

DRAFT TEXT (UNEDITED)

on

COP 29 agenda item 8(b)

Matters relating to finance: Matters relating to the Standing Committee on Finance

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Matters relating to the Standing Committee on Finance

The Conference of the Parties,

Recalling Articles 4 and 11 of the Convention,

Also recalling decisions 12/CP.2, 12/CP.3, 1/CP.16, paragraph 112, 2/CP.17, paragraphs 120–121, 5/CP.18, 5/CP.19, 7/CP.19, 6/CP.20, 6/CP.21, 8/CP.22, 7/CP.23, 8/CP.23, 4/CP.24, 11/CP.25, 5/CP.26, 14/CP.27, 5/CMA.2, 10/CMA.3, 14/CMA.4, 5/CP.28 and 9/CMA.5,

Taking note of decision -/CMA.6,¹

1. *Expresses gratitude* to the SCF and *welcomes* the work of the Standing Committee on Finance in 2024;
2. *Welcomes* the report of the Standing Committee on Finance for 2024,² and *notes* the workplan of the Committee for 2025³;
3. *Notes* the importance of allocating time for consideration of the work of the Standing Committee on Finance;
4. *Notes with appreciation* the sixth Biennial Assessment and Overview of Climate Finance Flows of the Standing Committee on Finance,⁴ including the summary and recommendations thereof;⁵
5. *Notes* the Standing Committee on Finance's update to its operational definition of climate finance in the context of preparing the sixth Biennial Assessment and Overview of Climate Finance Flows;
6. *Notes* that global climate finance flows were 63 per cent higher in 2021–2022 than in 2019–2020, reaching an annual average of USD 1.3 trillion and *acknowledges* that more than three quarters of those flows were in Eastern Asia, Northern and Western Europe and Northern America, and *recognizes* the need to scale up climate finance flows in other regions;
7. *Notes with appreciation* the second report on the determination of the needs of developing country Parties related to implementing the Convention and the Paris Agreement,⁶ including the executive summary and recommendations thereof;⁷
8. *Notes* the key finding from the report referred to in paragraph 7 above that nationally determined contributions from 142 Parties contain a total of 5,760 needs, of which 48 per cent are costed needs reported by 98 Parties, amounting to a cumulative USD 5.012–6.852 trillion out to 2030, or USD 455–584 billion annually;

¹ Draft decision entitled “Matters relating to the Standing Committee on Finance” proposed under agenda item 11(b) of the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement at its sixth session.

² FCCC/CP/2024/6–FCCC/PA/CMA/2024/8.

³ FCCC/CP/2024/6–FCCC/PA/CMA/2024/8, annex II.

⁴ Standing Committee on Finance. 2024. *Sixth Biennial Assessment and Overview of Climate Finance Flows*. Bonn: UNFCCC. Available at <https://unfccc.int/topics/climate-finance/resources/biennial-assessment-and-overview-of-climate-finance-flows>.

⁵ FCCC/CP/2024/6/Add.1–FCCC/PA/CMA/2024/8/Add.1.

⁶ Standing Committee on Finance. 2024. *Second report on the determination of the needs of developing country Parties related to implementing the Convention and the Paris Agreement*. UNFCCC. Available at <https://unfccc.int/topics/climate-finance/workstreams/needs-report>.

⁷ FCCC/CP/2024/6/Add.2–FCCC/PA/CMA/2024/8/Add.2.

