



Conference of the Parties

Report of the Conference of the Parties on its twenty-sixth session, held in Glasgow from 31 October to 13 November 2021

Addendum

Part two: Action taken by the Conference of the Parties at its twenty-sixth session

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Decision 1/CP.26

Glasgow Climate Pact

The Conference of the Parties,

Recalling decisions 1/CP.19, 1/CP.20, 1/CP.21, 1/CP.22, 1/CP.23, 1/CP.24 and 1/CP.25,

Noting decisions 1/CMP.16 and 1/CMA.3,

Recognizing the role of multilateralism and the Convention, including its processes and principles, and the importance of international cooperation in addressing climate change and its impacts, in the context of sustainable development and efforts to eradicate poverty,

Acknowledging the devastating impacts of the coronavirus disease 2019 pandemic and the importance of ensuring a sustainable, resilient and inclusive global recovery, showing solidarity particularly with developing country Parties,

Recognizing the important advances made through the UNFCCC multilateral process since 1994, including in the context of the Convention, the Kyoto Protocol and the Paris Agreement,

Acknowledging that climate change is a common concern of humankind, Parties should, when taking action to address climate change, respect, promote and consider their respective obligations on human rights, the right to health, the rights of indigenous peoples, local communities, migrants, children, persons with disabilities and people in vulnerable situations and the right to development, as well as gender equality, empowerment of women and intergenerational equity,

Noting the importance of ensuring the integrity of all ecosystems, including in forests, the ocean and the cryosphere, and the protection of biodiversity, recognized by some cultures as Mother Earth, and *also noting* the importance for some of the concept of 'climate justice', when taking action to address climate change,

Expressing appreciation to the Heads of State and Government who participated in the World Leaders Summit in Glasgow and for the increased targets and actions announced and the commitments made to work together and with non-Party stakeholders to accelerate sectoral action by 2030,

Recognizing the important role of indigenous peoples, local communities and civil society, including youth and children, in addressing and responding to climate change and *highlighting* the urgent need for multilevel and cooperative action,

Recognizing the interlinked global crises of climate change and biodiversity loss, and the critical role of protecting, conserving and restoring nature and ecosystems in delivering benefits for climate adaptation and mitigation, while ensuring social and environmental safeguards,

I. Science and urgency

1. *Recognizes* the importance of the best available science for effective climate action and policymaking;
2. *Welcomes* the contribution of Working Group I to the Intergovernmental Panel on Climate Change Sixth Assessment Report¹ and the recent global and regional reports on the state of the climate from the World Meteorological Organization and *invites* the

¹ Intergovernmental Panel on Climate Change. 2021. *Climate Change 2021: The Physical Science Basis. Contribution of Working Group I to the Sixth Assessment Report of the Intergovernmental Panel on Climate Change*. V Masson-Delmotte, P Zhai, A Pirani, et al. (eds.). Cambridge: Cambridge University Press. Available at <https://www.ipcc.ch/report/ar6/wg1/>.

Intergovernmental Panel on Climate Change to present its forthcoming reports to the Subsidiary Body for Scientific and Technological Advice in 2022;

3. *Expresses alarm and utmost concern* that human activities have caused around 1.1 °C of global warming to date and that impacts are already being felt in every region;

4. *Stresses* the urgency of enhancing ambition and action in relation to mitigation adaptation and finance in this critical decade to address gaps between current efforts and pathways in pursuit of the ultimate objective of the Convention and its long-term global goal;

II. Adaptation

5. *Notes with serious concern* the findings from the contribution of Working Group I to the Intergovernmental Panel on Climate Change Sixth Assessment Report, including that climate and weather extremes and their adverse impacts on people and nature will continue to increase with every additional increment of rising temperatures;

6. *Emphasizes* the urgency of scaling up action and support, including finance, capacity-building and technology transfer, to enhance adaptive capacity, strengthen resilience and reduce vulnerability to climate change in line with the best available science, taking into account the priorities and needs of developing country Parties;

7. *Welcomes* the national adaptation plans submitted to date, which enhance the understanding and implementation of adaptation actions and priorities;

8. *Urges* Parties to further integrate adaptation into local, national and regional planning;

9. *Invites* the Intergovernmental Panel on Climate Change to present to the Conference of the Parties at its twenty-seventh session (November 2022) the findings from the contribution of Working Group II to its Sixth Assessment Report, including those relevant to assessing adaptation needs, and *calls upon* the research community to further the understanding of global, regional and local impacts of climate change, response options and adaptation needs;

III. Adaptation finance

10. *Notes with concern* that the current provision of climate finance for adaptation remains insufficient to respond to worsening climate change impacts in developing country Parties;

11. *Urges* developed country Parties to urgently and significantly scale up their provision of climate finance, technology transfer and capacity-building for adaptation so as to respond to the needs of developing country Parties as part of a global effort, including for the formulation and implementation of national adaptation plans;

12. *Recognizes* the importance of the adequacy and predictability of adaptation finance, including the value of the Adaptation Fund in delivering dedicated support for adaptation;

13. *Welcomes* the recent pledges made by many developed country Parties to increase their provision of climate finance to support adaptation in developing country Parties in response to their growing needs, including contributions made to the Adaptation Fund and the Least Developed Countries Fund, which represent significant progress compared with previous efforts;

14. *Calls upon* multilateral development banks, other financial institutions and the private sector to enhance finance mobilization in order to deliver the scale of resources needed to achieve climate plans, particularly for adaptation, and *encourages* Parties to continue to explore innovative approaches and instruments for mobilizing finance for adaptation from private sources;

IV. Mitigation

15. *Reaffirms* the long-term global goal to hold the increase in the global average temperature to well below 2 °C above pre-industrial levels and to pursue efforts to limit the temperature increase to 1.5 °C above pre-industrial levels, recognizing that this would significantly reduce the risks and impacts of climate change;
16. *Recognizes* that the impacts of climate change will be much lower at the temperature increase of 1.5 °C compared with 2 °C and *resolves* to pursue efforts to limit the temperature increase to 1.5 °C;
17. *Recognizes* that limiting global warming to 1.5 °C requires rapid, deep and sustained reductions in global greenhouse gas emissions, including reducing global carbon dioxide emissions by 45 per cent by 2030 relative to the 2010 level and to net zero around mid-century as well as deep reductions in other greenhouse gases;
18. *Also recognizes* that this requires accelerated action in this critical decade, on the basis of the best available scientific knowledge and equity, reflecting common but differentiated responsibilities and respective capabilities and in the context of sustainable development and efforts to eradicate poverty;
19. *Invites* Parties to consider further actions to reduce by 2030 non-carbon dioxide greenhouse gas emissions, including methane;
20. *Calls upon* Parties to accelerate the development, deployment and dissemination of technologies, and the adoption of policies, to transition towards low-emission energy systems, including by rapidly scaling up the deployment of clean power generation and energy efficiency measures, including accelerating efforts towards the phasedown of unabated coal power and phase-out of inefficient fossil fuel subsidies, while providing targeted support to the poorest and most vulnerable in line with national circumstances and recognizing the need for support towards a just transition;
21. *Emphasizes* the importance of protecting, conserving and restoring nature and ecosystems, including forests and other terrestrial and marine ecosystems, to achieve the long-term global goal of the Convention by acting as sinks and reservoirs of greenhouse gases and protecting biodiversity, while ensuring social and environmental safeguards;

V. Finance, technology transfer and capacity-building for mitigation and adaptation

22. *Urges* developed country Parties to provide enhanced support, including through financial resources, technology transfer and capacity-building, to assist developing country Parties with respect to both mitigation and adaptation, in continuation of their existing obligations under the Convention, and *encourages* other Parties to provide or continue to provide such support voluntarily;
23. *Notes with concern* the growing needs of developing country Parties, in particular due to the increasing impacts of climate change and increased indebtedness as a consequence of the coronavirus disease 2019 pandemic;
24. *Welcomes* the first report on the determination of the needs of developing country Parties related to implementing the Convention and the Paris Agreement² and the fourth (2020) Biennial Assessment and Overview of Climate Finance Flows³ by the Standing Committee on Finance;
25. *Emphasizes* the need to mobilize climate finance from all sources to reach the level needed to achieve the goals of the Paris Agreement, including significantly increasing support for developing country Parties, beyond USD 100 billion per year;

² See document FCCC/CP/2021/10/Add.2–FCCC/PA/CMA/2021/7/Add.2.

³ See document FCCC/CP/2021/10/Add.1–FCCC/PA/CMA/2021/7/Add.1.

26. *Notes with deep regret* that the goal of developed country Parties to mobilize jointly USD 100 billion per year by 2020 in the context of meaningful mitigation actions and transparency on implementation has not yet been met and *welcomes* the increased pledges made by many developed country Parties and the *Climate Finance Delivery Plan: Meeting the US\$100 Billion Goal*⁴ and the collective actions contained therein;
27. *Urges* developed country Parties to fully deliver on the USD 100 billion goal urgently and through to 2025 and *emphasizes* the importance of transparency in the implementation of their pledges;
28. *Urges* the operating entities of the Financial Mechanism, multilateral development banks and other financial institutions to further scale up investments in climate action and *calls for* a continued increase in the scale and effectiveness of climate finance from all sources globally, including grants and other highly concessional forms of finance;
29. *Re-emphasizes* the need for scaled-up financial resources to take into account the needs of those countries particularly vulnerable to the adverse effects of climate change and in this regard *encourages* relevant multilateral institutions to consider how climate vulnerabilities should be reflected in the provision and mobilization of concessional financial resources and other forms of support, including special drawing rights;
30. *Emphasizes* the challenges faced by many developing country Parties in accessing finance and *encourages* further efforts to enhance access to finance, including by the operating entities of the Financial Mechanism;
31. *Notes* the specific concerns raised with regard to eligibility and ability to access concessional forms of climate finance and *re-emphasizes* the importance of the provision of scaled-up financial resources, taking into account the needs of developing country Parties that are particularly vulnerable to the adverse effects of climate change;
32. *Encourages* relevant providers of financial support to consider how vulnerability to the adverse effects of climate change could be reflected in the provision and mobilization of concessional financial resources and how they could simplify and enhance access to finance;
33. *Acknowledges* the progress made on capacity-building, particularly in relation to enhancing the coherence and coordination of capacity-building activities towards the implementation of the Convention and the Paris Agreement;
34. *Recognizes* the need to continue supporting developing country Parties in identifying and addressing both current and emerging capacity-building gaps and needs, and to catalyse climate action and solutions to respond;
35. *Welcomes* the joint annual reports of the Technology Executive Committee and the Climate Technology Centre and Network for 2020 and 2021⁵ and *invites* the two bodies to strengthen their collaboration;
36. *Emphasizes* the importance of strengthening cooperative action on technology development and transfer for the implementation of mitigation and adaptation action, including accelerating, encouraging and enabling innovation, and the importance of predictable, sustainable and adequate funding from diverse sources for the Technology Mechanism;

VI. Loss and damage⁶

37. *Acknowledges* that climate change has already caused and will increasingly cause loss and damage and that, as temperatures rise, impacts from climate and weather extremes, as

⁴ Available at <https://ukcop26.org/wp-content/uploads/2021/10/Climate-Finance-Delivery-Plan-1.pdf>.

⁵ FCCC/SB/2020/4 and FCCC/SB/2021/5.

⁶ It is noted that discussions related to the governance of the Warsaw International Mechanism for Loss and Damage associated with Climate Change Impacts did not produce an outcome; this is without prejudice to further consideration of this matter.

well as slow onset events, will pose an ever-greater social, economic and environmental threat;

38. *Also acknowledges* the important role of a broad range of stakeholders at the local, national and regional level, including indigenous peoples and local communities, in averting, minimizing and addressing loss and damage associated with the adverse effects of climate change;

39. *Reiterates* the urgency of scaling up action and support, as appropriate, including finance, technology transfer and capacity-building, for implementing approaches to averting, minimizing and addressing loss and damage associated with the adverse effects of climate change in developing country Parties that are particularly vulnerable to these effects;

40. *Urges* developed country Parties, the operating entities of the Financial Mechanism, United Nations entities and intergovernmental organizations and other bilateral and multilateral institutions, including non-governmental organizations and private sources, to provide enhanced and additional support for activities addressing loss and damage associated with the adverse effects of climate change;

41. *Recognizes* the importance of demand-driven technical assistance in building capacity to implement approaches to averting, minimizing and addressing loss and damage associated with the adverse effects of climate change;

42. *Welcomes* the further operationalization of the Santiago network for averting, minimizing and addressing loss and damage associated with the adverse effects of climate change, including the agreement on its functions and process for further developing its institutional arrangements;

43. *Endorses* paragraphs 67–70 and 73–74 of decision 1/CMA.3;⁷

44. *Acknowledges* the importance of coherent action to respond to the scale of needs caused by the adverse impacts of climate change;

45. *Resolves* to strengthen partnerships between developing and developed countries, funds, technical agencies, civil society and communities to enhance understanding of how approaches to averting, minimizing and addressing loss and damage can be improved;

VII. Implementation

46. *Recalls* that the round tables among Parties and non-Party stakeholders on pre-2020 implementation and ambition held in 2018, 2019 and 2020 helped to highlight and enhance understanding of the efforts of and challenges faced by Parties in relation to action and support in the pre-2020 period, as well as of the work of the constituted bodies in that period;

47. *Strongly urges* all Parties that have not yet done so to meet any outstanding pledges under the Convention as soon as possible;

48. *Welcomes* the action taken to unlock the potential for sectoral action to contribute to fulfilling and implementing national targets, particularly in emission-intensive sectors;

49. *Recognizes* the need to take into consideration the concerns of Parties with economies most affected by the impacts of response measures, particularly developing country Parties, in line with Article 4, paragraphs 8 and 10, of the Convention;

50. *Also recognizes* the importance of protecting, conserving and restoring ecosystems to deliver crucial services, including acting as sinks and reservoirs of greenhouse gases, reducing vulnerability to climate change impacts and supporting sustainable livelihoods, including for indigenous peoples and local communities;

51. *Encourages* Parties to take an integrated approach to addressing the issues referred to in paragraph 50 above in national and local policy and planning decisions;

⁷ It is noted that discussions related to the governance of the Warsaw International Mechanism on Loss and Damage associated with Climate Change Impacts did not produce an outcome; this is without prejudice to further consideration of this matter.

52. *Recognizes* the need to ensure just transitions that promote sustainable development and eradication of poverty, and the creation of decent work and quality jobs, including through making financial flows consistent with a pathway towards low greenhouse gas emission and climate-resilient development, including through deployment and transfer of technology, and provision of support to developing country Parties;

VIII. Collaboration

53. *Recognizes* the importance of international collaboration on innovative climate action, including technological advancement, across all actors of society, sectors and regions, in contributing to progress towards the objective of the Convention and the goals of the Paris Agreement;

54. *Recalls* Article 3, paragraph 5, of the Convention and the importance of cooperation to address climate change and support sustainable economic growth and development;

55. *Recognizes* the important role of non-Party stakeholders, including civil society, indigenous peoples, local communities, youth, children, local and regional governments and other stakeholders, in contributing to progress towards the objective of the Convention and the goals of the Paris Agreement;

56. *Welcomes* the improvement of the Marrakech Partnership for Global Climate Action⁸ for enhancing ambition, the leadership and actions of the high-level champions, and the work of the secretariat on the Non-State Actor Zone for Climate Action platform to support accountability and track progress of voluntary initiatives;

57. *Also welcomes* the high-level communiqué⁹ on the regional climate weeks and *encourages* the continuation of regional climate weeks where Parties and non-Party stakeholders can strengthen their credible and durable response to climate change at the regional level;

58. *Welcomes* the informal summary reports by the Chair of the Subsidiary Body for Scientific and Technological Advice on the ocean and climate change dialogue to consider how to strengthen adaptation and mitigation action and on the dialogue on the relationship between land and climate change adaptation related matters;

59. *Invites* Parties to submit views on how to enhance climate action on land under the existing UNFCCC programmes and activities in paragraph 75 of the report on the dialogue on the relationship between land and climate change adaptation related matters referred to in paragraph 58 above and *requests* the Chair of the Subsidiary Body for Scientific and Technological Advice to prepare an informal summary report thereon and make it available to the Conference of the Parties at its twenty-seventh session;

60. *Invites* the relevant work programmes and constituted bodies under the UNFCCC to consider how to integrate and strengthen ocean-based action in their existing mandates and workplans and to report on these activities within the existing reporting processes, as appropriate;

61. *Also invites* the Chair of the Subsidiary Body for Scientific and Technological Advice to hold an annual dialogue, starting at the fifty-sixth session of the Subsidiary Body for Scientific and Technological Advice (June 2022), to strengthen ocean-based action and to prepare an informal summary report thereon and make it available to the Conference of the Parties at its subsequent session;

62. *Urges* Parties to swiftly begin implementing the Glasgow work programme on Action for Climate Empowerment, respecting, promoting and considering their respective obligations on human rights, as well as gender equality and empowerment of women;

63. *Expresses appreciation* for the outcomes of the sixteenth Conference of Youth, organized by the constituency of children and youth non-governmental organizations and

⁸ Available at <https://unfccc.int/sites/default/files/resource/Improved%20Marrakech%20Partnership%202021-2025.pdf>.

⁹ Available at <https://unfccc.int/regional-climate-weeks/rcw-2021-cop26-communique>.

held in Glasgow in October 2021, and the “Youth4Climate2021: Driving Ambition” event hosted by Italy in Milan, Italy, in September 2021;

64. *Urges* Parties and stakeholders to ensure meaningful youth participation and representation in multilateral, national and local decision-making processes, including under the Convention and the Paris Agreement;

65. *Invites* future Presidencies of the Conference of the Parties, with the support of the secretariat, to facilitate the organization of an annual youth-led climate forum for dialogue between Parties and youth in collaboration with the UNFCCC children and youth constituency and other youth organizations with a view to contributing to the implementation of the Glasgow work programme on Action for Climate Empowerment;

66. *Emphasizes* the important role of indigenous peoples’ and local communities’ culture and knowledge in effective action on climate change and *urges* Parties to actively involve indigenous peoples and local communities in designing and implementing climate action and to engage with the second three-year workplan for implementing the functions of the Local Communities and Indigenous Peoples Platform, for 2022–2024;

67. *Expresses its recognition* of the important role observer organizations play, including the nine non-governmental organization constituencies, in sharing their knowledge, and their calls to see ambitious action to meet the objectives of the Convention and in collaborating with Parties to that end;

68. *Encourages* Parties to increase the full, meaningful and equal participation of women in climate action and to ensure gender-responsive implementation and means of implementation, which are vital for raising ambition and achieving climate goals;

69. *Calls upon* Parties to strengthen their implementation of the enhanced Lima work programme on gender and its gender action plan;¹⁰

70. *Takes note* of the estimated budgetary implications of the activities to be undertaken by the secretariat referred to in this decision;

71. *Requests* that the actions of the secretariat called for in this decision be undertaken subject to the availability of financial resources.

*12th plenary meeting
13 November 2021*

¹⁰ See decision 3/CP.25, annex.

Decision 2/CP.26

Report of the Adaptation Committee (for 2019, 2020 and 2021)

The Conference of the Parties,

1. *Welcomes* the work of the Adaptation Committee in 2019, 2020 and 2021 and *takes note* of the Adaptation Committee's 2019, 2020 and 2021 reports;¹
2. *Welcomes* the technical support and guidance provided by the Adaptation Committee for enhancing implementation of adaptation action and support and *underlines* the importance of balanced, clear and relevant recommendations for all workstream activities in its workplans;
3. *Welcomes* the flexible workplan of the Adaptation Committee for 2022–2024;²
4. *Invites* the Adaptation Committee to improve its efforts to measure the outreach of its events and publications by including, in its flexible workplan, the collection of statistics disaggregated by gender and region on its awareness-raising, outreach and information-sharing efforts such as events and publications;
5. *Requests* the Adaptation Committee to resume holding its regular meetings and events in person while offering the option of virtual attendance to ensure inclusive participation, including by observers, while acknowledging the challenges posed by online participation;
6. *Invites* Parties to identify one or more adaptation contact points through their UNFCCC national focal points with a view to enhancing the dissemination of information between Parties and the Adaptation Committee and the Least Developed Countries Expert Group, as well as other relevant organizations and programme partners, such as partners of the Nairobi work programme on impacts, vulnerability and adaptation to climate change, including on Parties' efforts to formulate and implement national adaptation plans;
7. *Recalls* decision 5/CP.22, mandating the review at its twenty-seventh session of the progress, effectiveness and performance of the Adaptation Committee;
8. *Invites* the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement at its fourth session (November 2022), as provided in decision 11/CMA.1, to participate in the review referred to in paragraph 7 above as it relates to the Paris Agreement;
9. *Welcomes* the efforts of Parties that made submissions³ on the progress, effectiveness and performance of the Adaptation Committee and *takes note* of their relevance for the review referred to in paragraph 7 above;
10. *Reiterates* its invitation⁴ to Parties to submit views on the progress, effectiveness and performance of the Adaptation Committee and on the review process, with a view to informing that process, via the submission portal no later than three months prior to the twenty-seventh session of the Conference of the Parties;
11. *Encourages* Parties to make available sufficient resources for the successful and timely implementation of the flexible workplan of the Adaptation Committee for 2022–2024.

