

SIDE EVENT @ COP 29

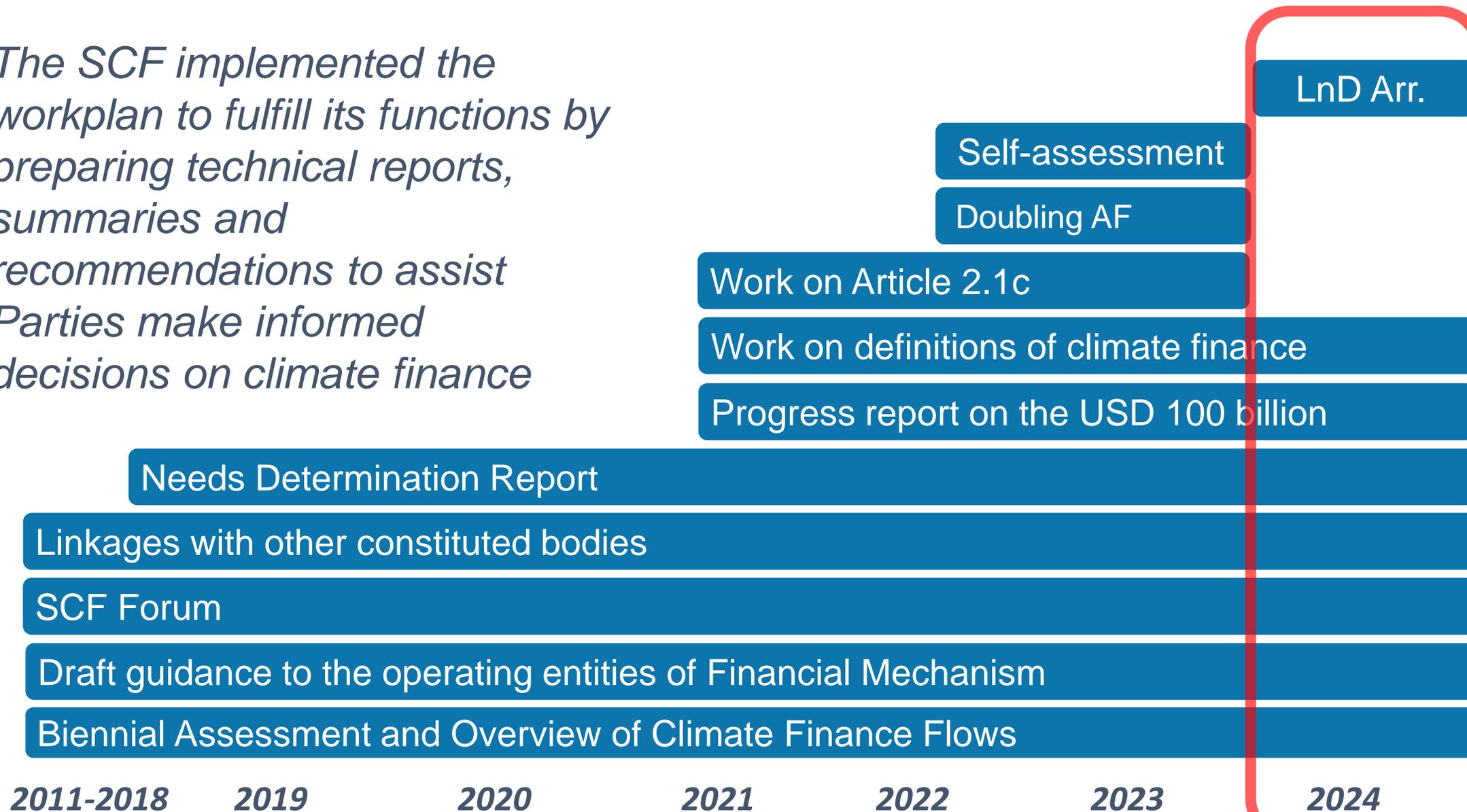
Key reports of the Standing Committee on Finance

13 November 2024



2024 workplan of SCF

The SCF implemented the workplan to fulfill its functions by preparing technical reports, summaries and recommendations to assist Parties make informed decisions on climate finance



Sixth Biennial Assessment and Overview of Climate Finance Flows

Co-facilitators: Diann Black-Layne & Vicky Noens

Technical Report

UNFCCC Standing Committee on Finance

Sixth Biennial Assessment and Overview of Climate Finance Flows



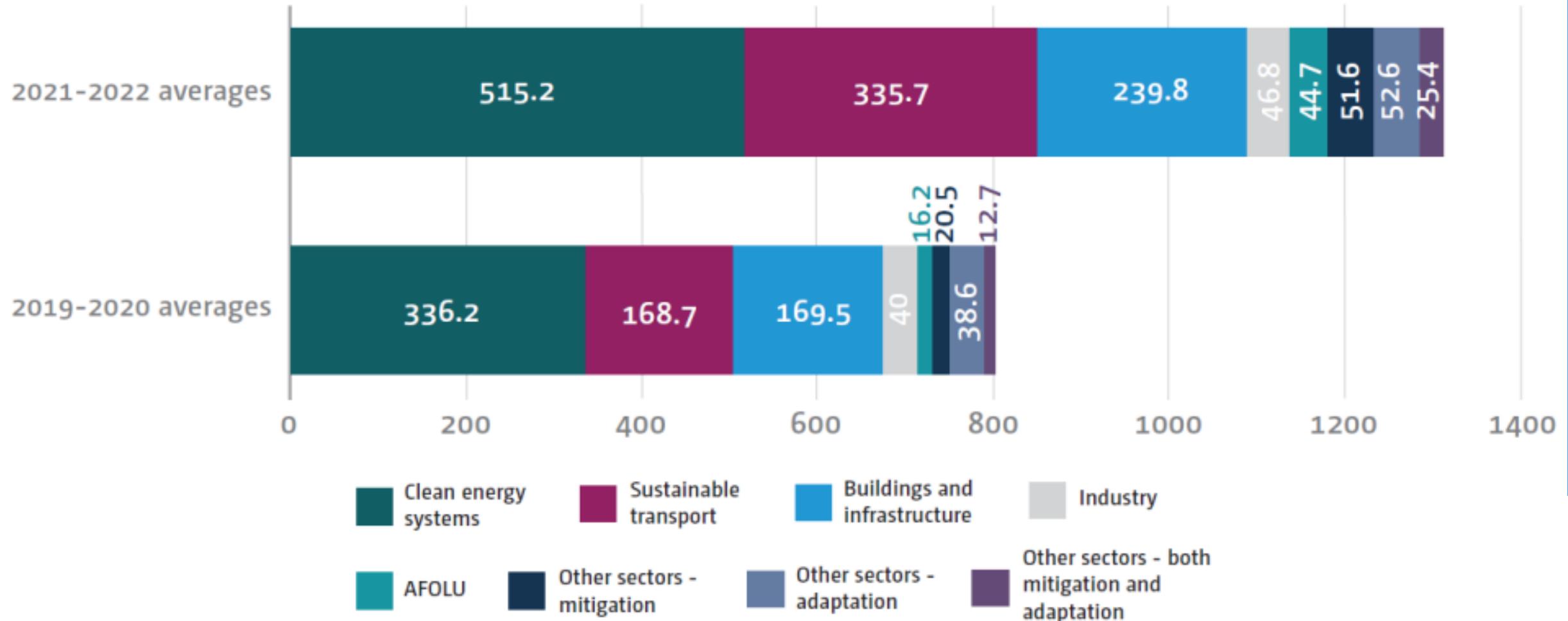
United Nations
Framework Convention on
Climate Change



