



Standing Committee on Finance

11 March 2024

Thirty-third meeting of the Standing Committee on Finance
19–20 March 2024
Bonn, Germany

Background paper on the second 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 will be invited to:

- a) Consider and provide in preparing the zero order draft of the second report on the determination of the needs of developing country Parties related to implementing the Convention and the Paris Agreement (NDR);
- b) Discuss the outreach and stakeholder engagement activities to prepare the second NDR and to provide guidance on the work to be conducted intersessionally.

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

1. Guidance on the work-in-progress of the second NDR: The SCF may wish to consider the work conducted on the second NDR as contained in the annex, based on the general outline of the technical report agreed at SCF 31 and endorsed at the twenty-eight session of the Conference of the Parties (COP 28).¹
2. Outreach activities and stakeholder engagement: The SCF may also wish to provide guidance for outreach and stakeholder engagement activities to prepare the second including:
 - (a) Launching the call for evidence with a deadline of 30 June 2024;
 - (b) Conducting three regional webinars on determining the needs of developing country Parties including available qualitative and quantitative data, institutional arrangements and underlying methodologies and assumptions, as well as challenges and opportunities;
 - (c) Conducting a technical expert meeting in conjunction with SCF 34 on climate finance-related topics across the SCF's work in 2024.
3. In addition, the SCF may wish to consider, in the context of preparing the second NDR, linkages to other ongoing processes as appropriate.
4. The SCF may also wish to consider any other guidance for inter-sessional work in advance of the thirty-fourth meeting of the SCF.

¹ Available at https://unfccc.int/sites/default/files/resource/cp2023_L02_cma2023_L08E.pdf#page=19.

II. Background

5. COP 24 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 starting at COP 26 at CMA 3.

6. COP 24 also requested the SCF, in preparing the NDR, to collaborate, as appropriate, with the operating entities of the Financial Mechanism, the subsidiary and constituted bodies, multilateral and bilateral channels, and observer organizations.

7. 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 NDR. COP 25 and CMA 2 also 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 NDR.

8. COP 26 welcomed the report and endorsed its key findings and recommendations. Furthermore, decision 5/CP.26 highlighted several aspects which the Committee may wish to take into consideration when preparing the second NDR:

(a) Noted that the report does not fully cover the needs and costs of developing countries and all regions as a result of limited availability of information;

(b) Acknowledged that financial and technical support will enhance developing countries' abilities to update the reporting of qualitative and quantitative information and data on their needs;

(c) Expressed concern that the first NDR does not have disaggregated data for small island developing States (SIDS);

(d) Emphasized that there is a particular challenge in deriving cost estimates for climate adaptation and enhancing resilience needs and, in this context, deriving cost estimates for averting, minimizing and addressing loss and damage needs;

(e) Requested the SCF, in preparing future NDRs, to continue to reach out to developing country Parties and relevant developing country stakeholders when generating data and information on needs.

9. COP 28 endorsed the general outlines of the second report on the determination of the needs of developing country Parties related to implementing the Convention and the Paris Agreement.²

10. CMA 5 invited the SCF to consider including available data and information relevant for the implementation of the UAE Framework for Global Climate Resilience in the second report on the determination of the needs of developing country Parties related to implementing the Convention and the Paris Agreement.³

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

11. SCF 31 appointed Zaheer Fakir and Mattias Frumerie co-facilitators for the second report on the determination of the needs of developing countries related to implementing the Convention and the Paris Agreement.

² https://unfccc.int/sites/default/files/resource/cp2023_L02_cma2023_L08E.pdf#page=22.

³ Decision 9/CMA.5, paragraph 2 ([Advance unedited version](#)).

12. SCF 31 initiated the deliberation on the second NDR, agreeing to follow approach taken for first NDR to prepare second NDR.⁴ The SCF, at the same meeting also agreed on the outline of the report, as well as the workplan, including outreach activities and indicative timelines. It also agreed to include the updated outline in its report to COP 28 for the COP's consideration.

13. Technical work on the second NDR has progressed from the general outline endorsed by COP 28 to the development of a work-in-progress approach to the technical report.⁵ Data collection on new information has been initiated and key datapoints related needs are expected to be available in May in order to provide updated data. The call for evidence was launched in early March.

⁴ Available at https://unfccc.int/sites/default/files/resource/SCF31_meeting%20report.pdf.

⁵ The work-in-progress approach precedes the zero-order draft of the technical report.