*12th plenary meeting
13 November 2021*

¹ FCCC/SB/2019/3, FCCC/SB/2020/2 and FCCC/SB/2021/6.

² FCCC/SB/2021/6, annex.

³ <https://www4.unfccc.int/sites/submissionsstaging/Pages/Home.aspx>.

⁴ See decision 5/CP.22, para. 12.

Decision 3/CP.26

National adaptation plans

The Conference of the Parties,

Recalling decisions 1/CP.16, 3/CP.17, 5/CP.17, 12/CP.18, 18/CP.19, 3/CP.20, 1/CP.21, 4/CP.21, 6/CP.22, 8/CP.24 and 7/CP.25,

Also recalling the objective of the process to formulate and implement national adaptation plans to reduce vulnerability to the impacts of climate change by building adaptive capacity and increasing resilience in developing countries and *recognizing* the role of the process to formulate and implement national adaptation plans in making progress towards the global goal on adaptation,

Taking note of the potential capacity of the Open NAP initiative of the Least Developed Countries Expert Group to accelerate the formulation and implementation of national adaptation plans in the least developed countries and *inviting* other developing countries to take part in this initiative,

Recognizing the continued support of the Adaptation Committee, the Least Developed Countries Expert Group and the secretariat to developing country Parties on the process to formulate and implement national adaptation plans, despite the limitations posed by the coronavirus disease 2019 pandemic and its impacts on the formulation and implementation of national adaptation plans,

1. *Welcomes* the submissions from Albania, Armenia, Cambodia, Kuwait, Nepal, Peru, South Africa, South Sudan, Timor-Leste and Tonga of their national adaptation plans in NAP Central,¹ bringing the total number of submitted national adaptation plans to 30;

2. *Requests* the Subsidiary Body for Implementation, at its sixtieth session (June 2024), to initiate the assessment of progress in the process to formulate and implement national adaptation plans referred to in decision 8/CP.24, paragraph 19, and to make recommendations on this matter for consideration and adoption by the Conference of the Parties at its twenty-ninth session (November 2024);

3. *Decides* on the following actions and steps necessary for the Subsidiary Body for Implementation to initiate the assessment referred to in paragraph 2 above:

(a) Invite Parties and relevant organizations to submit to the secretariat, by 1 February 2024, information on their progress towards the achievement of the objectives of the process to formulate and implement national adaptation plans, as well as on their experience, best practices, lessons learned, gaps and needs, and support provided and received;

(b) Invite Parties to provide information, guided by a questionnaire,² on an ongoing basis through NAP Central;

(c) Request the secretariat to prepare a synthesis report on the progress towards the achievement of the objectives of the process to formulate and implement national adaptation plans, as well as on experience, best practices, lessons learned, gaps and needs, and support provided and received, taking into account information contained in national reports under the Convention, the information referred to in paragraph 3(a–b) above, information from relevant events, including the NAP Expos, and information from other relevant sources;

(d) Request the Least Developed Countries Expert Group, in collaboration with the Adaptation Committee, to organize a meeting of Party experts, at which the report

¹ <https://www4.unfccc.int/sites/NAPC/Pages/national-adaptation-plans.aspx>.

² <https://www4.unfccc.int/sites/NAPC/Pages/assessingprogress.aspx>.

referred to in paragraph 3(c) above would be considered, with a view to providing a summary of progress in the process to formulate and implement national adaptation plans;

(e) Request the Least Developed Countries Expert Group, in collaboration with the Adaptation Committee and with the support of the secretariat, to prepare a report on the meeting referred to in paragraph 3(d) above, for consideration by the Subsidiary Body for Implementation at its sixtieth session in its assessment of progress in the process to formulate and implement national adaptation plans;

4. *Also decides* that the assessment referred to in paragraph 2 above should take into account all the guiding principles of the process to formulate and implement national adaptation plans contained in decision 5/CP.17, paragraph 3;

5. *Requests* the constituted bodies and programmes under the Convention to continue to provide information on their activities relevant to the process to formulate and implement national adaptation plans as part of the annual progress report on national adaptation plans.

*10th plenary meeting
11 November 2021*

Decision 4/CP.26

Long-term climate finance

The Conference of the Parties,

Recalling Articles 4 and 11 of the Convention,

Also recalling decisions 1/CP.16, paragraphs 2, 4 and 97–101, 1/CP.17, 2/CP.17, paragraphs 126–132, 4/CP.18, 3/CP.19, 5/CP.20, 1/CP.21, 5/CP.21, 7/CP.22, 6/CP.23, 3/CP.24, 11/CP.25, paragraph 10, and 5/CMA.2, paragraph 10,

1. *Recalls* the commitment of developed country Parties, in the context of meaningful mitigation actions and transparency on implementation, to a goal of mobilizing jointly USD 100 billion per year by 2020 to address the needs of developing country Parties in accordance with decision 1/CP.16;
2. *Welcomes* the recent pledges made to the Adaptation Fund (totalling USD 356 million) and to the Least Developed Countries Fund (totalling USD 605.3 million);
3. *Notes* the continued efforts of developed country Parties towards reaching the goal of mobilizing jointly USD 100 billion per year by 2020, in the context of meaningful mitigation action and transparency on implementation, in accordance with decision 1/CP.16;
4. *Notes with serious concern* the gap in relation to the fulfilment of the goal of developed country Parties to mobilize jointly USD 100 billion per year by 2020, including due to challenges in mobilizing finance from private sources;
5. *Notes* that a substantial component of climate finance from developed country Parties to developing country Parties is provided through public finance and *urges* developed country Parties to continue to scale up climate finance towards achieving the goal to mobilize jointly USD 100 billion per year by 2020;
6. *Acknowledges* the need to support developing country Parties in implementing the Convention;
7. *Recalls* that, in accordance with decision 1/CP.21, paragraph 53, developed countries reaffirm the continuation of their existing collective mobilization goal through 2025 in the context of meaningful mitigation action and transparency on implementation;
8. *Notes with appreciation* the first report of the Standing Committee on Finance on the determination of the needs of developing country Parties related to implementing the Convention and the Paris Agreement¹ and the fourth (2020) Biennial Assessment and Overview of Climate Finance Flows;²
9. *Notes* recent pledges to increase climate finance, *acknowledges* that some developed country Parties have already doubled their provision of adaptation finance and *requests* other developed country Parties to significantly increase their provision of adaptation finance, including by, as appropriate, considering doubling adaptation finance with the aim of achieving a balance between mitigation and adaptation;
10. *Welcomes* the progress of Parties' efforts to strengthen their domestic enabling environments in order to attract climate finance and *requests* Parties to continue to enhance their enabling environments and policy frameworks to facilitate the mobilization and effective deployment of climate finance in accordance with decision 3/CP.19;³
11. *Emphasizes* the importance of an effective and coherent climate finance landscape in maximizing access to climate finance in meeting the needs and priorities of developing country Parties;
12. *Requests* the Standing Committee on Finance to continue its work on definitions of climate finance, taking into account the submissions received from Parties on this matter,

¹ See document FCCC/CP/2021/10/Add.2–FCCC/PA/CMA/2021/7/Add.2.

² See document FCCC/CP/2021/10/Add.1–FCCC/PA/CMA/2021/7/Add.1.

³ See decision 3/CP.24, para. 7.

with a view to providing input for consideration by the Conference of the Parties at its twenty-seventh session (November 2022);

13. *Also requests* the Standing Committee on Finance to undertake further work on mapping the available information relevant to Article 2, paragraph 1(c), of the Paris Agreement, including its reference to Article 9 thereof, with a view to providing input for consideration by the Conference of the Parties at its twenty-seventh session;

14. *Notes* the biennial submissions received to date from developed country Parties on updated strategies and approaches for scaling up climate finance from 2014 to 2020 in accordance with decision 3/CP.19, paragraph 10, and *takes note* of the compilation and synthesis thereof;⁴

15. *Notes* the summary reports on the 2019 and 2020 in-session workshops on long-term climate finance,⁵ in particular discussions on progress in mobilizing and scaling up climate finance held by the Presidency of the Conference of the Parties at its twenty-sixth session, and *invites* Parties and relevant institutions to consider the key messages contained therein;

16. *Notes with appreciation* the note by the Presidency of the twenty-fourth session of the Conference of the Parties on the third biennial high-level ministerial dialogue on climate finance,⁶ particularly the key messages contained therein;

17. *Welcomes* the deliberations at the fourth high-level ministerial dialogue on climate finance and *looks forward* to the summary to be prepared by the Presidency of the Conference of the Parties at its twenty-sixth session;

18. *Decides* that continued discussions on long-term climate finance will conclude in 2027;

19. *Requests* the Standing Committee on Finance to prepare a report in 2022 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, taking into account the Climate Finance Delivery Plan⁷ and other relevant reports, for consideration by the Conference of the Parties at its twenty-seventh session, and to continue to contribute to assessing the achievement of the goal in the context of the preparation of its biennial assessment and overview of climate finance flows;

20. *Decides* to convene biennial high-level ministerial dialogues on climate finance in 2022, 2024 and 2026 and *requests* the Presidency of the Conference of the Parties to summarize the deliberations at the dialogues for consideration by the Conference of the Parties in the year thereafter;

21. *Invites* the Presidency of the twenty-seventh session of the Conference of the Parties to organize the high-level ministerial dialogue on climate finance in 2022 on the progress and fulfilment of the goal of mobilizing jointly USD 100 billion per year by 2020;

22. *Reiterates* that the secretariat, in collaboration with the operating entities of the Financial Mechanism, United Nations agencies and bilateral, regional and other multilateral channels, will continue to explore ways and means to assist developing country Parties in assessing their needs and priorities in a country-driven manner, including their technological and capacity-building needs, and in translating climate finance needs into action;⁸

23. *Takes note* of the estimated budgetary implications of the activities to be undertaken by the secretariat referred to in paragraphs 20 and 22 above;

24. *Requests* that the actions of the secretariat called for in this decision be undertaken subject to the availability of financial resources.

*12th plenary meeting
13 November 2021*

⁴ FCCC/CP/2019/INF.1.

⁵ FCCC/CP/2019/4 and FCCC/CP/2021/6.

⁶ FCCC/CP/2019/7.

⁷ See <https://ukcop26.org/wp-content/uploads/2021/10/Climate-Finance-Delivery-Plan-1.pdf>.

⁸ See decision 6/CP.23, para. 10.

Decision 5/CP.26

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, and 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 and 5/CMA.2,

Taking note of decision 10/CMA.3,

1. *Welcomes* the 2020 and 2021 reports of the Standing Committee on Finance;¹

I. Fourth (2020) Biennial Assessment and Overview of Climate Finance Flows

2. *Welcomes* the fourth (2020) Biennial Assessment and Overview of Climate Finance Flows of the Standing Committee on Finance,² in particular the summary,³ and *endorses* its key findings, as contained in annex I;

3. *Notes* that global climate finance flows were 16 per cent higher in 2017–2018 than in 2015–2016, reaching an annual average of USD 775 billion; the 2017–2018 annual average of public financial support reported by Parties included in Annex II to the Convention in their biennial reports⁴ (USD 48.7 billion) represents an increase of 2.7 per cent from the annual average reported for 2015–2016; the annual average of climate finance from multilateral development banks' own resources to developing countries and emerging economies (USD 36.6 billion) represents a 50 per cent increase since 2015–2016; and UNFCCC funds and multilateral climate funds approved USD 2.2 billion and USD 3.1 billion for climate finance projects in 2017 and 2018, respectively;

4. *Welcomes* the improved granularity of data in the fourth (2020) Biennial Assessment and Overview of Climate Finance Flows and *encourages* developed country Parties and climate finance providers, as well as multilateral and financial institutions, private finance providers and other relevant institutions, to continue to enhance the availability of granular, country-level data on mitigation and adaptation finance;

5. *Calls upon* developed country Parties and other climate finance providers to continue to enhance the harmonization of methodologies for tracking and reporting climate finance provided and mobilized;

6. *Recognizes* the fact that there is no multilaterally agreed definition of climate finance, *notes* the submissions received in response to decisions 11/CP.25 and 5/CMA.2, which highlighted that some Parties noted how the lack of a common definition impacts the ability to track and assess climate finance, while other Parties mentioned that a single definition would not be useful, and *also notes* that the operational definitions in use generally reflect a common understanding of what is considered mitigation and adaptation finance;

7. *Requests* the Standing Committee on Finance to continue its work on definitions of climate finance, taking into account the submissions received from Parties on this matter, with a view to providing input for consideration by the Conference of the Parties at its twenty-seventh session (November 2022);

¹ FCCC/CP/2020/4–FCCC/PA/CMA/2020/3 and FCCC/CP/2021/10–FCCC/PA/CMA/2021/7.

² Standing Committee on Finance. 2021. *Fourth (2020) Biennial Assessment and Overview of Climate Finance Flows*. Bonn: UNFCCC. Available at https://unfccc.int/sites/default/files/resource/54307_1%20-%20UNFCCC%20BA%202020%20-%20Report%20-%20V4.pdf.

³ FCCC/CP/2021/10/Add.1–FCCC/PA/CMA/2021/7/Add.1.

⁴ Reports submitted as at October 2020.

8. *Invites* the operating entities of the Financial Mechanism and other institutions providing climate finance to consider the operational definitions of climate finance of the Standing Committee on Finance with a view to ensuring that finance provided addresses the needs of developing country Parties, while respecting their existing policies;
9. *Welcomes* the mapping of the information relevant to Article 2, paragraph 1(c), of the Paris Agreement in the fourth (2020) Biennial Assessment and Overview of Climate Finance Flows and *takes note* of the key findings of the report, including that banks representing over USD 37 trillion in assets and institutional investors with USD 6.6 trillion in assets have pledged to align their lending and investments with net zero emissions by 2050;
10. *Encourages* Parties to ensure that just transition financing is incorporated into approaches to align climate action with the goals of the Paris Agreement;

II. First report on the determination of the needs of developing country Parties related to implementing the Convention and the Paris Agreement

11. *Welcomes* the first report on the determination of the needs of developing country Parties related to implementing the Convention and the Paris Agreement⁵ of the Standing Committee on Finance, in particular the executive summary,⁶ and *endorses* its key findings and recommendations, as contained in annex II;
12. *Notes* that nationally determined contributions from 153 Parties included 4,274 needs, with 1,782 costed needs identified across 78 nationally determined contributions, cumulatively amounting to USD 5.8–5.9 trillion up until 2030, and that, although developing country Parties identified more adaptation needs than mitigation needs, more costs were identified for the latter, which may not imply that mitigation needs are greater but rather that there is a lack of available data, tools and capacity for assessing adaptation needs;
13. *Also notes* that the first report on the determination of the needs of developing country Parties related to implementing the Convention and the Paris Agreement is the first of its kind, with important areas that will need to be further developed;
14. *Further notes* that the first report on the determination of the needs of developing country Parties related to implementing the Convention and the Paris Agreement does not fully cover the needs and costs of developing countries and all regions as a result of limited availability of information and *acknowledges* that financial and technical support will enhance developing countries' abilities to update the reporting of qualitative and quantitative information and data on their needs;
15. *Expresses its concern* that the first report on the determination of the needs of developing country Parties related to implementing the Convention and the Paris Agreement does not have disaggregated data for small island developing States;
16. *Emphasizes* that there is a particular challenge in deriving cost estimates for climate adaptation and enhancing resilience needs and, in this context, deriving cost estimates for averting, minimizing and addressing loss and damage needs;
17. *Encourages* developing country Parties to consider the insights into methodologies identified in the first report on the determination of the needs of developing country Parties related to implementing the Convention and the Paris Agreement when costing and determining needs;
18. *Invites* the operating entities of the Financial Mechanism, United Nations agencies, multilateral and bilateral financial institutions, and other relevant institutions to make use of

⁵ Standing Committee on Finance. 2021. *First report on the determination of the needs of developing country Parties related to implementing the Convention and the Paris Agreement*. Bonn: UNFCCC. Available at <https://unfccc.int/topics/climate-finance/workstreams/determination-of-the-needs-of-developing-country-parties/first-report-on-the-determination-of-the-needs-of-developing-country-parties-related-to-implementing>.

⁶ FCCC/CP/2021/10/Add.2–FCCC/PA/CMA/2021/7/Add.2.

the information contained in the first 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;

19. *Requests* the Standing Committee on Finance, in preparing future reports on the determination of the needs of developing country Parties related to implementing the Convention and the Paris Agreement, to continue to reach out to developing country Parties and relevant developing country stakeholders when generating data and information on needs;

III. Report of the Standing Committee on Finance

20. *Expresses its appreciation* to the Governments of Belgium, Japan and Norway and to the European Commission for their financial contributions to support the work of the Standing Committee on Finance;

21. *Endorses* the workplan of the Standing Committee on Finance for 2022⁷ and *underlines* the importance of the Standing Committee on Finance focusing its work in 2022 in accordance with its current mandates;

22. *Endorses* the outline of the technical report of the fifth Biennial Assessment and Overview of Climate Finance Flows of the Standing Committee on Finance and *underscores* that this report will continue to contribute to assessing the achievement of the goal of mobilizing jointly USD 100 billion per year by 2020 in the context of meaningful mitigation action and transparency on implementation, in accordance with decision 1/CP.16;⁸

23. *Notes* the high-level summary report of the first part of the 2021 Forum of the Standing Committee on Finance on finance for nature-based solutions carried out in a hybrid format on 15 and 16 October 2021 and *requests* the Standing Committee on Finance to organize the second part of the Forum in 2022, subject to health and safety considerations arising from the coronavirus disease 2019 pandemic;

24. *Notes* that the Standing Committee on Finance was not able to produce draft guidance to the operating entities of the Financial Mechanism and that it has not agreed on recommendations from the fourth (2020) Biennial Assessment and Overview of Climate Finance Flows, and in this regard *requests* the Committee to improve its working modalities;

25. *Notes with appreciation* the efforts of the Standing Committee on Finance in enhancing engagement with stakeholders in the context of its workplan;

26. *Encourages* the Standing Committee on Finance to continue to enhance its efforts towards ensuring gender-responsiveness in implementing its workplan;

27. *Requests* the Standing Committee on Finance to report to the Conference of the Parties at its twenty-seventh session on its progress in implementing its 2022 workplan;

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

⁷ FCCC/CP/2021/10–FCCC/PA/CMA/2021/7, annex II.

⁸ FCCC/CP/2021/10/Add.5–FCCC/PA/CMA/2021/7/Add.5.

Annex I*

Summary by the Standing Committee on Finance of the fourth (2020) Biennial Assessment and Overview of Climate Finance Flows

[English only]

I. Context and mandates

1. The SCF assists the COP in exercising its functions with respect to the Financial Mechanism of the Convention, including in terms of measurement, reporting and verification of support provided to developing country Parties, through activities such as the BA. The SCF also serves the Paris Agreement in line with its functions and responsibilities established under the COP, including the BA.¹
2. Since the first BA in 2014, the preparation of subsequent BAs has been guided by mandates from the COP and the CMA to the SCF.²
3. **The fourth (2020) BA presents an updated overview and trends in climate finance flows up until 2018 and assesses their implications for international efforts to address climate change.** The fourth BA includes an overview of climate finance flows from developed to developing countries,³ and available information on domestic climate finance, cooperation among developing countries and other climate-related flows that constitute global climate finance. It assesses the key features of climate finance flows, including their composition and purposes, and explores insights into their effectiveness, access to finance, country ownership, and alignment with the needs and priorities of beneficiaries, as well as their magnitude in the context of broader flows. In addition, it provides information on recent developments on methodological issues related to the tracking of climate finance at the international and domestic level, operational definitions of climate finance in use and new indicators for measuring the impact of climate finance.
4. **The fourth (2020) BA includes mapping of information relevant to the long-term goal outlined in Article 2, paragraph 1(c), of the Paris Agreement on making finance flows consistent with a pathway towards low GHG emission and climate-resilient development.** The fourth BA provides the first mapping exercise, to be conducted every four years, to identify the latest actions and activities of different actors related to making finance flows consistent with low GHG emission and climate-resilient development pathways, including national Governments, development finance institutions, central banks and regulators, multilateral finance institutions, and climate funds, as well as private sector actors such as corporations, banks and investors. Information produced by United Nations entities and initiatives, and under other multilateral processes, as well as the perspective of civil society organizations and the academic community, was also explored. Emerging methodologies, indicators and data sets to support tracking the consistency of finance flows are also discussed in respective chapters of the technical report (see para. 5 below).
5. The fourth BA comprises this summary, prepared by the SCF, and a technical report, prepared by experts under the guidance of the SCF drawing on information and data from a

* For a list of acronyms and abbreviations, see document FCCC/CP/2021/10/Add.1–FCCC/PA/CMA/2021/7/Add.1.

¹ Decisions 2/CP.17, para. 121(f); and 1/CP.21, para. 63.