KEY FINDING: 63% increase in global climate finance flows

Global climate finance flows in 2019–2022 by sector

(Billions of United States dollars)

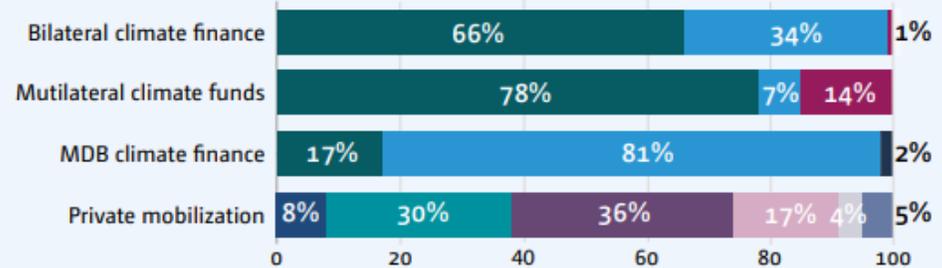


KEY FINDING: Flows from developed to developing countries

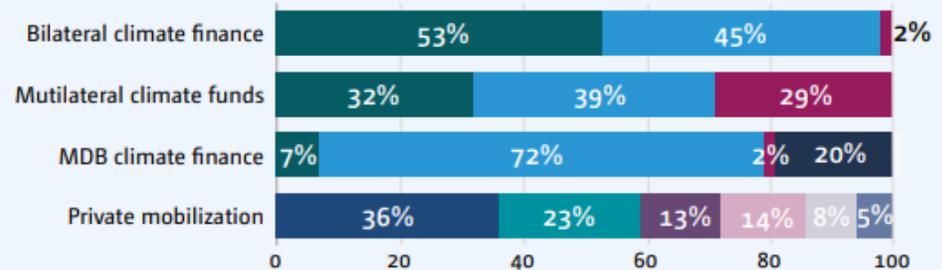
- **Grants** continue to be a key instrument particularly for adaptation finance
 - 66% of bilateral finance
 - 78% of multilateral climate funds
 - 17% of MDBs (compared to 7% for mitigation)
- **Geographically**, Asia and African largest destination
- Share of **support to LDCs/SIDs** varies
 - LDCs 14-23%
 - SIDs 3-4%

Public climate finance and private climate finance mobilized from developed to developing countries in 2021–2022, by theme, source and financial instrument

