



Standing Committee on Finance

15 March 2022

**Twenty-seventh meeting of the Standing Committee on Finance
22–23 March 2022**

Background paper on work on definitions of climate finance

Expected actions by the Standing Committee on Finance

The Standing Committee on Finance (SCF) will be invited to:

- a) Confirm the appointment of co-facilitators for the work on definitions of climate finance;
- b) Consider and provide guidance on the substantive scope and content of the input to 27th session of the Conference of the Parties (COP 27);
- c) Consider the draft work plan to prepare the input for COP 27.

I. Possible actions for consideration by the Standing Committee on Finance

1. Scope and content of input: The SCF may wish to consider the substantive scope and content of the input on definitions of climate finance to COP 27, including *inter alia*:
 - (a) Accounting approaches to tracking of mitigation and adaptation finance;
 - (b) Operational definitions in use in the reporting of climate finance under the Convention and Paris Agreement, through biennial reports, biennial update reports, operating entities of the Financial Mechanism and the SCF;
 - (c) Operational definitions of climate finance in use by institutions (e.g. development finance institutions, statistical systems, etc).
2. Sources of information may include the thirteen submissions received from Parties on the operational definitions of climate finance for consideration by the SCF in order to enhance its technical work on this matter in the context of preparing its fourth (2020) biennial assessment and overview of climate finance flows (fourth BA) (see Annex I).
3. Overall approach to the work. The SCF may wish to consider the draft workplan and timeline as contained in annex II.

II. Background

4. The COP at its twenty-sixth session, and the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement (CMA) at its third session, requested the SCF to continue its work on definitions of climate finance, taking into account the submissions received from Parties on this matter,¹ with a view to providing input for consideration at COP 27 (November 2022).

¹ By decisions 11/COP.25, para. 10 and 5/CMA.2, para. 10, the COP and CMA invited Parties to submit their views on the operational definitions of climate finance for consideration by the SCF in order to enhance its technical work on this matter in the context of preparing its fourth BA. Available at <https://unfccc.int/topics/climate-finance/resources/standing-committee-on-finance-info>

5. By decisions 11/COP.25, para. 10 and 5/CMA.2, para. 10, the COP and CMA invited Parties to submit their views on the operational definitions of climate finance for consideration by the SCF in order to enhance its technical work on this matter in the context of preparing its fourth BA. Thirteen submissions were received from Parties on the operational definitions of climate finance as listed in Annex I of this background paper and available on the UNFCCC website.² The information from the submissions was synthesised in section 1.4.3 of the technical report of the fourth BA and the Summary of the fourth BA by the SCF, paras. 16–18.

[repository#eq-6.](#)

² Available at [https://unfccc.int/topics/climate-finance/resources/standing-committee-on-finance-info-repository#eq-6.](https://unfccc.int/topics/climate-finance/resources/standing-committee-on-finance-info-repository#eq-6)

Annex I

Submissions received from Parties on their views on operational definitions of climate finance

1. The following Parties and groups of Parties provided submissions on their views on operational definitions of climate finance for consideration by the SCF in order to enhance its technical work in the context of preparing the fourth BA, in accordance with decision 11/CP.25 and decision 5/CMA.2.

<i>Submitted by</i>	<i>Date</i>
Republic of Vanuatu	1 May 2020
Switzerland on behalf of the Environmental Integrity Group (EIG)	1 May 2020
European Union	5 May 2020
Solomon Islands	8 May 2020
Philippines	8 May 2020
Norway	12 May 2020
Canada	13 May 2020
Honduras on behalf of Independent Alliance of Latin America and the Caribbean (AILAC) Group	13 May 2020
Japan	15 May 2020
Indonesia	4 June 2020
Republic of Gabon on behalf of the Africa Group of Negotiators (AGN)	30 June 2020
Kingdom of Bhutan on behalf of the Least Developed Countries (LDC)	30 June 2020
Belize on behalf of the Alliance of Small Island States (AOSIS)	31 August 2020

Annex II

Draft workplan

Work on definitions of climate finance

Delivery date: 2022

I. Mandate(s) and objectives

1. At COP 26 and CMA 3, Parties requested the SCF to continue its work on definitions of climate finance, taking into account the submissions received from Parties on this matter,³ with a view to providing input for consideration at COP 27 (November 2022).