² Decisions 1/CP.18, para. 71; 5/CP.18, para. 11; 3/CP.19, para. 11; 8/CP.22, annex, para. 37(f); 4/CP.24, paras. 4, 5, and 10; and 19/CMA.1, para. 36(d).

³ 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 Annex II/Annex I Parties, non-Annex I Parties and MDBs; OECD members and non-OECD members; OECD DAC members and countries eligible for OECD DAC official development assistance; and other relevant classifications.

range of sources. It was subject to extensive stakeholder input and expert review, but remains a product of the external experts.

II. Challenges and limitations

6. The fourth BA provides an updated overview of climate finance flows in 2017–2018, along with data on trends in 2011–2016 compiled from previous BA reports where applicable. Due diligence has been undertaken to use the best information available from the most credible sources. In compiling estimates, efforts have been made to ensure that they are based on activities in line with the convergence of operational definitions of climate finance identified in the first BA and to avoid double counting by focusing on primary finance, which is finance for a new physical item or activity. Challenges were nevertheless encountered in collecting, aggregating and analysing information from diverse sources.

7. **Data uncertainty:** Most of the uncertainties associated with each source of data which have different underlying causes identified in the previous BAs persist, although there have been some improvements. Uncertainties relating to the data on domestic public investments result from the lack of geographical coverage and differences in the way tracking methods are applied, as well as significant changes in the methods used for estimating investment in energy efficiency and sustainable transport over time. Uncertainties also arise from the lack of transparency of data for determining private climate finance; the methods used for estimating adaptation finance; differences in the assumptions used in underlying formulas for attributing finance from MDBs to developed countries; the classification of sustainable or green finance; and the incomplete data on non-concessional finance flows.

8. **Data gaps:** Significant gaps in the coverage of sectors and sources of climate finance remain, particularly with regard to private investment, and adaptation and resilience. While estimates of incremental investment in energy efficiency have improved, understanding of the public and private sources of finance and the financial instruments used remains inadequate. For data on sustainable transport, efforts have been made to improve coverage of public and private investment in electric vehicles and charging infrastructure. However, high-quality data on private investments in sustainable agriculture, forestry and land use, water, waste, and adaptation and resilience are particularly lacking. Specifically, adaptation finance estimates, which are context-specific and incremental, are difficult to compare with mitigation finance estimates, and more work is needed on estimating climate-resilient investments.

9. In relation to mapping information relevant to Article 2, paragraph 1(c), of the Paris Agreement, the lack of a common interpretation of or guidelines on what information qualifies as relevant presents a challenge in adequately capturing the scope and depth of related action. For the fourth BA an actor-specific mapping approach was adopted, as opposed to focusing on particular financial instruments, asset classes, or categories of action, in order to capture what financial sector actors consider to be relevant information on activities to be consistent with or align with the goals of the Paris Agreement. Such mapping may be non-exhaustive and limited in terms of representation across geographic areas and sectors. It may also obscure the role of actors that work across multiple categories. Given that a significant amount of information considered relevant is to be derived from multiple-member initiatives and coalitions, due to potential benefits of network effects, focusing on these groups may limit the mapping of information from individual cases that may be considered best practice or leading examples. Furthermore, there is a limited track record and limited in-depth information related to implementing activities consistent with or that align with the Paris Agreement that might enable a thorough assessment of their effectiveness, and therefore their relevance, in achieving the goal outlined in Article 2, paragraph 1(c).

10. The limitations outlined above need to be taken into consideration when deriving conclusions and policy implications from the fourth BA. The SCF will continue to contribute, through its activities, to the progressive improvement of the measurement, reporting and verification of climate finance in future BAs, to help address these challenges.

III. Key findings

A. Methodological issues related to transparency of climate finance

11. **Improvements in the consistency of reporting on climate finance under the Convention are observed.** Progress regarding the consistency of climate finance reporting was observed in the BR4 common tabular format submissions from Annex II Parties and the provision of qualitative information in the documentation boxes of those tables or in the BRs. One improvement relates to the reporting by type of support, with Parties reporting only on mitigation, adaptation and cross-cutting categories, without including other types of support. Nevertheless, improvements in aggregating geographic or sector-based information remains limited owing to differences in the approaches used by Parties and the functionality of the reporting system to allow differences in reporting. Several Parties referred to ongoing work to resolve challenges related to reporting on private finance mobilized by public interventions.

12. Data coverage and granularity of reporting on climate finance received in the BURs of non-Annex I Parties has improved since the previous BA. Nineteen Parties have submitted a BUR for the first time since the previous BA, in addition to a further 27 Parties submitting second or third BURs. The proportion of BURs that include information on finance received rose from approximately 60 per cent in 2014 to over 90 per cent in 2019–2020. A total of 41 Parties have provided quantitative information on climate finance received at the project or activity level in tabular format. Many differences remain in the approaches Parties used for reporting, including time periods of reported data and information on types of support, sectors and financial instruments. Several Parties included additional information in their second and third BURs on whether a project is linked to capacity-building, technology development and transfer, or technical assistance.

13. **Availability of domestic public climate finance data is increasing, with more countries establishing climate budget tagging systems.** Notable improvements were observed in the tracking of domestic climate-related public or private finance flows, with the issuance of green sovereign bonds incentivizing the establishment of regular tracking systems in both developed and developing countries, building on previous work through CPEIRs. Thirteen countries have established tracking systems for national budgets, with a further five countries developing tracking methodologies. In total, estimates of domestic public expenditures on climate change in 2017–2018 amount to approximately USD 86.6 billion (see chap. III.B below).

14. **Operational definitions of climate finance in use generally reflect a common understanding of what is considered mitigation or adaptation finance, but differ on the details of sector-specific activities, certain financial instruments and approaches to public and private finance flows.** Operational definitions of climate finance in use have evolved over time. The MDB list of activities eligible for classification as mitigation finance includes charging stations for electric vehicles and hydrogen or biofuel fuelling since 2017 and resource efficiency in aquaculture since 2018, while OECD DAC integrated adjustments to adaptation finance eligibility criteria in 2016 to harmonize with a stepwise approach developed by MDBs.

15. The lists of climate mitigation activities developed by MDBs have served in part to inform green or climate-aligned taxonomies in recent years to support the development of the green bond market and/or regulatory efforts in the field of sustainable finance to combat greenwashing and promote the standardization of financial products. Approaches to defining mitigation and adaptation activities are broadly consistent across various international organizations and regulatory initiatives, although inclusion and exclusion lists and approaches to the criteria used to define such activities can vary.

16. Parties' submissions on operational definitions of climate finance in use highlighted a range of views on the need for, and on the form and scope of, a common definition of climate finance. Some Parties noted that a single definition would not be useful, or should be broad enough to cater for the dynamic and evolving nature of climate finance due to a variety of factors, including NDCs and implementation of the enhanced transparency framework

over time, ways of tracking progress related to Article 2, paragraph 1(c), of the Paris Agreement, and changes in methodologies and definitions for mitigation and adaptation due to data availability or improvements in processes and knowledge.

17. Some Parties pointed to the use of a classification system or taxonomy rather than a single definition and referred to the development of taxonomies or classifications outside the UNFCCC process or within national sustainable finance frameworks.

18. Other Parties noted how the lack of a common definition affects the ability to track and assess the fulfilment of the obligations of Annex II Parties under the Convention and those of developed country Parties under the Paris Agreement. A common definition could support the preparation of the BA and the overall transparency and effectiveness of the UNFCCC process by highlighting the link between the level of action of developing countries and the level of support provided and, ultimately, the achievement of the objectives of the Convention and the Paris Agreement. In this context, two submissions included a proposal for an operational definition of climate finance, while other submissions included a proposal for an operational approach to achieving greater convergence among definitions over time, based either on common principles or responses to a common set of questions to provide granular information.

19. **More methodologies on measuring outcomes of financing for climate resilience have emerged in recent years.** Many multilateral institutions are in the process of developing or have already developed frameworks for measuring impacts, with an increasing focus on adaptation and resilience, such as the Resilience Rating System by the World Bank Group and the Climate Resilience Metrics Framework by MDBs and IDFC. Although approaches to measuring impacts of climate finance vary, most multilateral institutions, as well as bilateral contributors, use a similar set of mitigation and adaptation indicators.

20. **There are four common decision points identified in emerging methodologies and metrics in use for tracking consistency with low GHG emission and climate-resilient development pathways.** As with tracking climate finance, emerging methodologies relevant to tracking consistency with the long-term goal under Article 2, paragraph 1(c), of the Paris Agreement also need to overcome issues related to definitions, the scope or boundary of tracking, data availability and comparability.

21. Methods differ as to the type of finance flows, stocks and services tracked (primary or secondary markets) and the ways of measuring consistency (e.g. on the basis of GHG emissions, emissions intensity metrics or technology choices). However, the four common decision points are:

(a) Identifying a given pathway to low GHG emission and climate-resilient development against which the consistency of actions will be measured. Different pathways may be chosen relative to their consistency with low GHG emission development and mitigation goals, and to their consistency with climate-resilient development and adaptation or resilience goals. Pathways may result in compatible activity lists or performance metrics against which to measure action. In addition, the timescale used to measure consistency is important. This could be, for example, within 5 or 10 years, or by a given year, such as 2050;

(b) Reviewing the activities and actions to be tracked (e.g. investments, economic activities such as production and sales or purchasing of goods and services, policymaking, legislation and voluntary standards) that the stakeholder undertakes, which is relevant to whether the pathway will be achieved;

(c) Understanding which finance flows that go towards realizing the activities and actions should be tracked by the stakeholder;

(d) Identifying which key metrics to use to assess whether finance flows and related processes result in activities and actions that are consistent with the given pathway identified during the review.

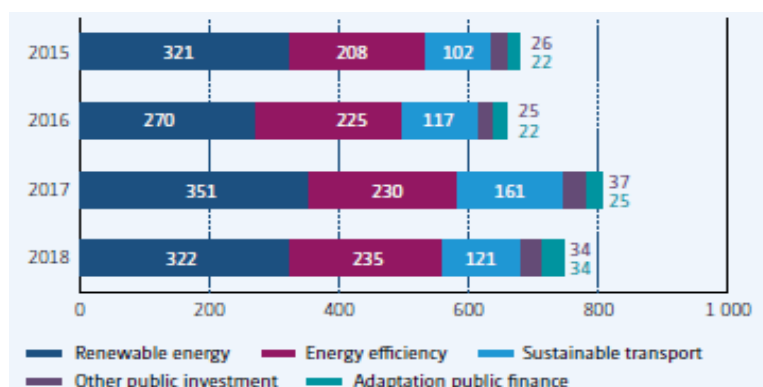
B. Overview of climate finance flows in 2017–2018

22. **Global climate finance flows were 16 per cent higher in 2017–2018 than in 2015–2016, reaching an annual average of USD 775 billion and achieving significantly higher results, particularly in renewable energies.** High-bound climate finance estimates increased from USD 692 billion in 2016 to USD 804 billion in 2017 and USD 746 billion in 2018, for an annual average of USD 775 billion in 2017–2018. The growth in 2017 was driven largely by an increase in new private investment in renewable energy as a result of decreasing technology costs, while the decline in 2018 was due primarily to a slowdown in wind and solar investment in major markets. Figure 1 provides a breakdown of global climate finance flows in 2015–2018 by sector, and figure 2 provides an overview of global climate finance and finance flows in 2017–2018 from developed to developing countries.

Figure 1

Global climate finance flows in 2015–2018

(Billions of United States dollars)



23. **Continued decreases in renewable energy technology costs mean new investment goes further.** Renewable energy technology costs continued to decline in 2017–2018 compared with those in 2015–2016, with a 29 per cent decrease for solar photovoltaics, an 18 per cent decrease for offshore wind and a 10 per cent decrease for onshore wind, emphasizing how greater impacts are achieved for each new dollar of investment. In 2018, 100 per cent more renewable energy capacity was commissioned than in 2012 with only a 22 per cent increase in investment.

24. For the fourth BA, several new data sources have been used to track climate finance in areas that were not previously included, such as electric vehicle charging infrastructure, transport, water, waste and municipal investments. Where possible, the data have been integrated in the time series retroactively to allow for trend comparisons.

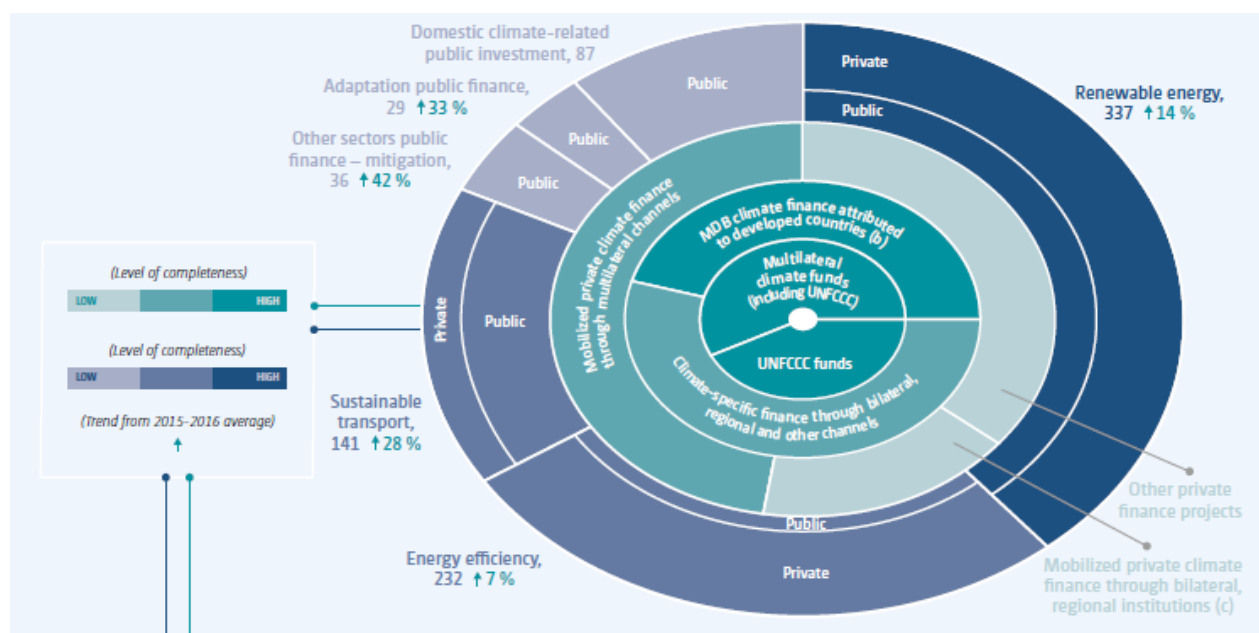
25. **Climate finance from developed to developing countries increased through various channels.** Total public financial support reported by Annex II Parties in their BRs submitted (as at October 2020) amounted to USD 45.4 billion in 2017 and USD 51.8 billion in 2018. The annual average (USD 48.7 billion) represents an increase of 2.7 per cent from the annual average reported for 2015–2016. Climate-specific financial support, which accounts for up to three fourths of the financial support reported in the BRs, increased by 13 per cent on a comparable basis to an annual average of USD 36.3 billion. Most climate-specific financial support was reported through bilateral, regional and other channels, with USD 28.1 billion in 2017 and USD 31.8 billion in 2018.

26. Mitigation finance constitutes the largest share of climate-specific financial support through bilateral channels at 64 per cent. However, the share of adaptation finance increased from 15 per cent in 2015–2016 to 21 per cent in 2017–2018 as it grew at a higher rate than mitigation finance.

27. UNFCCC funds and multilateral climate funds approved USD 2.2 billion and USD 3.1 billion for climate finance projects in 2017 and 2018, respectively. The annual average for 2017–2018 (USD 2.7 billion) represents an increase of approximately 39 per cent compared with those in 2015–2016, owing primarily to increases in project approvals by the

GCF Board and the GEF Council. In terms of inflows to the operating entities of the Financial Mechanism, the seventh replenishment of the GEF resulted in USD 4.1 billion in pledges and USD 802 million allocated to the climate change focal area, compared with USD 4.4 billion in total pledges and USD 1.26 billion allocated to the climate change focal area in the sixth replenishment. The first replenishment of the GCF pledging conference in 2019 amounted to USD 9.8 billion, compared with USD 10.2 billion from the initial resource mobilization pledging conference in 2014.

Figure 2
Climate finance flows in 2017–2018
 (Billions of United States dollars, annualized)



		2017	2018	Sources of data and relevant section of technical report
Global total flows	Renewable energy	351.4	322.4	Section 2.2.2 CPI 2020 based on multiple sources
	Public	66.5	51.4	
	Private	284.9	271.0	
	Energy efficiency	229.9	234.6	Section 2.2.3 IEA Energy Efficiency Market Reports/CPI
	Public	35.7	32.3	
	Private (a)	194.2	202.3	
	Sustainable transport	160.5	120.5	Section 2.2.4 IEA World Energy Investment Reports/ CPI 2020 based on multiple sources
	Public	118.1	70.9	
Private	42.4	49.7		
Other sectors public finance – mitigation	37.4	34.4	Section 2.2.5 (see notes) CPI 2020 based on multiple sources	
Adaptation public finance	24.7	34.1	Section 2.2.6 CPI 2020 based on multiple sources	
Domestic climate-related public investment	86.7	86.7	Section 2.3 BURs, CPEIRs, I4CE, IDB, UNDP, various government reports	
Flows to non-Annex I Parties	UNFCCC funds	1.5	2.4	Section 2.5.2
	Multilateral climate funds (including UNFCCC)	2.2	3.1	Fund financial reports, CFU
	Climate-specific finance through bilateral, regional and other channels	28.1	31.8	Section 2.5.1 Annex II Party BRs
	MDB climate finance attributed to developed countries (b)	24.1	25.8	Section 2.5.2 OECD 2020a
	Mobilized private climate finance through multilateral channels	10.8	10.8	Section 2.5.4 OECD 2020a
	Mobilized private climate finance through bilateral, regional institutions (c)	3.7	3.8	
	Other private finance projects	5.3	11.0	Section 2.5.4 CPI 2020 based on multiple sources

Notes: (1) Value discounts transport energy efficiency estimates by 8.5 per cent to account for overlap with electric vehicle estimates, same as in previous years. (2) From Annex II to non-Annex I Parties. Values derived from calculating attributed shares of Annex II Parties per MDB multiplied by the climate finance provided to non-Annex I Parties from MDBs’ own resources. (3) Estimates include private finance mobilized through public interventions from developed countries.

28. MDBs provided USD 34 billion and USD 42 billion in climate finance from their own resources to developing and emerging economies in 2017 and 2018, respectively. The annual

average (USD 36.6 billion) represents a 50 per cent increase since 2015–2016. The attribution of these flows to developed countries is calculated at between USD 23.3 billion to USD 24.1 billion in 2017 and USD 25.8 billion to 28.0 billion in 2018.

29. The uncertainty of the data on the geographic sources and destinations of private finance flows to developing countries remains significant. OECD estimates that private climate finance mobilized by developed countries through bilateral and multilateral channels amounted to USD 14.5 billion in 2017 and USD 14.6 billion in 2018.

30. Information on the recipients of climate finance remains limited. The increase in BUR submissions from non-Annex I Parties has resulted in a greater amount of information on finance received than for previous BAs. However, time lags in data availability for reporting make it difficult to provide updated or complete information on finance received in 2017–2018. Of the 63 Parties that had submitted BURs as at December 2020, 28 included some information on climate finance received in 2017 or 2018. In total, USD 7.8 billion was reported as received for projects starting in 2017 and USD 2 billion for projects starting in 2018. A total of 23 Annex II Parties included information on recipients of finance at either the country or project level in their BR4s.

31. **South–South climate finance flows have increased, but data availability and coverage remain limited.** While data availability and coverage of climate finance flows between developing countries remain limited, it is a growing area of global climate finance flows. Several countries voluntarily report to standardized reporting systems such as OECD DAC. Up to 20 development finance institutions that are IDFC members are based in non-OECD countries, and MDBs led by developing countries such as the Asian Infrastructure Development Bank and the New Development Bank continue to increase finance flows. Estimates of South–South climate finance flows amounted to USD 17.8 billion to USD 18.0 billion in 2017 and USD 18.0 billion to USD 18.2 billion in 2018.

C. Assessment of climate finance flows

32. Trends in public concessional climate finance, including bilateral flows, multilateral climate funds and funds from MDBs, point to increasing flows towards developing countries from multilateral sources, while bilateral climate finance flows have stagnated.

33. **Support for mitigation remains greater than support for adaptation.** Adaptation finance has remained at between 20 and 25 per cent of committed concessional finance across all sources (noting measurement differences), showing little movement since the previous BA (see the table below). However, the continued rise in public climate finance flows contributing towards both adaptation and mitigation complicates this assessment. The rise is most obvious in flows from multilateral climate funds and through bilateral channels. While the GCF allocates climate finance for projects in this cross-cutting category to adaptation or mitigation, not all institutions do so in their programming or reporting. This makes it more difficult to track progress in scaling up adaptation finance and ultimately achieving balance between finance for adaptation and mitigation objectives.

