

1st Technical meeting on the preparation of the second Biennial Assessment and Overview of Climate Finance Flows (BA)

8 April 2016

United Nations Campus, Langer Eugen (LE) Building
19th Floor, Room 1916
Bonn, Germany

PROGRAMME

Background

The Standing Committee on Finance (SCF) assists the Conference of the Parties (COP) with respect to the measurement, reporting and verification (MRV) of support provided to developing country Parties, including through activities such as the preparation of the biennial assessment and overview of climate finance flows (BA). In accordance with decision 1/CP.21 (Adoption of the Paris Agreement), the SCF will serve the Paris Agreement in line with its functions and responsibilities established under the COP.

The first BA was prepared in 2014 and comprised a *technical report*¹ and a *Summary and Recommendations by the SCF*², which included key findings and a set of recommendations to strengthen operational definitions of climate finance, methodologies for monitoring and reporting, and issues related to ownership, impact and effectiveness.

The SCF, through the BA and other activities, contributes to the progressive improvement of compilation of climate finance information.

The second BA is due for completion in 2016. It will present quantitative and qualitative information on climate finance flows for the period 2013–2014, drawing from available data in the following categories:

- Total global flows, including international and domestic, public and private flows;
- All flows from developed countries, including flows from developed to developing countries channeled through public institutions and mobilized private finance;
- Sub-flows, including flows channeled through the UNFCCC funds, other multilateral climate funds, MDBs and bilateral DFIs;
- Available estimates on mobilized private finance through public interventions;
- Available information and data on climate-related private sector finance and investments.

¹ Available at:

<http://unfccc.int/files/cooperation_and_support/financial_mechanism/standing_committee/application/pdf/2014_biennial_assessment_and_overview_of_climate_finance_flows_report_web.pdf>

² FCCC/CP/2014/5, Annex II. Available at: <<http://unfccc.int/resource/docs/2014/cop20/eng/05.pdf#page=16>>.

The second BA will further contain an assessment of the overall climate finance flows, including, among others, an assessment of financial and policy considerations, and of how adaptation and mitigation needs can most effectively be met by climate finance. Furthermore, it will include information on methodological issues relating to MRV of support and climate finance more generally, including recent developments (see the general outline of the 2016 BA in the annex).

Objectives

This first technical meeting will bring together the SCF with external contributors and experts for an informal exchange on issues relating to data availability and gaps in the categories mentioned above, latest developments on methodologies for tracking and reporting climate finance, and issues relating to assessment of climate finance flows. Specifically, the meeting will:

- Discuss the ongoing efforts to improve and harmonize methodologies for the provision of financial information on mitigation and adaptation activities – including any recent changes to the operational definitions of climate finance – and examine the extent to which these efforts have considered the recommendations made by the SCF in its [2014 BA](#);
- Take stock of emerging estimation methods for mobilized private finance through public interventions;
- Identify the data that can be drawn upon to develop estimates of different categories of climate finance flows that can be included in the overview for the period 2013–2014, including identifying gaps and available data on thematic distribution and economic sectors; and
- Exchange perspectives on current practice in understanding how climate finance is being spent and having an impact.

Agenda

<p>09:00 – 09:15</p>	<p>Introduction by the Standing Committee on Finance: mandates, objectives, scope, and expectations of the SCF</p> <ul style="list-style-type: none"> • Mr. Seyni Nafo • Ms. Outi Honkatukia
<p>09:15 – 10:45</p>	<p>Part I: Methodological issues relating to the measurement, reporting, and verification (MRV) of climate finance flows.</p> <p>UNFCCC secretariat will provide an update on methodologies for reporting financial information by developed country Parties under the Convention and the work of the technical expert reviews</p> <p>Participants will be invited to update the SCF on: (i) changes to the operational definitions of climate finance, differences and convergences in [accounting and] reporting approaches, and implications on reporting and aggregation; (ii) characteristics of the emerging methodologies for measuring/estimating mobilized private finance by public interventions; and (iii) other more sector specific tracking and reporting methodologies.</p> <p><i>Questions for discussion: key issues to be considered</i></p> <ul style="list-style-type: none"> • How have differences among definitions and reporting approaches been addressed, including with regard to the status of reported climate finance flows? • How do changes to operational definitions of climate finance compare to those described in the 2014 BA? • State of play with regard to aggregation methodologies for measuring/estimating mobilized private finance by public interventions, including differences in methodologies for determining leverage ratios and co-financing • State of play with regard to national tracking and reporting systems and monitoring of South-South cooperation. <p><i>Session Chair: Dennis Tirpak</i></p> <p><i>Chapter expert: Aman Srivastava</i></p> <p><i>Background papers: Technical Note by chapter expert; Outline of the 2016 BA; Zero order draft</i></p>
<p>10:45 – 12:00</p> <p>(incl. coffee break)</p>	<p>Part II: Data availability and gaps.</p> <p>Participants will be invited to share information and their views with the SCF members with regard to data sets capturing these types of flows and gaps and limitations.</p>