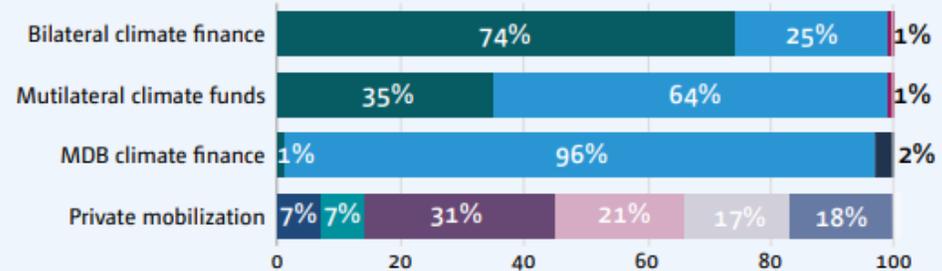
Adaptation



Mitigation

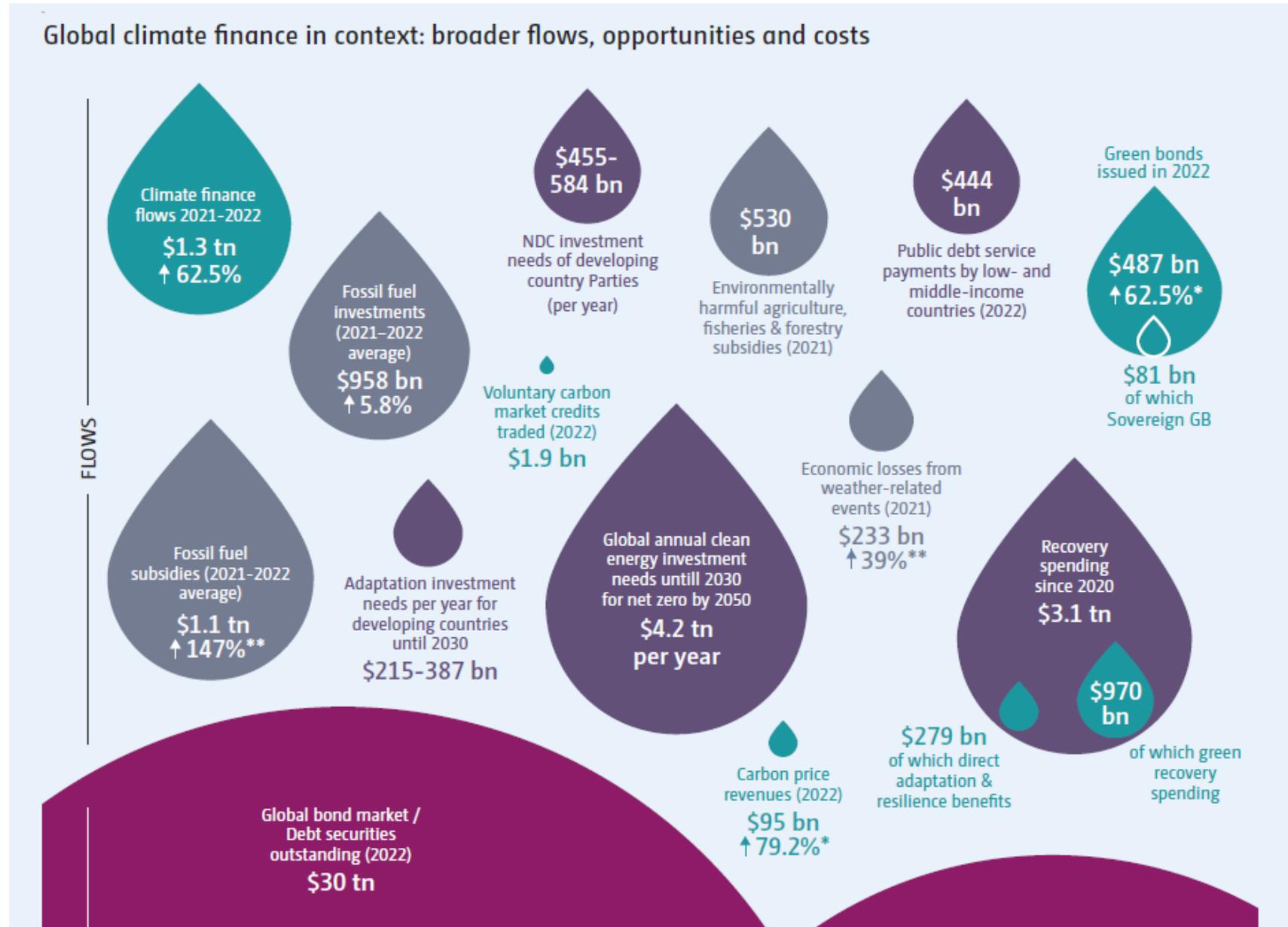


Cross-cutting



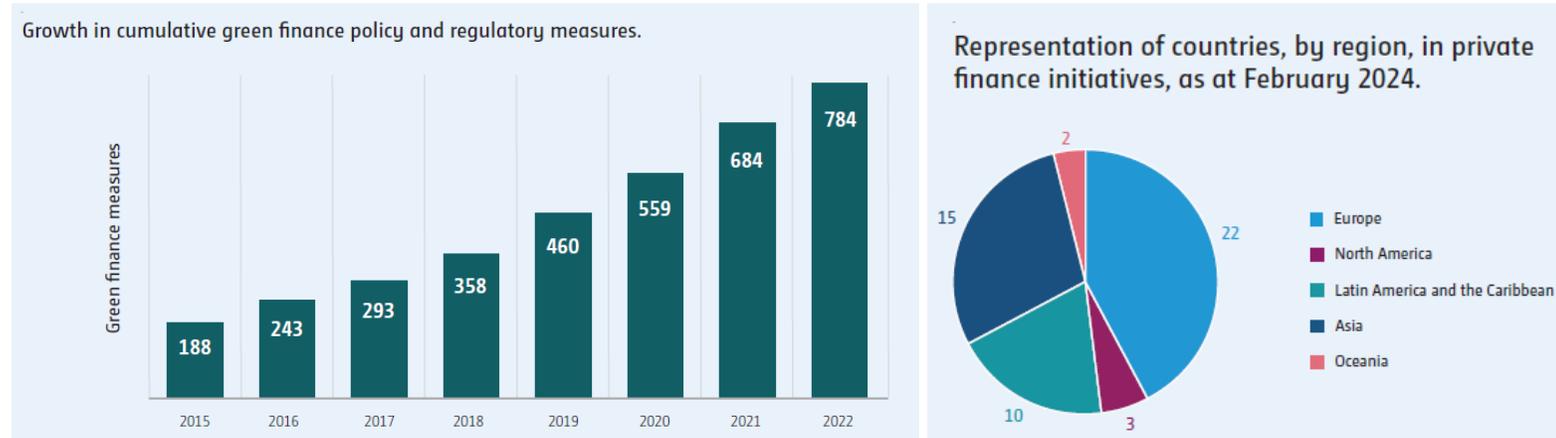
KEY FINDING: Climate finance in context

Global climate finance flows are small relative to the overall needs for the climate transition and to respond to the needs of developing countries



KEY FINDING: Mapping information relevant to Article 2.1c, including its reference to Article 9 thereof

- **Over 100 jurisdictions** with green or sustainable finance regulations and policies (40% increase to 2020)
- Sustained growth in **private sector engagement and commitments**



