

# UNFCCC

## Standing Committee on Finance

### Call for evidence: information and data for the preparation of the sixth Biennial Assessment and Overview of Climate Finance Flows

The Standing Committee on Finance (SCF), a constituted body under the Convention, assists the Conference of the Parties (COP) and the Paris Agreement on climate finance matters, including through the preparation of the Biennial Assessment and Overview of Climate Finance Flows (BA).

#### Objective

The SCF has initiated the preparation of the sixth Biennial Assessment and Overview of Climate Finance Flows and is seeking inputs in accordance with the general outline (see Annex below). In particular, the SCF is looking for evidence on:

- Methodological issues relating to measuring, reporting, and verifying climate finance flows including definitions, impacts and outcomes;
- Data on climate-related finance flows in the 2021-2022 time period with data from previous years if available, in particular sector-specific flows, flows from developed to developing countries, domestic finance and south-south flows;
- Assessment of the effectiveness of climate finance flows, including drivers, impact results, meeting needs, and access; and,
- Information relevant to Article 2, paragraph 1(c) of the Paris Agreement and its reference to Article 9 thereof.

#### How to submit your response

**Information and data may be submitted before 30 June 2024** via email to:

[Standingcommittee@unfccc.int](mailto:Standingcommittee@unfccc.int). Submissions will be available on the information repository on the UNFCCC website. The sources of information and data used will be adequately referenced in the report.

#### Reference documents and other related background information

- Fifth BA summary and recommendations viewable in Annex to decision 14/CP.27: <https://unfccc.int/documents/626563> and the technical report viewable on <https://unfccc.int/topics/climate-finance/resources/biennial-assessment-of-climate-finance>

#### About the Standing Committee on Finance

The Standing Committee on Finance (SCF) was established by the Conference of the Parties (COP) at its 17<sup>th</sup> session. One of the functions of the SCF is to assist the COP with respect to the measurement, reporting and verification of the support provided to developing country Parties through activities such as the preparation of the biennial assessment and overview of climate finance flows (BA). Parties, at the historic COP21, decided that the SCF shall serve the Paris Agreement in line with its functions.

## Annex III

### **General outline of the technical report of the sixth Biennial Assessment and Overview of Climate Finance Flows**

[English only]

#### **Acknowledgements**

**Summary and recommendations by the SCF on the sixth BA**, including the tracking, follow-up and review of recommendations from previous BAs

#### **Introduction**

- Background and objectives: setting the scene – provide the context relating to decisions of the COP, including decision 4/CP.24 – paragraphs 4 (taking into account the best available science) and 5 (using established terminology in provisions of the Convention and the Paris Agreement in relation to climate finance, where applicable).
- Scope: explicit explanation of what the sixth BA will do (i.e. metadata analysis and overview/summary of existing publicly available information; mapping of available information relevant to Article 2, paragraph 1(c), of the Paris Agreement, including its reference to Article 9 thereof).
- Challenges and limitations (e.g. practical difficulties in estimating domestic flows, private flows and other unreported or underreported flows with any certainty, follow-up on gaps and challenges identified in previous BAs).
- Approaches used in preparing the sixth BA:
  - Clearly explain what the BA is: describe data sources, time period, coverage and aggregation (e.g. how the different types of subflows are categorized in the onion diagram, how “pledged” versus “committed” versus “disbursed” flows are treated);
  - Clearly describe where the data on geographical and thematic distribution come from and how they are aggregated and categorized.

#### **Chapter 1: Methodological issues related to the transparency of climate finance**

##### *Boxes/case studies*

- Key messages, new developments and trends.
- Brief summary or update of ongoing technical work related to the transparency of climate finance, including operational definitions:
  - Compilation of definitions of climate finance and criteria used by various institutions, and compilation of information on how Parties define mitigation and adaptation in their NCs, BRs, BURs, NDCs, NAPs and nationally appropriate mitigation actions;
  - Comparison of approaches used in reporting climate finance, including sector-based methodologies, methodologies for estimating mobilized private finance, and domestic climate finance tracking systems.
- Information on emerging methodologies for measuring mitigation and adaptation finance outcomes.
- Information on emerging methodologies relevant to tracking consistency with the long-term goal outlined in Article 2, paragraph 1(c), of the Paris Agreement.

- Review of recommendations from the previous BAs.

