

**Standing Committee on Finance**

02 September 2021

Twenty-fifth meeting of the Standing Committee on Finance
6–8 September 2021

Background paper on the first report on the determination of the needs of developing country Parties related to implementing the Convention and the Paris Agreement*Expected actions by the Standing Committee on Finance*

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

- a) Consider the third-order draft and finalize the first report on the determination of the needs of developing country Parties related to implementing the Convention and the Paris Agreement;
- b) Consider possible elements of the executive summary by the SCF.

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

1. The SCF may wish to:

(a) Consider the third-order draft of the first report on the determination of the needs of developing country Parties related to implementing the Convention and the Paris Agreement with a view to finalizing the technical report;

(b) Consider possible elements for the executive summary by the SCF on the first report on the determination of the needs of developing country Parties related to implementing the Convention and the Paris Agreement, including its scope, structure and flow.

II. Background

2. The Conference of the Parties (COP), by decision 4/CP.24, paragraph 13, requested the SCF to prepare, every four years, a report on the determination of the needs of developing country Parties related to implementing the Convention and the Paris Agreement, for consideration by COP 26 and Conference of the Parties serving as the meeting of the Parties to the Paris Agreement at its third session (CMA 3).

3. In paragraph 14 of the same decision, the COP also requested the SCF to collaborate, as appropriate, with the operating entities of the Financial Mechanism, the subsidiary and constituted bodies, multilateral and bilateral channels, and observer organizations.¹

4. COP 25 and CMA 2 encouraged the SCF to present, to the extent possible, disaggregated information in relation to, *inter alia*, mapping data availability and gaps by sector, assessing climate finance flows and presenting information on the determination of the needs of developing country Parties related to implementing the Convention and the Paris Agreement.²

5. COP 25 and CMA 2 further encouraged the SCF, in implementing its strategic outreach plan, to build on existing efforts to reach out to developing country Parties and

¹ Decision 4/CP.24, para 14.

² Decision 11/CP.25, para 9 and decision 5/CMA.2, para 9.

relevant developing country stakeholders when generating data and information for the determination of the needs of developing country Parties related to implementing the Convention and the Paris Agreement.³

6. At SCF 24, the Committee considered the work in progress 2.5 order draft of the first report on the determination of the needs of developing country Parties related to implementing the Convention and the Paris Agreement and agreed to provide written comments and suggestions by 24 June 2021.

7. The SCF also agreed to undertake further work on the report, including data collection and analysis, with a view to preparing the final draft of the technical report.⁴

8. Furthermore, the SCF agreed that the co-facilitators, with the support of the secretariat, will prepare a draft executive summary for initial consideration at SCF 25 and finalization at SCF 26.⁵

III. Progress on the first report on the determination of the needs of developing country Parties related to implementing the Convention and the Paris Agreement

9. The secretariat and the technical team, under the guidance of the co-facilitators, have incorporated comments and suggestions made by members at SCF 24 as well as written comments received by 24 June 2021, in order to advance the preparation of the draft report. In addition, inputs received through 34 submissions from Party and non-Party stakeholders through the call for evidence⁶ as well as informal regional webinars⁷ were considered.

10. During the informal SCF meeting held on the 30 March 2021, the co-facilitators presented the progress and preliminary insights on the work of the technical team towards the third-order draft, including the status of data and information that has been looked at from the national, regional and global reports. Building on the work undertaken in 2020, the technical team, under the guidance of co-facilitators and with the support of the secretariat, has advanced data collection and analysis, bringing the total number of national reports in the data collection to about 565, as well as about 13 regional and global reports. The third-order draft of the technical report reflects information that has been analysed from the national, regional and global reports to date. Further adjustments will be required to incorporate additional information, ensure relevance, balance as well as alignment of data and information across sections and chapters in the final version of the draft report

11. The secretariat and the technical team, under the guidance of the co-facilitators, have also prepared for the technical stakeholders' dialogue preceding SCF 25 and is planning for outreach and dissemination activities for the report in line with the revised indicative timelines and outreach activities,⁸ including a proposed publication of the technical report in mid-2021.

³ Decision 11/CP.25, para 12 and decision 5/CMA.2, para 12.

⁴ SCF/2021/24/7, para 21 available at https://unfccc.int/sites/default/files/resource/Report%20of%20the%20meeting_SCF%2024.pdf.

⁵ SCF/2021/24/7, para 22 available at https://unfccc.int/sites/default/files/resource/Report%20of%20the%20meeting_SCF%2024.pdf.

⁶ Available at: <https://unfccc.int/topics/climate-finance/workstreams/needs-report/repository-of-information-on-the-needs-of-developing-country-parties#eq-3>.

⁷ Available at: <https://unfccc.int/topics/climate-finance/workstreams/needs-report>.

⁸ Available at: https://unfccc.int/sites/default/files/resource/BN_SCF22-NDR.pdf.