Insights

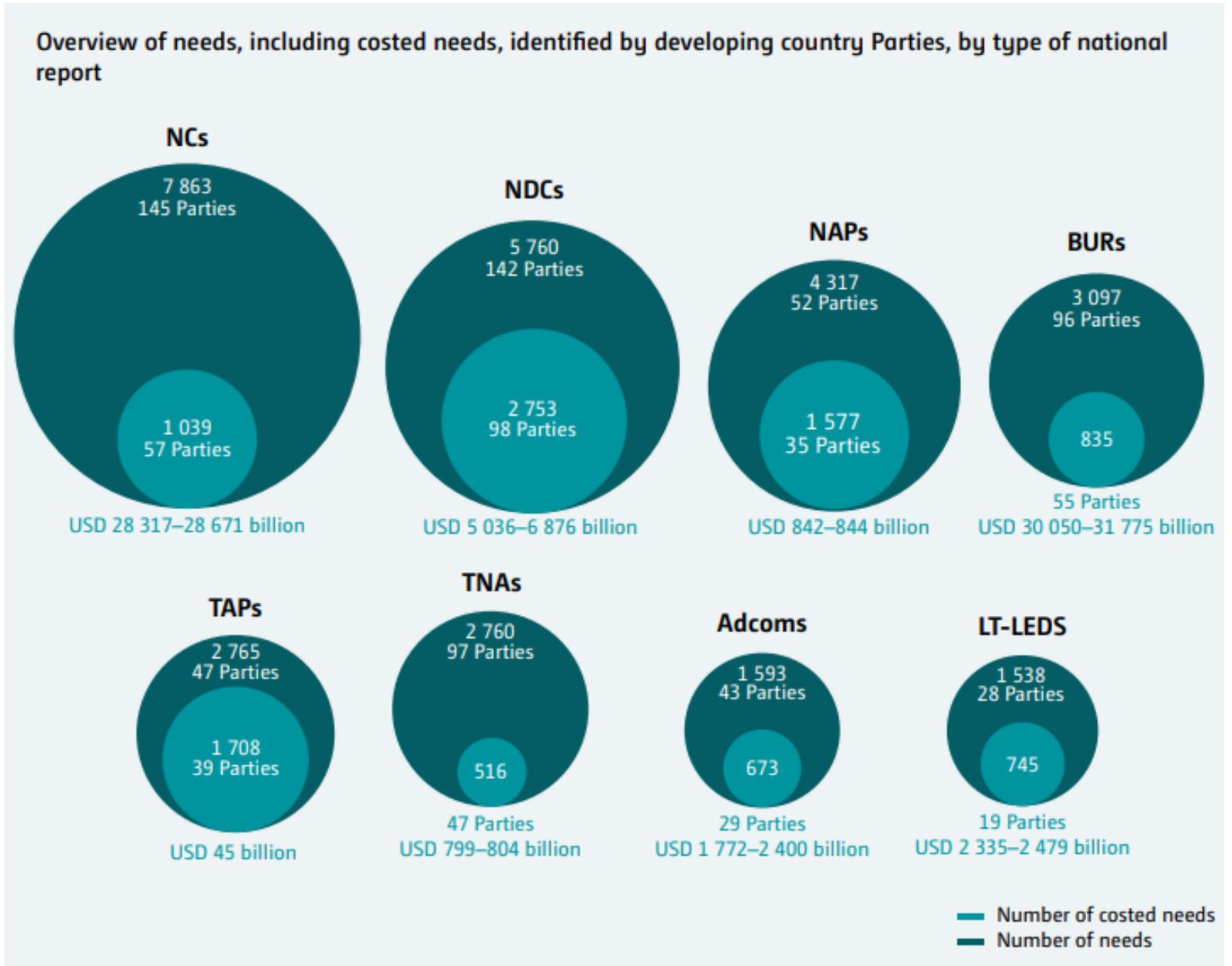
- Shift towards transition and implementation planning
- Adaptation and resilience remains underexplored
- Geographic scope: expanding but with concentration in certain regions

- Synergies of Article 2.1(c) and Article 9
- Global cooperation & interoperability as well as context-specific approaches
- Transparency, credibility and real-economy impact

KEY GRAPHIC: Overview of needs identified by developing country Parties

The **second NDR** provides an **updated overview of the needs** of developing countries as at 30 June 2024

The NDR **does not determine the needs of developing countries,** and it **does not aggregate needs across report types**



