it to directly and indirectly finance private-sector mitigation and adaptation activities at the national, regional and international levels; (g) The Board of the Green Climate Fund will agree on, adopt and ensure the application of best-practice fiduciary principles and standards in relation to the Green Climate Fund's entities, the trustee's function related to the Green Climate Fund and to all operations, projects and programmes financed by the Green Climate Fund, including its implementing entities; (h) The Board of the Green Climate Fund will agree on and adopt best-practice environmental and social safeguards, which shall be applied to all programmes and projects financed using the resources of the Fund; <i>Requests the Green Climate Fund:</i> (a) In line with the country-driven approach to be pursued by it (paragraph 3 of the governing instrument), to ensure recipient country involvement during all stages of the identification, definition and implementation of projects and programmes, rendering it truly demand-driven; (b) To establish the necessary policies and procedures to enable an early replenishment process, taking into account the importance of appropriate burden-sharing among developed country Parties (Article 4, paragraph 3, of the Convention); (c) To promote the scaling up and mobilization of resources that are new and additional, predictable and accessible; (d) To facilitate linkages between the various funding sources and separate funds in order to promote access to the variety of available funding sources and reduce the fragmentation of those resources; (e) To enable a shift from a project-based to a programmatic approach, where appropriate and with the involvement of recipient countries, in order to make optimal use of the full range of means of implementation available and to allow for the implementation at scale of projects and programmes; (f) To maintain consistency with this initial guidance and any further guidance to be provided by the Conference of the Parties in all activities, including those related to funding relevant to climate change activities undertaken outside the framework of the financial mechanism as identified in decision 11/CP.1, paragraph 2(a); (g) To provide essentially grant-based funding, in particular for adaptation, without prejudice to certain concessional loan arrangements in an appropriate form, to meet the needs of a specific project or programme; (h) To promote direct access, modalities and accreditation as laid out in paragraphs 45–49 of the governing instrument of the Green Climate Fund, including the consideration of additional modalities that further enhance direct access (paragraph 47 of the governing instrument); <i>Reiterates that:</i> (a) The establishment of evaluation and accountability mechanisms as provided for in paragraphs 60 and 67–69, respectively, of the governing instrument of the Green Climate Fund are vital for the Fund's operationalization. The development of an information

Element	Textual suggestions
	disclosure policy is particularly important to ensure that there is no conflict of interest between the policy and decision makers of the Fund, as well as the institutions serving the Fund and the financial intermediaries/institutions that would be considered to channel or handle Green Climate Fund funds for projects and/or programmes in developing country Parties; (b) The expedited establishment of thematic funding windows, initially windows for adaptation and mitigation, should be undertaken (paragraph 37 of the governing instrument), as well as the provision of adequate resources for capacity-building and technology development and transfer related to those windows;
Eligibility criteria	<i>Confirms</i> that all developing country Parties to the Convention are eligible to receive resources from the Green Climate Fund and that the Fund will finance the agreed full and agreed incremental costs for activities to enable and support enhanced action on adaptation, mitigation (including REDD-plus), technology development and transfer (including carbon capture and storage), capacity-building and the preparation of national reports by developing country Parties; <i>Decides</i> that: (a) The specific situations of developing country Parties that are particularly vulnerable to the adverse effects of climate change, such as low-lying and other small island countries, countries with low-lying coastal, arid and semi-arid areas liable to drought, desertification, in particular in Africa, and floods, and developing countries with fragile mountain ecosystems, are to be given special consideration in the provision of resources (preamble of the Convention, paragraph 19, and Article 4, paragraph 1(e), of the Convention); (b) The specific needs and concerns of developing country Parties as laid out in Article 4, paragraphs 8 and 9, of the Convention should be taken into account in the provision of funding and the transfer of technology;
Technology transfer and capacity-building	<i>Welcomes</i> the decision of the Board of the Green Climate Fund to consider enhanced direct access through funding entities at its first meeting in 2014, expressing the importance that it attaches to that access modality; <i>Requests</i> the Board of the Green Climate Fund to expedite the operationalization of enhanced direct access, inter alia, through a dedicated institutional capacity-building effort; <i>Decides</i> that the Green Climate Fund should support the least developed countries to have direct access to funds through the use of national implementing entities, so as to cut costs associated with third-party involvement and thus enable meaningful implementation of projects;
Emerging issues	<i>Reiterates</i> that there is a need for clarity, transparency and equity in the resource allocation system of the Green Climate Fund; <i>Decides</i> that the Green Climate Fund should strategize on which roles it will take on, considering that the Global Environment Facility is in existence as an operating entity of the financial mechanism of the Convention;

