



Standing Committee on Finance

30 August 2024

Thirty-fifth meeting of the Standing Committee on Finance
4–6 September 2024
Arusha, Tanzania

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 finalize:

- a) The executive summary including key findings of the second report of the Standing Committee on Finance on the determination of the needs of developing country Parties related to implementing the Convention and the Paris Agreement (second NDR), to be included as an addendum to the annual report of the SCF;
- b) The technical report of the second report of the Standing Committee on Finance on the determination of the needs of developing country Parties related to implementing the Convention and the Paris Agreement.

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

1. Executive summary including key findings of the second NDR by the SCF: The SCF may wish to consider and finalize the draft executive summary including key findings of the second NDR, as contained in Annex I, to be included as an addendum to the annual report of the SCF.
2. The technical report of the second NDR: The SCF may also wish to consider and finalize the pre-final draft of the technical report of the second NDR, developed under the guidance of the co-facilitators, taking into account comments, written inputs by SCF members and any additional input, as contained in Annex II.

II. Background

3. 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.
4. 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.
5. 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.

6. 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.

7. 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.¹

8. 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.²

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

9. 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.

10. SCF 33 agreed that the secretariat, under the 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.

11. SCF 34 took note of the work-in progress document and members discussed how to provide information following up on the recommendations from the first NDR, treat needs related to addressing loss and damage, expand coverage of global and regional reports referenced in the report, and address concerns on double-counting needs. Members also

¹ https://unfccc.int/sites/default/files/resource/cp2023_L02_cma2023_L08E.pdf#page=22.

² Decision 9/CMA.5, para. 2.

highlighted the importance of information on how needs have changed from the first NDR, balanced representation of different geographies and how Parties may express their needs to ensure they are captured appropriately. One member highlighted the importance of following UNFCCC norms when referring to country and geographic groups to the maximum extent possible. Further, the SCF agreed to prepare intersessionally a pre-final draft of the report taking into account the comments made at SCF34 and any written comments received, for consideration at SCF 35, as well as to prepare a draft executive summary and key findings for consideration at SCF 35.

12. A call for evidence was launched in March with a deadline of 30 June 2024. Ten submissions were received. In addition, three regional webinars have taken place in May, covering Latin America and the Caribbean, Africa and Eastern Europe, and Asia Pacific.

13. Technical work on the second NDR has progressed from the general outline endorsed by COP 28 to the development of a pre-final draft of the technical report. Intersessionally, technical work undertaken has included integrating comments and completing data collection of national reports as well as substantive sections of chapters II, III, IV and V.