34. **Grants continue to be a key instrument for adaptation finance.** In 2017–2018 grants accounted for 64 and 94 per cent of the face value of bilateral adaptation finance reported to OECD and of adaptation finance from multilateral climate funds, respectively (see the table below). During the same period, 9 per cent of adaptation finance flowing through MDBs was grant-based. These figures indicate no change since 2015–2016. Mitigation finance remains less concessional in nature, with 30 per cent of bilateral flows, 29 per cent of multilateral climate fund approvals and 3 per cent of MDB investments taking the form of grants. These figures, however, may not fully capture the added value brought by combining different types of financial instruments, or technical assistance with capital flows, which can often lead to greater innovation or more sustainable implementation.

Characteristics of international public climate finance flows in 2017–2018

	Annual average (USD billion)	Area of support				Financial instrument		
		Adaptation	Mitigation	REDD+ ^a	Cross-cutting	Grants	Concessional loans	Other
Multilateral climate funds ^b	2.7	20%	48%	5%	27%	53%	40%	8%
Bilateral climate finance ^c	29.9	21%	65%	–	15%	64%	36%	<1%
MDB climate finance ^d	39.2	25%	75%	–	–	5%	75%	20%

Note: All values based on approvals and commitments.

^a In decision 1/CP.16, para. 70, the Conference of the Parties encouraged developing country Parties to contribute to mitigation actions in the forest sector by undertaking the following activities: reducing emissions from deforestation; reducing emissions from forest degradation; conservation of forest carbon stocks; sustainable management of forests; and enhancement of forest carbon stocks.

^b Including: Adaptation for Smallholder Agriculture Programme, Adaptation Fund, Bio Carbon Fund, Clean Technology Fund, Forest Carbon Partnership Facility, Forest Investment Program, Global Climate Change Alliance, GCF, GEF Trust Fund, Least Developed Countries Fund, Partnership for Market Readiness, Pilot Programme for Climate Resilience, Scaling Up Renewable Energy Program, Special Climate Change Fund and United Nations Collaborative Programme on Reducing Emissions from Deforestation and Forest Degradation in Developing Countries.

^c Bilateral climate finance data are sourced from Annex II Parties' BRs (that further include regional and other channels) for the annual average and thematic split. The financial instrument data are taken from data from OECD DAC, referring only to concessional flows of climate-related development assistance reported by OECD DAC members. In section C of the summary and chap. III of the technical report, "bilateral finance" refers only to concessional flows of climate-related development assistance reported by OECD DAC members.

^d The annual average and thematic split of MDBs includes their own resources only, while the financial instrument data include data from MDBs and from external resources, owing to the lack of data disaggregation.

35. With regard to the geographic distribution of public concessional climate finance, Asia remains the principal beneficiary region. In 2017–2018 the region received on average 30 per cent of funding commitments from bilateral flows, multilateral climate funds and MDBs. Sub-Saharan Africa received an average of 24 per cent of commitments across the sources in the same period, followed by Latin America and the Caribbean with 17 per cent and the remainder going to the Middle East and North Africa; Central, Eastern and South-Eastern Europe; the South Caucasus; and Central Asia.

36. The LDCs and SIDS are particularly vulnerable to the adverse effects of climate change. Article 9 of the Paris Agreement emphasizes the importance of the provision of scaled-up financial resources to these countries. In 2017–2018 funding committed to projects in the LDCs represented 22 per cent of bilateral flows and 24 per cent of finance approved through multilateral climate funds. Funding committed to SIDS represented 2 per cent of bilateral finance and 10 per cent of finance approved through multilateral climate funds. Of the finance provided to the LDCs and SIDS, the amount targeting adaptation fell slightly in 2017–2018, although the shares remained stable overall. MDBs channelled 11 per cent of their climate finance to the LDCs and 3 per cent to SIDS. As in previous years, adaptation finance as a share of all climate finance to these countries was significantly higher than that of the overall climate finance spending by MDBs.

37. **In 2017–2018, there continued to be a push to diversify modalities of access to climate finance.** In a 2019 survey of 105 respondents from 45 developing countries, 73 per cent identified finance from multilateral climate funds as the most challenging source of finance to access compared with private finance (62 per cent), MDBs and development finance institutions (30 per cent) and bilateral sources (17 per cent). Institutions in developing countries are increasingly able to meet fiduciary and environmental and social safeguards requirements for accessing funds. Data show a continued increase in the number of national implementing entities of multilateral climate funds as well as an increase in the accreditation of civil society and private entities, with both trends largely driven by the GCF. Significant shares of climate finance approvals from multilateral climate funds are programmed through multilateral accredited and implementing entities.

38. The management of climate finance, as well as the development and implementation of projects that it supports, necessarily entails costs. Often recovered through mechanisms such as administrative budgets and implementing agency fees, the degree of such costs varies across institutions by nature of their different approaches and delivery models. In 2017–2018, major multilateral climate funds spent USD 217 million on administration costs, while implementing entity fees amounted to USD 231 million. In general, the administration costs of climate finance management have tended to decrease over time. The alignment of administrative functions between funds (e.g. the GEF administration of the Least Developed Countries Fund and the Special Climate Change Fund) can streamline management and disbursement mechanisms. This is essential in order to retain the trust that contributors and beneficiaries place in the funds. However, it must be balanced by the above-mentioned rise in implementing entities and associated costs.

39. The capacity of institutions to make strategic choices to use climate finance has long been recognized as important. Both the Adaptation Fund and the GCF have developed readiness programmes, supporting countries to plan for, access and deliver climate finance. Together these funds have approved over USD 285 million in readiness support. The GEF has instead incorporated capacity-building objectives into existing project funding through “enabling activities”. Reviews of these programmes have endorsed the use of readiness support to build all aspects of the capacity required to mobilize finance for climate action, rather than a focus on supporting access to multilateral climate funds.

40. **Ownership over the end use of climate finance flows remains a critical factor in its effectiveness.** The broad concept of ownership encompasses the consistency of climate finance with national priorities, the degree to which national systems are used for both spending and tracking, and the engagement of a wide range of stakeholders. Financial needs are being increasingly articulated, but to date lack sufficient comparability of methods, including for costs, time frames and assumptions, in order to make an accurate assessment of the alignment of climate finance provision with such needs. Ministries of finance and planning are strengthening their commitments to engage in climate change planning, with national-level institutions playing a greater role through domestic tracking, monitoring and verification of climate finance.

41. **Impact reporting systems and practices for climate finance are maturing.** Mechanisms for monitoring the impact of climate finance may be relevant for the implementation of the enhanced transparency framework. While the reporting of results is slowly improving under multilateral climate funds, MDBs do not include information on mitigation and adaptation outcomes in their joint reports and bilateral contributors have varied approaches to reporting on impacts. Emission reduction remains the primary impact metric for climate change mitigation, while adaptation impact continues to be measured primarily in terms of the number and type of people that benefit from projects. It remains difficult to accurately assess the quality of the impacts (i.e. outcomes) achieved, given that they are being presented in a multitude of formats and over varying timescales and are hard to verify.

42. **A number of decisions have strengthened the way in which gender issues are addressed in the UNFCCC process.** Gender-responsive public finance is likely to be more effective and efficient. Multilateral climate funds have been front runners in mainstreaming gender considerations in governance and operations. Those under the Financial Mechanism now have a mandate to include information on gender considerations in their annual reports to the COP. While advances are being made, there is scarce information on gender-responsive budgeting, suggesting that work remains to be done in integrating gender considerations on the ground.

43. **The drivers of climate finance flows can consist of both demand- and supply-side actions but may differ in terms of mitigation or adaptation objectives.** For mitigation finance, policy targets and support mechanisms have played a major role in driving climate finance flows, such as in the role of long-term fixed prices in supporting renewable energy deployment and more recently purchasing incentives for electric vehicles and bans on the sale of new combustion engine vehicles in the long term. Cross-cutting features of enabling environments, such as currency stability of exchange rates, stability of policies and

enforcement of contracts, particularly in driving finance towards sustainable land use, and maintenance of political will and support, have also proven to be significant drivers.

44. For adaptation finance, the role of national plans, standards and institutions takes on more importance in driving finance flows than may be the case in mitigation finance, owing to the importance of local, context-specific conditions. Building codes, design standards and disaster risk management guidelines play a role in furthering climate resilience within infrastructure and development investments. Furthermore, local and context-specific vulnerabilities require local-level data and information systems on risks to drive investment, particularly in agricultural adaptation activities.

45. **Although climate finance flows are increasing, they remain relatively small in the broader context of other finance flows, investment opportunities and costs.** Climate finance accounts for just a small proportion of overall finance flows, as shown in figure 3. The level of climate finance is considerably below what would be expected in view of the investment opportunities and needs that have been identified. However, although climate finance flows must obviously be scaled up, it is also important to ensure the consistency of finance flows as a whole (and of capital stock) with the long-term goals of the Paris Agreement, specifically those set out in its Article 2.

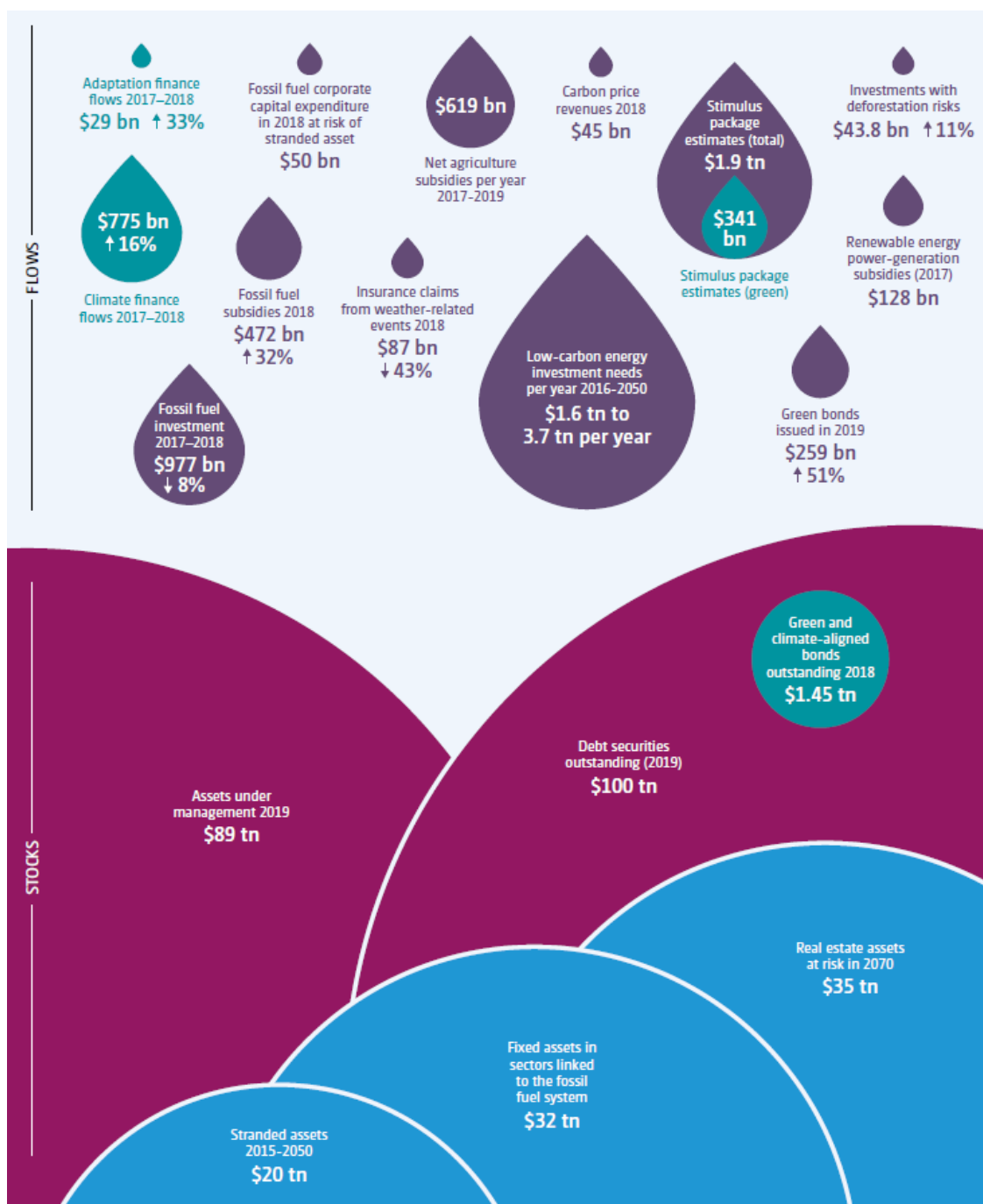
46. **Financial flows and stocks in GHG-intensive activities remain concerningly high.** Fossil fuel investments amounted globally to USD 977 billion in 2017–2018, while fossil fuel subsidies amounted to USD 472 billion in 2018. Fossil fuel corporate capital expenditure at risk of becoming stranded amounted to USD 50 billion in 2018, while investments with deforestation risks amounted to USD 43.8 billion in 2017–2018, and net agriculture subsidies amounted to USD 619 billion per year on average from 2017 to 2019. Fixed assets in sectors linked to fossil fuel systems amounted to USD 32 trillion, real estate assets at risk in 2070 amounted to USD 35 trillion, and stranded assets worth USD 20 trillion are at risk out to 2050.

47. Given the scale and speed needed for the transformation to low GHG emission and climate-resilient development pathways, it is critical to consider climate finance flows within the context of broader finance flows. A sole focus on positive climate finance flows will be insufficient to meet the overarching objectives of the Paris Agreement. This does not mean that broader finance flows must all have explicit beneficial climate outcomes, but it does mean that they must integrate climate risks into decision-making and avoid increasing the likelihood of negative climate outcomes. Without this, the effectiveness of climate finance flows can be called into question or even negated.

D. Mapping information relevant to Article 2, paragraph 1(c), of the Paris Agreement

48. Article 2 of the Paris Agreement sets out three interlinked goals aimed at strengthening the global response to climate change in the context of sustainable development and efforts to eradicate poverty: (1) limiting the increase in global average temperature to well below 2 °C above pre-industrial levels and pursuing efforts to limit the increase to 1.5 °C above pre-industrial levels; (2) increasing the ability to adapt to and foster resilience against the adverse impacts of climate change; and (3) in Article 2, paragraph 1(c), making finance flows consistent with a pathway towards low greenhouse gas emissions and climate-resilient development. Article 2 states that the Paris Agreement will be implemented to reflect equity, and the principle of common but differentiated responsibilities and respective capabilities, in the light of different national circumstances.

Figure 3
Global climate finance in the context of broader finance flows, opportunities and costs



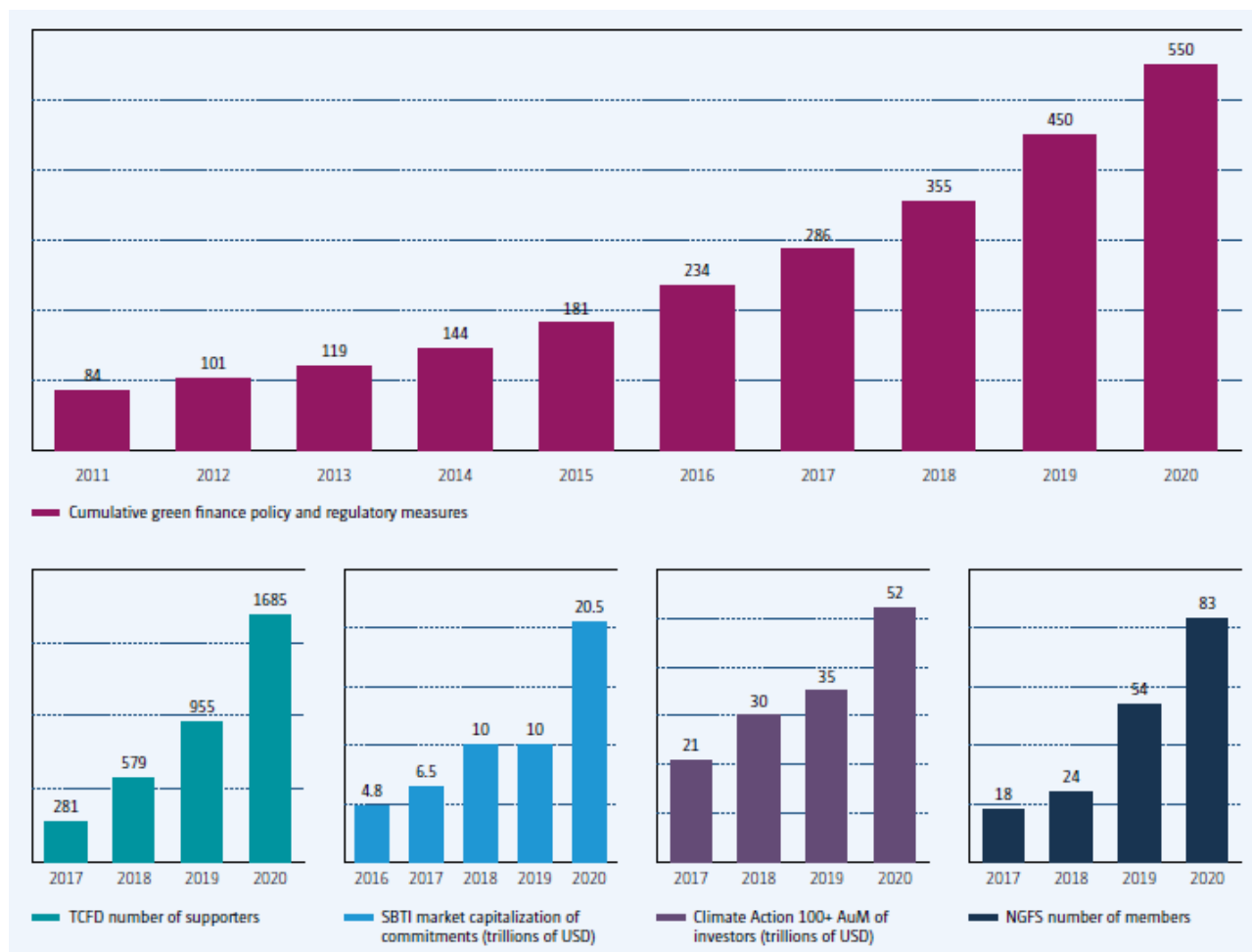
49. Although there is no dedicated process for responding to the goal set out in Article 2, paragraph 1(c), some Parties have articulated policies and measures in their long-term strategies or domestic policy frameworks that speak to the goal. Furthermore, both public and private sector institutions in the financial sector have articulated in their strategies efforts to align with the Paris Agreement and the goal in Article 2, paragraph 1(c). In the absence of a common vision among Parties on what information may be relevant, the aim of the mapping exercise was to capture how their actions meet the goal in Article 2, paragraph 1(c), and therefore what they consider relevant from their perspective, and it provided a number of key insights.

50. **Significant growth in relevant initiatives has been apparent since the Paris Agreement entered into force, particularly in coalitions fostering collective commitments on climate action.** Activities relevant to Article 2, paragraph 1(c), in many instances, are found in practices, coalitions and initiatives that predate the Paris Agreement.

Policy and regulatory measures on green finance have been recorded since 1980, although there has been a marked increase in such measures since the adoption of the Paris Agreement (see figure 4). This historical context is relevant as it provides evidence that even prior to adoption of the Paris Agreement, actors were developing sustainability- and climate-related financial instruments and regulations which represent foundations for action relevant to Article 2, paragraph 1(c), that is also integrated with national development goals. For example:

- (a) 34 of 103 stock exchanges have sustainable bond-listing processes;
- (b) Investors managing USD 90 trillion have signed on to the Principles for Responsible Investment;
- (c) 53 banks, representing over USD 37 trillion in assets, which represent one fourth of global banking assets, have pledged to align their lending and investment portfolios with net zero emissions by 2050, as part of the Net Zero Banking Alliance;
- (d) Over 40 institutional investors with USD 6.6 trillion in assets have pledged to align portfolios with net zero emissions by 2050, as part of the Net-Zero Asset Owner Alliance.

Figure 4
Number of green finance policy and regulatory measures, and growth of selected initiatives since the adoption of the Paris Agreement



51. However, the Paris Agreement triggered a focusing of action whereby existing sustainability and climate-related finance initiatives sought to adopt objectives or activities that matched those of the Paris Agreement goals. At least 115 sustainability- or climate-related financial initiatives exist that claim to be either directly or indirectly associated with contributing to the goals of the Paris Agreement. The majority relate to promoting new financial instruments that address funding needs for sustainable development and climate

change. A smaller pool of approximately 31 initiatives are focused on greening financial systems – for example, the TCFD, the European Union High Level Expert Group on Sustainable Finance and the NGFS.

52. Many activities across the stakeholder mapping exercise that explicitly refer to achieving the goals of the Paris Agreement and Article 2, paragraph 1(c), in particular are executed through collective initiatives and organizations. This highlights the importance of network effects, knowledge-sharing and common goal setting. In contrast, relatively few relevant actions by national Governments are framed in the context of Article 2, paragraph 1(c). Particularly in developing countries, the ability to access international climate finance in the context of Article 9 is mentioned, as is directing domestic finance flows towards achieving NDC goals.