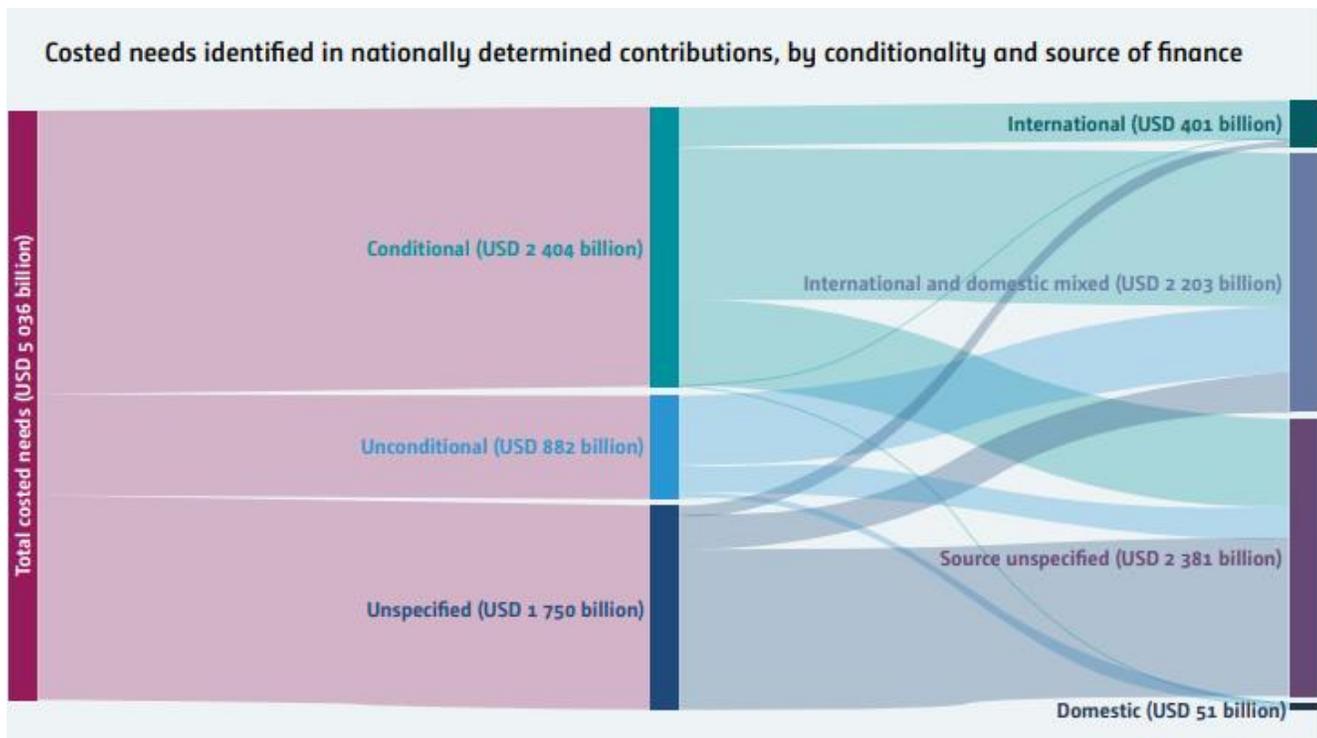
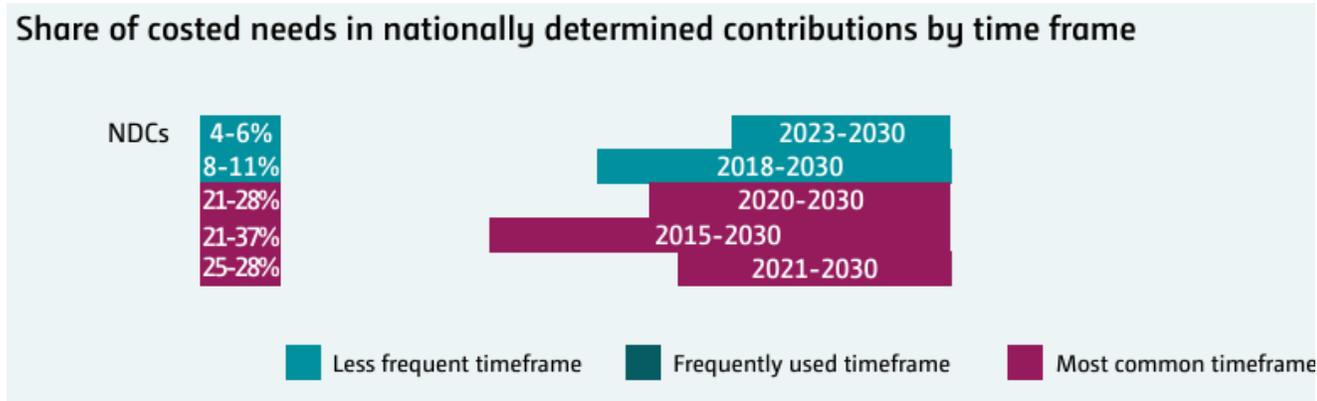
KEY FINDING: Costed NDC needs of 98 Parties at USD 5.036 – 6.876 trillion

The most representative metric, **costed NDC needs** by 98 Parties amount to **USD 5.036 – 6.876 trillion**,

Heterogenous mix of total and incremental costs, investment needs, international or domestic, conditional or unconditional

Annualized: USD 455–584 billion per year

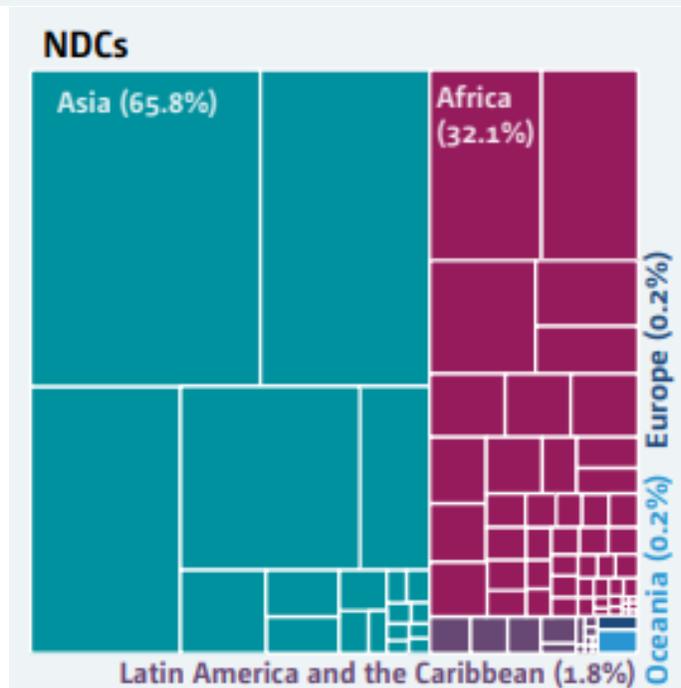
Conditionality and **sources of finance** are identified with a varying level of granularity



