

Fourteenth meeting of the Standing Committee on Finance Bonn, Germany, 3-5 October 2016

Background paper on measurement, reporting and verification of support beyond the biennial assessment and overview of climate finance flows

Expected actions by the Standing Committee on Finance

The Standing Committee on Finance (SCF) will be invited to:

- a) Consider how it wishes to address the work on MRV of support beyond the BA in 2017, based on its 2016-2017 workplan on MRV of support beyond the BA, taking into consideration the work under the APA, SBSTA and the COP;
- b) Take note of progress made in the implementation of decision 9/CP.21 on methodologies for the reporting of financial information by Annex I Parties.

I. Possible actions for consideration by the SCF

1. In considering how to **address the work on MRV of support beyond the BA in 2017**, based on its 2016-2017 workplan on MRV of support beyond the BA,¹ the SCF may wish:
 - a) To take into consideration related ongoing work, including: the development of modalities, procedures and guidelines for the transparency framework referred to in Article 13 of the Paris Agreement (under the APA); the development of modalities for the accounting of financial resources provided and mobilized through public interventions in accordance with Article 9, paragraph 7, of the Agreement (under the SBSTA)²; and the process to identify the information to be provided by Parties in accordance with Article 9, paragraph 5, of the Paris Agreement (under the COP).
 - b) To report to COP 22 that:
 - i. it has explored issues relevant to the MRV of support in the context of the BA in 2016;
 - ii. it will continue to undertake work based on the 2016-2017 workplan on MRV of support beyond the BA, taking into account the outcomes of Marrakech; and
 - c) To continue its considerations of this matter at its first meeting in 2017, taking into account the relevant outcomes of APA 2, SBSTA 45 and COP 22 in Marrakech and recommendations of the 2016 BA;
2. In addition, the SCF may wish to take note of **progress made in the implementation of decision 9/CP.21 on methodologies for the reporting of financial information by Parties included in Annex I to the Convention**. In accordance with decision 9/CP.21, paragraph 11, the secretariat has explored ways of creating links from the electronic reporting application for the biennial report common tabular format to other reporting software and platforms in order to inform the SCF. The results are summarized in an information note as contained in the Annex to this document.
3. In its report to COP 22, the SCF may wish:
 - a) To report to the COP that it has taken note of this information; and
 - b) To provide reference to the note for information by the COP.

¹ Annex VII of document FCCC/CP/2015/8.

² An update on ongoing work related to the 2016-2017 workplan on MRV of support beyond the BA is available at http://unfccc.int/files/cooperation_and_support/financial_mechanism/standing_committee/application/pdf/info_note_mrv_1307.pdf



II. Background

4. In 2015, the SCF developed a two-year workplan (2016–2017)³ to enable improved MRV of support under the Convention.
5. COP 21 endorsed the workplan of the SCF,⁴ including work on the MRV of support beyond the BA. Additionally, COP 21 requested the SCF to continue to engage with relevant bodies under the Convention, multilateral and bilateral agencies and international institutions in implementing its workplan on MRV of support beyond the BA.⁵ The SCF was also requested, in the context of its workplan on MRV of support, to take into account the work on the methodologies for the reporting of financial information by Parties included in Annex I to the Convention.⁶
6. At its 12th meeting, the SCF agreed that the Committee's work this year on MRV of support beyond the BA will be pursued in the context of the 2016 BA, taking into account new developments emanating from the Paris Agreement and decision 1/CP.21. During SCF 13, the SCF took note of updates on ongoing work related to the 2016-2017 workplan on MRV of support beyond the BA, including status of negotiations under the APA and SBSTA.
7. With regard to methodologies for the reporting of financial information by Parties included in Annex I to the Convention, COP 21 requested the secretariat to explore ways of creating links (from the electronic reporting application for the biennial report common tabular format) to other reporting software and platforms to facilitate the importation and exportation of activity-level data, and to inform the SCF to take this into consideration in its workplan.⁷

³ FCCC/CP/2015/8, Annex VII.

⁴ Decision 6/CP.21, paragraph 3.

⁵ Decision 6/CP.21, paragraph 4.

⁶ Decision 9/CP.21, paragraph 14.

⁷ Decision 9/CP.21, paragraph 11.

Annex

Creating links between the electronic reporting application for the biennial report common tabular format (BR CTF) to other reporting software and platforms

Information note by the secretariat

Background

1. COP 21 requested the secretariat to explore ways of creating links (from the electronic reporting application for the biennial report common tabular format (hereinafter referred to as BR CTF application)) to other reporting software and platforms to facilitate the import and export of activity-level data, and to inform the SCF to take this into consideration in its workplan.⁸
2. This note identifies possible options for linking the BR CTF electronic reporting application with other reporting systems as well as discusses the possible implications of each option.