	<p>Topics for discussion: key issues to be considered</p> <ul style="list-style-type: none"> • Data required for the preparation of the 2016 BA: international public finance flows, public and private domestic flows, data by theme, economic sector, financial instrument, and by geography. • Data on climate finance channeled by MDBs, bilateral DFI, multilateral climate funds and their aggregation; • Data on domestic finance and information on south-south cooperation • Estimates on mobilized private finance by public interventions; • Information and data on climate related public sector finance and investments. <p><i>Session Chair: Dennis Tirpak</i></p> <p><i>Chapter expert: Erik Haites</i></p> <p><i>Background papers: Technical Note by chapter expert; Outline of the 2016 BA; Zero order draft</i></p>
12:00 – 13:00	Lunch break
13:00 – 14:15	Part II (continued)
14:15 – 15:45 (including coffee break)	<p>Part III: Issues relating to assessment of climate finance flows</p> <p>Participants will be invited to share information and their views on policy and financial considerations, climate finance effectiveness and impact, and ownership.</p> <p>Questions for discussion: key issues to be considered</p> <ul style="list-style-type: none"> • How should total climate finance flows be assessed relative to wider investment in business as usual? What data and approaches might be considered? • What progress has been made in understanding the impact of climate finance by funds, intermediaries, and recipient countries? • Have new approaches or methodologies for understanding finance and investment needs, and ensuring ownership of climate finance been developed since the BA 2014? Are there insights to be gleaned from efforts to consider climate finance needs in the INDCs? <p><i>Session Chair: Dennis Tirpak</i></p> <p><i>Chapter expert: Smita Nakhooda</i></p> <p><i>Technical Note by chapter expert; Outline of the 2016 BA; Zero order draft</i></p>
15:45 – 16:00	<p>Closure</p> <ul style="list-style-type: none"> • Secretariat: next steps • Seyni Nafo and Outi Honkatukia

Format

The meeting will be informal and interactive, with the objective to exchange policy and technical perspectives in a lively roundtable discussion. Participants are encouraged to come with data sets/samples and be prepared to contribute with substantive input to discussions on methodologies, overview and assessment of climate finance flows. There will be no formal output. The BA team will compile the input, gather the insights generated from the discussions for further consideration and follow-up with organizations/experts as necessary.

Participation

The technical meeting will involve SCF members, external contributors and climate finance stakeholders attending the twelfth meeting of the SCF.

Background documents

- Agenda of the technical meeting
- Outline of the 2016 biennial assessment and overview of climate finance flows
- Zero Order Draft
- Any other materials from participants.

Venue

United Nations Campus, Langer Eugen (LE), Platz der Vereinten Nationen 1, 53113 Bonn

HOW TO REACH THE UN CAMPUS

By car:

Route map:

https://maps.google.de/maps?q=campus+der+vereinten+nationen+bonn&ie=UTF-8&ei=DfaBUom-NtDHswbG2IDIBA&ved=0CAgQ_AUoAg

Note for visitors:

There is little space for car parking at the UN Campus. However, cars can be parked in one of the parking areas you pass along Charles-de-Gaulle-Str. Located on the back of the campus at the river side; there is a big parking space. The costs for whole day parking will be 5 Euro.

