



Standing Committee on Finance

03 June 2022

**Twenty-eighth meeting of the Standing Committee on Finance
17–18 June 2022**

**Background paper on the fifth 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 to:

- a) Consider the first-order draft of the technical report of the fifth BA and;
- b) Consider possible elements of the summary and recommendations by the SCF.

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

1. Consider progress reflected in the first-order draft and provide guidance on the preparation of the second-order draft of the fifth BA. The SCF may wish to consider the first-order draft of the technical report of the fifth BA, developed under the guidance of co-facilitators based on the comments received during SCF 27, information and data available as at mid-May 2022, and the general outline of the technical report agreed at SCF 26 and endorsed at the twenty-sixth session of the Conference of the Parties (COP 26).¹

2. Consider any further outreach activities. Given the time lags in the availability of 2019–2020 data for several sub-flows, the SCF may wish to consider reaching out to data providers to ensure timely preparation of the fifth BA. In this regard, the SCF may wish to consider organising a technical webinar with data providers and stakeholders inter-sessionally.

II. Background

3. COP 17 decided that the 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 of support provided to developing countries, inter alia, through preparing Biennial Assessments (BAs). The BAs are to include information on the geographical and thematic balance of flows drawing from available sources of information, including, inter alia, from biennial reports and biennial update reports. Further guidance is contained in decisions 1/CP.18, paragraph 71, 5/CP.18, paragraph 11, 3/CP.19, paragraph 11, 9/CP.21, paragraph 13, paragraph 37(f) in the annex to decision 8/CP.22, 4/CP.24, paragraph 4 and 5.

4. COP 24 also decided that the sources of input for the global stocktake will consider information at a collective level on the finance flows, including the information referred to in Article 2, paragraph 1(c), and means of implementation and support and mobilization and provision of support, including the information referred to in Article 9, paragraphs 4 and 6, Article 10, paragraph 6, Article 11, paragraph 3, and Article 13, in particular paragraphs 9

¹ Decision 5/CP.26, paragraph 22.

and 10, of the Paris Agreement. This should include information from the latest BA of the SCF.²

5. COP 26 welcomed the fourth BA of the SCF, in particular its summary, and endorsed its key findings.³ It also welcomed the mapping of information relevant to Article 2, paragraph 1(c), of the Paris Agreement in the fourth BA and took note of its key findings.⁴

6. COP 26 also endorsed the outline of the technical report of the fifth BA and underscored that this report will continue to contribute to assessing the achievement of the goal of mobilizing jointly USD 100 billion per year by 2020 in the context of meaningful mitigation action and transparency on implementation, in accordance with decision 1/CP.16.⁵ It noted that the SCF was not able to agree on recommendations from the fourth BA and in this regard, requested the SCF to improve its working modalities.⁶

III. Progress on the fifth biennial assessment and overview of climate finance flows

7. Technical work on drafting the technical report of the fifth BA has progressed from the zero-order draft discussed at SCF 27 and the general outline endorsed by COP 26. Work has focused in particular on sections related to: updates to methodologies on country-level tracking, including operational definitions of climate finance in use; key changes to climate finance reporting based on the common tabular formats for the enhanced transparency framework agreed at the third session of the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement; substantive content on methods for reporting climate finance outcomes; and, access to climate finance including ownership. In addition, subsections and boxes focusing on green bonds, nature-based solutions and forest finance, insurance, and debt vulnerability and debt distress have been added.

8. Placeholders for remaining sections and areas of analysis, including for follow up to previous BA recommendations, have been indicated in the first-order draft where relevant. Key datapoints related to climate finance flows in 2020 have not yet been available in time for the preparation of the first-order draft. These include data on climate finance provided in 2019 and 2020 to be reported by Annex II Parties in their forthcoming fifth biennial reports (BR5) (to date, one Party has submitted BR5 data to the Secretariat); the analysis and processing of data on climate finance received in biennial update reports of non-Annex I Parties; and data on climate-related development finance in 2020. The first order draft of the fifth BA provides preliminary data on 2019/2020 flows for the respective sections in chapters 2 and 3.

9. The call for evidence on the fifth BA was launched on the SCF website with a deadline for receiving inputs by 31 July 2022.⁷ Outreach webinars on topics related to the fifth BA are expected to be scheduled in July and August.

² Decision 19/CMA.1, paragraph 36(d).

³ Decision 5/CP.26, paragraph 2.

⁴ Decision 5/CP.26, paragraph 9.

⁵ Decision 5/CP.26, paragraph 22.

⁶ Decision 5/CP.26, paragraph 24.

⁷ Available at https://unfccc.int/sites/default/files/resource/Call_for_evidence_BA5.pdf