Options for linking the BR CTF application with other systems

3. Illustrated below is a range of options for linking the BR CTF application with other reporting systems. For purposes of this exercise, linking is defined as the act of converting Parties' submissions to the BR-CTF application to another format supported under other systems, to the extent that the reporting requirements overlap. With this conversion, there will no longer be a need for Parties to duplicate the entry of similar data in different systems. Excluded from this note are options that may require revisions to the CTF and to the BR guidelines, such as the option to develop a common format for submissions across systems.

Option 1: Use the BR-CTF application to convert a submission to the UNFCCC to another format

In this option, the functions of the BR-CTF application would be extended to convert a submission to the UNFCCC to another format and allow the user (Party) to download this converted file. The file would then be submitted by the user to the other system.

Option 2: Use Microsoft Excel to convert a submission to the UNFCCC to another format

This option assumes that the other system supports the upload of Microsoft Excel. The functions of the BR-CTF application would be extended to allow the user to download a UNFCCC submission in Excel format, including macros (a set of programming instructions) to convert the UNFCCC submission to another submission. The user would run the macro to generate another submission, which would then be submitted by the user to the other system.

Option 3: Submit another submission via the BR-CTF application

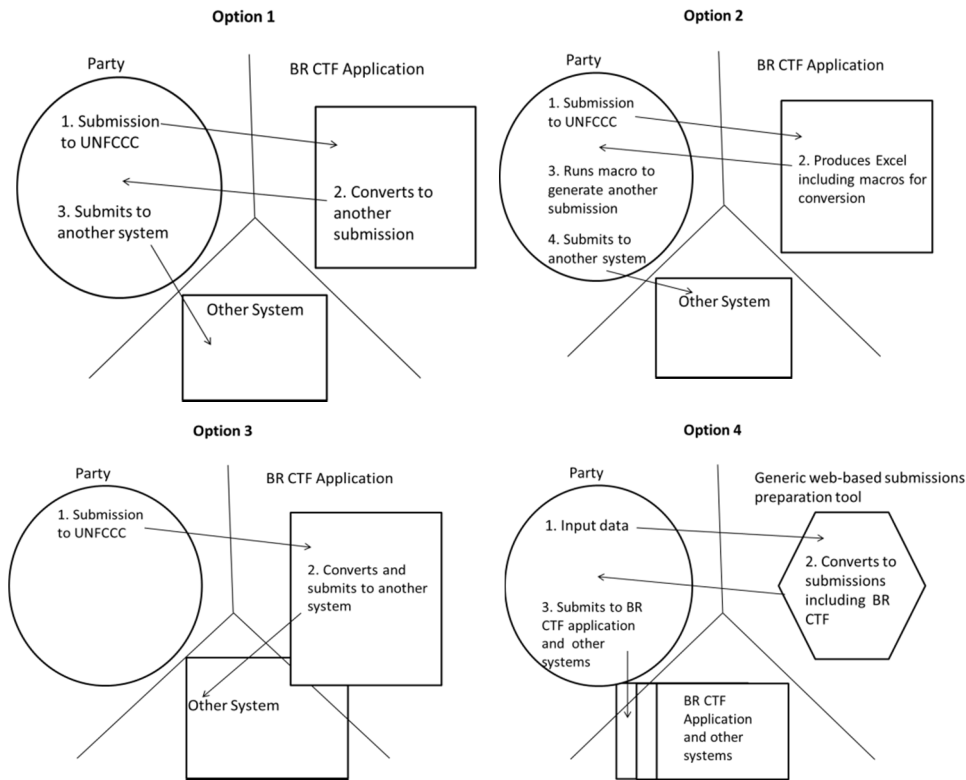
In this option, the functions of the BR-CTF application would be extended to directly make a submission to another application, system to system.

Option 4: Use a generic web-based submission preparation tool to prepare a submission to the UNFCCC and other format(s)

This option requires the development of a new generic web-based tool for preparing submissions, which incorporates the functions of the BR-CTF application. The tool would allow a user to prepare a data set

⁸ Decision 9/CP.21, paragraph 11.

and save it in different formats, including the BR-CTF and multiple other formats. The user would then submit directly to the other systems.



