



Background paper on the first report on the determination of the needs of developing country Parties related to implementing the Convention and the Paris Agreement

Expected actions by the Standing Committee on Finance

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

- a) Provide guidance on the draft technical report of the first report on the determination of the needs of developing country Parties related to implementing the Convention and the Paris Agreement; and
- b) Provide additional guidance for inter-sessional work in advance of the twenty-third meeting of the SCF, including a revised timeline and outreach plan.

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

1. The Committee may wish to consider the draft technical report of the first report on the determination of the needs of developing country Parties related to implementing the Convention and the Paris Agreement with a view to assess progress and provide further guidance for the development of the next iteration of draft. The Committee may in particular wish to consider the terminology for categorizing needs related to implementing the Convention and the Paris Agreement.
2. The Committee may also wish to provide additional guidance for inter-sessional work in advance of the twenty-third meeting of the SCF. A revised indicative timeline and outreach plan are included in the annex.

II. Background

3. The COP, by decision 4/CP.24, paragraph 13, requested the SCF to prepare, every four years, a report on the determination of the needs of developing country Parties related to implementing the Convention and the Paris Agreement, for consideration by COP 26 (November 2020), and CMA 3 (November 2020).
4. In paragraph 14 of the same decision, the COP also requested the SCF to collaborate, as appropriate, with the operating entities of the Financial Mechanism, the subsidiary and constituted bodies, multilateral and bilateral channels, and observer organizations.¹
5. At its 21st meeting, the SCF agreed on the outline of the report, as well as the workplan, including outreach activities and indicative timelines.² Moreover, the SCF agreed to include the

¹ Decision 4/CP.24, para 14.

² Available at <https://unfccc.int/sites/default/files/resource/10a1.pdf>.

outline in its report to COP 25 for the COP's consideration, and to conduct the activities contained in the workplan for this report.³

6. 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 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.⁴

7. COP 25 and CMA 2 further encouraged the SCF, in implementing its strategic outreach plan, to build on existing efforts to reach out to developing country Parties and relevant developing country stakeholders when generating data and information for the determination of the needs of developing country Parties related to implementing the Convention and the Paris Agreement.⁵

III. Progress on the first report on the determination of the needs of developing country Parties related to implementing the Convention and the Paris Agreement

8. A call for evidence in relation to information and data for the preparation of the report was issued on 22 November 2019 and extended until 30 October 2020.⁶ All responses to the call for evidence are available on the Repository of Information on the needs of developing country Parties,⁷ complementing the earlier compilation of reports available in SCF/2019/20/5⁸ as well as SCF/2019/21/7⁹ and its accompanying background paper.¹⁰

9. On 7 April 2020, the SCF organized an external webinar for contributors and experts for an initial informal exchange on the latest development on national, regional and global reports and data availability and gaps as well as associated methodological issues. The webinar was attended by over 140 participants.¹¹

10. An SCF informal call was held on 2 April 2020 to discuss the zero-order draft, followed by written comments and inputs to advance the preparation of the first-order draft, which was then shared with SCF members on 16 September 2020. In addition, three SCF informal outreach regional webinars are planned on 17 September, 24 September, and 14 October this year for the following regions respectively: Africa and Eastern Europe, Latin America and the Caribbean, Asia and the Pacific.¹²

11. In presenting the draft, the co-facilitators acknowledge the work the technical team has undertaken thus far, including the focussed work to compile data from the available official reports from developing countries. The co-facilitators put forward the draft as a work-in-progress version, with further work to be completed, for example, related to terminology, presentation and format. Tables and figures provide a snapshot of the analysis to date and illustrate how data in the future might be presented. Considering the guidance from SCF members at SCF 22, the co-facilitators have suggested that future iterations of the report could clarify terminology used for characterizing needs (e.g. geographic, thematic, sectoral, Means of Implementation), develop information on how uncertainties affect the determination of needs, and include more in depth information on data and methodologies used in regional and global reports. The co-facilitators have suggested that information compiled to date may indicate that data is not evenly distributed or standardized.