II. Overall Approach

2. Building on the experience of the SCF, the work on climate finance definitions could be organized and implemented through *technical work* and *Committee-level work*. The technical work allows the SCF, with the support of the secretariat, to draw on information from relevant sources.

3. The SCF may wish to appoint two co-facilitators from within the membership of the SCF to guide the technical work intersessionally and during the SCF meetings. The co-facilitators are supported by the UNFCCC secretariat. Within the SCF, an open-ended working group could participate in the intersessional technical work to ensure timely development of the work ahead of formal SCF meetings. This may involve, inter alia, providing input and reviewing the drafts outputs, including through written comments and dedicated calls. The output will be disseminated to the SCF for consideration.

4. The *technical work* could consist of in-depth review of Parties submissions on climate finance definitions, literature review and information gathering on latest developments with regard to definitions of climate finance. This involves data and information gathering from a range of sources, both national reports to the UNFCCC and other relevant reports. Information gathering may include outreach through technical stakeholder dialogues which can be organised in conjunction with SCF meetings, and also avail of other webinars organised in the context of preparing the fifth BA where stakeholders implementing climate finance definitions and other contributors.

5. The *Committee-level work* involves reviewing the technical work and providing further guidance. Depending on the approach the SCF wishes to take on the work, the Committee may wish to identify key findings from the technical work and prepare an *executive summary* and/or *recommendations* as appropriate in the context of providing input for consideration at COP 27.

6. Engagement with various stakeholders including Parties, data providers and aggregators will take place particularly to confirm interpretation and presentation of information. Following finalization of the work, the key outputs will be disseminated through the SCF report to COP 27, SCF side events at COP 27, and other communication channels with UNFCCC support, e.g. press release and social media.

³ By decisions 11/COP.25, para. 10 and 5/CMA.2, para. 10, the COP and CMA invited Parties to submit their views on the operational definitions of climate finance for consideration by the SCF in order to enhance its technical work on this matter in the context of preparing its fourth BA.

III. Timeline

7. The work will be organized in four phases as outlined below. The table below presents possible milestones and an indicative timeline for the work.

(a) **Phase I – developing and finalizing the scope of the work:** This phase involves developing the scope, structure and outline of the work;

(b) **Phase II – literature review and information gathering:** This phase will continue until the finalisation of the work. It will involve:

(i) Continuous literature review and information gathering collection from sources of information as they become available;

(ii) Engagement with various stakeholders, including Parties, to confirm interpretation and presentation of information;

(iii) Further outreach through open technical stakeholder dialogues in conjunction with SCF meetings or webinars with broader stakeholder groups to gather inputs and views;

(c) **Phase III – development of the output:** This phase includes the iterative drafting of the output to be included in the SCF report to COP 27 and presenting it for feedback at SCF meetings. A zero order draft of possible elements would be prepared ahead of SCF 28 based on the input received from SCF members at SCF 27, followed by a first order draft prepared ahead of SCF 29, based on written comments and feedback of SCF members;

(d) **Phase IV – dissemination:** Following finalization of the work, the key output will be disseminated through:

(i) A dedicated addendum to the SCF Report to COP 27

(ii) SCF side events at COP 27;

(iii) Other communication channels with UNFCCC support including a press release and social media.

Table 1

Possible milestones and indicative timeline for the progress report

Activities and deliverables	2022											
	Q1			Q2			Q3			Q4		
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Phase I: Developing and finalizing the scope and outline												
Scope, structure and outline			SCF 27									
Phase II: Literature review and information gathering												
Literature review												
Engagement with Parties, and stakeholders												
Phase III: Development of the output												
Development of iterative drafts of the output						Zero order draft (SCF 28 tbc)		Pre-final draft (SCF 29 tbc)				
Working group discussions based on drafts												
Phase V – dissemination												
Development of addendum to SCF Report to COP 27												

Activities and deliverables	2022											
	Q1			Q2			Q3			Q4		
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Communication and promotion of the work											COP27	
Webinars and events												

IV. Expected outputs/deliverables

8. The key outputs may include:
- (a) The addendum to the SCF report to COP 27 on work on definitions of climate finance;
 - (b) A work plan and timeline;
 - (c) Background papers and presentations for SCF meetings.