



**Standing Committee on Finance**

11 March 2022

**Twenty-seventh meeting of the Standing Committee on Finance  
22–23 March 2022**

**Background paper on the fifth biennial assessment and  
overview of climate finance flows**

*Expected actions by the Standing Committee on Finance*

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

- a) Confirm the appointment of co-facilitators for the work on the fifth biennial assessment and overview of climate finance flows (fifth BA);
- b) Consider and provide guidance on the zero-order draft of the fifth BA;
- c) Discuss the work plan including timeline and outreach activities to prepare the fifth BA.

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

1. Guidance on the zero-order draft of the fifth BA. The SCF may wish to consider the zero-order draft of fifth BA, developed under the guidance of co-facilitators based on the general outline of the technical report agreed at SCF 26 and endorsed at the twenty-sixth session of the Conference of the Parties (COP 26).<sup>1</sup>

2. Work plan, timeline and outreach activities to prepare the fifth BA. The SCF may wish to consider the draft workplan and timeline, including outreach activities during 2022, as contained in annex I, in particular the launching of a call for evidence out to 31 July 2022 and series of stakeholder engagement webinars to support the preparation of the fifth BA.

**II. Background**

3. COP 17 decided that the SCF shall assist the COP in exercising its functions with respect to the Financial Mechanism of the Convention in terms of measurement, reporting and verification of support provided to developing countries, inter alia, through preparing Biennial Assessments (BAs). The BAs are to include information on the geographical and thematic balance of flows drawing from available sources of information, including, inter alia, from biennial reports and biennial update reports. Further guidance is contained in decisions 1/CP.18, paragraph 71, 5/CP.18, paragraph 11, 3/CP.19, paragraph 11, 9/CP.21, paragraph 13, paragraph 37(f) in the annex to decision 8/CP.22, 4/CP.24, paragraph 4 and 5.

4. COP 24 also decided that the sources of input for the global stocktake will consider information at a collective level on the finance flows, including the information referred to in Article 2, paragraph 1(c), and means of implementation and support and mobilization and provision of support, including the information referred to in Article 9, paragraphs 4 and 6, Article 10, paragraph 6, Article 11, paragraph 3, and Article 13, in particular paragraphs 9

<sup>1</sup> Decision 5/CP.26, paragraph 22.

and 10, of the Paris Agreement. This should include information from the latest BA of the SCF.<sup>2</sup>

5. COP 26 welcomed the fourth BA of the SCF, in particular its summary, and endorsed its key findings.<sup>3</sup> It also welcomed the mapping of information relevant to Article 2, paragraph 1(c), of the Paris Agreement in the fourth BA and took note of its key findings.<sup>4</sup>

6. COP 26 also endorsed the outline of the technical report of the fifth BA and underscored that this report will continue to contribute to assessing the achievement of the goal of mobilizing jointly USD 100 billion per year by 2020 in the context of meaningful mitigation action and transparency on implementation, in accordance with decision 1/CP.16.<sup>5</sup> It noted that the SCF was not able to agree on recommendations from the fourth BA and in this regard, requested the SCF to improve its working modalities.<sup>6</sup>

### **III. Progress on the fifth biennial assessment and overview of climate finance flows**

7. A virtual informal meeting with SCF members was held on 14 February 2022 to discuss preparation for the fifth BA. Topics raised during the meeting included the need to focus outreach on updates on the recommendations of previous BAs, specific issues to discuss during webinars such as domestic investment environments to attract investment, and timeline for the call for evidence. It was also confirmed that the fifth BA would cover data on climate finance flows over the 2019 and 2020 period, and in this regard it may be necessary to conduct outreach among Annex II Parties to submit data on climate finance provided in the fifth biennial reports by end of May in order to inform the next iteration of the draft of the fifth BA.

8. In addition, the relationship between the fifth BA and other mandates to the SCF from COP 26 and the third session of the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement (CMA 3) that will produce separate outputs was discussed including definitions of climate finance, mapping of information relevant to Article 2, paragraph 1(c) of the Paris Agreement, and the report on progress towards achieving the goal of mobilizing jointly USD 100 billion per year to address the needs of developing countries in the context of meaningful mitigation actions and transparency on implementation.

9. Technical work on drafting the fifth BA has progressed from the general outline endorsed by COP 26 to the development of the zero-order draft. Key datapoints related to climate finance flows in 2020 are expected to be available in April/May in order to provide preliminary data on 2019/2020 flows for the respective sections in chapters 2 and 3 for the first-order draft of the fifth BA.

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<sup>2</sup> Decision 19/CMA.1, paragraph 36(d).

<sup>3</sup> Decision 5/CP.26, paragraph 2.

