



## Standing Committee on Finance

26 May 2024

Thirty-fourth meeting of the Standing Committee on Finance  
29–31 May 2024  
Bonn, Germany

### **Background paper on the second 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 will be invited to:

- a) Consider the updated work-in-progress document of the technical report of the second report on the determination of the needs of developing country Parties related to implementing the Convention and the Paris Agreement;
- b) Provide additional guidance on the work to be conducted intersessionally including in relation to outcomes of the work.

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

1. The Standing Committee on Finance (SCF) may wish consider the work conducted on the second NDR as contained in the annex. The SCF may also wish to consider any other guidance for inter-sessional work in advance of the thirty-fifth meeting of the SCF, particularly with regard to the executive summary.

## **II. Background**

2. COP 24 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 starting at COP 26 at CMA 3.

3. COP 24 also requested the SCF, in preparing the NDR, to collaborate, as appropriate, with the operating entities of the Financial Mechanism, the subsidiary and constituted bodies, multilateral and bilateral channels, and observer organizations.

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 NDR. COP 25 and CMA 2 also encouraged the SCF, in implementing its strategic outreach plan, to build on existing efforts to reach out to developing country Parties and relevant developing country stakeholders when generating data and information for the NDR.

5. COP 26 welcomed the report and endorsed its key findings and recommendations. Furthermore, decision 5/CP.26 highlighted several aspects which the Committee may wish to take into consideration when preparing the second NDR:

(a) Noted that the report does not fully cover the needs and costs of developing countries and all regions as a result of limited availability of information;

(b) Acknowledged that financial and technical support will enhance developing countries' abilities to update the reporting of qualitative and quantitative information and data on their needs;

(c) Expressed concern that the first NDR does not have disaggregated data for small island developing States (SIDS);

(d) Emphasized that there is a particular challenge in deriving cost estimates for climate adaptation and enhancing resilience needs and, in this context, deriving cost estimates for averting, minimizing and addressing loss and damage needs;

(e) Requested the SCF, in preparing future NDRs, to continue to reach out to developing country Parties and relevant developing country stakeholders when generating data and information on needs.

6. COP 28 endorsed the general outlines of the second report on the determination of the needs of developing country Parties related to implementing the Convention and the Paris Agreement.<sup>1</sup>

7. CMA 5 invited the SCF to consider including available data and information relevant for the implementation of the UAE Framework for Global Climate Resilience in the second report on the determination of the needs of developing country Parties related to implementing the Convention and the Paris Agreement.<sup>2</sup>

### **III. Progress on the work on the the second report on the determination of the needs of developing country Parties related to implementing the Convention and the Paris Agreement**

8. SCF 33 took note of the work-in-progress on the second report on the determination of the needs of developing country Parties related to implementing the Convention and the Paris Agreement and appointed Kevin Adams and Mohammad Ayoub as co-facilitators for the workstream.

9. SCF 33 agreed that the the secretariat, under guidance of the co-facilitators, will prepare stakeholder engagement and outreach activities, including three regional stakeholder engagement webinars, as well as to prepare a session with technical experts during SCF 34 to advance preparation of the technical reports by the SCF in 2024.

10. Technical work on the second NDR has progressed from the general outline endorsed by COP 28 to the development of an updated work-in-progress approach to the technical report. The focus of the work to date has been on data collection for new information where over 80 per cent of 545 national reports have been reviewed in addition to global and regional reports on needs. The initial preliminary estimates of this data are presented in Chapter II, emphasising that all data is subject to be updated upon final review and checks.

11. A call for evidence was launched in early March that is ongoing and three regional webinars have taken place in May, covering Latin America and the Caribbean, Africa and Eastern Europe, and Asia Pacific..

<sup>1</sup> [https://unfccc.int/sites/default/files/resource/cp2023\\_L02\\_cma2023\\_L08E.pdf#page=22](https://unfccc.int/sites/default/files/resource/cp2023_L02_cma2023_L08E.pdf#page=22).

<sup>2</sup> Decision 9/CMA.5, para. 2.