53. **Assessing the real-economy impact and the risk of greenwashing remains a challenge.** Efforts relevant to Article 2, paragraph 1(c), are widespread across all actors within the financial sector, with actions concentrated on defining their exposure to climate risks and the economic opportunities linked to climate response measures. However, achieving the goal in Article 2, paragraph 1(c), related to low GHG emission and climate-resilient development, set in the context of Article 2, depends on real-economy actions that reduce emissions in line with temperature goals and help to develop climate resilience. Many actors in the financial sector operate at a number of steps removed from real-economy activities, through stock or bond trading, portfolio allocations, or micro-prudential supervision, which has little direct effect on real-economy investment decisions relative to banks lending to projects, corporations approving capital expenditure plans or governments announcing support incentives. Therefore, measuring the effective role of financial actors in the context of Article 2, paragraph 1(c), is a notable topic of debate among initiatives, including which metrics are most important as indicators of success.

54. Several researchers highlight the absence of any independent critique of the motives and impacts of the numerous finance-related initiatives that have emerged since the adoption of the Paris Agreement. Such critical engagement will assist in assessing the real-economy contributions of these initiatives towards achieving consistency of finance flows and combating greenwashing in this context. Further, a plethora of initiatives offers the potential for incoherence and different levels of ambition in articulating how the goal in Article 2, paragraph 1(c), may be met.

55. The most recent initiatives include efforts of respective stakeholders to align with net zero emissions or 1.5 °C temperature rise pathways, with a focus on commitments for target setting and reporting, in contrast to earlier initiatives that focused on advocacy and high-level commitments.

56. **Trend towards activities with more stringent minimum requirements or mandatory regulations over voluntary activities.** Actors are largely adopting approaches in line with their institutional mandates, geographical reach and interpretation of how climate risks and opportunities affect and benefit their operations. To date, initiatives with the widest coverage and scope among financial actors are voluntary in nature, often with non-prescriptive commitments to principles. More recently, some initiatives include mandatory implementation requirements against common timelines. Furthermore, some Governments have already signalled that mandatory exclusions or obligations are being placed on institutions, although these remain limited in number and geographical scope.

57. **More work needed to promote inclusivity and geographical representation.** A number of initiatives relevant to Article 2, paragraph 1(c), include representation from different regions and both developed and developing countries. For private finance actors, such representation is important, and it reveals how different relative starting points, capacity and skills gaps exist within coalitions that make common commitments. Further, although a significant number of initiatives were identified, many have yet to combine networks to achieve greater effect. Of the 115 partnerships identified of relevance to supporting the goals of the Paris Agreement, with up to 5,181 constituent members, the vast majority (75 per cent) are connected to only one partnership.

58. Inclusive and broad geographic representation is even more critical among relevant initiatives targeted at public finance actors, regulators and other country-focused actors such

as financial centres. In these forums, it is important to reflect the perspectives of different regions, financial systems and country priorities in how common goals are articulated, particularly as the activities of these actors support and facilitate the achievement of the goal in Article 2, paragraph 1(c), as well as their country NDCs.

59. **Pursuing consistency requires consideration of how finance targeted at GHG-intensive activities can support pathways.** A focus on individual financing or investment decisions that are consistent with a pathway towards low GHG emission and climate-resilient development is not straightforward owing to the significant potential range of what pathways may be followed for achieving the broader goals in Article 2. The trend towards developing climate, green or sustainable finance taxonomies, as seen across multiple public actor initiatives, can support the identification of activities that are consistent with such pathways, but may risk excluding necessary investment in high-emission sectors or activities that can support the overall transition to such pathways. These may be in areas where activities that are consistent are not yet available at scale owing to technological innovation (e.g. steel and/or cement processes), where activities are needed to enable the transition (e.g. financing of mining activities, road building), or where financing is needed to wind down or responsibly manage the retiring of high-emission activities and transition communities away from their reliance (e.g. coal phase-out policies and subsidies).

60. Transition finance taxonomies and transition bonds are being developed for private finance actors to finance, for example, transitional activities in the context of financing just transitions, which implies projects that meet certain conditions, such as displacing more carbon-intensive options compared with industry norms; and enabling wider application or integration of less-carbon-intensive options.

61. **Further consideration of climate-resilient development pathways is necessary to complement existing approaches.** The mapped approaches include a strong focus on actions linked to achieving the goal in Article 2, paragraph 1(a), of the Paris Agreement, namely financing investments related to low GHG emissions, and to mitigating the physical and transition-related risks of shifting from high- to low-emission development trajectories. There appears to be limited evidence of the degree to which financial actors are aligning their investment mandates with climate resilience goals linked to Article 2, paragraph 1(b), of the Paris Agreement. There is a view that focusing on proper climate-related risk disclosure should result in better, more resilient investment and financing decisions as an end in and of itself, while other views have recognized the existing gaps in guidance and understanding on how to proactively engage on this element.

62. **Stakeholders may take action across a number of areas to support advancing efforts in relation to the goal in Article 2, paragraph 1(c).** These include:

(a) In public policy and finance, promoting opportunities to make sustainable recovery packages consistent with the goals of the Paris Agreement in the short term and setting in place financial policies and regulations for achieving net zero commitments in the long term;

(b) Ensuring that just transition financing is incorporated into approaches to align action with the goals of the Paris Agreement or into classifications of consistency with those goals, including in supporting vulnerable developing countries at risk of climate impacts in gaining access to capital to support their climate-resilient development, and in supporting the shift of trade flows away from economic activities that are inconsistent with those goals;

(c) Further clarifying the differences or complementarities between climate finance related to Article 9 of the Paris Agreement and the long-term goal under Article 2, paragraph 1(c).

Annex II*

Executive summary of the first report on the determination of the needs of developing country Parties related to implementing the Convention and the Paris Agreement

[English only]

I. Introduction

1. The first NDR¹ provides an overview of qualitative and quantitative information based on available data and evidence from reports at the national, regional and global level. As such, the first NDR does not constitute an assessment of the needs of developing country Parties: the numbers of reported and costed needs are higher in the reports of some countries than of others. This does not imply that the latter have no or fewer needs; rather, this may be due to the lack of available data, tools and capacity for determining and costing needs.

II. Context and mandate

2. COP 24 requested the SCF to prepare, every four years, an NDR for consideration by the COP, starting at COP 26, and the CMA, starting at CMA 3. The COP also requested the SCF to collaborate, as appropriate, with the operating entities of the Financial Mechanism, the subsidiary and constituted bodies, multilateral and bilateral channels, and observer organizations.²

3. COP 25 and CMA 2 encouraged the SCF to present, to the extent possible, disaggregated information in relation to, inter alia, mapping data availability and gaps by sector, assessing climate finance flows and presenting information on the determination of the needs of developing country Parties related to implementing the Convention and the Paris Agreement.³ COP 25 and CMA 2 also encouraged the SCF, in implementing its strategic outreach plan, to build on existing efforts to reach out to developing country Parties and relevant developing country stakeholders when generating data and information for the determination of the needs of developing country Parties related to implementing the Convention and the Paris Agreement.⁴

III. Scope and approach

A. Scope

4. The first NDR presents quantitative information (hereinafter referred to as costed needs) and qualitative information (hereinafter referred to as needs) on the needs of developing country Parties. Quantitative information was compiled from costed needs at the project level and those derived from economic modelling in reports at the national, regional and global level and other sources. Qualitative information was derived from descriptions of planned activities, strategic directions, national priorities and action plans in the same sources.

5. To the extent possible and on the basis of the available information, the first NDR contains an analysis and presentation of the needs of developing country Parties by time

* For a list of acronyms and abbreviations, see document FCCC/CP/2021/10/Add.2–FCCC/PA/CMA/2021/7/Add.2.

¹ Available at <https://unfccc.int/documents/307595>.

² Decision 4/CP.24, paras. 13–14.

³ Decisions 11/CP.25, para. 9; and 5/CMA.2, para. 9.

⁴ Decisions 11/CP.25, para. 12; and 5/CMA.2, para. 12.

frame, geographical region, thematic area, means of implementation, and sector and subsector (chap. 2). The report reflects information and data on needs as mentioned in the national, regional and global reports. The needs are dynamically changing and may depend on different factors, such as temperature scenarios, mitigation pathways and adaptive capacity, extreme weather events, adverse effects of trade and economic barriers, and social factors such as poverty.

6. Further, the first NDR illustrates processes and approaches for determining needs (chap. 3). It also maps out available tools and methodologies for determining and prioritizing needs, including sector-specific methodologies and tools, and advantages of and challenges in applying them (chap. 4). Finally, the report highlights opportunities, challenges and gaps in relation to determining needs (chap. 5).

7. The first NDR comprises an executive summary and a technical report. The executive summary was prepared by the SCF, whereas the technical report was prepared by experts under the guidance of the SCF but remains a product of the external experts. The technical report has benefited from extensive inputs from Parties and stakeholders.

B. Sources of information

8. The first NDR has been compiled from reports prepared by developing country Parties, specifically those submitted to the UNFCCC, and reports developed by regional and global institutions. Such national reports include ACs, BURs, LEDS, NAPs, NAPAs, NCs, NDCs, TAPs and TNAs.

9. Further sources of information are the submissions received from Parties and non-Party stakeholders in response to the call for evidence issued by the SCF.⁵

C. Approach

10. The technical work comprised a review of literature and sources of available information and data, and quantitative and qualitative data collection and analysis, complemented by outreach activities. Data and information were systematically collected by the technical team under the guidance of the SCF co-facilitators for the first NDR.

11. The SCF periodically considered the outputs of the technical team and the input derived from regional meetings, and provided guidance on the development of the first NDR, including during conference calls and in-person meetings.

12. In preparing the first NDR, the technical team noted data inconsistencies, gaps and interpretation challenges, as referred to in paragraph 59 below. Efforts were made to overcome these challenges, such as identifying reporting overlaps on the basis of the reporting guidelines and avoiding double counting in aggregating and presenting the data.

IV. Key findings

A. Overview of the needs of developing country Parties

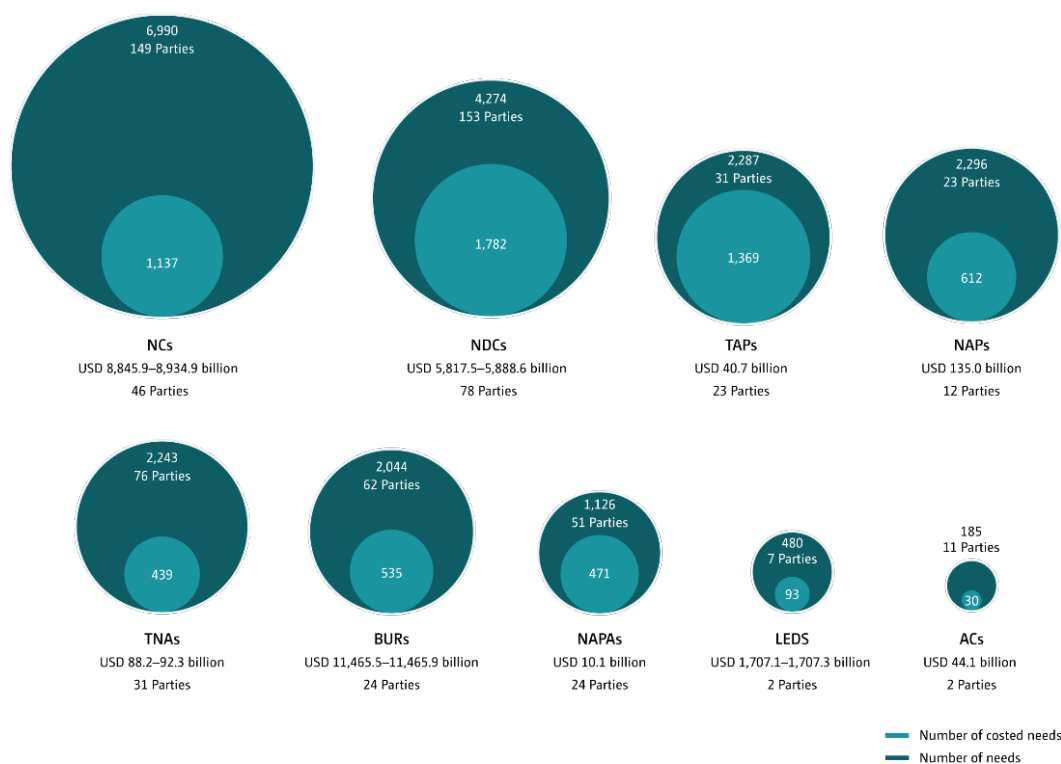
1. Information and data from national reports

13. National reports submitted by developing country Parties as part of the UNFCCC process contain information on their needs related to implementing the Convention and the Paris Agreement. There are nine types of national report, which serve different purposes under the Convention and the Paris Agreement, with reported needs varying in terms of

⁵ See <https://unfccc.int/documents/231567>. The deadline of the call for evidence was extended to 30 October 2020, by which 34 submissions had been received. All submissions are available at <https://unfccc.int/topics/climate-finance/workstreams/needs-report/repository-of-information-on-the-needs-of-developing-country-parties>.

thematic and sectoral coverage, time frame and granularity of detail. In total, 563 documents were included in the analysis for the first NDR.⁶

14. Figure 1 provides an overview of the articulation of the needs of developing country Parties, including overall costed needs, across the nine types of national report submitted by developing country Parties to the UNFCCC.⁷ The overall costed needs by type of report are based on the information on activities with associated costs included in the corresponding individual national reports. The needs included in national reports are identified using a top-down approach (i.e. needs that are typically estimated using economy-wide or sectoral modelling techniques) or a bottom-up approach (i.e. needs that are typically identified from a project pipeline). Developing country Parties periodically update their national reports submitted to the UNFCCC, reflecting changing circumstances and improvements in their data-collection processes and analysis. Therefore, data and information on needs may not be exhaustive as the needs are dynamically changing.



Note: Ranges of costs included where available.

(a) Insights from quantitative data on needs

15. The needs identified and articulated by developing country Parties across the nine types of national report encompass a wide range of financial, technology development and

⁶ Only the most recent submissions to the UNFCCC were used in the analysis as Parties regularly update information on their needs to reflect changing circumstances. To avoid double counting where Parties may have provided the same information in different reports (e.g. BURs and NDCs), each type of report is treated separately, without aggregation across them.

⁷ Needs are catalogued in the analysis at the most granular level at which information was provided (i.e. a project or activity expressed as a need by a developing country is counted as a single activity; if activity-level information was not provided, needs are counted at the sector level; if sector-level information was not provided, needs are counted at the thematic level, etc.). Depending on the nature of the report, it is possible that the priorities and programmes consist of multiple projects and action items. See chap. 1 of the first NDR for details on the scope of the quantitative and qualitative information collected from national reports.

transfer, and capacity-building needs. The level of detail in the information provided varies in terms of the description of needs and their associated costs, if specified. While some Parties express costed needs for adaptation or mitigation purposes, other communicate needs at the activity or sector level.

16. As at 31 May 2021, NDCs from 153 Parties included 4,274 needs, with 1,782 costed needs identified across 78 NDCs, cumulatively amounting to USD 5.8–5.9 trillion up until 2030. Of this amount, USD 502 billion is identified as needs requiring international sources of finance and USD 112 billion as sourced from domestic finance. For 89 per cent of the costed needs, information was not provided on possible sources of finance. Among the national reports, NCs from 149 Parties present the highest number (6,990) of identified needs, of which 1,137 costed needs cumulatively amount to USD 8.8–8.9 trillion, with 5 per cent of the costed needs distributed across 45 NCs and 95 per cent in 1 NC. BURs from 62 Parties indicated 2,044 needs, of which 535 needs are costed, cumulatively amounting to USD 11.5 trillion, with 5 per cent distributed across 60 BURs and 95 per cent across 2 BURs, thereby representing the highest amount of costed needs identified across the nine types of national report. These figures should be viewed in the light of the size and nature of developing country Parties' economies and the scale of climate impacts.

(i) *Thematic distribution of costed needs*

17. As shown in table 1, cumulatively, identified costed mitigation needs tend to be larger than costed adaptation needs across the reports that cover all thematic areas such as BURs, NCs and NDCs. The overall amount of costed adaptation needs is comparable to the overall amount of costed mitigation needs expressed in NCs (43 and 56–57 per cent, respectively). In the case of NDCs, the overall identified costed mitigation and adaptation needs (50 per cent) are comparable to the amount of costed cross-cutting needs (50 per cent), noting that the costed needs expressed as cross-cutting are largely a reflection of one NDC. Although some developing countries provided information on costed needs for mitigation and adaptation by sector and subsector, this information was not provided across all reports. Therefore, it was not possible to provide a comprehensive and accurate overall amount of costed needs by sector and subsector in the first NDR.

Table 1

Overview of sources of reported costed needs of developing countries by type of national report submitted to the UNFCCC

Report	Costed needs (USD billion)				
	Total	Mitigation	Adaptation	Cross-cutting	Other
AC	44.10 (100%)	–	44.10 (100%)	–	–
BUR	11 465.53–11 465.90 (100%)	5 286.94–5 287.31 (46%)	3 628.81 (32%)	2 550.01 (22%)	–
LEDS	1 707.15–1 707.35 (100%)	1 407.15–1 407.34 (82%)	300.00 (18%)	–	–
NAP	135.02–135.03 (100%)	–	135.02 (100%)	–	–
NAPA	10.05 (100%)	–	10.05 (100%)	–	–
NC	8 845.85–8 934.94 (100%)	5 019.30–5 033.83 (56–57%)	3 812.06–3 882.07 (43%)	2.23 (>0%)	12.25–16.81 (>0%)
NDC	5 817.48–5 888.56 (100%)	2 156.05–2 156.13 (37%)	764.24–835.24 (13–14%)	2 893.39 (49–50%)	3.81 (>0%)
TAP	40.74 (100%)	21.97 (54%)	18.76 (46%)	–	0.01 (>0%)
TNA	88.24–92.33 (100%)	30.33–34.33 (34–37%)	57.9–57.98 (63–68%)	0.01 (>0%)	–

Notes: (1) Ranges of costs included where available. (2) The percentages given are the percentages of the type of costed need for each report type.

18. Although developing country Parties identified more adaptation than mitigation needs, more costs were identified for the latter. This may not imply that mitigation needs are

greater, but rather be due to lack of available data, tools and capacity for assessing adaptation needs (see the information on challenges and gaps in paras. 61–66 below).

19. Available information related to costed needs varies across regions (see table 2). African countries included 1,529 needs in their NDCs, of which 874 were costed, amounting to USD 2.5 trillion. NDCs of countries in the Asia-Pacific region included 1,677 needs, of which 630 needs were costed, cumulatively amounting to USD 3.2–3.3 trillion. Of the 771 needs expressed in the NDCs of countries in the Latin America and Caribbean region, 166 NDCs included costed needs, cumulatively amounting to USD 168.2–168.3 billion, of which almost 60 per cent was in one NDC. NDCs of developing countries from the Eastern European region included 282 needs, of which 112 were costed, cumulatively amounting to USD 9.36 billion.

(ii) *Regional distribution of costed needs*

Table 2

Number and cost of needs expressed in nationally determined contributions by region

<i>Region</i>	<i>Number of expressed needs</i>	<i>Number of expressed needs with financial information (i.e. costed needs)</i>	<i>Costed needs based on available financial information (USD billion)</i>
African States	1 529	874	2 459.56–2 460.56
Asia-Pacific States	1 677	630	3 180.39–3 250.39
Eastern European States	282	112	9.36
Latin American and Caribbean States	771	166	168.18–168.26
Western European and other States	15	–	–

Note: Ranges of costs included where available.

20. Some Parties reported information on potential needs related to averting, minimizing and addressing loss and damage, either through specific adaptation activities that include objectives related to averting, minimizing and addressing loss and damage; referenced damage incurred owing to recent climate-related events such as droughts and severe weather; or modelled potential future impacts of climate on GDP or economic losses in a given year (e.g. 2030 or 2050). The information was also reported in the context of national circumstances, climate impacts and/or needs depending on the reporting Party.

21. As noted in paragraph 5 above, needs expressed in national reports are dynamically changing and, therefore, data and information thereon may not be exhaustive. While the number of needs and costed needs communicated in national reports is lower for some regions than others, this does not mean that those regions have no or fewer needs. Rather, this may be due to lack of available data, tools and capacity for determining and costing needs. Therefore, the number of needs and costed needs compiled from national reports available at the time of preparation of the first NDR should not be used to draw comparisons of the actual needs across regions.

