



**Standing Committee on Finance**

27 September 2022

**Twenty-ninth meeting of the Standing Committee on Finance  
Cairns, Australia, 29 September–1 October 2022**

**Background paper on work relating to Article 2, paragraph 1(c),  
of the Paris Agreement**

*Expected actions by the Standing Committee on Finance*

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

- a) Finalize the synthesis of views regarding ways to achieve Article 2, paragraph 1(c), of the Paris Agreement;
- b) Finalize the further work on mapping available information relevant to Article 2, paragraph 1(c), of the Paris Agreement, including its reference to Article 9 thereof.

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

1. The SCF may wish to consider:
  - (a) The pre-final draft of the synthesis of submissions;
  - (b) The pre-final of the report on further work on mapping information; and
  - (c) The format of providing the inputs to the 27<sup>th</sup> session of the Conference of the Parties (COP 27) and 4<sup>th</sup> session of the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement (CMA 4).

**II. Background**

2. Article 2, paragraph 1(c) of the Paris Agreement states that the Paris Agreement, in enhancing the implementation of the Convention, including its objective, aims to strengthen the global response to the threat of climate change, in the context of sustainable development and efforts to eradicate poverty, including by making finance flows consistent with a pathway towards low greenhouse gas emissions and climate-resilient development.

3. By decision 4/CP.24, paragraph 10, the COP requested the SCF to map, every four years, as part of its biennial assessment and overview of climate finance flows, the available information relevant to Article 2, paragraph 1(c), of the Paris Agreement, including its reference to Article 9 thereof. The 2018 Biennial Assessment and Overview of Climate Finance Flows (2018 BA) includes, for the first time, information relevant to Article 2, paragraph 1(c) including methods and metrics, and data sets on flows, stocks and considerations for integration.

4. COP 26 welcomed the mapping of the information relevant to Article 2, paragraph 1(c) of the Paris Agreement in the fourth BA and took note of the key findings of the report, including that banks representing over USD 37 trillion in assets and institutional investors

with USD 6.6 trillion in assets have pledged to align their lending and investments with net zero emissions by 2050.<sup>1</sup>

5. COP 26 also requested the SCF to undertake further work on mapping the available information relevant to Article 2, paragraph 1(c), of the Paris Agreement, including its reference to Article 9 thereof, with a view to providing input for consideration at COP 27 (November 2022).<sup>2</sup>

6. The CMA 3 invited Parties, operating entities of the Financial Mechanism, international financial institutions and other stakeholders in the financial sector to submit views regarding ways to achieve Article 2, paragraph 1(c) of the Paris Agreement including options for approaches and guidelines for implementation, by 30 April 2022 and requests the SCF to submit a synthesis for consideration at CMA 4.

### **III. Progress on the work relating to Article 2, paragraph 1(c), of the Paris Agreement**

7. Synthesis of submissions (CMA mandate): As of 6 September 2022, thirteen submissions were received through the submission portal from Parties and stakeholders.<sup>3</sup> A list of submissions is contained in the annex of the pre-final draft.

8. Further work on mapping information (COP mandate): Technical work on the preparation of the pre-final draft of the input was conducted intersessionally following discussions at SCF 28. The technical team, under the guidance of the co-facilitators integrated written comments as received by 31 July 2022 in the preparation of the pre-final draft.

9. Outreach to different actor groups was undertaken under the guidance of the co-facilitators in the form of a dedicated webinar series on the ongoing efforts of public and private finance actors to implement the Paris Agreement by making finance flows consistent with a pathway towards low greenhouse gas emissions and climate-resilient development. Two webinars were held, first on the 29 June 2022 with the support of the United Nations Environment Programme Finance Initiative to seek views and exchange with, *inter alia*, representatives of the UN-convened net-zero asset owner alliance and net-zero banking alliance. A second stakeholder engagement webinar, with representatives of the Coalition of Finance Ministers for Climate Action and the Network for Greening the Financial System was conducted on the 25 August 2022.

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<sup>1</sup> Decision 5/CP.26, para.9.

<sup>2</sup> Decision 4/CP.26, para.13.

<sup>3</sup> As footnote 2 above.