

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

### Background paper on the 2016 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:

- a) To finalize the technical report of the 2016 biennial assessment and overview of climate finance flows (BA) intersessionally, and make it available on the website in time for COP 22; and
- b) To agree on the summary and recommendations of the 2016 BA, which will be annexed to the annual report of the SCF to the COP.

## II Background

### Agreements at the thirteenth meeting of the SCF

1. The SCF, at its thirteenth meeting, had rich discussions on the first order draft of the technical report of the 2016 BA and the outline and elements of the summary and recommendations.
2. SCF members noted a number of areas in the technical report that require further work, including: generating insights on the financial instruments from BR2 and other datasets, the state of play with regards to the harmonization of reporting approaches and convergence in the operational definitions of climate finance used, deeper analysis of financial information included in the BRs and BURs to aid the SCF in identifying specific areas for further improvements in the current MRV arrangements in general and the reporting system of the Convention more specifically with a view to inform work relating to the transparency of support following the Paris Agreement; further analysis of data on climate finance received; compiling additional available sector specific data; and trends analysis of the sub-flows.
3. Furthermore, the Committee agreed to streamline the technical report, drawing out more substantive key messages, and thoroughly discussing the underlying data sets and how they are being treated.
4. With regard to the draft summary and recommendations, members agreed to include, *inter alia*, information on financial instruments and geographic and thematic distribution of climate finance flows as well as additional findings on trends and recipient countries' perspective. The SCF noted that the 2016 BA will provide recommendations that are specific and build on and cross-reference recommendations in the 2014 BA.

### Status of work

5. Following the thirteenth meeting of the SCF and the second technical meeting on the 2016 BA held in conjunction with the thirteenth meeting, SCF members were invited to provide written comments on the first order draft of the technical report and on the draft summary and recommendations by 15 August. Based on comments received, a second order draft of the technical report and an updated summary and recommendations were prepared and circulated to the SCF on 1 September. SCF members were again invited to provide written comments on both documents by mid-September, based on which pre-final drafts of both documents were prepared intersessionally and circulated ahead of the fourteenth meeting.
6. A number of SCF members met informally at the margins of the SCF forum on 5 September in Manila to discuss progress on the BA and provide guidance to the technical team responsible for preparing the report. Furthermore, the draft technical report was subject to fact-checking by the BA collaborators. In addition to the technical work, editing and design processes were launched.



7. The intersessional work on the technical report has mainly affected the structure and the flow of the report as presented in the third order draft. In particular, the methods and overview chapters have been further streamlined. Furthermore, a number of visuals have been included in the report, i.e. graphics on convergence in the area of definitions and on reporting challenges and improvements.
  8. Further intersessional work by the BA co-facilitators focused on the summary and recommendations with a view to finalize the document at the fourteenth meeting.
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