



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

I. Background

1. The Conference of the Parties (COP), at its 16th session, decided that the Standing Committee on Finance (SCF) shall assist the COP in exercising its functions with respect to the financial mechanism of the Convention in terms of measurement, reporting, and verification (MRV) of support provided to developing countries. At COP 17, Parties decided that the SCF is to prepare a biennial assessment and overview of climate finance flows (BA). At COP 19, Parties invited the SCF to consider ways to increase its work on MRV of support beyond the BA in accordance with its work plan for 2014–2015 and its mandates.
2. In 2013, the SCF invited observers and interested organizations to submit, by 31 July 2013, their views and information on MRV of support, as well as the biennial assessment and overview of climate finance flows (BA). The submissions are accessible on the website.¹ Members of the SCF were also invited to provide submissions on the issue of MRV of support. Based on those inputs and a background paper prepared for the fifth SCF meeting,² the SCF engaged in initial discussions on the issue of MRV of support.

II. Possible areas of work

3. In evaluating possible areas of work the SCF may wish to engage in beyond its work on the BA, the below outlines various issues that the SCF may wish to take into account.
4. The MRV system under the Convention is currently evolving with various new processes having commenced in 2014. Those new processes will fully unfold over the next few years, as outlined in the annex to this document. In considering its work beyond the BA, the SCF may wish to take into consideration this evolving structure and, also based on the experiences made and lessons learned, evaluate possible areas of work needed by the SCF in light of the evolving MRV structure which would exceed its work on the BA.
5. In addition, in initiating the first BA, the SCF will take into account relevant work by other bodies and entities on the MRV of support and the tracking of climate finance (decision 1/CP.18, paragraph 71). This task will be carried out in the context of the literature review on methodological issues relating to MRV of public and private finance (annex II of SCF/2014/6/3). While this task is limited to the scope and objectives of the first BA, the literature review may possibly generate insights from existing and emerging different MRV system, including current MRV practices of the Convention, which the SCF may wish to take into consideration when identifying areas of work beyond the BA.
6. Furthermore, developed country Parties will submit, by May 2014, information on appropriate methodologies and systems used to measure and track climate finance. While the work on the BA will also incorporate this information, the submissions may also serve the SCF as input to its consideration on possible work beyond the BA.
7. The submissions made by SCF members, as well as interested stakeholders, as referred to in section III of this document, may also serve as basis for the SCF's considerations on MRV related work beyond the BA.
8. When considering MRV related work, the SCF may also take into account on-going work of the thematic bodies of the Convention, which may have implications for its work in this issue, including, for example, the work of the Adaptation Committee on the issue of monitoring and evaluation of adaptation.
9. Based on the above, the SCF may wish to consider establishing a working group on MRV of support beyond the BA with the mandate to develop and propose a work plan to the eighth meeting of the SCF. As the work on the BA is on-going throughout 2014, this working group may wish to align its work and considerations with the timeline of the BA in order to be able to identify areas of work necessary beyond the BA based on the outcomes of the work on the BA. In addition, the working group may also wish to engage with other bodies of the Convention which are

¹ http://unfccc.int/cooperation_and_support/financial_mechanism/standing_committee/items/8034.php

² SCF/2013/5.



conducting the various MRV related tasks in 2014 and beyond, as outlined in the draft SCF communication strategy (SCF/2014/6/10).

II. Submissions made by members of the SCF and interested stakeholders

10. Various submissions have been put forward to the SCF in 2013 and 2014 on the issue of MRV of support. This includes submissions made to the fifth meeting of the SCF by the following SCF members: Ms. Bernarditas Muller, Mr. Syed Mujtaba Hussain, and Mr. Seyni Nafo. A country submission was also received.³ One SCF member also provided views on the issue of MRV of support via email to the SCF (received 16/02/2014).
11. Submissions following the SCF's call for inputs on elements to be taken into account for the development of a work programme on MRV of support and the conduct of the BA in 2014 were received from the following interested stakeholders: Climate Policy Initiative, OECD, German Watch, Erik Haites - Margaree Consultants Inc., IAETA, CIF, and Blindspot Think Tank.
12. A synthesis of submissions received will be made available to the SCF members during the sixth meeting as basis for its deliberations on this subject matter.

³ Contained in document SCF/2013/5/8.

**Annex – Timeline of MRV related work under the Convention**

Activity under the Convention	1 st quarter 2014	2 nd quarter 2014	3 rd quarter 2014	4 th quarter 2014	2015
<i>Reports</i>					
First biennial reports (BRs) by developed country Parties	January				
National Communications (NatComs) of Annex I Parties	January				
First biennial update report (BURs) by non-Annex I Parties (LDCs and SIDS at their discretion)				December	
Secretariat to prepare a compilation and synthesis report on the information reported by developed country Parties in the BRs and the NatComs, for consideration COP 20				COP 20	
<i>Methodologies</i>					
Developed country Parties to submit information on appropriate methodologies and systems used to measure and track climate finance		May 2014			
Development of methodologies for reporting financial information under the SBSTA		SBSTA 40		SBSTA 41 COP 20	
Consideration on the best approach for future reporting on climate related private finance at the next revision of the reporting guidelines					
SBI to begin the revision of the “Guidelines for the preparation of national communications by Parties included in Annex I to the Convention, Part II: UNFCCC reporting guidelines on national communications”, based on the experiences gained in preparing the first BRs and other information, with a view to adopting the revised guidelines by COP 20		SBI 40		COP 20	
SBSTA to develop, taking into account existing international methodologies, and based on the experiences gained in preparing the first BRs, methodologies for reporting financial information with a view to recommending a decision on this matter to COP 20				COP 20	
Annex I Parties to make submissions of views by 1 March 2014 on their experience with reporting the first BRs	March				



Activity under the Convention	1 st quarter 2014	2 nd quarter 2014	3 rd quarter 2014	4 th quarter 2014	2015
Secretariat to prepare a technical paper based on the submissions of views by Parties, with the aim of facilitating consideration by SBI 41, of the matters referred to in decision 2/CP.17				SBI 41	
<i>Review</i>					
First round of International Assessment and Review (IAR) to commence two months after the submission of the first round of BRs by developed country Parties	First quarter of 2014				
COP to revise the modalities and procedures of the IAR on the basis of the experience gained in the first round of IAR, no later than 2016					
First rounds of International Consultation and Assessment (ICA) will be conducted for developing country Parties, commencing within six months of the submission of the first round of BURs by developing country Parties					First half 2015
COP to revise the modalities and guidelines for ICA based on experiences gained in the first round of ICA, no later than 2017					