## **Chapter 2: Overview of climate finance flows in 2021–2022**

### *Boxes/case studies*

- Key messages, new developments and trends.
- Mapping of data availability and gaps by sector, geographical area, theme, and financial instrument or asset class.
- Updated onion diagram, including information on trends since the 2014 BA with respect to flows, thematic and geographical distribution, and financial instruments used, taking into account lessons learned from the fifth BA (e.g. sectors, country classification):
  - Estimates of global total climate finance flows, both international and domestic;
  - Climate finance flows from developed to developing countries;<sup>1</sup>
  - UNFCCC funds;
  - South–South cooperation on climate finance;
  - Information on financial instruments used.
- Evaluation of the quality of data (including by clearly identifying the uncertainties associated with each source of data and describing how the quality of measurement and reporting is assessed) and the completeness of data (e.g. clearly outlining the sources of data uncertainty, clearly describing the assessment of data quality as ‘relatively certain’, ‘medium certain’ or ‘relatively uncertain’, and clearly presenting the scale of completeness of data from ‘low’ to ‘high’).
- Update of available data sets that integrate climate change considerations into insurance, lending and investment decision-making processes and that include information relevant to tracking consistency with the long-term goal outlined in Article 2, paragraph 1(c), of the Paris Agreement.
- Reflection of perspectives of recipient countries.
- Identification of emerging sources of data (e.g. cities).

## **Chapter 3: Assessment of climate finance flows**

### *Boxes/case studies*

- Key messages, new developments and trends.
- Introduction.
- Thematic objectives and geographical distribution of climate finance flows to developing countries:
  - Thematic objectives of climate finance;
  - Geographical distribution of climate finance;
  - Additionality of climate finance provided.

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<sup>1</sup> For the purpose of the overview of climate finance in the BA, various data sources are used to illustrate flows from developed to developing countries, without prejudice to the meaning of those terms in the context of the Convention and the Paris Agreement, including but not limited to flows from Parties included in Annex I to the Convention and Parties included in Annex II to the Convention to Parties not included in Annex I to the Convention and multilateral development banks; flows from OECD members to countries that are not OECD members; flows from OECD Development Assistance Committee members to countries eligible for OECD Development Assistance Committee official development assistance; and other relevant classifications.

- Effectiveness of climate finance: ownership, needs and impacts:
  - Access to climate finance (e.g. challenges, lessons learned and improvements since the fifth BA);
  - Pledges, approvals, commitments and disbursement of climate finance;
  - Ownership;
  - Alignment of climate finance with investment needs and plans, including in the context of NDCs and NAPs;
  - Reported results and impacts of climate finance: selected insights and experience;
  - Leverage and mobilization;
  - Technology cost.
- Global total climate finance, and developing country flows in context:
  - Total investments by sector and region, including in high-carbon energy;
  - Estimates of subsidies;
  - Subsidies and financing measures affecting forests and land-use change;
  - Global finance at risk from climate change.
- Drivers of climate finance flows.
- Special topics/issues, such as gender and climate finance, forest finance, financial instruments to address loss and damage, technology investment and climate-resilient infrastructure.

**Chapter 4: Mapping of information relevant to Article 2, paragraph 1(c), of the Paris Agreement, including its reference to Article 9 thereof**

*Boxes/case studies*

- Key messages.
- Introduction.
- Scope.
- Challenges and limitations.
- Ongoing activities and initiatives such as investment portfolios, regulatory initiatives, voluntary private sector disclosures and integration of climate risk in investments.
- Additional information and data sets (e.g. metrics, approaches, methodologies).
- Impact of transformation on the real economy.

**Annexes**

**References**

**Frequently asked questions**

**Glossary**

**Possible examples for boxes/case studies (in relevant chapters):**

- Metrics for assessing progress in the alignment of portfolios of international financial institutions, institutional investors, etc.;

- Systems and tools for integrating climate change considerations into investment strategies and decision-making processes in the mainstream investment, lending and insurance sectors;
- Available information relevant to Article 2 of the Paris Agreement;
- The perspective of the small island developing States on climate finance flows;
- Efforts to avoid double counting within the BA;
- Perspectives on the links between development and climate change in providing and accessing finance;
- Financial instruments addressing the potential increased cost of finance due to the integration of climate change risk.