

Eleventh meeting of the Standing Committee on Finance Bonn, Germany, 26–28 October 2015

Report of the breakout group on the MRV of support beyond the biennial assessment and overview of climate finance flows

(Agenda item: 6)

1. The objectives of this breakout group were: to agree on recommendations on methodologies for reporting financial information by Annex I Parties; and to finalize the workplan on measurement, reporting and verification of support beyond the biennial assessment and overview of climate finance flows.

Outcome(s) of the discussions

Recommendations on methodologies for reporting financial information

2. The breakout group discussed the draft recommendations included in annex I of SCF/2015/11/6. There was general agreement that the SCF could recommend near-term actions such as improvements to the biennial reporting common tabular format (BR CTF) as well as longer-term actions to strengthen reporting under the Convention.

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

3. The breakout group discussed the draft workplan included in annex II of SCF/2015/11/6. Following discussions on gaps and areas for improvement in the current arrangements of MRV of support, the breakout group discussed activities to address the identified gaps and enable improved MRV of support during the period 2016-2017.

Agreements reached in the breakout group

4. The breakout group agreed on the draft recommendations contained in annex I of this present document.
5. The breakout group agreed on the draft workplan contained in annex II of this present document.

Next steps:

6. The recommendations on methodologies for reporting financial information by Annex I Parties will be included in the annual report of the SCF to the COP.
7. The workplan on MRV of support beyond the BA and overview of climate finance flows will be included in the annual report of the SCF to the COP.



Annex I – Draft recommendations on methodologies for reporting financial information by Annex I Parties

The COP, by decision 11/CP.20, paragraph 6, requested the SCF to include its recommendations on the methodologies for the reporting of financial information in its annual report to COP21. The SCF agreed on its recommendations, taking into consideration the outcomes of the joint in-session technical workshop held in conjunction with the forty-second session of the subsidiary bodies¹, drawing from a range of sources of information, including, inter alia, the views of Parties and observers on the methodologies for the reporting of financial information referred to in decision 2/CP.17 paragraph 19 and a technical paper prepared by the secretariat, summarizing the existing international methodologies for the reporting of financial information.

1. The SCF highlights the following near-term actions for consideration by the COP to improve methodologies for reporting financial information by Annex I Parties. The SCF recommends, in particular, improvements to the biennial reporting common tabular format (BR CTF). The COP may also wish to request the SBI to take into account, in the revision of the UNFCCC reporting guidelines on national communications, the revisions in the BR CTF:

- (a) Enhance consistency and transparency through adjustments in the reporting parameters in the CTF tables. The COP may wish to specifically request the SBSTA to consider the following in the revision of the BR CTF:
 - i. Create reporting fields for the provision of information on definitions or methodologies used for reporting information in the following reporting parameters: “climate-specific” or “core/general”, “status”, “funding source”, “financial instrument”, “type of support”, “sector”;
 - ii. Improve the software of the CTF by extending the number of input rows in the uploadable Excel file and creating links to other reporting software and platforms so as to facilitate importation and exportation of activity-level data.
- (b) The COP may further wish to request the SBSTA to:
 - i. Invite Annex I Parties to inform UNFCCC national focal points of climate finance directed to recipient countries as reported to the Convention;
 - ii. Improve the software of the CTF to allow for search functions on the UNFCCC website to collect information per key category in tables 7, 7(a) and 7(b) of the CTF (i.e. category “recipient country/region”).