4. The options above involve alterations to the UNFCCC’s BR-CTF application to export data to other systems. For importation of data, the same alterations, in theory, can be applied to other systems to generate a submission to the UNFCCC.⁹

Possible implications of options

5. Technical, financial and legal implications for each option are as identified below. From the technical perspective, option 3 is highly complex, as it requires work on system integration for every different format. Option 3 also provides poor transferability, requiring varying integration work per system. Efforts required under option 1 as well as option 2 are relatively less complex and comparatively more replicable from system to system. Although Option 4 would require high initial effort to develop a generic submissions preparation tool, it provides a sustainable approach that can be easily extended to support extra data sets and formats.
6. The financial costs of implementation are comparable to the technical complexity of each option. Costs are highest for option 4, followed by option 3, 1, and lowest for option 2. However, the generic tool developed under option 4 could be cost-effectively extended to support new data sets and formats that may be required in the future (i.e. in the context of the Paris Agreement).
7. From a user experience perspective, option 3 has the advantage of allowing the user to make an automatic submission to another system through submission to the BR CTF application. Under options 1, 2 and 4, the

⁹ Many Parties draw on the Rio marker data as reported to the OECD DAC CRS activity-level system when reporting to the UNFCCC. and while they adjust the amounts reported and aggregate the data, the two submissions are convertible to one another in principle. In particular, forthcoming proposals to adjust the CRS will facilitate an automated conversion from the CRS format to a UNFCCC format: to further enhance the level of transparency between finance flows captured by the CRS and those reported to the UNFCCC, two adjustments to the CRS reporting will be considered at the DAC Senior Level Meeting in October 2016: i) introducing a new field that indicates whether countries include the specific activity when reporting to the UNFCCC; ii) for activities reportable to the UNFCCC, inviting members on a voluntary basis, to indicate what percentage of the amount reported in the CRS is reported to the UNFCCC.

users themselves will be downloading a UNFCCC submission in another format and submitting to another system.

8. On the other hand, options 1, 2, and 4 have advantages from the legal perspective. These options presumably entail no additional legal implications as the user is still responsible for making submissions to other systems. Option 3 gives rise to legal complications due to the introduction of the UNFCCC as an intermediary between the user and another system. Heavy negotiation effort would be required amongst the different actors to agree on terms for an operational relationship.

	Option 1	Option 2	Option 3	Option 4
Technical <i>Complexity to implement</i>	High effort required for format conversion within the BR CTF application	Moderate effort required for Excel macro development	Very high effort required for system integration work	Very high effort initially to create generic tool
<i>User experience</i>	User has to download then separately upload to another system	User has to download in Excel, run the macros for conversion, and separately upload to another system User must have supported Excel version	User can make an automatic submission to the another system through submission to the BR CTF application	User has to save submission as the desired format then separately upload to another system
<i>Transferability of approach across multiple systems</i>	Good	Good	Poor with system to system integration required every time	Excellent, the generic tool could be used for many different data sets and formats over time
Financial	High implementation as well as ongoing maintenance cost to allow format conversion within BR CTF application	Moderate implementation as well as ongoing maintenance cost for Excel macro development	Very high implementation as well as ongoing maintenance cost for system integration	Very high initially, ongoing costs to support new data sets and new export formats would be low
Legal	User responsible for making both submissions directly (presumably no legal implications)	User responsible for making both submissions directly (presumably no legal implications)	Legal complications due to introduction of UNFCCC as an intermediary between the user and another system; heavy negotiation effort required to agree on terms for an operational relationship	User responsible for making both submissions directly (presumably no legal implications)

9. While this note outlines general implications of establishing links between the BR CTF application and other systems, the technical, financial and legal considerations will vary from system to system. Further analysis, including testing, would be needed to explore the feasibility of establishing linkages with a particular system.
10. Finally, in further consideration of the establishment of linkages as per decision 9/CP.21, it is also important to take note of relevant developments beyond this matter to avoid any duplicative work, including the following:
 - a. The UNFCCC secretariat is currently exploring the means to develop a generic web-based submissions preparation tool as described in option 4.
 - b. A project on the BR CTF application is underway to enable Parties to work on offline Excel workbooks when making submissions. Users would be able to add and validate the data directly in Excel. Irrespective of the establishment of linkages with other systems, this development may contribute to sufficiently expedite the input of data in the BR CTF application.
 - c. Under the Paris Agreement, modalities for the accounting of financial resources as well as new modalities, procedures and guidelines for the enhanced transparency framework are being developed, which will build upon and eventually supersede the current MRV system.