9. *Also highlights* that information based on national reporting do not reflect the entirety of needs across developing country Parties and regions and is limited by significant data challenges and gaps, including differences and gaps in information on the processes and approaches used in determining needs, data being expressed at varying time scales over 2020-2030, and differences in methodologies and underlying assumptions for identifying and costing needs, and *further highlights* that the number of needs and costed needs compiled from national reports should not be used to draw comparisons of the actual needs across regions;
10. *Encourages* operating entities of the Financial Mechanism, United Nations agencies, multilateral agencies and institutions, and capacity-building initiatives and other relevant institutions gathering data and information on needs of developing country Parties to support developing countries to enhance efforts, approaches, and available information, as appropriate, related to, gender-responsive climate action and the needs of Indigenous Peoples, the nexus of energy access, climate action and sustainable development and eradication of poverty, and averting, minimizing, and addressing loss and damage;
11. *Invites* relevant stakeholders to make use of the information contained in the second report on the determination of the needs of developing country Parties related to implementing the Convention and the Paris Agreement when supporting developing country Parties in identifying and costing needs, prioritizing those developing countries and regions that have not been able to identify and cost needs and which are significantly and proportionally underrepresented in the report;
12. *Notes with appreciation* the report on the common practices regarding climate finance definitions, reporting and accounting methods,⁸ including the executive summary thereof;⁹
13. *Recognizes* the complexities associated with the diversity of definitions of climate finance in use by Parties and non-Party stakeholders in relation to ensuring clear, aggregated accounting and reporting of climate finance;
14. *Reaffirms* that future biennial assessment of overviews of climate finance flows prepared by the Standing Committee on Finance will continue its ongoing technical work on operational definitions of climate finance ;¹⁰
15. *Welcomes* the 2024 Forum of the Standing Committee on Finance on accelerating climate action and resilience through gender-responsive finance and *notes with appreciation* the summary report thereon;¹¹
16. *Expresses sincere gratitude* to the Government of the United Republic of Tanzania for its generous hospitality in hosting the 2024 Forum of the Standing Committee on Finance;
17. *Expresses gratitude* to the Governments of Australia, Austria and Canada for their financial support for the 2024 Forum of the Standing Committee on Finance;
18. *Notes* the continued importance of promoting gender-responsive climate action, including in the context of climate finance, and *highlights* the relevance of improving data and information on the gender-responsiveness of climate finance;
19. *Notes with appreciation* the efforts of the Standing Committee on Finance to strengthen its engagement with stakeholders in the context of its workplan, including UNFCCC constituted bodies and private sector and other entities outside the UNFCCC process, and *encourages* the Committee to continue such efforts in 2025, including, as appropriate, with people and communities on the front line of climate change, including Indigenous Peoples and local communities;
20. *Also encourages* the Standing Committee on Finance to continue to enhance its efforts to ensure gender-responsiveness in implementing its workplan and *requests* Parties to

⁸ Standing Committee on Finance. 2024. *Report on common practices regarding climate finance definitions, reporting and accounting methods*. Bonn: UNFCCC. Available at https://unfccc.int/sites/default/files/resource/Common_Practices_Technical_Report.pdf.

⁹ FCCC/CP/2024/6/Add.4–FCCC/PA/CMA/2024/8/Add.4.

¹⁰ In accordance with decision 3/CP.19, para 11.

¹¹ FCCC/CP/2024/6/Add.5–FCCC/PA/CMA/2024/8/Add.5.

consider gender balance and geographical representation when nominating members to the Committee;

21. *Recalls* concerns about the working modalities of the Standing Committee on Finance for preparing the draft guidance for the operating entities of the Financial Mechanism, in accordance with its mandate, and *also recalls* the request to Parties and other constituted bodies under the Convention and the Paris Agreement to provide elements for the draft guidance well in advance of future sessions of the Conference of the Parties and the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement to enable the Committee to fulfil its mandate in this regard;¹²

22. *Expresses appreciation* to the Governments of Japan, Australia, Austria and Canada for their financial contributions for the work of the Standing Committee on Finance in 2024;

23. *Requests* the Standing Committee on Finance to report to the Conference of the Parties at its thirtieth session on its progress in implementing its workplan for 2025;

24. *Also requests* the Standing Committee on Finance to consider the guidance provided to it in other relevant decisions of the Conference of the Parties.

¹² Decision 5/CP.28, para 13.