

**DRAFT TEXT**

**on**

**COP 29 agenda item**

**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,<sup>1</sup>

1. *Expresses gratitude* to the SCF and *[welcomes][notes]* the work of the Standing Committee on Finance in 2024;

2. *[Notes][Welcomes]* the report of the Standing Committee on Finance for 2024,<sup>2</sup> *[also][notes][welcomes]* the workplan of the Committee for 2025<sup>3</sup> and *underlines* the importance of the Committee focusing its work on responding to its current mandates;

*[6<sup>th</sup> BA]*

3. *[Notes][Welcomes]* the sixth Biennial Assessment and Overview of Climate Finance Flows of the Standing Committee on Finance,<sup>4</sup> including the summary and recommendations thereof;<sup>5</sup>

4. *Notes][Welcomes]* of 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;

5. *[Notes][Welcomes]* 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, driven by investments in sustainable transport, clean energy systems and buildings and infrastructure;

6. *Acknowledges* that more than three quarters of global climate finance flows in 2021–2022 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. *Also acknowledges* the continued improvement in quality, transparency and granularity of information in the sixth Biennial Assessment and Overview of Climate Finance Flows while recognizing that data limitations persist, particularly in relation to private climate finance, including private finance mobilized by developed country Parties through bilateral and multilateral channels, and finance in sectors other than energy and transport and requests the Standing Committee on Finance to continue further work in this regard in the seventh Biennial Assessment and Overview of Climate Finance Flows, including in relation to data by region, private finance mobilized from public interventions, and finance relevant to averting, minimizing and addressing loss and damage;

*[NDR2]*

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<sup>1</sup> 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.

<sup>2</sup> FCCC/CP/2024/6–FCCC/PA/CMA/2024/8.

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

<sup>4</sup> 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>.

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

8. *[Notes][Welcomes]* the second report on the determination of the needs of developing country Parties related to implementing the Convention and the Paris Agreement,<sup>6</sup> including the executive summary and recommendations thereof;<sup>7</sup>

9. *Recognizes* the key finding from the report referred to in paragraph 8 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;

10. *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 2006–2070, and differences in methodologies and underlying assumptions for identifying and costing needs;

11. *Encourages* developing country Parties and relevant institutions gathering data and information on needs of developing country Parties to enhance efforts, approaches, and available information, including related to averting, minimizing, and addressing loss and damage;

12. *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;

*[Common practices report]*

13. *[Notes][welcomes]* the report on the common practices regarding climate finance definitions, reporting and accounting methods,<sup>8</sup> including the executive summary thereof;<sup>9</sup>

14. *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;

15. *Reaffirms* that the Standing Committee on Finance, in the context of the preparation of its biennial assessment and overview of climate finance flows, is to consider ongoing technical work on operational definitions of climate finance;<sup>10</sup>

*[SCF Forum]*

16. *Welcomes with appreciation* the successful 2024 Forum of the Standing Committee on Finance on accelerating climate action and resilience through gender-responsive finance and *[welcomes][notes]* the summary report thereon;<sup>11</sup>

17. *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;

18. *Expresses gratitude* to the Governments of Australia, Austria and Canada for their financial support for the 2024 Forum of the Standing Committee on Finance;

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<sup>6</sup> 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>.

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

<sup>8</sup> 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](https://unfccc.int/sites/default/files/resource/Common_Practices_Technical_Report.pdf).

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

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

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

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19. *Highlights* the continued importance of promoting gender-responsive climate action, including in the context of climate finance, and *notes in particular* the relevance of improving data and information on the gender-responsiveness of climate finance;

*[SCF general and other items]*

20. *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;

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

22. *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;<sup>12</sup>

23. *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;

24. *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;

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

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<sup>12</sup> Decision 5/CP.28, para 13.