

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

Report of the breakout group on 2016 biennial assessment and overview of climate finance flows (Agenda item: 7)

1. The breakout group on this agenda item met twice to discuss and agree on the draft outline of the 2016 biennial assessment and overview of climate finance flows (BA) as well as the indicative timeline as contained in SCF/2015/11/7 .

Outcome(s) of the discussions

2. With regard to the draft outline of the 2016 BA, the working group identified the following additional elements to be included:
 - a. A review of recommendations from the 2014 BA.
 - b. Further specification on types of flows to be covered in the overview of flows section, namely: public, private, domestic, South South, North South, climate relevant flows including flows from the FM of the Convention, investment in and support for fossil fuels.
 - c. A reflection of the recipient country perspective in the section on overview of flows.
 - d. Consideration of ownership, impact and effectiveness of climate finance.
 - e. A reflection of issues discussed at the 2015 and 2016 SCF Forums.

Agreements reached in the breakout group

3. The breakout group agreed on the draft outline for the 2016 BA as contained in Annex I.
4. The breakout group further agreed on the indicative timeline for preparing the 2016 BA as contained in Annex II.

Next steps:

5. The draft outline and the indicative timeline for preparing the 2016 BA will be included in the annual report of the SCF to the COP.



Annex I – Draft 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.

Annex II: Indicative Timeline

Activities and deliverables	2015-2016								
	Q3	Q4	Jan-Feb	Mar-Apr	May-Jun	July-Aug	Sep	Oct	Dec
Phase I: Finalizing the scope and structure									
Scope, structure and outline of the technical report									
Phase II: Research and drafting									
Literature review and data collection									
Drafting of individual chapters of the technical report									
Technical workshops				Mar. 29-31 (tbd)		tbd			
Phase III: Final drafting									
The working group discusses findings and insights, based on draft chapters									
Final draft of the technical report									
Drafting and finalization of the Summary and Recommendations									
Phase IV: Peer review, lay out and production of the document									
External/peer review (tbc)									
Layout design and publication									
Phase V: Outreach and dissemination									
Communication and promotion of the technical report and the summary and recommendations					tbd				