2. The COP may also wish to consider the following longer-term recommendations, in the context of on-going work by the SCF on measurement, reporting and verification of support, to further strengthen the reporting under the Convention by taking specific actions to enhance consistency, comparability and transparency of financial information reported under the Convention:

- (a) Request the SBSTA, taking into consideration the work of the SCF, to align the categorization in the reporting parameter “status” of support (i.e. “pledged”, “committed” and “provided”) in the CTF with the categorization used in other existing international methodologies (i.e. “committed” and “disbursed” in OECD DAC);
- (b) Create a separate reporting field in the CTF for the provision of project/programme-level information in addition to country/region-level information in reporting contributions through bilateral, regional and other channels.
- (c) Taking note of the different reporting approaches used by data producers and aggregators², including the work undertaken by the SCF in the context of the biennial assessment and overview of climate finance flows, request the SBSTA to modify the BR CTF to provide additional reporting fields for the provision of information on methodologies used by the Parties in collecting financial information for quantitative reporting under the Convention, with a view to enhancing transparency and facilitating harmonization of methodologies over time;
- (d) Invite Annex I Parties, in collaboration with relevant data producers and aggregators, to develop common guidelines for the provision of information on methodologies used by the Parties in collecting financial information for quantitative reporting under the Convention, with a view to improving comparability of financial information reported under the Convention;
- (e) Request the SCF, in collaboration with the SBSTA and Consultative Group of Experts on National Communications from Parties not included in Annex I to the Convention (CGE), to develop options for

¹ Summary of the workshop available at <<http://unfccc.int/8892.php>> .

² See FCCC/TP/2015/2 Annex for a preliminary comparison of the reporting approaches used by different organizations (updated in May 2015).

common reporting methods for needs and climate finance received in time for the next cycle of biennial update reports, with consideration of developing countries experiences³.

³ This option is also part of the recommendation by the SCF on the 2014 biennial assessment and overview of climate finance flows. FCCC/CP/2014/5, Annex II, paragraph 18(b).

Annex II – Draft workplan on MRV of support beyond the BA and overview of climate finance flows

The SCF identified a number of gaps and areas for improvement in the current arrangements of MRV of support, which is made available on the SCF website⁴. The SCF will implement the activities presented in the following table during the period 2016-2017 to address the identified gaps and enable improved MRV of support under the Convention.

Activities and expected outcomes relating to MRV of support (2016-2017)

	Activities	Expected outcomes
Measurement	<p>Continue technical work to enhance the transparency and comparability and develop a better understanding of operational definitions of climate finance in collaboration with relevant international financial institutions and organizations</p> <p>Encourage transparency and comparability of developing country reporting</p>	<p>Options provided to the COP, as appropriate</p> <p>Options provided to the COP on methodologies for reporting financial information for developing countries</p>
Reporting	<p>Provide expert input to harmonize reporting guidelines of national communications with the biennial reporting common tabular format (BR CTF)</p> <p>Devise practical options for reporting mobilized climate-related private finance in cooperation with relevant institutions and experts, including from the private sector</p> <p>Consider common reporting methods for needs and climate finance received, with consideration of developing countries capacity and experiences as well as needs for support on MRV of support</p> <p>Consider general principles (i.e. transparency, comparability, efficiency, completeness, accuracy) that should guide the work on further efforts to improve methodologies for reporting financial information</p>	<p>Options provided to the COP to request the SBI to take action in the revision of the UNFCCC reporting guidelines on national communications, as appropriate</p> <p>Options provided to the COP to request the SBSTA to take action at the next revision of the BR CTF, as appropriate</p> <p>Options provided to the COP to invite a relevant the SBSTA to develop a common reporting format</p> <p>Options provided to the COP, as appropriate</p>

⁴ Available at <http://unfccc.int/6881.php>.

	<p>Enhance engagement of relevant data producers, collectors, aggregators, with a view to facilitating the development of common methodologies for collection of financial information</p>	<p>Options provided to the COP, as appropriate</p>
<p>Verification</p>	<p>Consider options to strengthen verification</p> <p>Consider options for cross-checking financial information reported under the Convention on support provided and received, where possible, with a view to, inter alia, developing a better understanding of the progress made towards the goal of jointly mobilizing \$100 billion dollars a year by 2020</p>	<p>Options provided to the COP to invite a relevant body to take action, as appropriate</p> <p>Options provided to the COP, as appropriate</p>