(b) Insights from qualitative data on needs

Figure 2
Needs expressed by developing countries in national reports by theme, region and means of implementation

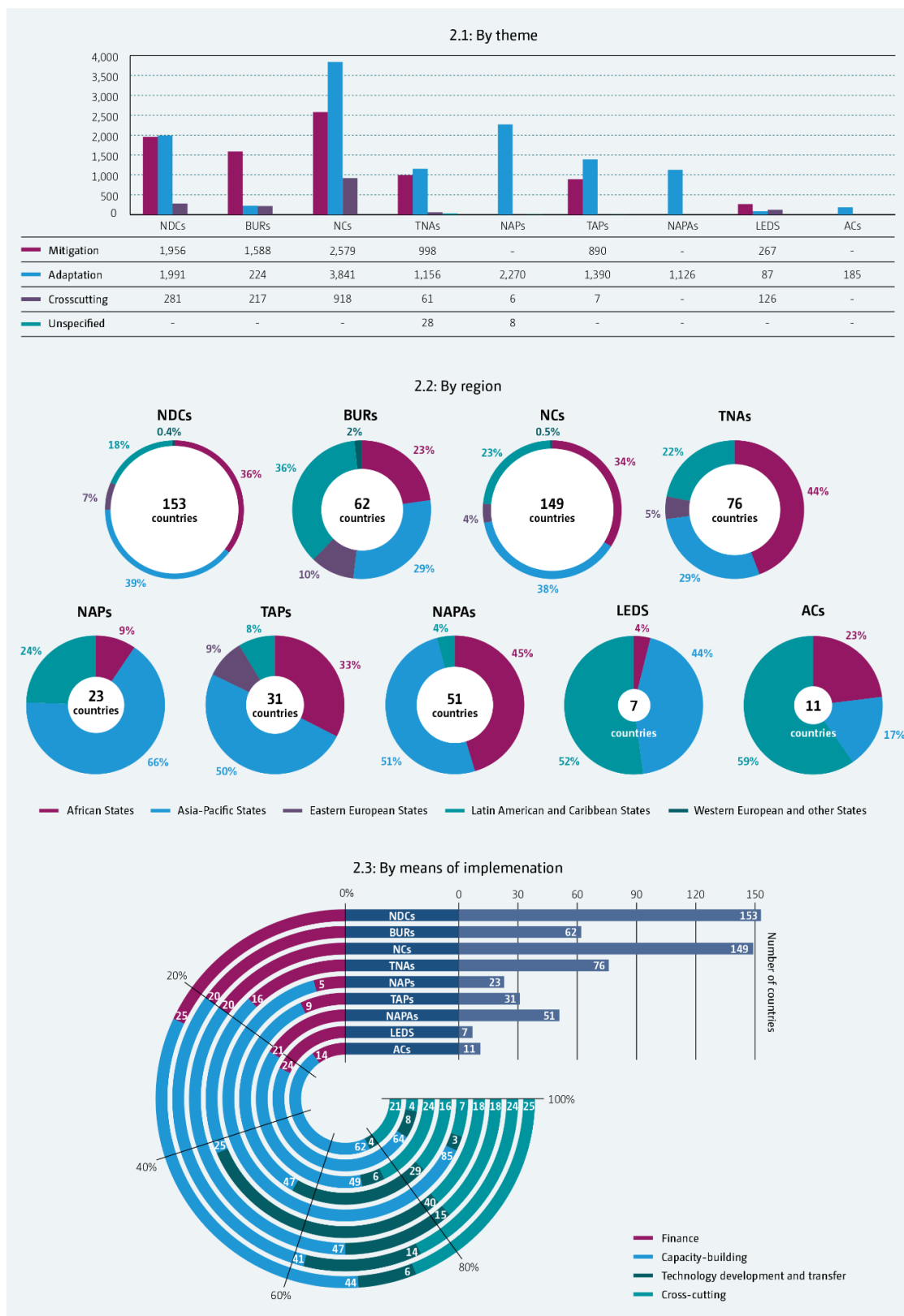
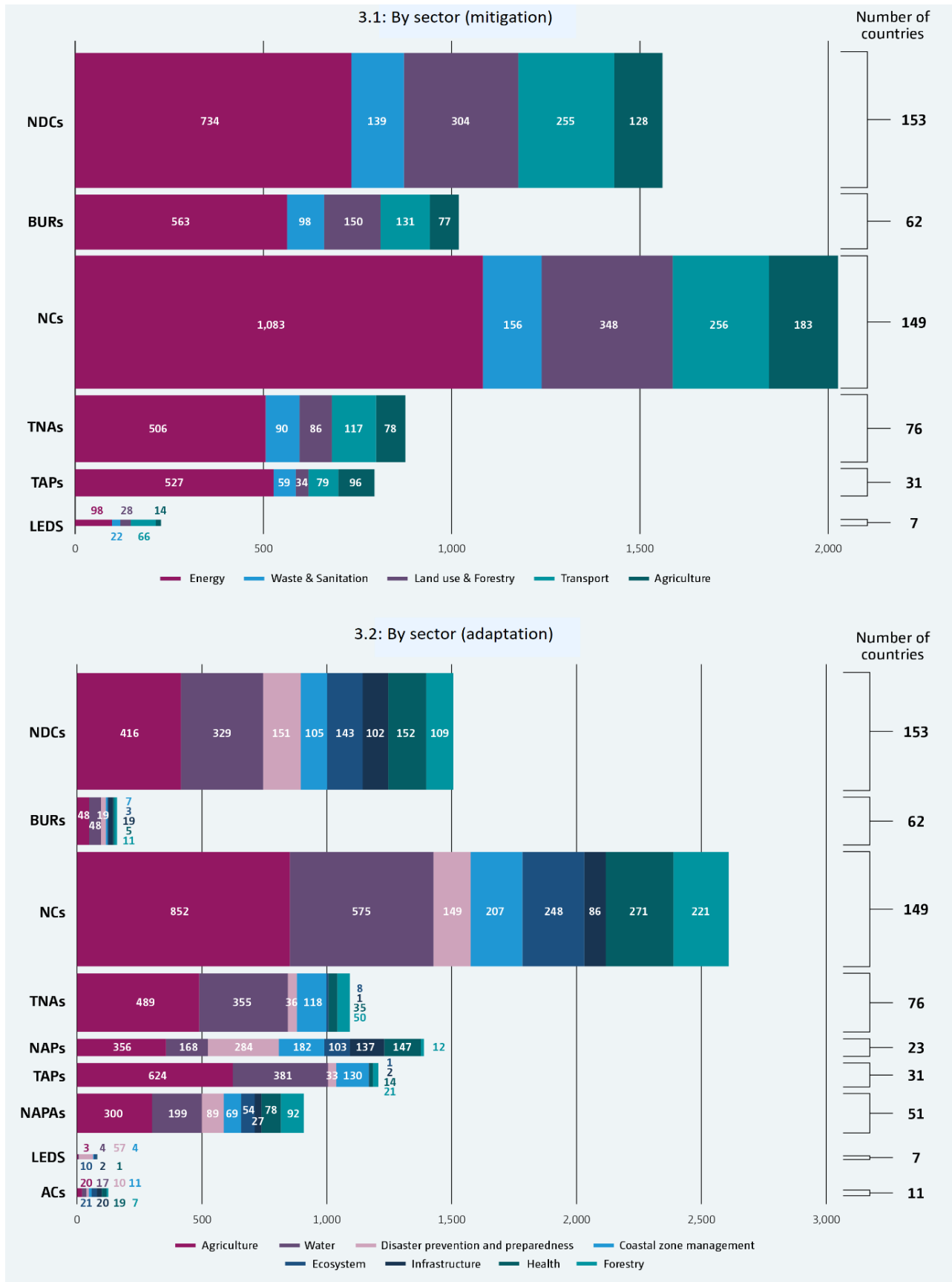


Figure 3
Needs expressed by developing countries in national reports by sector



(i) Thematic distribution

22. Overall, needs related to adaptation are mentioned more often than those related to mitigation in all report types except BURs and LEDS, indicating greater attention to supporting developing countries' expressed adaptation needs. For example, as shown in figure 2, NDCs included 1,991 needs for adaptation and 1,956 for mitigation.

(ii) Regional distribution

23. When the number of expressed needs across the nine national report types is considered, developing country Parties in the Africa and Asia-Pacific regions identified comparable numbers of needs across the national reports with broad thematic and sectoral coverage such as BURs, NCs and NDCs, comparable with the Latin America and Caribbean region only in the case of BURs (see figure 2, section 2.2). Developing country Parties in the Asia-Pacific region used NAPs and TAPs to further specify adaptation needs, as more than half of the needs identified in NAPs and TAPs were from this region. Developing country Parties in the Latin America and Caribbean, and Eastern European regions expressed more needs in their NCs than in other national reports. Latin American and Caribbean Parties expressed a considerable number of adaptation needs in adaptation-specific national reports (e.g. ACs and NAPs) when compared with the overall number of needs expressed in their BURs and NDCs. Developing country Parties in the African region expressed more needs through TNAs compared with other regions, reporting 993 needs compared with the 642 needs identified by Parties in the Asia-Pacific region.

(iii) Distribution by means of implementation

24. Qualitative data show a significant prevalence of capacity-building and technology development and transfer needs, which may in part be due to the resources developing countries can access to support the identification of these needs. The number of capacity-building needs is higher than finance needs and technology development and transfer needs identified in the nine national report types except for TNAs (see figure 2, section 2.3). Capacity-building needs expressed across the national reports typically cover areas such as research, training and education, awareness-raising, institutional strengthening and coordination, and policy development.

(iv) Sectoral and subsectoral distribution

25. On the basis of the number of mitigation needs expressed across the nine national report types, energy is the lead sector for climate change mitigation actions, followed by land use and forestry, transport, agriculture, and waste and sanitation (see figure 3, section 3.1).

26. When considering mitigation needs by sector and subsector, the nine types of national report show that most needs in the **energy sector** relate to requests for support for the energy efficiency and renewable energy subsectors, albeit with some variation between them. In NDCs, needs for renewable energy development were identified almost twice as frequently as those for energy efficiency (399 and 261, respectively) but the total nominal value of energy efficiency projects was 1.5 times larger than that of renewable energy projects (USD 377.22 billion and USD 198.08 billion, respectively). In BURs and NCs, more needs related to renewable energy than to energy efficiency were identified. TNAs included a larger variation among energy subsectors, including the development of natural gas, the phasing-out of inefficient subsidies, the exploration of carbon capture and storage, and the development of the efficient use of coal.

27. The majority of expressed mitigation needs in the **land-use and forestry sector** represented a few densely forested countries, such as Bhutan, Brazil, the Congo, Costa Rica, Ghana, Guyana, the Lao People's Democratic Republic, Malaysia, Papua New Guinea, Suriname, the United Republic of Tanzania and Viet Nam. This sector covers key activities such as reforestation, forest fire prevention, social forestry development, sustainable forest management, development of sustainable supply chains for forest commodities, spatial planning forestry research and some land-use activities, such as management of livestock. Data in NCs and NDCs showed that, within this sector, needs related to reforestation are the largest needs expressed in financial terms.

28. On the basis of the number of adaptation-related needs expressed across the nine national report types, agriculture and water are the two lead sectors for climate change

adaptation actions, followed by disaster prevention and preparedness, coastal zone management and health (see figure 3, section 3.2).

29. Adaptation needs in the **agriculture sector** cover a wide variety of land uses that overlap with other key sectors. Needs related to agroforestry and irrigation, for example, also touch on areas or land managed under the forestry and water sectors. Needs related to the agriculture sector relate to crop diversification, development of resistant crops, land and soil management, livestock management, and fisheries and aquaculture.

30. Adaptation needs in the **water sector** are dominated by the need for water distribution infrastructure, water harvesting and irrigation. Other types of need in this sector vary widely and cover water resource management, water storage and water sanitation. In NDCs, about 38 per cent of expressed needs in the water sector include financial information. Water distribution infrastructure, including wastewater treatment, was the largest need in financial terms across all types of report.

(c) Other areas of needs

31. Developing country Parties also communicate other areas of needs that involve issues such as gender, indigenous peoples and vulnerable groups. However, across the nine national report types, less than 10 per cent of needed activities referred to gender or specific communities. Where these topics are included in national reports, information tends to relate to commitments, policies and/or strategies.

32. Some reports that expressed needs for policy development were linked to the SDGs and the Addis Ababa Action Agenda. In general, the implementation of climate actions is mainstreamed in SDG-related actions. However, a few reports expressed needs focusing on institution-building and policy development, aiming to link climate commitments with the SDGs; for example, Jordan's need to align its intended nationally determined contribution with the SDGs, and Morocco's needs (expressed in its NCs) to strengthen the National Institutional Framework of Climate Change through a regulatory system based on the Framework Law on the National Charter for Environment and Sustainable Development.

2. Information and data from reports by regional and global actors

33. Information and data on the needs of developing countries are also available from regional and global reports. For the mitigation needs of developing countries, these reports use a mix of climate economic modelling for scenarios of below 2 °C, ranging from USD 2.4 trillion to USD 4.7 trillion in annual energy-related investment needs globally;⁸ investment opportunities based on stated national plans and targets including and beyond NDCs, ranging from USD 23.8–29.4 trillion for emerging markets from 2016 to 2030;⁹ and investment estimates for achieving conditional NDC targets using carbon prices, for example USD 715 billion in Africa¹⁰ (see figure 4 for an example of energy investment needs identified by the International Renewable Energy Agency¹¹).

⁸ See Collum DL, Zhou W, Bertram C, et al. 2018. Energy investment needs for fulfilling the Paris Agreement and achieving the Sustainable Development Goals. *Nature Energy*. 3(7): pp.589–599. International Energy Agency. 2020. *World Energy Model Documentation*. Paris: IEA. Available at https://iea.blob.core.windows.net/assets/bc4936dc-73f1-47c3-8064-0784ae6f85a3/WEM_Documentation_WEO2020.pdf; and International Renewable Energy Agency. 2020. *Global Renewables Outlook. Energy transformation 2050*. Abu Dhabi: International Renewable Energy Agency. Available at <https://www.irena.org/publications/2020/Apr/Global-Renewables-Outlook-2020>.

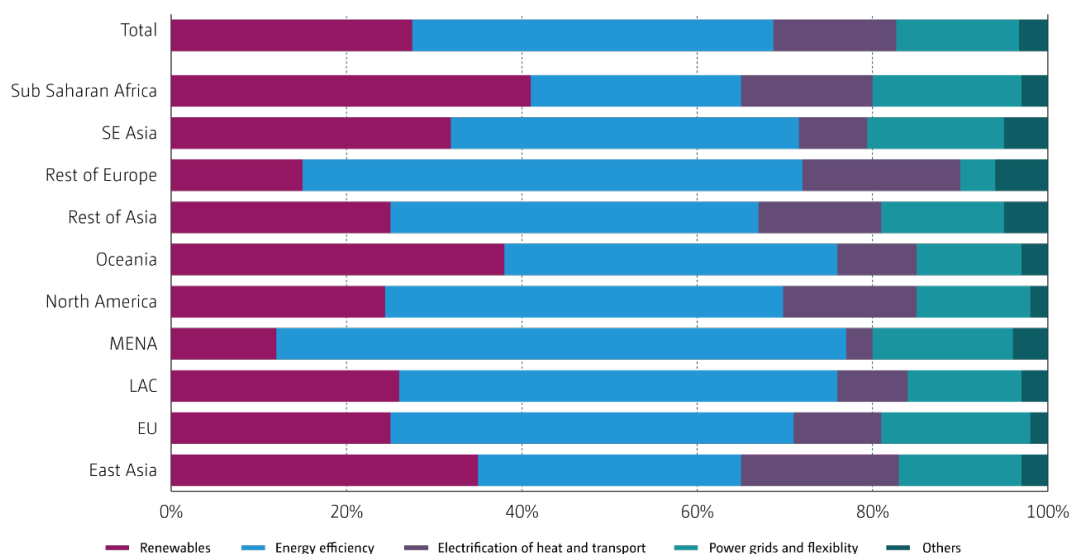
⁹ International Finance Corporation. 2017. *Climate Investment Opportunities in South Asia. An IFC Analysis*. Washington, D.C.: International Finance Corporation. Available at https://www.ifc.org/wps/wcm/connect/topics_ext_content/ifc_external_corporate_site/climate+business/resources/final+climate+investment+opportunities+in+south+asia+-+an+ifc+analysis.

¹⁰ African Development Bank. 2021. *Needs of African Countries Related to Implementing the UN Framework Convention on Climate Change and the Paris Agreement*. Available at https://unfccc.int/sites/default/files/resource/Needs%20Report_African%20countries_AfDB_FINAL.pdf.

¹¹ For the purpose of the first NDR, various data sources were used to illustrate needs of developing country Parties, without prejudice to the meaning of this term in the context of the Convention and the Paris Agreement, including but not limited to Parties not included in Annex I to the Convention and other classifications used in regional and global reports.

Figure 4

Shares of annual average clean energy investments in the International Renewable Energy Agency transforming energy scenario, by region, 2016–2050



Source: International Renewable Energy Agency. 2019. *Transforming the energy system – and holding the line on rising global temperatures*. Abu Dhabi: International Renewable Energy Agency. Available at www.irena.org/publications/2019/Sep/Transforming-the-energy-system.

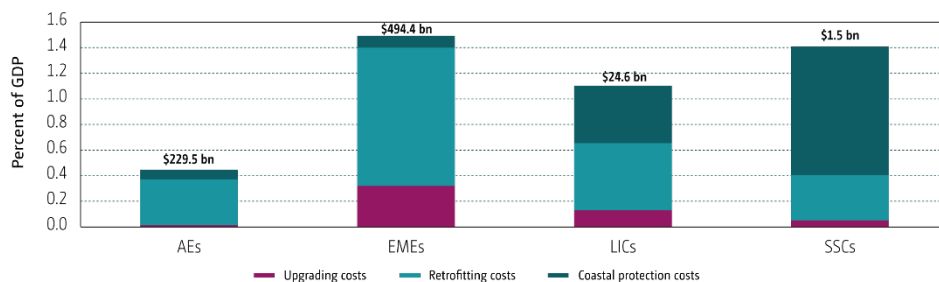
34. Reports based on energy–economy models note that developing country regions have the largest investment gaps compared with historical trends to achieving climate scenarios in line with the Paris Agreement. Three to fourfold increases of investment are necessary in both renewable energy and energy efficiency across many regions that include developing countries.

35. Regional and global reports also provide estimates related to adaptation and resilience. Costs based on bottom-up national and sector-based studies (ranging from USD 140 billion to USD 300 billion annually by 2030) measuring impacts to GDP (for example, ranging from USD 289.2 billion to USD 440.5 billion up to 2030 in Africa) and the incremental investment needed to upgrade or retrofit infrastructure stock (ranging from USD 11 billion to USD 670 billion in annual incremental costs) are most prevalent.

36. To make current and future infrastructure climate-resilient, annual costs as a percentage of GDP are at least double in countries with emerging market economies, low-income countries and small States compared with the costs in high-income countries, that is 1.1–1.49 per cent compared with 0.45 per cent. Investment needs expressed as a percentage of GDP for upgrading new infrastructure and coastal protection are proportionally greater in lower-income countries and small States, while retrofitting existing infrastructure is the major cost component in countries with emerging market economies. However, the reports also noted that specific knowledge on the degree of exposure of infrastructure to natural hazards, related to their location, intensity and level of risk, could affect the incremental cost of making infrastructure climate-resilient (e.g. 3 per cent of total investment as opposed to 8–45 per cent) (see figure 5).¹²

¹² As footnote 11 above.

Figure 5
Public investment needs for resilience of physical infrastructure, by country grouping (gross domestic product weighted average)



Source: International Monetary Fund. 2020. *Fiscal Monitor. Policies for the Recovery*. Washington, D.C.: International Monetary Fund.

37. The information and data generated from the national, regional and global reports cannot be compared with each other as the reports have different time frames, objectives and scopes. However, all of the reports may be viewed as complementary in offering different insights, granularity and processes and approaches for identifying needs.

B. Processes and approaches for determination of needs of developing country Parties

1. National institutional arrangements

38. Developing country Parties have varied institutional arrangements for identifying climate change needs, which are described in most of their national reports submitted to the UNFCCC. Most countries have established specialized institutions within their ministries and departments whose mandate is to spearhead climate change actions. These institutions have various names such as climate change directorate, climate change unit, interministerial climate change coordination committee, climate change technical working group and climate research centre.

39. Good practice in ensuring buy-in and effective coordination of the needs identification process is the engagement of high-level decision-making government offices at the initial stage of the climate change needs identification process. In addition, the engagement of other stakeholders and the assignment of specific roles and responsibilities to participants representing various sectors and interest groups at both the national and subnational level was noted in the reports of the majority of developing countries.

40. Institutional arrangements for needs determination vary widely across countries. However, in most countries the ministry responsible for environmental affairs coordinates the process through a focal point or a committee.

41. The focal point leads the needs identification process and can adopt varying arrangements for stakeholder consultation. The stakeholder consultation process leads to determining the institutional arrangements for the needs identification process. Some of the most common institutional arrangements include focal point only, focal point with other ministries and an interministerial committee. Among these, the interministerial committee is the most inclusive and likely to provide more detailed information on needs across sectors.

2. Needs identification process

42. The needs identification process of most countries starts with consultations between the lead ministry and the country's leadership. This ensures country ownership and top-level support in the needs identification process (see figure 6).

