

## Summary of the work of the constituted bodies during the first half of 2021

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### Informal Dialogue with the constituted bodies

*Convened by the Presidencies and the Chairs of the Subsidiary Bodies*

*Monday, June 14, 2021 09:00 – 10:30 CEST*

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**Name of constituted body: The Standing Committee on Finance (SCF)**

#### **Relevant links on the UNFCCC website:**

- Constituted Body Page: <http://www.unfccc.int/scf>
- Workplan: <https://unfccc.int/sites/default/files/resource/SCF%20Workplan%202020-2021.pdf>
- Recent reports of the constituted body to the relevant governing and/or subsidiary body:
  - o 2019: <https://unfccc.int/documents/201196>; <https://unfccc.int/documents/201191>; <https://unfccc.int/documents/201192>
  - o 2020: <https://unfccc.int/documents/268569>
  - o 2021: To be published by COP 26.

#### **Last meeting:**

The 24<sup>th</sup> meeting of the SCF was held from 19 to 20 May 2021 through virtual means. Documents for the meeting can be found at: <https://unfccc.int/scf/scf-meetings-and-documents#eq-24>.

#### **Next meeting:**

The 25<sup>th</sup> meeting of the SCF will be held in September 2021. Exact dates will be announced on the SCF website in due course.

#### **Highlights of work undertaken in the first half of 2021:**

During the first half of 2021, the SCF continued to make progress on its 2020–2021 workplan through virtual (formal and informal) meetings and inter-sessional work. The workplan consists of four main workstreams: the fourth Biennial Assessment and Overview of Climate Finance Flows (BA); the first report on the determination of the needs of developing country Parties related to implementing the Convention and the Paris Agreement; the draft guidance to the operating entities of the Financial Mechanism and; the next SCF Forum on financing nature-based solutions (NBS).

On the Fourth BA and the first report on the determination of the needs of developing country Parties related to implementing the Convention and the Paris Agreement, the SCF continued to make progress in drafting the reports, based on the comments and guidance provided by the Committee members, as well as the inputs and data contributed by various climate finance stakeholders. At its 24<sup>th</sup> meeting, the SCF considered the third-order draft of the Fourth BA and elements of the summary and recommendations. The BA will include, for the first time, a chapter on the alignment of global financial flows with pathways for low greenhouse gas emissions and climate-resilient development (Article 2.1(c) of the Paris Agreement). On the Needs Determination Report, the SCF considered a 2.5-order draft at the meeting. The draft was informed by review of over 400 national, regional and global reports relating to the needs of developing countries. The SCF aims to finalize these reports in time for COP 26.

On the draft guidance to the operating entities of the Financial Mechanism, the SCF focused its efforts to agree on an approach to prepare a draft guidance that can serve as a useful basis for COP 26 and

CMA 3 to provide meaningful guidance to the Green Climate Fund and the Global Environment Facility. In April, the SCF co-chairs sent a message to all Parties and the Adaptation Committee, the Technology Executive Committee and the Executive Committee of the Warsaw International Mechanism for Loss and Damage (ExCom), calling for their submissions on the draft guidance. Once the submissions have been received by 15 September 2021, the SCF will prepare a preliminary draft guidance during the inter-sessional period with a view to finalizing the draft guidance at its last meeting of the year. The SCF plans to organize informal working session(s) with the providers of submissions, in case any proposed draft guidance requires clarification.

On the next Forum on Financing NBS, the SCF focused its efforts to identify ways to hold its Forum under the current pandemic situation. Many SCF members were of the view that the Forum should be held in-person, wherever this is feasible, so that the Forum can facilitate an interactive, inclusive and in-depth discussion among the climate finance actors on the urgent topic of NBS financing. At its 24<sup>th</sup> meeting, SCF agreed to hold the Forum over two years – the first part will be held in 2021 either in hybrid or virtual format, to be followed by the second part in 2022 in an in-person format. The outcomes from the first part will feed into the discussions to be held in the second part. To inform the Forum discussions, the secretariat is preparing a technical paper that will synthesize the rich information and case studies contained in the submissions that were received from more than 40 stakeholders on NBS.

In undertaking these workstreams, the SCF continued to enhance its engagements with the relevant stakeholders, thereby insuring inclusiveness, transparency and robustness of the SCF's work. For example, the SCF engaged with over 80 stakeholders representing Parties, MDBs, the operating entities of the Financial Mechanism, financial institutions and observer constituencies during the technical stakeholders' dialogue relating to the Fourth BA and the Needs Determinations Report prior to the 24<sup>th</sup> meeting of the SCF. Furthermore, the SCF continued to engage with other constituted bodies, such as the Climate Technology Centre & Network, Paris Committee on Capacity-building and ExCom on linkages relating to climate finance, and facilitated the engagement between the observer organizations and the SCF by holding a meeting with the SCF co-chairs prior to the 24<sup>th</sup> meeting.

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