³ Available at https://unfccc.int/sites/default/files/resource/Workplan_2020NeedsReport.pdf.

⁴ Decision 11/CP.25, para 9 and decision 5/CMA.2, para 9.

⁵ Decision 11/CP.25, para 12 and decision 5/CMA.2, para 12.

⁶ Available at <http://unfccc.int/6877.php>.

⁷ Available at <https://unfccc.int/topics/climate-finance/workstreams/needs-report/repository-of-information-on-the-needs-of-developing-country-parties>.

⁸ Available at https://unfccc.int/sites/default/files/resource/BP5_SCF20_Needs.pdf.

⁹ Available at https://unfccc.int/sites/default/files/resource/BN7_SCF_Needs%20Report_Final.pdf.

¹⁰ Available at <https://unfccc.int/sites/default/files/resource/BPonSourcesOfInformationAndMethodologies.pdf>.

¹¹ Available at <https://unfccc.int/event/standing-committee-on-finance-webinars-for-contributors-and-experts>.

¹² Available at <https://unfccc.int/topics/climate-finance/workstreams/needs-report>.

12. In light of the postponement of COP 26 to November 2021, it is proposed to revise the timeline and preparation of the report. The proposed revised indicative timeline is in the annex, including a proposed publication of the technical report in mid-2021.

13. To further enhance technical work in drafting the report, a revised outreach plan has been drafted to ensure information from external contributors, experts and stakeholders may be included in the report. The outreach plan is available in the annex. Given the changing circumstance due to COVID, outreach activities are being organized in virtual format in 2020 (e.g. via regional webinars) with possibility of in-person technical experts meetings to be held in conjunction with SCF meetings in 2021, conditions permitting.

Annex I

Updated draft workplan

First Report on the determination of the needs of developing country Parties related to implementing the Convention and the Paris Agreement

Working draft by the Co-facilitators¹

I. Mandate(s) and objectives

1. At the 24th session of the Conference of the Parties (COP 24), the COP requested the Standing Committee on Finance to prepare, every four years, a report on the determination of the needs of developing country Parties related to implementing the Convention and the Paris Agreement, for consideration by the Conference of Parties, starting at its twenty-sixth session (November 2020), and the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement, starting at its third session (November 2020) (hereinafter referred to as Needs Report).²
2. In preparing the report, the COP also requested the SCF to collaborate, as appropriate, with the operating entities of the Financial Mechanism, the subsidiary and constituted bodies, multilateral and bilateral channels, and observer organizations.³

II. Overall Approach

3. Building on the experience of the SCF in developing comprehensive assessments such as the preparations of the Biennial Assessments and Overview of Climate Finance Flows (BAs), the SCF, at its 20th meeting, agreed that the Needs Report be organized and implemented following the BA approach, i.e. comprising *technical work* and *work at the Committee-level*. The *technical work* allows the SCF, with the support of the secretariat and external expertise, to draw information and data on developing countries' needs, to inform its *work at the Committee-level*.
4. The *technical work* combines literature review with technical and expert meetings, webinars and outreach activities, involving data providers and other contributors that have experience in assessing developing countries' needs at the national, regional and global levels. This involves data and information gathering from a range of sources and databases, including national reports submitted by Parties to the UNFCCC, external databases and other related national, regional and global reports that provide quantitative and qualitative information on the needs of developing countries. Hence, the organization and implementation of the *technical work* follows a "*hub-and-spokes*" approach. Figure 1 shows this approach, with the SCF being the hub and the different types of contributors being the spokes. This approach allows the SCF to gather the necessary information and methodologies for the preparation of the first Needs Report, whilst also building the collaborators network for the subsequent reports.
5. The *work at the Committee-level* involves reviewing the technical work and providing further guidance. It also involves identification of key findings from the technical work, compiling identified determination of needs of developing countries in relation to the

¹ The SCF, at its 20th meeting, agreed that the co-facilitators, with the support of the secretariat, will, intersessionally develop a workplan, including outreach activities for consideration and finalization by SCF 21. Available at: https://unfccc.int/sites/default/files/resource/Report%20of%20the%20meeting_SCF_20%20Formatted_0.pdf#page=3.

