

**Standing Committee on Finance**

06 May 2021

Twenty-fourth meeting of the Standing Committee on Finance
Virtual, 19–20 May 2021

Background document on the Fourth (2020) 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) Provide guidance on the preparation of the final draft of the technical report of the Fourth (2020) Biennial Assessment and Overview of Climate Finance Flows (Fourth BA) for consideration at SCF 25; and
- b) Provide preliminary views on the possible elements of the summary and recommendations by the SCF.

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

1. The SCF may wish to consider:
 - (a) The third order draft (work-in-progress) of the technical report of the Fourth BA, with a view to assess progress and provide further guidance for the development of the final draft report in advance of SCF 25; and
 - (b) The co-facilitators' note on possible elements for the summary and recommendations by the SCF on the Fourth BA including its scope, structure and flow.

II. Background

2. COP 17 decided that the SCF should assist the Conference of the Parties (COP) in exercising its functions with respect to the Financial Mechanism of the Convention in terms of measurement, reporting and verification (MRV) 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, decision 4/CP.24, paragraphs 4, 5 and 10.
3. COP 24 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.
4. COP 25 and the Conference of the Parties serving as the meeting of Parties to the Paris Agreement at its second session (CMA 2) requested the SCF to consider Parties views on operational definitions of climate finance to enhance technical work in the context of preparing the Fourth BA.¹
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

¹ Decision 11/CP.25, paragraph 10 and decision 5/CMA.2, paragraph 10.

sector, assessing climate finance flows and presenting information on the determination of the needs of developing country Parties related to implementing the Convention and the Paris Agreement.²

6. At SCF 23, the Committee considered the second-order draft of the technical report of the Fourth BA and agreed to provide written comments and suggestions by 15 January 2021 and undertake further work to prepare the third-order draft of the technical report. The SCF also agreed to prepare possible elements of the summary and recommendations, as per agreed timelines.³

III. Progress on the Fourth BA

7. The secretariat and the technical team, under the guidance of the co-facilitators, have incorporated comments and suggestions made by SCF members at SCF 23 as well as written comments received by 15 January 2021, in order to advance the preparation of the third-order draft of the report. In addition, 31 inputs were received from Parties and non-Party stakeholders through the call for evidence, 13 submissions from Parties on operational definitions and the inputs received through four outreach webinars were considered.

8. In presenting the draft, the co-facilitators acknowledge the work of the technical team has undertaken to complete the third-order draft including in completing remaining sections of each chapter, identifying key messages and findings from each chapter, completing datapoints for incorporation in the development of charts and graphics and the annexes of the report. Further work to be completed includes editing and layout, referencing, and development of charts and infographics. Such work will be undertaken in the intersessional period ahead of SCF 25.

9. The secretariat and the technical team, under the guidance of the co-facilitators, have also prepared for the technical expert meeting preceding SCF 24 and is planning for outreach and dissemination activities for the report in line with the revised indicative timelines and outreach activities,⁴ including a proposed publication of the technical report in mid-2021.

² Decision 11/CP.25, paragraph 9 and decision 5/CMA.2, paragraph 9.

³ The timeline is included in the SCF 22 meeting report (see annex III, table 1): https://unfccc.int/sites/default/files/resource/Report%20of%20the%20meeting_SCF_22_Final.pdf.

⁴ Available at https://unfccc.int/sites/default/files/resource/BN_SCF22-NDR.pdf.