Element	Textual suggestions
Resource mobilization	<i>Requests</i> the Green Climate Fund to strive to mobilize adequate and predictable financial resources to support the activities of the least developed countries to address climate change in those countries; <i>Requests</i> the Green Climate Fund to report to the Conference of the Parties all relevant information on funding resources, the nature and the amount of funds by source (i.e. public and private, including alternative sources) and the timing of the funds received. The Board of the Green Climate Fund shall ensure that such information has been included in the annual audited financial statement of the Green Climate Fund, as applicable. The report of the Green Climate Fund to the Conference of the Parties shall elaborate on the determination, projection and predictability of funds by source for the following year. The Conference of the Parties, taking into account paragraphs 29 and 30 of the governing instrument of the Green Climate Fund, will provide guidance to the Green Climate Fund on resource mobilization, funding amount and sources, in order to ensure the effective implementation of Article 11, paragraph 3(d), of the Convention.

Annexe VII

[Anglais seulement]

Objective and scope of, and tentative timeline for, the first biennial assessment and overview of climate finance flows

A. Objective

1. Mandate (decision 2/CP.17, paragraph 121(f); decision 1/CP.18, paragraph 71; and decision 5/CP.18, paragraph 11).
2. Provide an overview and assessment of climate finance flows.
3. Identify gaps and limitations.
4. Strengthen reporting/information on climate finance.

B. Scope

1. Overview of climate finance (2007–2012, with a focus on the fast-start finance period 2010–2012)

5. Stocktake/overview of the big picture in terms of climate finance: synthesis/analysis of existing climate finance literature; all sectors and sources (public and private); all types of international support; and fast-start finance (FSF).
6. Information on geographical and thematic aspects.
7. Metadata and metastudy.
8. Focus on tracking trends since 2007/2008 (UNFCCC investment and financial flows to address climate change: 2007 update, and 2010–2012 FSF period).

2. Assessment of climate finance flows

9. Assessment against criteria/goals (FSF; thematic balance; geographical distribution; 2 °C goal; carbon dioxide impact/performance; country needs/priorities/ownership; and access modalities).

Table 3

Tentative timeline for the first biennial assessment

<i>Time frame</i>	<i>Activities</i>
5 th meeting of the SCF	Agreement on the scope of and modalities and timeline for the first BA to be included in the report of the SCF to COP 19; establishment of the SCF open-ended working group on the first BA
Ongoing	Intersessional work, making use of online tools
September 2013	Agreement on the structure of the report on the first BA and key data sources
October 2013	Secretariat/consultant starts literature review and data collection/organization
November 2013	COP 19: review and endorsement of the scope of and draft work

<i>Time frame</i>	<i>Activities</i>
	programme and timeline for the first BA
January 2014	Deadline for submissions from external partners
February/March 2014	Secretariat/consultant finalizes zero-order draft of climate finance overview
February/March 2014	Discussion of SCF on zero-order draft of climate finance overview and guidance on completing the assessment
(6 th meeting of the SCF)	Possible meeting with external technical experts to discuss the overview
May 2014	Completion of zero-order draft of the report on the first BA (overview + assessment) for internal review
May/June 2014	Discussion of SCF on zero-order draft of the report on the first BA (overview + assessment)
(7 th meeting of the SCF)	Possible meeting with external technical experts to discuss zero-order draft
July 2014	Circulation of first-order draft for external review
August 2014	Revision of the draft report on the basis of external review comments
September 2014	Circulation of final draft report to members of the SCF for review
October 2014	
(8 th meeting of the SCF)	SCF to finalize and agree on the report on the first BA
December 2014	COP 20

Abbreviations: BA = biennial assessment, COP = Conference of the Parties, SCF = Standing Committee on Finance.