<sup>4</sup> Decision 5/CP.26, paragraph 9.

<sup>5</sup> Decision 5/CP.26, paragraph 22.

<sup>6</sup> Decision 5/CP.26, paragraph 24

## Annex I

### Draft workplan including timeline and outreach activities

#### Fifth biennial assessment and overview of climate finance flows

Delivery date: 2022

#### I. Mandate(s) and objectives

1. At the seventeenth session of the Conference of the Parties (COP 17) decided that the SCF shall assist the COP in exercising its functions with respect to the Financial Mechanism of the Convention in terms of measurement, reporting and verification of support provided to developing countries, inter alia, through preparing Biennial Assessments (BAs). The BAs are to include information on the geographical and thematic balance of flows drawing from available sources of information, including, inter alia, from biennial reports and biennial update reports. Further guidance is contained in decisions 1/CP.18, paragraph 71, 5/CP.18, paragraph 11, 3/CP.19, paragraph 11, 9/CP.21, paragraph 13, paragraph 37(f) in the annex to decision 8/CP.22, 4/CP.24, paragraph 4 and 5.

2. COP 27 endorsed the outline of the technical report of the fifth biennial assessment and overview of climate finance flows (fifth BA) of the SCF. In this regard, the objectives of the work plan of the fifth BA will be to:

(a) Deliver the fifth BA including its technical report and summary and recommendations by the SCF ahead of COP 27; and

(b) Engage a broad group of stakeholders in the development of the report the dissemination of its key findings through outreach activities.

#### II. Overall Approach

3. Building on the experience of the SCF in developing previous BAs, the approach will comprise of *technical work, committee-level work, and dedicated outreach and communications* to engage relevant stakeholders from across the climate finance community in preparing the report as well as ensuring its key findings reach a broad audience. The technical work allows the SCF, with the support of the secretariat, to draw meta-data to inform its work through information and data gathering undertaken with the support of consultants and information and data providers.

4. Two co-facilitators from the SCF will guide the technical work intersessionally and during SCF meetings, supported by the UNFCCC secretariat. Within the SCF, an open-ended working group could participate in the intersessional technical work to ensure timely development of the report ahead of formal SCF meetings. This may involve, inter alia, providing input and reviewing the drafts of the report, including through written comments and dedicated calls. The outputs (e.g. draft chapters, presentations, graphics) will be disseminated to the SCF for consideration.

5. The *technical work* combines literature review with technical stakeholder dialogues which can be organised in conjunction with SCF meetings, involving data providers and other contributors. This involves data and information gathering from a range of sources, both national reports to the UNFCCC and other relevant reports.

6. The *Committee-level work* involves reviewing the technical work and providing further guidance. The Committee is responsible for developing the Summary of the technical report, with the support of the Secretariat, and any recommendations it considers necessary for consideration by the COP and Conference of the Parties serving as the meeting of the Parties to the Paris Agreement (CMA).

### III. Outreach activities

7. Outreach is an important component of the BA preparation process, particularly for following up on the recommendations of previous BAs and new COP/CMA mandates, data collection and review information gaps, methodological issues, and assessing the effectiveness of climate finance flows. It can also serve as a platform to promote and disseminate the key products of the SCF including previous BAs, the SCF Forum, the report on the determination of needs, and other relevant activities. Outreach will take place through the following activities:

(a) **Call for evidence:** the SCF may wish to consider issuing a call for evidence to all stakeholders to support preparation of the fifth BA with a potential deadline of 31 July 2022. All submissions received are posted on the SCF website;

(b) **Technical stakeholder dialogues** held in conjunction with the 28<sup>th</sup> and 29<sup>th</sup> meetings of the SCF: the SCF may wish to continue the practice of organizing technical stakeholder dialogues in collaboration with partners to provide input on key themes of the fifth BA based on the iterative drafts of the technical report;

(c) **Stakeholder engagement webinars:** the SCF may wish to consider organising dedicated stakeholder engagement webinars intersessionally under the guidance of co-facilitators on specified themes related to information gathering for the fifth BA and specific target audiences of expertise. The webinars may be held in partnership with partner organizations such as other United Nations agencies and the climate finance community. Specific themes related to the outline of the fifth BA to be addressed may be structured by following up on previous BA recommendations by chapter and could include, inter alia addressing data gaps on private sector climate finance and adaptation finance; domestic investment climates to attract climate finance, financial instruments to avert, minimize and address loss and damage due to climate impacts; national-level and local level domestic climate finance methodologies, reporting, ownership and access; methodologies, metrics and datasets to track consistency of finance flows with Article 2, paragraph 1(c) of the Paris Agreement; and any other themes as appropriate;

(d) **Informal outreach to stakeholder groups:** As part of the research and information gathering process for drafting the technical report of the fifth BA, the technical team may conduct informal outreach through bilateral calls and meetings with different stakeholder groups on specific topics in relation to preparing the fifth BA.