By tram/underground:

From Bonn Hauptbahnhof main station:

Underground (U-Bahn) line 16, 63 or 66 towards Bad Godesberg/Koenigswinter/Bad Honnef Heussallee stop, exit "Deutsche Welle". When you reach the street go straight ahead until you reach Platz der Vereinten Nationen 1 and the UN Campus.

From airports:

From Cologne/Bonn airport (Flughafen Koeln/Bonn):

Airport-shuttle-bus No SB60 towards Bonn:

Bus line "SB60" (airport express) services the 25 kilometer stretch between Cologne/Bonn Airport and the Bonn Main Railway Station. The journey is foreseen to take approx. 30 min. At the time of writing, one-way tickets are sold at EUR 7.90.

During weekdays, the bus leaves every 30 min. while it leaves every 30/60 min. on Saturdays and Sundays. For exact timetables, please refer to the SWB Web site here: <http://en.swb-busundbahn.de/bus-bahn/service/airport-express-sb60.html>.

Hauptbahnhof (main railway station)

Underground (U-Bahn) line 16, 63 or 66 towards Bad Godesberg/Koenigswinter/Rammersdorf

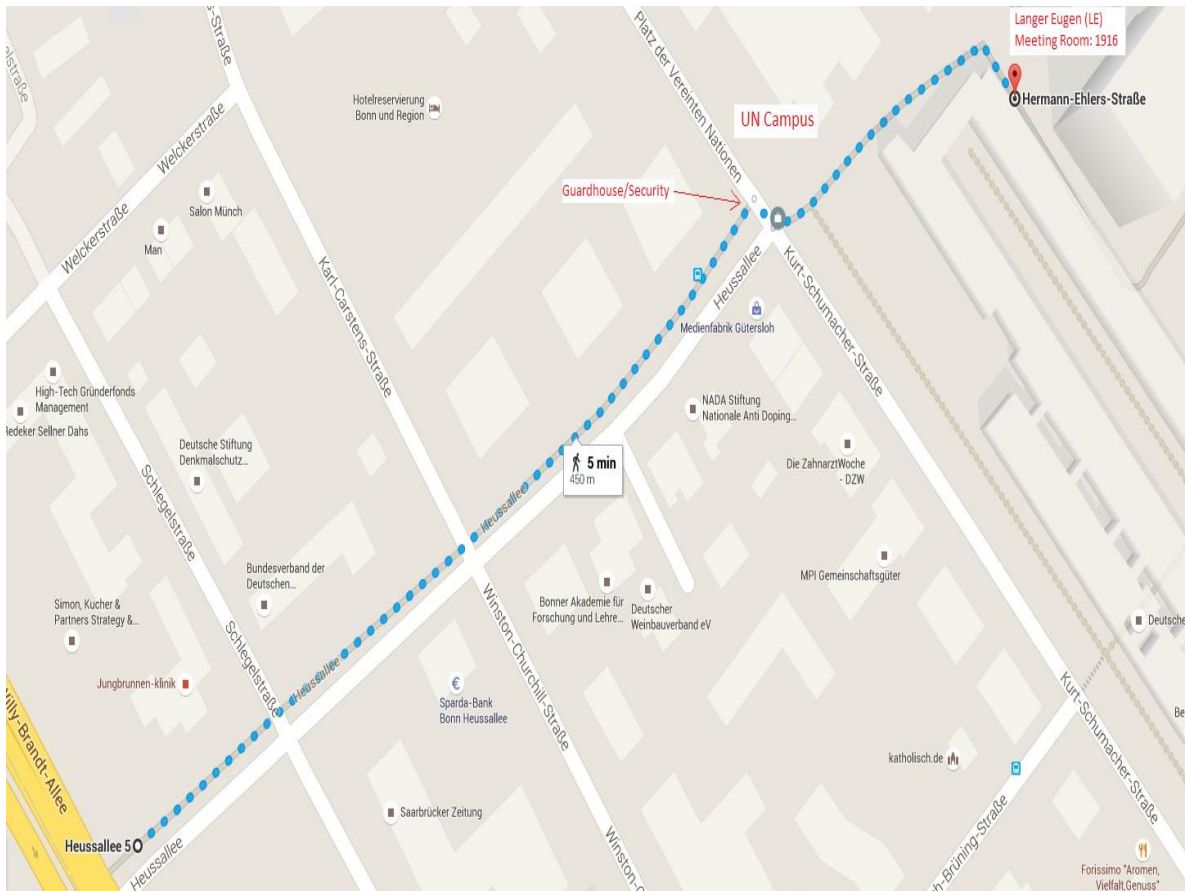
Heussallee stop, exit "Deutsche Welle". When you reach the street go straight ahead until you reach Platz der Vereinten Nationen 1 and the UN Campus.

