



Standing Committee on Finance

28 February 2023

Thirtieth meeting of the Standing Committee on Finance
6 – 7 March 2023

Background paper on the report on the doubling of adaptation finance

Expected actions by the Standing Committee on Finance

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

- a) Agree the appointment of co-facilitators for the report on the doubling of adaptation finance;
- b) Discuss the scope and outline of the report;
- c) Discuss the work plan and timeline to prepare the report;
- d) Consider the format of the input to CMA 5.

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

1. Scope and outline. In its deliberations on the scope of the report on the doubling of adaptation finance, the SCF may wish to consider:

(a) The *methodological scope and approach* to be taken in preparing the report, including in collecting and presenting information, whether the report should be backward and/or forward-looking, and concepts reflected in the mandate (see background section below). This includes for example the concepts of “doubling the collective provision of adaptation finance from 2019 levels by 2025”, “in the context of achieving a balance between mitigation and adaptation in the provision of scaled-up financial resources”, and those included through the recalling of Article 9, paragraph 4 of the Paris Agreement;

(b) The *sources of information* taking into account backward and forward-looking information from official communications to the UNFCCC, the biennial assessment and overview of climate finance flows (BA), and other relevant reports (e.g. national, regional and global reports);

(c) Whether the report should include consideration of *challenges and opportunities for the forward-looking fulfilment of the goal and/or recommendations* for consideration by the CMA.

2. In its deliberation on the scope and approach to the report, the SCF may wish to consider the possible elements of the draft outline as contained in annex I, with a view to agreeing an outline for the zero-order draft of the report.

3. Workplan and timeline. The SCF may wish to consider the draft workplan and timeline as contained in annex II.

4. Format of the input to CMA 5. Concurrently, the SCF may wish to consider how it wishes to report the outcomes of the report to CMA 5. In its deliberations on this matter, the SCF may wish to consider adopting an approach similar to that used for the BA and the first report on the determination of the needs of developing country Parties related to implementing the Convention and the Paris Agreement (NDR). This includes developing a

stand-alone technical report by a technical team and an executive summary by the SCF. The executive summary would be included in the annual report of the SCF to CMA 5 as an addendum.

5. In the event the SCF is unable to agree on an executive summary, it may wish to consider whether and if the technical report is included as an addendum to the annual report by the SCF to CMA 5 or whether the outcomes of the report are to be captured through any other means.

II. Background

6. The CMA requested the SCF to prepare a report on the doubling of adaptation finance, in line with paragraph 18 of decision 1/CMA.3 for consideration by CMA 5.¹

7. Decision 1/CMA.3, paragraph 18, urges developed country Parties to at least double their collective provision of climate finance for adaptation to developing country Parties from 2019 levels by 2025, in the context of achieving a balance between mitigation and adaptation in the provision of scaled up financial resources, recalling Article 9, paragraph 4, of the Paris Agreement.

8. Article 9, paragraph 4, of the Paris Agreement states that the provision of scaled-up financial resources should aim to achieve a balance between adaptation and mitigation, taking into account country-driven strategies, and the priorities and needs of developing country Parties, especially those that are particularly vulnerable to the adverse effects of climate change and have significant capacity constraints, such as the least developed countries and small island developing States, considering the need for public and grant-based resources for adaptation.

¹ In accordance with paragraph 42 of the draft decision entitled “Sharm el-Sheikh Implementation Plan” proposed under agenda item 2 of CMA 4.

Annex I

Possible elements of the draft outline of the report on the doubling of adaptation finance

ACKNOWLEDGEMENTS

LIST OF ABBREVIATIONS

Executive Summary by the SCF

Technical report

I. Introduction

1. Background and objectives. Mandate stemming from decision 1/CMA.4, paragraph 42 and context, including reference in decision 1/CMA.3, para. 18 and other relevant decisions.
2. Scope. Explanation of the nature and scope of the report on the doubling of adaptation finance.
3. Approach used in preparing the report.
4. Challenges and limitations.
5. Structure of the report.

II. Current status and overview of adaptation finance flows

6. Backward looking data on adaptation finance flows 2019 – 2022, and a brief description of the approaches used in sources of information, including:
 - (a) National reports through the UNFCCC and the fifth biennial assessment and overview of climate finance flows;
 - (b) Other relevant reports (OECD; UNEP, academic literature, IIED; Oxfam; ODI; WRI etc).
7. Distribution of adaptation finance by channels, instruments, sectors and regions, including least developed countries and small island developing States.
8. Forward-looking information on adaptation finance flows including:
 - (a) Biennial communications on information to be provided in accordance with Article 9, paragraph 5, of the Paris Agreement by developed country Parties;
 - (b) Other relevant reports (Climate finance delivery plan progress report, OECD; UNEP, academic literature, IIED; Oxfam; ODI; WRI etc).

II. Adaptation finance outcomes, impacts and effectiveness

9. Description of information on adaptation finance outcomes, impacts and effectiveness including in relation to:
 - (a) Balance between mitigation and adaptation;
 - (b) Access to adaptation finance;
 - (c) Taking into account country-driven strategies, priorities and needs for adaptation;
 - (d) Other relevant areas.