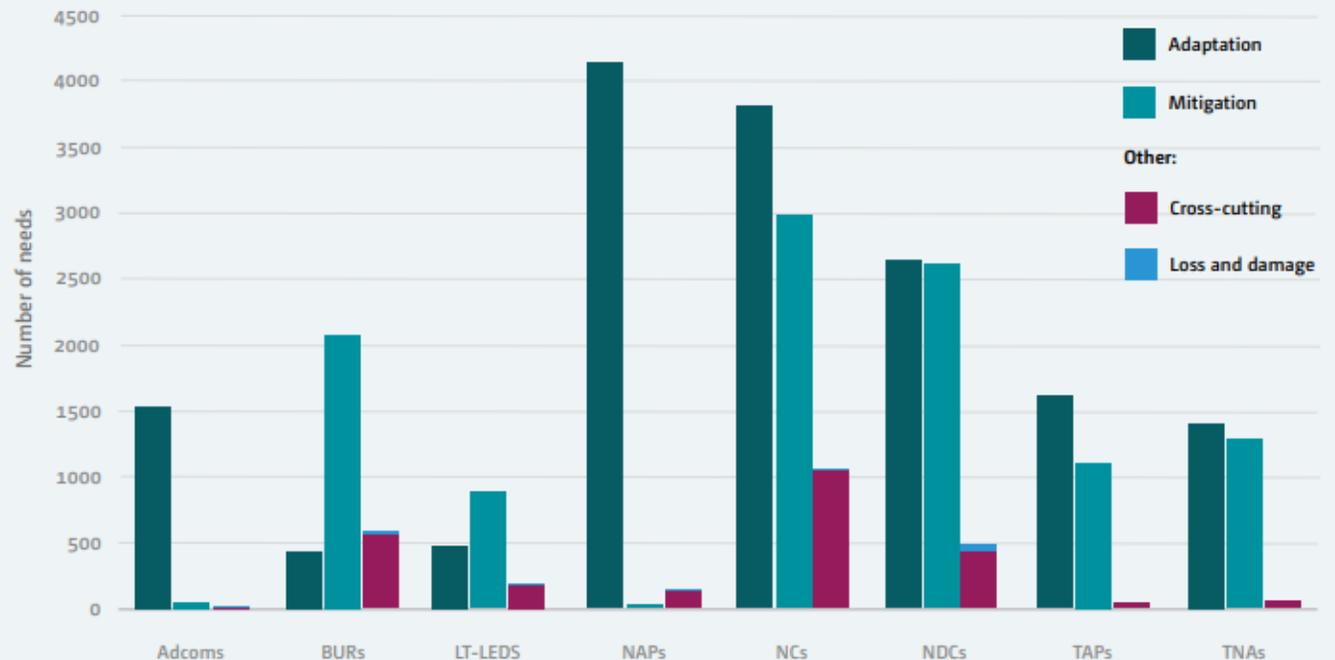
KEY FINDINGS – Geographic and thematic distribution of needs

- **Majority of costed needs** are reported in Asia, while the highest number of **expressed needs** are reported in Africa
- For **some** report types, costed needs are **highly concentrated** in just a few Parties
- **Thematic needs expressed vary** by type of national reports
- Many identified **adaptation needs** are not costed

Geographical distribution of costed needs by type of national report
(Percentage of total costs)



Thematic distribution of expressed needs by type of national report



Gaps, challenges and opportunities in identifying needs

Data and information gaps

- Methodological challenges for needs identification and costing
- Challenges of comparability and standardization of information
- Use of different climate and economic scenarios and assumptions

Institutional gaps

- Institutional capacity gaps and lack of resources for needs assessment
- Coordination challenges at national, subnational and local levels

Opportunities

- Adoption of international best practices, fostering knowledge exchange, capacity building and technical support
- Balancing comparability and context-specificity
- Enhancing granularity of reporting on methodological approaches and assumptions
- Whole-of-government and whole-of-society approaches
- Strengthen national data collection systems
- Enhancing international cooperation and data-sharing
- Scaling up financial resources and funding for needs assessments

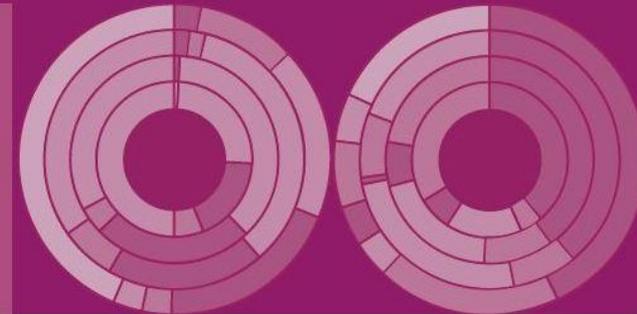
Second report on progress towards achieving the goal of mobilizing jointly USD 100 billion per year to address the needs of developing countries in the context of meaningful mitigation actions and transparency of implementation

Co-facilitators: Gabriela Blatter & Richard Muyungi

Technical Report

UNFCCC Standing Committee on Finance

Second report on progress towards achieving the goal of mobilizing jointly USD 100 billion per year to address the needs of developing countries in the context of meaningful mitigation actions and transparency on implementation