² Decision 4/CP.24, paragraph 13.

³ Decision 4/CP.24, paragraph 14.

Convention and the Paris Agreement, and the possible preparation of potential recommendations to the COP.

Figure 1: Hub-and-spokes approach

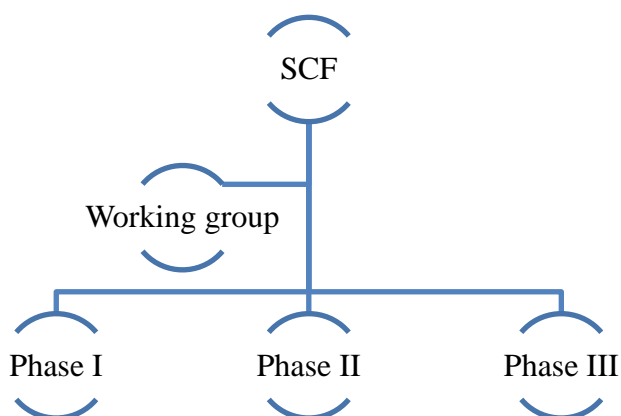


6. The technical work also aims to enhance engagement with Parties, the operating entities of the Financial Mechanism, the subsidiary and constituted bodies, multilateral and bilateral channels, and observer organizations, including those that produce aggregate data and information on needs. For example, in addition to Parties, the SCF can closely engage with a wide variety of institutions that produce and aggregate information on needs at the global and regional levels, including on issues relating to methodologies and approaches for determining needs. Such institutions include the UN agencies, constituted bodies under the Convention, multilateral development banks, bilateral development finance institutions, international organizations, research institutions and think tanks, private sector financial institutions, academia, and civil society organizations that operate in developing countries. It can do so, among others, by participating in the meetings of the SCF, dedicated technical meetings and other outreach channels the SCF wishes to establish such as webinars. The engagement with Parties and data producers and aggregators allows the SCF to produce a robust report.

III. Modalities

7. The work will be organized in three phases. The first phase involves technical work and interaction with Parties and collaborators. The second phase involves discussions of deliverables of the technical work and review of progress at the Committee-level, facilitated by the two co-facilitators. The third phase involves discussions on the conclusions and recommendations by the SCF.

Figure 2: The three-phases approach



8. The two co-facilitators of the SCF working group on the Needs Report have been selected from within the SCF membership and are appointed to guide the technical work intersessionally and during the SCF meetings. The co-facilitators are supported by the UNFCCC secretariat.

9. To ensure sufficient rigor, the technical work will be organized in three phases. Each phase would be led by an external consultant and coordinated by the secretariat, under the guidance of the co-facilitators of the Needs Report:

(a) **Phase I:** This track will compile, review, summarize and analyze existing quantitative and qualitative information and data on developing countries' needs, including the types of needs, as well as methodologies and approaches used for needs determination.

(b) **Phase II:** Building on the results of phase I, this phase will collect further data sets and other relevant quantitative and qualitative information to provide an overview on the state of play of the needs of developing countries, including potential gaps of information and data.

(c) **Phase III:** This phase will support the working group in developing an assessment of quantitative and qualitative information on needs determination.

10. Within the SCF membership, an open-ended working group participates in the technical work that is conducted intersessionally. This, *inter alia*, may involve providing input and reviewing the drafts of the individual chapters and the final draft of the report, including through written comments and dedicated webinars. The results of the work of the phases will feed into the work of the dedicated SCF working group on the Needs Report.

11. The outputs (e.g. draft chapters, technical papers, scoping document) are disseminated to the SCF for consideration. The SCF working group, led by the two co-facilitators, completes the Needs Report with the assistance of the secretariat and the consultants.

12. The secretariat guides and monitors the day-to-day operations of the external consultants. To build and maintain the institutional memory, the external consultants conduct their work and interact with external collaborators jointly with the UNFCCC secretariat.