From Frankfurt airport (Flughafen Frankfurt)

There is a fast train (Intercity train) from Frankfurt airport to Siegburg/Bonn. From Siegburg you can take a taxi (0228-555 555) to the UN Campus. Alternatively there is a slower train, line 66, going directly to Bonn city centre departing every hour.

By taxi

The fare for a taxi ride to Altes Abgeordnetenhaus/Langer Eugen (Platz der Vereinten Nationen 1) from Bonn city centre and Hauptbahnhof is around 8 Euro. The central phone number for Bonn taxis is 0228-555 555.



Annex – Outline of the 2016 biennial assessment and overview of climate finance flows

Executive summary

- The mandate
- Challenges and limitations
- Key findings
- Conclusions and recommendations

Introduction

- Objectives: set the scene – context of COP decisions.
- Scope: explicit explanation of what BA2 will do (i.e. it's a 'meta analysis' and overview/summary of existing publically available information, rather than presenting new data).
- The BA should also provide a guide on how the reader should use and interpret the figures in its recommendations.

Approach used in preparing BA2

- Clearly outline what the BA is: describe where the data has been sourced from, time period, data coverage (i.e. what's in and what's out), and how the data was aggregated (e.g. how the different types of sub-flows are categorized in the onion diagram, how "pledged" vs "committed" vs "disbursed" are treated, etc.)
- Clearly describe where the data on "geographical" and "thematic balance" comes from and how it is aggregated and categorized.
- Clearly outline the challenges and limitations (e.g. practical difficulties in estimating domestic flows and other un-reported flows with any certainty)

Methodological issues related to MRV including recent developments

- Describe how other data aggregators have treated their numbers (e.g. briefly describe their definitions and how they compare to BA1, etc.),
- Describe how the differences among definitions and reporting methods have been addressed (e.g. how we treat "pledged" vs "committed" vs "disbursed", etc.)
- Compare the strengths and weaknesses of the methodologies for reporting public and private climate finance flows (i.e. how the development of new methodologies and harmonization of existing methodologies of data aggregators represent improvements compared to methodologies described in BA1 to feed into recommendations)
- Review recommendations from BA1, including those from the report of the technical review of BR1, with a view to examining the extent to which the recommendations have been considered in BR2.

Overview of flows

- A succinct section, mainly presenting numbers (e.g. public, private, domestic flows, South-South, North-South, climate relevant flows including flows from the FM of the Convention, investment in and support for fossil fuels), also reflecting the perspective of recipient countries.
- The onion diagram, showing estimates of climate finance flows for the period 2013-2014, with sufficient tabular data to make it clear what is included and how.
- Presentation of estimates of geographical and thematic balance of flows.
- Reflection on issues discussed at the 2015 and 2016 SCF Forum.

Assessment of flows

- A succinct description of the limitations of the overview section, description or explanation of the results, with identification of gaps, as needed.
- Identification of criteria – if any – for the “assessment” of climate finance flows.
- Describe how the quality of measurement and reporting is assessed (e.g. clearly outline the sources of data uncertainty, clearly describe the assessment of the quality of data “relatively certain”, “medium certain”, “relatively uncertain”)
- Consider how the BA2 can be used to assess how most effectively to meet adaptation and mitigation needs with climate finance and consider ownership, impact and effectiveness more generally building on BA1.
- Explain how information in BA2 can be used in the context of mobilization of climate finance resources.

Conclusion and recommendations

- A short section focusing on recommendations for further improvements for BA3. It could describe some of the political challenges inherent in an assessment of this kind, but be very neutral in what recommendations are made as a result