Annexe VIII

[Anglais seulement]

Workplan of the Standing Committee on Finance for 2014–2015

Table 4

Workplan of the Standing Committee on Finance for 2014–2015

<i>Activities</i>	<i>Outcome/results</i>	<i>Time frame</i>
1. Mandated activities of the Standing Committee on Finance (SCF) as per decision 2/CP.17, paragraph 121		
(a) Organize a forum for the communication and continued exchange of information among bodies and entities dealing with climate change finance in order to promote linkages and coherence	Second in-person forum meeting and further enhancement of the virtual online forum	Mid 2014: second in-person forum Ongoing: activities of the virtual forum
	Established linkages and continued exchange with bodies and entities dealing with climate finance, internal and external to the Convention	Mid 2014: in-person forum Ongoing outreach activities of the virtual forum
(b) Maintaining linkages with the Subsidiary Body for Implementation (SBI) and the thematic bodies of the Convention	Co-Chairs of the SCF to meet presiding officers of the thematic bodies of the Convention	Beginning of 2014
	Established linkages with the SBI and thematic bodies of the Convention	Ongoing
(c) Providing to the Conference of the Parties (COP) draft guidance to the operating entities of the financial mechanism of the Convention, with a view to improving the consistency and practicality of such guidance, taking into account the annual reports of the operating entities and relevant submissions from Parties	Draft guidance provided to the COP	COP 20 onwards
(d) Making recommendations on how to improve the coherence, effectiveness and efficiency of the operating entities of the financial mechanism	Recommendations provided to the COP, as appropriate	Sessions of the COP

Activities	Outcome/results	Time frame
(e) Providing expert input, including through independent reviews and assessments, into the preparation and conduct of the periodic reviews of the financial mechanism by the COP	Inputs provided to the fifth review of the financial mechanism	COP 20
(f) Preparing a biennial assessment, overview of climate finance flows, to include information on the geographical and thematic balance of such flows	Report on first biennial assessment Second biennial assessment initiated in 2015	COP 20 Outcome possibly at COP 22
2. Further mandates of the SCF as per various decisions adopted at COP 18		
<i>Decision 1/CP.18, paragraph 70:</i> implementing the work programme of the SCF, including the creation of a climate finance forum which will enable all Parties and stakeholders to, inter alia, exchange ideas on scaling up climate finance	Second in-person forum	Mid 2014
<i>Decision 1/CP.18, paragraph 71:</i> in initiating the first biennial assessment and overview of climate finance flows, to take into account relevant work by other bodies and entities on the measurement, reporting and verification of support and the tracking of climate finance	First biennial assessment	COP 20
<i>Decision 5/CP.18, paragraph 11:</i> in preparing the first biennial assessment and overview of financial flows, to consider ways of strengthening methodologies for reporting climate finance	Recommendations provided to COP 20 on ways to strengthen methodologies for reporting climate finance	COP 20
<i>Decision 8/CP.18, paragraph 3:</i> providing periodic updates on the status of its work relating to the fifth review of the financial mechanism to the SBI for its consideration, beginning at SBI 38, with the aim of ensuring an inclusive and transparent process	Periodic updates provided on the status of work relating to the fifth review of the financial mechanism	Each session of the SBI during 2014
3. Functions of the SCF as per decision 1/CP.16, paragraph 112		
Improving coherence and coordination in the delivery of climate change financing, including the undertaking of analyses and information exchanges	Recommendations provided to the COP, as appropriate Exchanges through the forum, as appropriate	Sessions of the COP, ongoing
Rationalization of the financial mechanism, including the undertaking of analyses and information exchanges	Recommendations provided to the COP, as appropriate Exchanges through the forum, as appropriate	Sessions of the COP, ongoing
Mobilization of financial resources, including the undertaking of analyses and information exchanges	Recommendations provided to the COP, as appropriate Exchanges through the forum, as appropriate	Sessions of the COP, ongoing

<i>Activities</i>	<i>Outcome/results</i>	<i>Time frame</i>
Measurement, reporting and verification of the support provided to developing country Parties, including the undertaking of analyses and information exchanges	Recommendations provided to the COP, as appropriate Exchanges through the forum, as appropriate	Sessions of the COP, ongoing
4. Other functions assigned by the COP		
Any other functions that may be assigned to the SCF by the COP	-	-