



Standing Committee on Finance

14 June 2022

Twenty-eighth meeting of the Standing Committee on Finance  
17–18 June 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) Consider the zero-order draft of the synthesis of submissions;
- b) Consider the zero-order draft of the further work on mapping information;
- c) Consider any further outreach activities;
- d) Consider 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).

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

1. Consider zero-order draft of the synthesis of submissions (CMA mandate): CMA requested the SCF to submit a synthesis of submissions received on ways of achieving Article 2, paragraph 1(c) of the Paris Agreement, including options for approaches and guidelines for implementation.<sup>1</sup> As 15 May, seven submissions have been received from Parties and stakeholders.<sup>2</sup> The SCF may wish to consider the zero-order draft of the synthesis of submissions with a view to providing guidance for the preparation of a pre-final draft ahead of SCF 29.

2. Consider zero-order draft of the further work on mapping information (COP mandate): The SCF may wish to consider the zero-order draft of the further work on mapping of 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 guidance on the preparation of a pre-final draft ahead of SCF 29.

3. Outreach and engagement: In undertaking further work on mapping and synthesis, the SCF may wish to consider further outreach activities among Parties and stakeholders to gather updated information and encourage submissions of views and information to inform its work on this matter.

4. Format: The SCF may wish to consider and agree how it wishes to present the outcomes of its further work on mapping and synthesis of submission in the annual report to COP 27 and CMA 4. In this regard, the SCF may wish to either present outcomes on mapping

<sup>1</sup> Decision 10/CMA.3, paragraph 2.

<sup>2</sup> Available at <<https://unfccc.int/topics/climate-finance/resources/standing-committee-on-finance-info-repository#eq-7>>.

and synthesis in one single annex with clear differentiation between the two or in separate annexes.

## II. Background

5. 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.

6. 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 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.

7. 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>3</sup>

8. 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>4</sup>

9. 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

10. Synthesis of submissions (CMA mandate): As of 15 May, seven submissions have been received through the submission portal from Parties and stakeholders.<sup>5</sup> A list of submissions is contained in the annex the zero-order draft.

11. Further work on mapping information (COP mandate): Technical work on the preparation of the zero-order draft of the input was initiated following discussions at SCF 27. A zero-order draft was prepared inter-sessionally under the guidance of the co-facilitators building on the mapping undertaken in the fourth BA and identifying new information and developments since the fourth BA. Placeholders for several areas to be included as updated information becomes available are indicated in the draft input, in addition to a section on insights from the mapping.

12. Outreach: Preparatory work on outreach to different actor groups has been undertaken under the guidance of the co-facilitators and will take the form of a dedicated webinar series on the ongoing efforts of public and private finance actors to implement the Paris Agreement

---

<sup>3</sup> Decision 5/CP.26, para.9.

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

<sup>5</sup> Ibid.

by making finance flows consistent with a pathway towards low greenhouse gas emissions and climate-resilient development. A first webinar will be held 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, to be held at the end of June or beginning of July 2022 (to be confirmed). A second stakeholder engagement webinar that will aim to convene the representatives of ministries of finance, central banks and financial sector supervisory entities communities and will be tentatively organised in August/September 2022.

---