III. Challenges and opportunities in achieving the doubling of adaptation finance

10. Description of key challenges in achieving the doubling of adaptation finance.

11. Description of key opportunities to achieve the doubling of adaptation finance.

12. Possible recommendations.

IV. ANNEXES

13. Overview of approaches used in the sources of information on adaptation finance flows

V. REFERENCES

Annex II

Draft workplan

Report on the doubling of adaptation finance

I. Mandate(s) and objectives

1. The CMA requested the SCF to prepare a report on the doubling of adaptation finance, in line with paragraph 18 of decision 1/CMA.3 for consideration by CMA 5.²
2. The objective of the work plan is to ensure the delivery of the report on the doubling of adaptation finance ahead of CMA 5 in 2023.

II. Overall Approach

3. Building on the experience of the SCF in developing comprehensive reports such as the BAs, the NDR, and the progress report on the USD 100 billion goal, the work could be organized and implemented following the same approach, i.e. comprising *technical work* and *Committee-level work*. The technical work allows the SCF, with the support of the secretariat, to draw on 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 would be appointed from within the membership of the SCF to guide the technical work intersessionally and during SCF meetings. The co-facilitators are supported by a technical team comprising of consultants and the UNFCCC secretariat.
5. The *technical work* includes data-gathering, literature reviews and stakeholder engagement through technical stakeholder dialogues which can be organised in conjunction with SCF meetings or separately, 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. This includes providing input and reviewing drafts of the technical report and executive summary disseminated to the SCF for its consideration including through written comments. Draft chapters and papers may be circulated to SCF members at least 3 weeks prior to SCF meetings. SCF members may be encouraged to provide feedback and/or written comments ahead of the SCF meetings to facilitate their integration and discussion during the formal SCF meeting. SCF members also have an additional two weeks after the meeting to provide feedback or written comments on the circulated drafts.
7. In addition, SCF members may be invited to informal dedicated calls intersessionally to ensure timely development of the technical report ahead of formal SCF meetings.
8. Depending on the approach the SCF wishes to take on the report, the Committee may wish to identify key findings from the technical work and prepare an *executive summary* and/or *recommendations* as appropriate.

III. Outreach, engagement and dissemination

9. Engagement with various stakeholders including Parties, data providers and aggregators will take place through the preparation of the report particularly to confirm interpretation and presentation of data.

² In accordance with paragraph 42 of the draft decision entitled “Sharm el-Sheikh Implementation Plan” proposed under agenda item 2 of CMA 4.

10. Outreach to engage stakeholders to provide input into the development of the report as well as support the dissemination of its key findings may 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 report on the doubling of adaptation finance with a potential deadline of 31 July 2023. All submissions received are posted on the SCF website;

(b) **Surveys/notifications to Parties:** the SCF may wish to consider distributing dedicated surveys or requests for information to gather latest data and information on adaptation finance, as appropriate, from specific stakeholders. This may be relevant for example to capture the latest announcements or updates on implementation plans to achieve the doubling of adaptation finance by 2025;

(c) **Technical stakeholder dialogues:** the SCF may wish to continue the practice of organizing technical stakeholder dialogues in collaboration with partners to provide input on the key themes of the report. They may be organised in conjunction with SCF meetings or as stand-alone webinars;

(d) **Participation in other events:** the SCF may wish to consider to make effective use of climate finance events and meetings taking place in 2023 to gather inputs including, the biennial in-session workshop on information to be provided in accordance with Article 9, paragraph 5, of the Paris Agreement, the events of the Global Commission on Adaptation, regional adaptation initiatives, and other finance-related initiatives.

11. Following finalization of the report, the key findings will be disseminated through a dedicated webpage on the SCF website, SCF side events at CMA 5, and other communication channels with UNFCCC support, e.g. press release and social media.

IV. 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 report.

(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 SCF 30;

(b) **Phase II – literature review and data gathering:** 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 31 based on the outline agreed at SCF 30, followed by a pre-final draft prepared ahead of SCF 32, 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 32;

(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 CMA 5;
- (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
Phase I: Developing and finalizing the scope and outline												
Scope, structure and annotated outline			SCF 30									
Phase II: Literature review and data gathering												
Literature review												
Engagement with Parties, data providers, producers and aggregators												
Phase III: Development of the report												
Development of iterative drafts of the report						Zero-order draft (SCF 31 tbc)		Pre-final draft (SCF 32 tbc)				
Informal discussions on findings and insights, based on draft chapters of the technical report												
Professional editing and graphic design												
Layout, design and production of final report												
Phase IV – dissemination												
Development of web-based content												
Communication and promotion of the report												CMA5

V. Expected outputs/deliverables

13. The key outputs may include:
- The technical report on the doubling of adaptation finance and an executive summary by the SCF;
 - Background papers and presentations for SCF meetings;
 - SCF meeting reports with guidance on this agenda item.
 - A dedicated webpage on the SCF website.