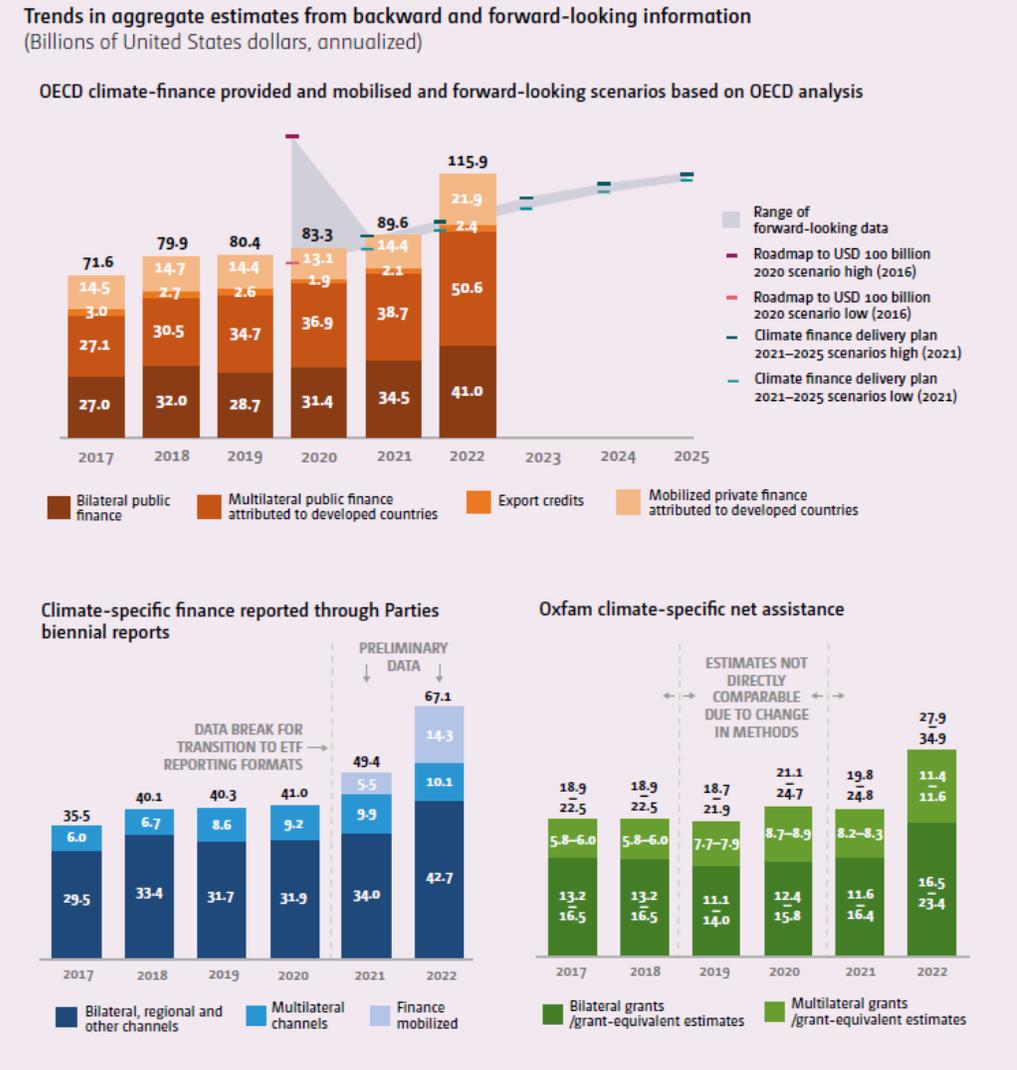


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KEY FINDING: Trends in aggregate estimates towards achieving the goal

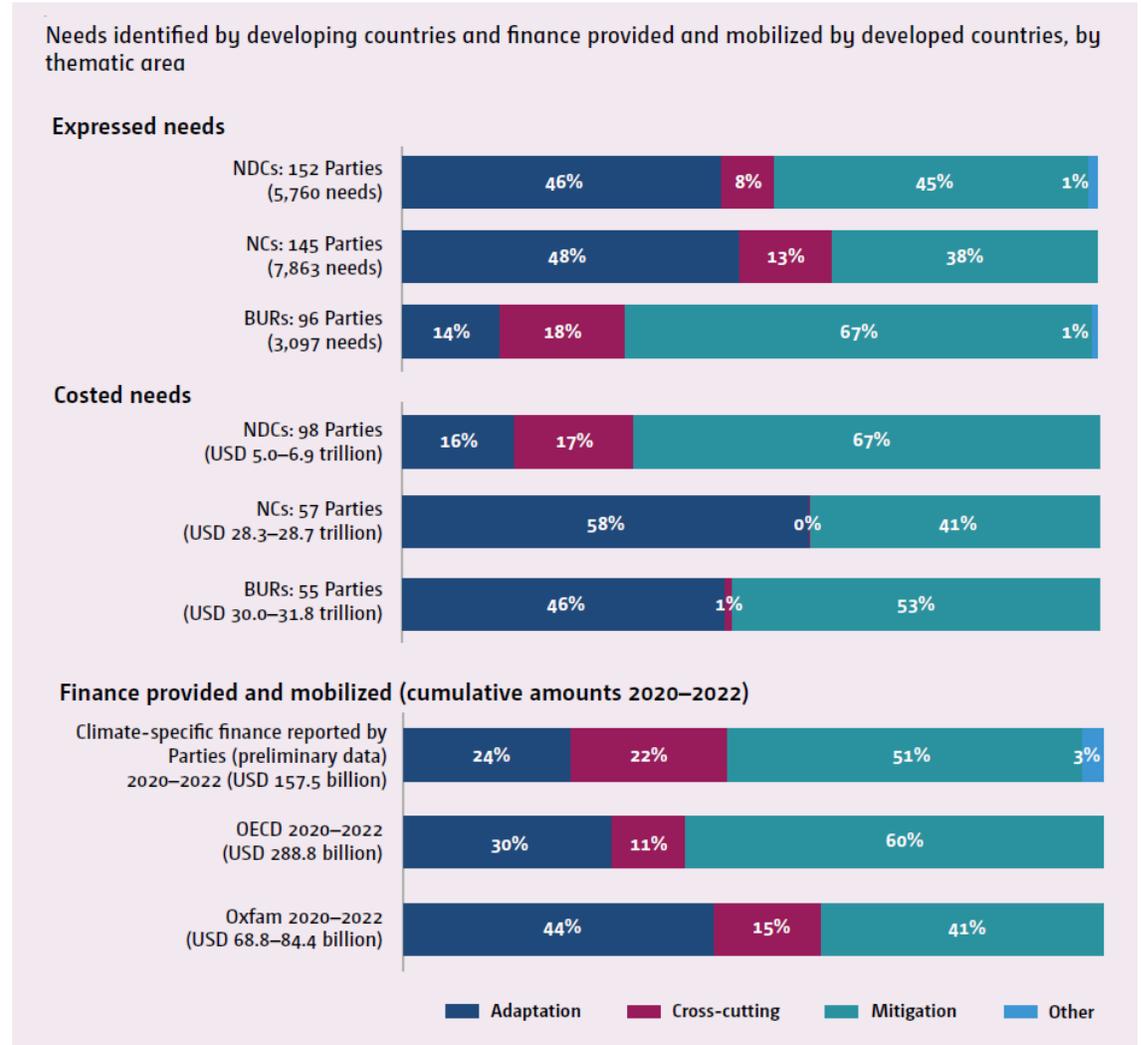
- Substantial growth in climate finance flows to developing countries between 2020 and 2022
- According to one source of information, the goal was met in 2022 (OECD: USD 115.9 billion)
- Suggests measures taken to increase public finance and the mobilization of private finance have been more effective than in previous periods



KEY FINDING: Addressing the needs of developing countries

Proportional comparison of finance flows to the proportion of needs identified in SCF's [Second Needs Determination Report](#)

- Share of adaptation finance in total finance provided and mobilized in 2020-2022 **24-44%**
- Share of adaptation in total needs expressed **14-48%**
- Share of adaptation in total costed needs **16-58%**



KEY FINDING: Context of meaningful mitigation action and transparency on implementation

Challenge to establish a causal link between meaningful mitigation action & transparency on implementation with finance flows, some notable trends since 2010 include:

- **Almost all Parties** have **submitted an NDC**, and most have submitted an updated NDC as of July 2024.
- The aggregate effect of mitigation actions in submitted NDCs are projected to reduce global GHG emissions by **4.6–5.8%** by 2025 and by **11.4–12.0%** by 2030 compared to 2016 levels, nearing 2010 levels.