IV. Themes [to be updated]

13. In terms of the scope of the preliminary work, the first Needs Report will, inter alia, consider the following elements:

- (a) Overview and analysis of existing quantitative and qualitative data on developing countries' needs;
- (b) Overview and analysis of methodologies and approaches for the determination of the needs of developing countries, including underlying assumptions and processes;
- (c) Bottom-up approaches utilized in national reports under the Convention and the Paris Agreement such as in Nationally Determined Contributions (NDCs), Biennial Update Reports (BURs), National Adaptation Plans (NAPs), Technology Needs Assessments (TNAs), etc.;
- (d) Top-down approaches utilized in regional-level and global-level model estimates of needs;
- (e) Information on assessment of developing countries' needs:
 - (i) Break-down of geographical scope: Global, regional, national;
 - (ii) Break-down of thematic scope: finance needs for mitigation, adaptation, technology, capacity-building, loss and damage;
 - (iii) Sectorial information: energy, water, agriculture, etc.;
 - (iv) Other consideration of needs such as policy and other cross-cutting issues;
- (f) Information on processes for determining the needs of developing countries such as challenges, lessons learned and best practices – both within and outside the context of the Convention and the Paris Agreement.

V. Activities and timeline

14. To supplement the on-going literature review under each phase, a series of conference calls and other virtual activities will be organized in 2020 with institutions working on needs determination at the national, regional, and global levels. In addition, at least two technical meetings with experts that have been involved in the preparation of information on the needs of developing countries in the context of national, regional and global reports will be held in conjunction with SCF meetings in 2020 to address specific topics and qualitative and quantitative information on needs. The technical meetings will allow for active engagement with Parties and collaborators, and an in-depth exchange of views and information on specific topics. The technical meetings, together with virtual outreach activities, will, therefore, also provide a space for enhanced coordination and collaboration with Parties, collaborators and information and data providers. Based on the agreements reached at SCF 20, the following activities will be undertaken:

- (a) A **call for evidence** will be issued to gather inputs from Parties and institutions that have undertaken work on needs assessments and determination, covering data availability and gaps, and information on methodologies and approaches;
- (b) **Mapping out and analyzing** available sources and types of information on the needs of developing countries intersessionally, based on the compilation of sources provided in the annex to the background note for SCF 20⁴ and the experts meeting held on 10–11 July 2019 at the Asian Development Bank Headquarters in Manila, Philippines that brought together a range of countries, organizations and other relevant stakeholders that have undertaken work related to assessing and determining the needs of developing countries;
- (c) **Technical meetings** will be held back-to-back with SCF meetings in 2021 to conduct a state-of-play of ongoing work, examine issues related to data availability and

⁴ Available at: https://unfccc.int/sites/default/files/resource/BP5_SCF20_Needs.pdf.

developments on methodological issues and approaches, and peer review of the pre-final draft of the report;

(d) **Webinars** will be held with relevant stakeholders to provide updates on progress and to gather views on the Needs Report with the aim of informing the preparation of the final draft. Two **webinars** will be held with SCF members only back-to-back with the submission of the final draft of the technical report and other outputs the SCF may wish to develop, such as brochures.

(e) **Outreach activities** with Parties and organizations that operate in developing countries as well as the constituted bodies under the Convention (2021).

VI. Outreach

15. To ensure inclusiveness and transparency, the SCF will organize outreach activities and engagements such as side events and web-based activities with Parties, organizations that operate in developing countries and the broader stakeholder groups to inform them on the progress made in the implementation of the work on the Needs Report. Such activities will include:

(a) **Collaborators meetings** to bring together potential data contributors and partners that operate in developing countries. The meeting aims to provide a platform for potential data contributors and partners to engage with the co-facilitators, share information and updates on the areas of work they are undertaking that is relevant to the Needs Report. The first collaborators meeting was conducted during the SB 50.

(b) **Side events** during the Conferences of the Parties and the meetings of the Subsidiary Bodies and the as part of the side events of the SCF. The objective of the side events is to provide an update on the progress made and exchange notes with similar initiatives outside of the Convention.