Figure 6

Common steps adopted by countries' committees or units for identifying climate change needs

43. Stakeholder consultations are an integral part of the needs identification process. During the initial phase, background information is collected and assessments are carried out to help scope the needs. The stakeholders consulted are mainly from government line ministries, though in some instances they include non-governmental organizations and the private sector. Local communities are the least consulted stakeholders during the process.

44. In most of the national reports, the description of the needs identification process does not explicitly mention inclusivity aspects. Needs related to gender and local communities are captured in some reports emanating from those processes. However, where the needs identification process has projects and programmes as part of its output, gender and other inclusivity aspects of various stakeholders were mostly elaborated in the project or programme documents.

3. Processes and approaches used by other actors, namely multilateral climate funds, multilateral development banks and United Nations agencies

45. MDBs and United Nations agencies play a critical role in supporting developing countries in their needs identification process. In most cases, these agencies use experts during country-driven needs identification consultation forums to provide insights and share data that may help developing countries better identify and report their needs.

46. In other instances, MDBs and United Nations agencies provide financial and technical support for developing countries in the needs identification process. This support is used to carry out in-depth sectoral analysis to identify pathways within these sectors where considerable effort is needed and where greater impacts can be achieved. For countries that have benefited from this support for their second NDCs, their reports provide more granular information on needs, including by sector, compared with their first NDCs.

47. The multilateral climate funds established under the Convention, namely the GEF, including the special climate funds managed by the GEF (the Special Climate Change Fund and the Least Developed Countries Fund), the Green Climate Fund and the Adaptation Fund, also play a critical role in providing financial support for countries in facilitating their climate change needs identification process. This is particularly evident in the case of the Green Climate Fund and Adaptation Fund readiness support and the GEF Capacity-building Initiative for Transparency Trust Fund, which enable countries to identify and prioritize their climate change needs.

C. Methodologies and underlying assumptions used in determining the needs of developing country Parties

1. Methodologies used at the national level by developing countries in national reports

48. Developing country Parties identify adaptation and mitigation needs in preparing their national reports, following UNFCCC reporting guidelines and guidance and, in some cases, other methodologies adapted to their national context. The approaches taken vary depending on institutional and human capacities, cost, geography, time frame and data availability.

49. Although recent national reports include more information about methodologies used to determine adaptation needs, overall, there is still more information about the methodologies used to determine mitigation needs than for adaptation needs. The types of methodology applied vary. Most methodologies used to identify mitigation needs are quantitative, while a lower number of qualitative methodologies are used to identify adaptation needs. However, in recent reports, some countries have used methodologies to identify both mitigation and adaptation needs.

50. Countries in the Africa, Asia-Pacific, and Latin America and Caribbean regions present region-level information about methodologies applied to determine mitigation needs. Countries in the Africa and Asia-Pacific regions also present information about methodologies used to determine adaptation needs.

51. UNFCCC reporting guidelines and guidance, such as those provided for TNA preparation, have facilitated identification of needs for technology transfer and capacity-building related to mitigation and adaptation actions through methodologies such as the TNA methodology and the guidance for preparing a TAP.¹³ However, the existing reporting guidelines and guidance do not include specific provisions on how to assess these needs at the local level. As such, countries assess their needs on the basis of methodologies developed for application at the national or international level.

52. Methodologies used by developing countries to determine mitigation needs include both top-down and bottom-up models for the energy and non-energy sectors. Bottom-up models are suited for studying options that have specific sectoral and technological implications. Top-down models are useful for studying broad macroeconomic and fiscal policies for mitigation, such as carbon or other environmental taxes. Methodologies applied to identify mitigation needs mainly focus on the cross-cutting, energy, greenhouse gas inventory preparation, waste, transport, agriculture, forestry, building and industry sectors.

53. Methodologies used by developing countries to determine adaptation needs mostly include vulnerability assessments that determine the levels of risk and vulnerability for each sector. These methodologies mainly focus on the agriculture, ecosystem and biodiversity, water and cross-cutting sectors.

2. Methodologies used at the regional and global level

54. For international and regional reports, top-down methodologies have been developed and applied to identify finance, technology development and transfer, and capacity-building needs. Such reports have provided alternative methodologies to developing countries that have been adapted to national circumstances and contexts and used to determine national needs.

D. Challenges, opportunities and gaps in determining the needs of developing country Parties

1. Opportunities

55. There are several regional and global specialized institutions that can support countries in their needs identification process by providing expertise and data. Some of these institutions are United Nations agencies, to which countries have quick and easy access and which can be engaged with during the needs identification process to provide the required support.

56. A number of platforms have been established by various institutions, including United Nations agencies and MDBs. These platforms offer a good opportunity for developing countries to share their experience and good practices in the needs identification process. Most developing countries are already using these platforms to share their experience.

57. Several initiatives have been established that can help in the needs identification process. These initiatives include the establishment of emissions inventories, which provide some of the data and information that can facilitate the prioritization of sectors and activities as part of the country's climate change needs identification process.

¹³ Technology Executive Committee. 2020. *Enhancing implementation of the results of technology needs assessments*. Bonn: UNFCCC. Available at <https://unfccc.int/tclear/tec/brief13.html>.

2. Challenges

(a) Challenges experienced in the preparation of the report

58. In compiling the needs of developing country Parties from the various sources, efforts were made by the technical team to overcome challenges such as identifying reporting overlaps so as to avoid double counting in aggregating and presenting the data.

59. Nevertheless, the following challenges were encountered in collecting, categorizing, aggregating and presenting the data on needs:

(a) **Data inconsistencies:** the classification of sectors and subsectors is not uniform across data sources, including in different sources of information and reports submitted by the same Party. This increases the risk of double counting, as cost estimates may be given in one report by sector and in another report by activity, so the same activity may be captured and hence accounted for under the costs by sector. Issues related to the definitions of needs also introduce inconsistencies because needs are referred to as qualitative needs, investment needs or costs;

(b) **Data gaps:** gaps in the coverage of information on costed needs by sector or subsector pose a significant challenge. These gaps are particularly evident for adaptation needs, which, compared with cost estimates for mitigation, remain limited. Significant data gaps related to capacity-building needs remain; these are predominantly characterized in qualitative terms. Further, information on methodologies used in producing and communicating information on needs in national reports is, in many cases, not included in the reports. In addition, methodological assumptions, which in most cases are not stated, may impact the interpretation of the data. The needs are dynamically changing and may depend on different factors such as temperature scenarios, mitigation pathways and adaptive capacity, extreme weather events, adverse effects of trade and economic barriers, and social factors such as poverty. Most reports, however, provide a snapshot of a Party's needs. It should also be noted that not all Parties have submitted reports;

(c) **Data interpretation:** when collecting, analysing and aggregating data and information on the needs of developing country Parties, best efforts have been made to ensure accuracy. When collecting and analysing the amounts of needs reported by developing country Parties in their national reports, different Parties apply their respective definitions and interpretations of needs. Needs may be reported as needs or activities needed to take climate action. Furthermore, costed needs may be determined in one national report but not in the subsequent report, without stating whether the same amounts of costed needs apply.

60. The following steps were undertaken to analyse, aggregate and present the data:

(a) Analysis of data gaps and identification of areas for improvement;

(b) Harmonization of data sets used for estimating the global total needs in order to minimize misalignment between information and data according to thematic areas, regions, sectors and time frames;

(c) Presentation of quantified data in ranges of estimates where possible, instead of aggregating the amounts, to avoid possible data overlaps;

(d) Use of case studies to highlight good practices and lessons learned in determining needs.

(b) Challenges experienced by developing countries

61. Institutional coordination was highlighted as a major challenge in the needs determination process. The coordination challenge affected needs identification between sectors and between levels of governance, namely the local and national level. Two of the identified drivers of limited coordination were the lack of specialized institutions within ministries with the mandate to spearhead climate change actions, and the involvement of ministries other than the environment ministry in climate change planning in the needs identification process.

62. While most countries have used methodologies to identify and report their needs both qualitatively and quantitatively, costing these needs has been a major challenge and therefore most of these needs do not have accompanying cost estimates. This challenge is particularly

evident in deriving cost estimates for climate adaptation and enhancing resilience needs, and, in this context, deriving cost estimates for averting, minimizing and addressing loss and damage needs, since developing countries' adaptation actions cannot always be included in short-term projects, but rather require long-term interventions that are difficult to estimate in monetary terms.

3. Gaps

63. Developing countries have taken significant steps to improve their needs determination process but capacity gaps within lead institutions continue to hinder progress. These capacity gaps vary widely across countries and include the lack of qualified personnel to spearhead the needs identification process and the lack of institutional-level capacity.

64. Limited availability of granular data at the sector and subsector level constitutes one of the major gaps identified by developing countries. As a result, many developing countries provide cost estimates for overall needs rather than disaggregated by theme or sector.

65. The lack of specialized national institutions to spearhead the means of implementation under the Convention, such as technology development and transfer, and capacity-building, limits the ability of some developing countries to track needs continuously and identify additional and emerging needs.

66. Limited detailed guidance on the structure and content of reports submitted to the UNFCCC resulted in needs with varying levels of detail across countries. Where such guidance was available, for instance for TNAs, the needs were identified at a higher level of detail compared with needs communicated in other national reports.

4. Insights into determining needs using available resources: country case studies and experience

67. Country case studies have shown that the needs identification process provides an opportunity for countries to translate their needs into investment opportunities and climate actions, including by using existing support mechanisms to prioritize and cost identified needs and turn needs into project ideas for support. For example, through the TNA process, some countries identified technology support needs and submitted a request for technology assistance to formulate project ideas related to technology development and transfer.

68. Costing adaptation and mitigation needs for action is becoming a crucial area of work at the national level in order to better identify gaps where financial support is needed and ways to leverage public and private resources.

5. Co-benefits related to addressing the needs of developing country Parties, such as in relation to the Sustainable Development Goals, disaster risk reduction and the Addis Ababa Action Agenda

69. For most countries, climate change needs are aligned with the targets set out in the 2030 Agenda for Sustainable Development. As the SDGs are ideally indivisible, all developing country Parties covered in this report are taking action to address SDG 13 that relates to taking action to address climate change, and SDG 13 affects all the other SDGs. Overall, the needs identified by developing countries touch on all SDGs, with 75 per cent of NDCs having linkages to SDGs 2, 6, 7, 8, 9, 11, 12, 13, 15 and 17.

70. In their national reports, some developing country Parties refer to the Addis Ababa Action Agenda provision for mobilizing and aligning local resources for climate action. This is particularly evident in countries that capture their climate action budgets under the national budgeting process.

V. Recommendations

71. The SCF invites the COP and the CMA to consider the following recommendations:

(a) *Encourage* developing country Parties and climate finance providers, as well as multilateral and financial institutions, private finance data providers and other relevant institutions, to enhance the availability of granular, country-level data on needs related to the implementation of the Convention and the Paris Agreement with a view to addressing existing data gaps;

- (b) *Encourage* developing country Parties to share best practices on determining needs, including regarding the institutional capacity conducive to determining needs;
- (c) *Encourage* developing country Parties to provide, where possible, information on needs related to:
- (i) Gender-responsive climate action and the needs of indigenous peoples and vulnerable groups;
 - (ii) Preparation of national reports to the UNFCCC, including reporting on the activities contained therein;
 - (iii) Addressing and mitigating risks, including physical and transitional risks;
 - (iv) Energy poverty as it relates to sustainable development;
 - (v) Methodologies employed in the determination of the needs in their national reports to the UNFCCC, including, in accordance with reporting guidelines and where available, quantified data on needs;
- (d) *Request* the SCF, in preparing future NDRs, to present available data and information on needs related to the recommendations referred to in paragraph 71(c) above;
- (e) *Invite* the operating entities of the Financial Mechanism, United Nations agencies, multilateral and bilateral financial institutions and other relevant institutions to make use of the information contained in the first NDR when supporting developing country Parties in identifying and costing needs;
- (f) *Invite* the operating entities of the Financial Mechanism to revise templates and guidance for developing countries when supporting their processes in identifying their needs with a view to enhancing availability of granular information on qualitative and quantitative needs;
- (g) *Encourage* the operating entities of the Financial Mechanism, United Nations agencies, multilateral and bilateral financial institutions and other relevant institutions to make available further information on methodologies related to determining and costing needs, especially for adaptation needs and incremental costs;
- (h) *Encourage* developing country Parties to consider the insights on methodologies identified in the first NDR when costing and determining needs;
- (i) *Encourage* developing country Parties to take advantage of available resources through the operating entities of the Financial Mechanism, as well as other multilateral and bilateral actors, to strengthen institutional capacity for identifying and costing their needs in relation to implementing the Convention and the Paris Agreement;
- (j) *Request* the SCF to engage with public and private financial institutions and to disseminate the findings of the first NDR;
- (k) *Invite* UNFCCC constituted bodies, in particular the Paris Committee on Capacity-building and the Adaptation Committee, to consider the insights identified in the first NDR when implementing their respective workplans;
- (l) *Encourage* Parties, multilateral and financial institutions, academia, methodology developers, research institutions and other relevant actors to continue to develop methodologies for the determination of adaptation and resilience enhancement needs and, in this context, needs related to averting, minimizing and addressing loss and damage;
- (m) *Encourage* the operating entities of the Financial Mechanism, United Nations agencies, multilateral and bilateral financial institutions and other relevant institutions to provide financial and technical support to developing countries for updating the reporting of their qualitative and quantitative information and data on needs to be considered in subsequent NDRs, as appropriate;
- (n) *Encourage* all actors, when determining needs for implementing the Convention and the Paris Agreement, to highlight linkages to the implementation of the 2030 Agenda for Sustainable Development and application of the Addis Ababa Action Agenda.

12th plenary meeting
13 November 2021

Decision 6/CP.26

Report of the Green Climate Fund to the Conference of the Parties and guidance to the Green Climate Fund

The Conference of the Parties,

Recalling decision 3/CP.17, annex,

1. *Welcomes* the reports of the Green Climate Fund to the Conference of the Parties at its twenty-sixth session,¹ including the list of actions taken by the Board of the Green Climate Fund (hereinafter referred to as the Board) in response to guidance received from the Conference of the Parties;
2. *Also welcomes* the continued efforts of the Green Climate Fund to make a significant and ambitious contribution to the global effort to meet the goals set by the international community in relation to combating climate change;
3. *Further welcomes* the progress of the Green Climate Fund in 2020–2021, including in relation to guidance provided by the Conference of the Parties:
 - (a) The increase in the number of funding proposals approved, which brings the total amount approved by the Board to USD 10 billion to support implementation of 190 adaptation and mitigation projects and programmes in 127 developing countries;
 - (b) The increase in the number of entities accredited by the Board, which brings the total number of accredited entities to 112, of which 72 are direct access entities;
 - (c) The approval of its Updated Strategic Plan for 2020–2023,² Integrated Results Management Framework and a results tracking tool;
 - (d) The revision of its environmental and social policy to reaffirm its commitment to preventing sexual exploitation, sexual abuse and sexual harassment; administrative remedies and exclusions policy; and guidelines to facilitate consideration by the Board of Independent Redress Mechanism reports on requests for reconsideration, grievances and complaints;
 - (e) The approval of its evaluation policy;
 - (f) The continued collaboration between the Green Climate Fund, the Climate Technology Centre and Network and the Technology Executive Committee;
 - (g) The collaboration between the Green Climate Fund, the Adaptation Committee and the Least Developed Countries Expert Group;
4. *Welcomes* the long-term vision on complementarity, coherence and collaboration between the Green Climate Fund and the Global Environment Facility³ and *requests* the Board to enhance coherence and complementarity with other climate finance delivery channels with a view to enhancing the impact and effectiveness of its work;
5. *Encourages* further collaboration and engagement between the Green Climate Fund, the Climate Technology Centre and Network and the Technology Executive Committee, through continued joint work, as well as collaboration on events, and taking into consideration elements related to gender mainstreaming and observer engagement;
6. *Reiterates* the request to the Board to continue efforts to maintain the balance in the allocation of resources between adaptation and mitigation;

¹ FCCC/CP/2020/5 and FCCC/CP/2021/8.

² Contained in Green Climate Fund document GCF/B.27/21, annex II. Available at <https://www.greenclimate.fund/document/gcf-b27-21>.

³ Contained in Global Environment Facility document GEF/C.60/08, annex I. Available at <https://www.thegef.org/council-meeting-documents/long-term-vision-complementarity-coherence-and-collaboration-between-green>.

7. *Encourages* the Board to further clarify the role of data and information from, inter alia, the Intergovernmental Panel on Climate Change, and traditional, local and indigenous knowledge and practices in the assessment of concept notes, project preparation funding applications and funding proposals;
8. *Also encourages* the Board to strengthen country ownership and regional management by proactively engaging national designated authorities in all aspects of the project and programme cycle;
9. *Takes note* of the exceptional circumstances of the coronavirus disease 2019 pandemic and its significant impact on the implementation of the Board's updated four-year workplan, *recognizes* the Board's efforts during that period and *encourages* the Board to continue to improve the efficiency and effectiveness of its work;
10. *Takes note* of the continued efforts of the Board to provide financial resources for activities relevant to averting, minimizing and addressing loss and damage in developing country Parties consistent with the existing investment, results framework and funding windows and structures of the Green Climate Fund, including through the Project Preparation Facility and the Readiness and Preparatory Support Programme;
11. *Notes* the significant number of remaining policy gaps, including updating the accreditation framework to include approving the project-specific assessment approach, updating the simplified approval process, approving the policy on programmatic approaches, completing policies related to the investment framework, and addressing matters related to the Private Sector Facility and strategy, as well as outstanding matters from the rules of procedure of the Board,⁴ and *urges* the Board to prioritize closing the policy gaps as a matter of urgency and to explore diversifying its selection of financial instruments for addressing climate risk including parametric insurance for climatic events;
12. *Takes note* of the engagement of the President of the Conference of the Parties on the matter of granting privileges and immunities for the Green Climate Fund and its officials and *invites* the Board to continue efforts to ensure that the Fund enjoys privileges and immunities as are necessary;
13. *Urges* the Board to finalize in a timely manner its work related to the guidance and arrangements of the Conference of the Parties on financing for forests and alternative approaches as mandated by decision 7/CP.21, paragraphs 23–25;
14. *Encourages* the Board to continue the integration of gender considerations into its activities, including through its gender policy and by promoting gender balance across the structures of the Fund;
15. *Invites* the Board to consider ways of improving access to the Fund for local non-governmental and private sector organizations;
16. *Also invites* Parties to submit to the secretariat views and recommendations on elements of guidance for the Green Climate Fund via the submission portal⁵ no later than 10 weeks prior to the twenty-seventh session of the Conference of the Parties (November 2022);
17. *Requests* the Standing Committee on Finance to take into consideration the submissions referred to in paragraph 16 above when preparing its draft guidance for the Green Climate Fund for consideration by the Conference of the Parties at its twenty-seventh session and the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement at its fourth session (November 2022);
18. *Also requests* the Board of the Green Climate Fund to include in its annual report to the Conference of the Parties information on the steps it has taken to implement the guidance provided in this decision;

⁴ Available at <https://www.greenclimate.fund/document/rules-procedure>.

⁵ <https://www4.unfccc.int/sites/submissionsstaging/Pages/Home.aspx>.

19. *Takes note* of decision 11/CMA.3 and *decides* to transmit to the Green Climate Fund the guidance from the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement contained in paragraphs 2–8 of that decision.⁶

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⁶ In accordance with decision 1/CP.21, para. 61.

Decision 7/CP.26

Report of the Global Environment Facility to the Conference of the Parties and guidance to the Global Environment Facility

The Conference of the Parties,

Recalling decision 11/CP.1, paragraph 1(c), and decision 13/CP.25,

Noting paragraph 9(b) of the Instrument for the Establishment of the Restructured Global Environment Facility,¹

1. *Welcomes* the reports of the Global Environment Facility to the Conference of the Parties at its twenty-sixth session and their addenda,² including the responses of the Global Environment Facility to guidance received from the Conference of the Parties;

2. *Also welcomes* the work undertaken by the Global Environment Facility during its reporting period (1 July 2019 to 30 June 2021), including with regard to:

(a) Approval of the climate change projects and programmes approved during the reporting period under the Global Environment Facility Trust Fund, the Least Developed Countries Fund and the Special Climate Change Fund;

(b) Integration of climate change priorities into its other focal areas and the reduction in greenhouse gas emissions achieved through such integration;

(c) Improvement in coordination with the Green Climate Fund;

(d) Adoption of its private sector engagement strategy;³

(e) Adoption of the sustainable bond strategy for the Global Environment Facility Trust Fund;⁴

3. *Encourages* the Global Environment Facility, as part of the eighth replenishment process, to duly consider ways to increase the financial resources allocated for climate action, including the climate change focal area and climate co-benefits, taking into account the reporting requirement referred to in paragraph 6 of decision 12/CMA.3, and to apply a coherent approach across its focal areas to prioritizing projects that generate environmental co-benefits;

4. *Calls upon* developed country Parties to make financial contributions to the Global Environment Facility to contribute to a robust eighth replenishment of the Global Environment Facility to support developing countries in implementing the Convention and *encourages* additional voluntary financial contributions to the eighth replenishment of the Global Environment Facility;

5. *Takes note* of ongoing discussions on the eighth replenishment process regarding its allocation policies under the System for Transparent Allocation of Resources and *invites* the Global Environment Facility to duly consider the needs and priorities of developing country Parties when allocating resources to developing country Parties;

6. *Takes note* of the ongoing work of the Global Environment Facility in monitoring the concentration and geographical and thematic coverage, as well as the effectiveness, efficiency and engagement, of the Global Environment Facility Partnership and *encourages* the Global Environment Facility to consider ways to enhance participation of additional

¹ Global Environment Facility. 2019. *Instrument for the Establishment of the Restructured Global Environment Facility*. Washington, D.C.: Global Environment Facility. Available at <https://www.thegef.org/documents/instrument-establishment-restructured-gef>.