Progress on transparency:

98% Annex I Parties submitted BR5, including on climate finance provided

96% non-Annex I Parties NC2, 66% NC3 on mitigation actions and climate finance needs

68% non-Annex I Parties at least one BUR on mitigation actions, needs and support received



Thank you



Report on common practices regarding climate finance definitions, reporting and accounting methods

Co-facilitators: Karima Oustadi and Diego Pary Rodríguez



Key findings – Context of applying climate finance definitions, reporting and accounting methods

- **There are a multitude of frameworks for reporting on climate finance.** Parties' reporting is a key source of official information on financial support provided and mobilized, and needed and received.
 - Reporting formats reflect a bottom-up approach
 - First BTRs due by end of 2024
- **Other climate finance providers** and reporting organizations **track and report climate finance for different purposes** and have developed or are developing their reporting systems to fulfil those purposes

Figure 1: **Climate finance reporting cycle**



Common practices regarding climate finance definitions - Parties

BRs: Form and composition of climate finance definitions used by Parties in their 5th biennial reports (No. of Parties)

Annex to the Convention	High-level sentence/description	Detailed guidance, including a combination of forms		Other forms
		Inclusion/ exclusion lists	A list of examples of qualifying activities (markers)	
Annex II	2	1	20, including 4 referring to a combination of definitional approaches	1
Annex I not in Annex II	5	–	4	–

Annex to the Convention	A: a reference to mitigation and adaptation only (with or without cross-cutting)	B: in addition to A, a reference to other types of support	C: in addition to A/B, a reference to other elements
Annex II	20	4	3
Annex I not in Annex II	6	3	2

BURs: Form and composition of climate finance definitions used by Parties in their latest biennial update reports

Annex to the Convention	High-level sentence/description	Detailed guidance, including a combination of forms		Other forms
		Inclusion/exclusion lists	A list of examples of qualifying activities (markers)	
Non-Annex I	17	2	2	2

Annex to the Convention	High-level sentence/description	Detailed guidance, including a combination of forms		Other forms
		Inclusion/exclusion lists	A list of examples of qualifying activities (markers)	
Non-Annex I	17	2	2	2

Key findings – Accounting methods

Common methods for accounting climate finance flows among Parties and other climate finance providers

- **Parties:** common use of Rio Markers and climate-specific shares, reporting on disbursement and information on “new and additional” finance
- **Other providers:** common use of outcome metrics

Accounting method type		Options for implementing the method
Accounting for climate-specific shares		<ul style="list-style-type: none"> • Qualitative markers • Coefficient applied to qualitative markers • Case-by-case quantification • Imputed multilateral climate share for core/general inflows
Other attribution methods	Estimating a share of finance mobilized through interventions	<ul style="list-style-type: none"> • OECD instrument-specific methodologies • Bespoke conservative method • Pro rata methodology
	Calculating a grant-equivalent value of a finance flow (from a nominal value)	<ul style="list-style-type: none"> • Attribution based on a cash-flow discounting model • Net flows after deduction of loan repayments (for loans)
	Attributing multilateral outflows to geographical groups (providers)	<ul style="list-style-type: none"> • Attribution based on the historical paid-in share of contributions and MDB concessional windows • Attribution based on ownership shareholdings in individual multilateral institutions
Assessment of “new and additional” finance		<ul style="list-style-type: none"> • New commitments/disbursement per year • Increase over previous commitments • Above ODA target of 0.7 per cent of GNI
Point of measurement for finance flows		<ul style="list-style-type: none"> • Pledged • Committed/approved • Disbursed/received • Expensed
Assessment of climate finance outcomes		<ul style="list-style-type: none"> • Indicators to measure the expected outcomes (impacts) of climate finance interventions

Key findings – Reporting

Parties

- **Reporting under the Convention**
 - **Annex II Parties** comply with reporting guidelines and tabular formats (CTFs) and over time, reported information becoming more complete and granular
 - Some **Annex I Parties** voluntarily follow same reporting formats
 - **Biennial reporting**: challenges persist in compiling and synthesizing information from BRs
 - **Non-Annex I Parties**: increasing % of BURs that include climate finance information
- **Paris Agreement - ETF:**
 - More granular reporting introduced through ETF (starting by end of 2024)

Other climate finance providers

- **Variety of reporting practices reflects diversity of objectives**
 - **Geographical coverage** depends on scope of operations or tracking
 - **Sectors, activities and financial instruments**: variety of sectoral classifications, activity-level and financial instrument information
 - **Tracking progress towards CF goals**: Differing data aggregation methodologies and scopes leading to different results

2024 SCF Forum on accelerating climate action and resilience through gender-responsive financing

Co-facilitators: Elena Pereira and Brittany Young



2024 SCF Forum on Accelerating Climate Action and Resilience through Gender-responsive Financing



Held on 2–3 September 2024 in Arusha, Tanzania

Attended by more than 130 participants globally

Exchange of best practices and lessons learned in mobilizing and accessing gender-responsive financing for climate action and resilience

Topics covered at the Forum

I. NDCs, NAPs and GRF

Integration of gender into climate plans

Gender and public financial management

Translating plans into actions

Integrating gender into the financial system

II. Sources and Instruments

International and domestic sources of GRF

Private sector and GRF

Innovative financial instruments

III. Experience in utilizing GRF in a project lifecycle

Project preparations and technical support

Monitoring, evaluation and learning

Direct access to GRF

Data generation and access

Areas of key takeaway messages from the Forum

- Gender Inclusivity Key to Climate Action and Resilience
- Integration of Gender in Climate Finance
- Data and Transparency
- Enhancing Access
- Capacity-Building and Learning
- Role of National Governments and Private Sector
- Inclusivity and Grassroots Voices
- Embedding Gender Responsiveness in UNFCCC



AGENDA

Open Q&A