### IV. Communications strategy

8. The SCF has identified the need to promote and disseminate the findings of its key products, including the fifth BA and previous BAs, once launched across multiple communication and engagement channels. It has also identified the need to ensure ease-of-use and understanding of information presented in BAs.

9. The fifth BA will consist of:

(a) A technical report prepared by a technical team under the guidance of the SCF. The technical report will be targeted at a *technical audience*, including relevant experts in the climate finance community, financial institutions, other multilateral institutions, NGOs, academia and Parties, providing an update on the latest data with regard to climate finance flows, methodologies for tracking climate finance, and an assessment of its effectiveness;

(b) A summary and recommendations prepared by the SCF. The summary will be targeted at a *general audience* to provide an overview of the key findings of the technical report and recommendations by the SCF for consideration by the Parties to the COP and CMA.

10. Within the technical report and the summary prepared by the SCF, consideration will be provided to how graphics and infographics may be used to highlight key messages and findings of the major elements of the chapters, to support the dissemination of the work of the SCF across different communication channels.

11. Following finalization of the report, the key findings will be disseminated through:
- (a) Press release from the SCF and UNFCCC, including through social media channels;
  - (b) The BA webpage will update key findings of the report and interactive graphics;
  - (c) Events to launch the report will include a SCF side event at COP 27 and other speaking opportunities or participation in related events on climate finance;
  - (d) Dissemination packs for SCF members will include a presentation slide deck on the content of the BA, talking points notes and social media quotes will be prepared for SCF members for their potential use in their capacity as members of the committee and participation in various events.

## V. Timeline

12. To ensure sufficient rigor, the work will be organized in four phases as outlined below. The table below presents possible milestones and an indicative timeline for the preparation of the fifth BA:

- (a) **Phase I – developing and finalizing the scope and outline:** This phase involves developing the scope, structure and outline of the report to be initially discussed by the SCF at an informal call in February 2022;
- (b) **Phase II – literature review, data gathering and outreach:** This phase will continue until the development of the pre-final draft of the report as relevant information becomes available. It will involve:
  - (i) Continuous literature review and data collection from sources of information as they become available;
  - (ii) Engagement with various stakeholders, including Parties, data providers, producers and aggregators to confirm interpretation and presentation of data;
  - (iii) Further outreach through open technical stakeholder dialogues in conjunction with SCF meetings or webinars with broader stakeholder groups to gather inputs and views;
- (c) **Phase III – development of the report:** This phase includes the iterative drafting of the report and presenting it for feedback at SCF meetings. A zero-order draft would be prepared ahead of SCF 28 based on the outline agreed at SCF 27, followed by a pre-final draft prepared ahead of SCF 29, based on written comments and feedback of SCF members. In parallel, the professional editing, graphic design and layout of the report will be prepared to ensure the report is ready for publication as soon as possible after SCF 29;
- (d) **Phase IV – dissemination:** Following finalization of the report, the key findings will be disseminated through:
  - (i) A dedicated webpage on the SCF website;
  - (ii) SCF side events at COP 27;
  - (iii) Other communication channels with UNFCCC support including a press release and social media.

Table 1  
Possible milestones and indicative timeline for the progress report

Activities and deliverables	2022											
	Q1			Q2			Q3			Q4		
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
<b>Phase I: Developing and finalizing the scope and outline</b>												
Scope, structure and annotated outline		Informal meeting										
<b>Phase II: Literature review and data gathering</b>												
Literature review												
Engagement through technical stakeholder dialogues (TSD) and webinars on specific themes			TSD			TSD			TSD			
<b>Phase III: Development of the report</b>												
Development of iterative drafts of the report			Zero-order draft (SCF 27)			First-order draft (SCF 28 tbc)			Pre-final draft (SCF 29 tbc)			
Working group discussions on scope and guidance based on draft chapters of the technical report												
Professional editing and graphic design												
Layout, design and production of final report												
<b>Phase V – dissemination</b>												
Development of web-based content												
Communication and promotion of the report											COP27/CMA4	
Webinars and events												

## VI. Expected outputs /deliverables

13. The key outputs may include:
- The fifth biennial assessment and overview of climate finance flows including a technical report and the summary and recommendations by the SCF;
  - Background papers and presentations for SCF meetings;
  - A dedicated webpage on the SCF website;
  - Key infographics from the report;
  - A work plan and timeline.