(c) **Meetings with Parties** at the sidelines of the Conferences of the Parties and the meetings of the Subsidiary Bodies. Such meetings will be conducted by the co-facilitators.

(d) **Meeting with the constituted bodies** under the Convention as part of a meeting the SCF wishes to conduct with the constituted bodies. The purpose is to update the (co-) chairs and members of the constituted bodies on the work on the Needs Report and identify synergies. These meetings are conducted and chaired by the Co-Chairs of the SCF.

(e) **Webinars** to communicate the results of the Needs Report to broader stakeholder groups. Informal **regional webinars** will also be held for country representatives, practitioners and experts to share perspectives and information on regional- and country-level data availability and gaps on the needs of developing country Parties related to implementation of the Convention and the Paris Agreement, the latest developments in methodological issues from national, regional and global reports, as well as challenges and opportunities. These webinars will also seek views and input on the work conducted to date (2020).

(f) Regular updates on the UNFCCC website on the Needs Report linked to the front page of the SCF.⁵

16. The Needs Report will have several milestones that represent specific deliverables, each involving multiple steps over several months with possible overlaps. Table 1 shows the milestones in 2019–2020.

17. A more detailed timeline including a description of each deliverable is included in Annex I.

⁵ Available at: <https://unfccc.int/topics/climate-finance/workstreams/determination-of-the-needs-of-developing-country-parties-related-to-implementing-the-convention-and>.

Deliverables	2019							2020												2021											
	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec
4. Review																															
Peer review																															
5. External processes																															
Layout and editing																															
6. Outreach																															
Developing and maintaining determination of needs website																															
Webinars to gather inputs / promote results																															
Information update & meetings with Parties, collaborators & constituted bodies																															
Publication & roll-out of the determination of needs report																															

*Assuming that technical meetings will be held in conjunction with SCF meetings and that drafts will be shared with the Committee three weeks prior to the meeting. The milestones will be adjusted upon confirmation of SCF meetings in 2020.

VII. Internal and external collaborations

18. With regard to *internal collaboration*, the SCF could reach out to Parties and constituted bodies under the Convention, including the Adaptation Committee, the Least Developed Countries Group of Experts, the Technology Executive Committee (TEC), Executive Committee (ExCom) of the Warsaw International Mechanism for Loss and Damage associated with Climate Change Impacts and the Paris Committee on Capacity-Building. Such collaboration may include participation at the meetings of the SCF, the technical meetings, and webinars, and soliciting their input during the mapping and data collection processes.

19. In addition to internal source of information (NDCs, BURs, NAPs, TNAs, etc.) and inputs from thematic bodies and expert groups under the Convention, the preparation of the first Needs Report could involve *external collaborations* particularly for information and data gathering from external sources. As different sources have adopted different scopes and definitions of needs and used various approaches, continued interaction with these sources would be an important feature of the work for the preparation of Needs Report.

20. To facilitate interaction with external stakeholders, it is proposed to set up an informal group drawing expertise from external contributors such as UN agencies, MDBs, international organizations, think-tanks and research institutions that operate in developing countries. The informal group would be invited to peer-review the various chapters of the Needs Report.

VIII. Expected outputs /deliverables

21. The key outputs may include:

(a) The first report on the determination of the needs of developing country Parties related to implementing the Convention and the Paris Agreement. This report could include a technical paper to be prepared with the support of external consultants, and a **summary and recommendations** developed by the SCF with the support of the UNFCCC secretariat;

(b) The **underlying data and information spreadsheets** from the technical report;

(c) A **brochure** summarizing the key outcomes of the Needs Report;

(d) A user-friendly and interactive dedicated **website** on the workstream related to the Needs Report.

22. Additional deliverables will include:

(a) A work **plan** and a timeline;

(b) **Technical briefing notes** on specific topics and **background notes** for SCF meetings;

(c) **Background papers**, including meeting agendas;

(d) **Presentations** and **updates** on the progress for webinars, side events and media events;

(e) A dedicated **website** of the process of needs determination with regular updates on related events.