² FCCC/CP/2020/1 and Add.1 and FCCC/CP/2021/9 and Add.1.

³ See Global Environment Facility document GEF/C.59/07/Rev.01. Available at <https://www.thegef.org/documents>.

⁴ See Global Environment Facility document GEF/C.59/12.

national and regional entities from developing country Parties in the Partnership, including by allowing them to serve as executing agencies, as appropriate;

7. *Requests* the Global Environment Facility to consider ways to further enhance the role of national agencies and civil society organizations as executing agencies in order to enhance country ownership of projects and programmes funded by the Global Environment Facility and prevent implementing agencies from serving simultaneously as executing agencies;

8. *Welcomes with appreciation* the contributions made by developed country Parties to the Least Developed Countries Fund, amounting to USD 605.3 million, and *encourages* additional voluntary financial contributions to the Least Developed Countries Fund and the Special Climate Change Fund to support adaptation and technology transfer;

9. *Requests* the Global Environment Facility, as an operating entity of the Financial Mechanism of the Convention entrusted with the operation of the Special Climate Change Fund, to continue to assist developing country Parties in accessing resources in an efficient manner;

10. *Calls upon* the Global Environment Facility to continue to improve the governance framework for its agencies and the standards to which the implementing partners are accountable;

11. *Takes note* that financial resources allocated for the non-grant instrument under the seventh replenishment of the Global Environment Facility increased to USD 136 million from USD 110 million under the sixth replenishment and *encourages* the Global Environment Facility, during its discussions on the instrument under the eighth replenishment, to continue to take into account needs and priorities of developing countries, as well as their different national circumstances;

12. *Requests* the Global Environment Facility to consider updating its policy on gender equality to include protection against discrimination;

13. *Recognizes* that the Global Environment Facility does not impose minimum thresholds and/or specific types or sources of co-financing or investment mobilized in its review of individual projects and programmes;⁵

14. *Encourages* the Global Environment Facility to reinforce its efforts to engage with and mobilize resources from the private sector under its eighth replenishment;

15. *Takes note* of ongoing discussions within the Global Environment Facility concerning the Small Grants Programme under the eighth replenishment and *invites* the Global Environment Facility to consider increasing the funding ceiling per project to provide adequate financial and technical support to communities and civil society organizations;

16. *Urges* the Global Environment Facility to enhance its support for projects that engage with stakeholders at the local level, and to continue to provide funding for projects related to technology training and scale up South–South cooperation and triangular cooperation with the Technology Executive Committee and the Climate Technology Centre and Network;

17. *Welcomes* the long-term vision on complementarity, coherence and collaboration between the Green Climate Fund and the Global Environment Facility⁶ and *requests* the Global Environment Facility Council to enhance coherence and complementarity with other climate finance delivery channels with a view to enhancing the impact and effectiveness of its work;

18. *Also requests* the Global Environment Facility, as part of the eighth replenishment process, to take note of the needs and priorities for climate finance, including those identified in the first report on the determination of the needs of developing country Parties related to implementing the Convention and the Paris Agreement,⁷ nationally determined

⁵ See Global Environment Facility document GEF/C.54/10/Rev.01, annex I, para. 5.

⁶ Contained in Global Environment Facility document GEF/C.60/08, annex I.

⁷ Standing Committee on Finance. 2021. *First report on the determination of the needs of developing country Parties related to implementing the Convention and the Paris Agreement*. Bonn: UNFCCC. Available at <https://unfccc.int/topics/climate-finance/workstreams/determination-of-the-needs-of-developing-country-parties/first-report-on-the-determination-of-the-needs-of-developing-country-parties-related-to-implementing>.

contributions, national communications and national adaptation plans, as well as in other sources of available information, including the biennial assessment and overview of climate finance flows and other relevant reports;

19. *Invites* Parties to submit views and recommendations on elements of guidance for the Global Environment Facility via the submission portal⁸ no later than 10 weeks prior to the twenty-seventh session of the Conference of the Parties (November 2022);

20. *Requests* the Standing Committee on Finance to take into consideration the submissions referred to in paragraph 19 above when preparing its draft guidance for the Global Environment Facility for consideration by the Conference of the Parties at its twenty-seventh session and the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement at its fourth session (November 2022);

21. *Also requests* the Global Environment Facility to include in its annual report to the Conference of the Parties information on the steps it has taken to implement the guidance provided in this decision;

22. *Takes note* of decision 12/CMA.3 and *decides* to transmit to the Global Environment Facility the guidance from the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement contained in paragraphs 2–10 of that decision.⁹

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⁸ <https://www4.unfccc.int/sites/submissionsstaging/Pages/Home.aspx>.

⁹ In accordance with decision 1/CP.21, para. 61.

Decision 8/CP.26

Compilation and synthesis of, and summary report on the in-session workshop on, biennial communications of information related to Article 9, paragraph 5, of the Paris Agreement

The Conference of the Parties,

Recalling Articles 4 and 11 of the Convention,

Also recalling decision 12/CMA.1,

1. *Welcomes* the compilation and synthesis¹ prepared by the secretariat of the information contained in the first biennial communications in accordance with Article 9, paragraph 5, of the Paris Agreement;
2. *Also welcomes* the summary report² on the biennial in-session workshop on information to be provided by Parties in accordance with Article 9, paragraph 5, of the Paris Agreement held on 11 June 2021;
3. *Takes note* of decision 14/CMA.3.

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¹ FCCC/PA/CMA/2021/3.

² FCCC/PA/CMA/2021/5.

Decision 9/CP.26

Enhancing climate technology development and transfer through the Technology Mechanism

The Conference of the Parties,

Recalling decisions 2/CP.17, 1/CP.21, 15/CP.22, 21/CP.22, 13/CP.23, 15/CP.23, 12/CP.24, 13/CP.24 and 14/CP.25,

1. *Welcomes* the joint annual reports of the Technology Executive Committee and the Climate Technology Centre and Network for 2020 and 2021¹ and *commends* their efforts to advance their work amid the continuing pandemic;
2. *Welcomes* the continuing collaboration of the Technology Executive Committee and the Climate Technology Centre and Network and *invites* them to strengthen their collaboration and the provision of feedback between them with a view to ensuring coherence and synergy and effective implementation of the mandates of the Technology Mechanism, inter alia by exploring the preparation of a joint programme;
3. *Welcomes* the collaboration between the Technology Mechanism and the Financial Mechanism and *encourages* the continuation of this collaboration;
4. *Takes note* of the challenges faced by the Technology Executive Committee and the Climate Technology Centre and Network in implementing their mandates during the continuing pandemic and *welcomes* their efforts to address these challenges;
5. *Also welcomes* the implementation of monitoring and evaluation systems of the Technology Executive Committee and the Climate Technology Centre and Network and *requests* them to continue reporting on the results and impacts of their work;
6. *Welcomes* the efforts of the Technology Executive Committee and the Climate Technology Centre and Network to draw upon the work of UNFCCC constituencies to increase the impacts of work under the Technology Mechanism;

I. Activities and performance of the Technology Executive Committee in 2020–2021

7. *Appreciates* the flexibility of the Technology Executive Committee in adapting to new ways of working, including through the use of virtual platforms for meetings and events, and in constructively engaging with its members, task forces, observers and other relevant stakeholders, thereby facilitating progress in successfully implementing activities in its rolling workplan for 2019–2022;²
8. *Invites* Parties and relevant stakeholders to consider the recommendations of the Technology Executive Committee on ways forward and actions to be taken on the basis of the outcomes of the technical expert meetings on mitigation in 2020;³
9. *Also invites* Parties and relevant stakeholders to consider the key messages and recommendations of the Technology Executive Committee for 2020–2021 on technology policy in the following areas: technology needs assessment; technologies for averting, minimizing and addressing loss and damage in coastal zones; international collaborative research, development and demonstration; innovative approaches to stimulating the uptake of existing clean technology solutions; and endogenous capacities and technologies;⁴

¹ FCCC/SB/2020/4 and FCCC/SB/2021/5.

² Available at <https://unfccc.int/ttclear/tec>.

³ See document FCCC/SB/2020/4, annex III.

⁴ See documents FCCC/SB/2020/4 and FCCC/SB/2021/5.

10. *Notes with appreciation* the collaboration of the Technology Executive Committee with other constituted bodies and relevant organizations in implementing its workplan activities;
11. *Notes* that private sector engagement is crucial for translating research, development and demonstration results into market-deployable climate technologies and *welcomes* the activities of the Technology Executive Committee in this regard;
12. *Also welcomes* the successful organization of the Technology Day events in 2020–2021⁵ to promote innovative approaches to adaptation technologies related to climate-smart agriculture and ocean and coastal adaptation and *encourages* the Technology Executive Committee to continue using such events to strengthen the impacts of its work and to reach target audiences;
13. *Commends* the Technology Executive Committee on its efforts to mainstream gender considerations in its work, including through a structured approach that strives to ensure that gender focal points play an active role and gender balance is achieved with regard to the speakers at all its events in 2021, and *looks forward* to its continuing efforts in this regard;
14. *Encourages* the Technology Executive Committee to further increase its outreach and stakeholder engagement activities to disseminate its policy and publications, especially to target audiences;
15. *Notes with concern* that the Technology Executive Committee membership composition prevents certain Parties from fully participating in its work;

II. Activities and performance of the Climate Technology Centre and Network in 2020–2021

16. *Welcomes* the initiative of the Climate Technology Centre and Network to adapt to operational challenges resulting from the continuing pandemic by focusing on the implementation of technical assistance requests and making use of online stakeholder engagement and capacity-building activities;
17. *Appreciates* the multi-country, regional and programmatic approaches of Climate Technology Centre and Network services to streamlining Climate Technology Centre and Network operations and *looks forward* to the continuation of these approaches;
18. *Takes note* of the activities, performance and key messages of the Climate Technology Centre and Network in 2020–2021, including challenges faced and lessons learned;
19. *Welcomes* the efforts of the Climate Technology Centre and Network to be more inclusive by implementing its gender action plan and enhancing engagement with the constituencies of women and gender, youth and indigenous peoples organizations;
20. *Notes with appreciation* that the Climate Technology Centre and Network is now the largest provider of readiness support for technology under the Green Climate Fund Readiness and Preparatory Support Programme and *encourages* the Climate Technology Centre and Network to continue its collaboration through the Readiness and Preparatory Support Programme and to extend its engagement through the Project Preparation Facility with the Green Climate Fund;
21. *Welcomes with appreciation* the establishment of the Climate Technology Centre and Network partnership and liaison office in Songdo, Republic of Korea, which will focus its work on, inter alia, collaborating with the Green Climate Fund and research and development, and *invites* the Climate Technology Centre and Network to report on experience and lessons learned therefrom;
22. *Welcomes with appreciation* the continuing collaboration between the Climate Technology Centre and Network and the Global Environment Facility;

⁵ See https://unfccc.int/ttclear/events/2020/2020_event07.

23. *Welcomes* the action of the Climate Technology Centre and Network to engage with the private sector in developing and implementing its programme of work, including the delivery of technical assistance and capacity development through small and medium-sized enterprises and its efforts to enhance engagement with the private sector and Network members;
24. *Invites* the Climate Technology Centre and Network to continue its efforts to support developing countries in preparing and updating technology needs assessments and technology action plans, as well as their implementation, upon request;
25. *Also invites* the Climate Technology Centre and Network to continue providing support for enhancing the capacity of national designated entities in developing countries to enable them to fulfil their roles;
26. *Encourages* developed country national designated entities to consider how they can engage in the efforts of the Climate Technology Centre and Network;
27. *Notes with appreciation* the information reported on experience and lessons learned with regard to pro bono and in-kind contributions⁶ and *encourages* the Climate Technology Centre and Network to continue its efforts to mobilize such contributions;
28. *Appreciates* the efforts of the Climate Technology Centre to mobilize a diverse range of resources,⁷ including from multilateral development banks, private sector channels, philanthropic organizations, Network members, the United Nations Environment Programme and other United Nations agencies, as well as new contributions to the multi-donor trust fund and multi-year commitments that enable the Climate Technology Centre and Network to successfully implement its mandates, and *encourages* the Climate Technology Centre and Network to continue these efforts;
29. *Expresses its gratitude* for the financial contributions provided by Parties to support the work of the Climate Technology Centre and Network to date;
30. *Recognizes* the challenge of securing sustainable financial resources for the Climate Technology Centre and Network for 2022 and *requests* the Climate Technology Centre and Network to strengthen its resource mobilization efforts to ensure sustainable funding for effectively implementing its programme of work;
31. *Encourages* the Climate Technology Centre and Network to participate in events that raise the profile and awareness of the Climate Technology Centre and Network, expand its outreach and increase its impact in order to enhance knowledge-sharing and uptake of climate technologies.

*10th plenary meeting
11 November 2021*

⁶ Pursuant to decision 14/CP.25, para. 22; see also document FCCC/SB/2020/4, annex V.

⁷ Pursuant to decision 14/CP.25, para. 26.

Decision 10/CP.26

Review of the constitution of the Advisory Board of the Climate Technology Centre and Network

The Conference of the Parties,

Recalling decision 2/CP.17, annex VII, regarding the functions of the Advisory Board of the Climate Technology Centre and Network,

Also recalling decision 14/CP.18, annex II, regarding the constitution of the Advisory Board of the Climate Technology Centre and Network,

Pursuant to decision 14/CP.18, annex II, paragraph 16,

1. *Agrees* to amend the constitution of the Advisory Board of the Climate Technology Centre and Network to that contained in the annex;
2. *Notes* that the amendment of the constitution of the Advisory Board should ensure its effective functioning.

Annex

Constitution of the Advisory Board of the Climate Technology Centre and Network

1. The Advisory Board of the Climate Technology Centre and Network (CTCN), with the aim of achieving fair and balanced representation, shall constitute the following:

(a) Eighteen government representatives, comprising equal representation of Parties included in Annex I to the Convention (Annex I Parties) and Parties not included in Annex I to the Convention (non-Annex I Parties) and, for non-Annex I Parties, ensuring equitable representation of the United Nations regional groups;

(b) The Chair and the Vice-Chair of the Technology Executive Committee in their official capacity as Technology Executive Committee representatives;

(c) One of the Co-Chairs, or a member designated by the Co-Chairs, of the Green Climate Fund Board in their official capacity as a Green Climate Fund representative;

(d) The Chair or the Vice-Chair of the Adaptation Committee, or a member designated by the Chair and the Vice-Chair, in their official capacity as an Adaptation Committee representative;

(e) One of the Co-Chairs, or a member designated by the Co-Chairs, of the Standing Committee on Finance in their official capacity as a Standing Committee on Finance representative;

(f) The Director of the CTCN in their official capacity as the CTCN representative;

(g) Six representatives, with one being selected by each of the following UNFCCC observer organization constituencies: environmental, business and industry, research and independent, and youth non-governmental organizations; indigenous peoples organizations; and the women and gender constituency, with relevant expertise in technology, finance or business, received by the host organization of the Climate Technology Centre, taking into account balanced geographical representation.

2. The Advisory Board will invite representatives of relevant constituted bodies and expert observers to attend its meetings on the basis of specific items on the agenda, in accordance with the modalities and procedures developed by the Advisory Board at its 1st meeting.¹

3. The Director of the CTCN shall be the secretary of the Advisory Board.

4. Government representatives shall be nominated by their respective groups or constituencies and elected by the Conference of the Parties (COP). Groups or constituencies are encouraged to nominate the government representatives to the Advisory Board, with a view to achieving an appropriate balance of expertise relevant to the development and transfer of technologies for adaptation and mitigation, taking into account the need to achieve gender balance in accordance with decisions 36/CP.7 and 23/CP.18.

5. Government representatives elected to the Advisory Board shall serve for a term of two years and shall be eligible to serve a maximum of two consecutive terms of office. The following rules shall apply:

(a) Half of the representatives shall be elected initially for a term of three years and half shall be elected for a term of two years;

(b) Thereafter, the COP shall elect half of the representatives every year for a term of two years;

(c) The representatives shall remain in office until their successors are elected.

¹ See decision 25/CP.19, annex I.

6. If a government representative of the Advisory Board resigns or is otherwise unable to complete the assigned term of office or to perform the functions of that office, the Advisory Board may decide, bearing in mind the proximity of the next session of the COP, to appoint another representative from the same constituency to replace said representative for the remainder of that representative's mandate, in which case the appointment shall count as one term.
7. The representatives of the Advisory Board referred to in paragraph 1(b) above shall serve in accordance with their term of office.
8. The representatives of the Advisory Board referred to in paragraph 1(c–e) above shall serve in accordance with their term of office.
9. The representatives of the Advisory Board referred to in paragraph 1(g) above shall be eligible to serve for a maximum term of office of two years.²
10. Decisions of the Advisory Board will be taken by consensus by only the Advisory Board representatives referred to in paragraph 1(a–b) above. These representatives will specify in the modalities and procedures of the Advisory Board how to adopt decisions in the event that all efforts at reaching consensus have been exhausted.
11. The Advisory Board shall elect annually a Chair and a Vice-Chair from among the representatives referred to in paragraph 1(a) above for a term of one year each, with one being from an Annex I Party and the other being from a non-Annex I Party. The positions of Chair and Vice-Chair shall alternate annually between a representative of an Annex I Party and a representative of a non-Annex I Party.
12. If the Chair is temporarily unable to fulfil the obligations of the office, the Vice-Chair shall serve as Chair. In the absence of the Chair and the Vice-Chair at a particular meeting, any other representatives identified in paragraph 1(a) above designated by the Advisory Board shall temporarily serve as the chair of that meeting.
13. If the Chair or the Vice-Chair is unable to complete the term of office, the Advisory Board shall elect a replacement to complete the term of office, taking into account paragraph 6 above.
14. The meetings of the Advisory Board shall be open to attendance, as observers, by Parties, the secretariat and observer organizations, except where otherwise decided by the Advisory Board.
15. The Climate Technology Centre shall support and facilitate the work of the Advisory Board of the CTCN.

*11th plenary meeting
12 November 2021*

² See decision 13/CP.24, para. 16.

Decision 11/CP.26

Second review of the Climate Technology Centre and Network

The Conference of the Parties,

Recalling decisions 1/CP.16, 2/CP.17, 1/CP.18, 14/CP.18, 14/CP.23 and 12/CP.24,

1. *Welcomes* the report on the second independent review of the effective implementation of the Climate Technology Centre and Network (hereinafter referred to as the second independent review)¹ commissioned by the secretariat in response to decision 2/CP.17, annex VII, paragraph 20, and decision 14/CP.23, paragraph 10;
2. *Welcomes with appreciation* the dialogue to consider the findings of the second independent review² organized by the secretariat;³
3. *Also welcomes with appreciation* the contributions and support provided by Parties and relevant organizations for the activities of the Climate Technology Centre and Network during the review period;
4. *Notes* the key findings of the second independent review regarding the relevance, effectiveness, efficiency, impact and sustainability of the services provided by the Climate Technology Centre and Network, as contained in the report referred to in paragraph 1 above;⁴
5. *Also notes* the main successes and challenges regarding the effective implementation of the Climate Technology Centre and Network, as contained in the report referred to in paragraph 1 above;⁵
6. *Further notes* that the contribution of the Climate Technology Centre and Network to transformational change is expected to be sustainable and result in adaptation, mitigation and socioeconomic co-benefits;
7. *Welcomes* the new organizational arrangements of the Climate Technology Centre at the regional level, undertaken with the aim of enhancing support for technical assistance requests;
8. *Also welcomes* the management response of the United Nations Environment Programme to the second independent review, as contained in the report referred to in paragraph 1 above;⁶
9. *Decides* to renew the memorandum of understanding between the Conference of the Parties and the United Nations Environment Programme regarding the hosting of the Climate Technology Centre, as contained in annex I to decision 14/CP.18, for a further five-year period;
10. *Authorizes* the Executive Secretary to sign, on behalf of the Conference of the Parties, the memorandum of understanding referred to in paragraph 9 above;
11. *Encourages* the United Nations Environment Programme as host of the Climate Technology Centre, in collaboration with the United Nations Industrial Development Organization and in consultation with the Advisory Board of the Climate Technology Centre and Network, to implement the recommendations contained in the report referred to in paragraph 1 above when implementing its further activities relevant to the work of the Climate Technology Centre and Network, including those activities relevant to the third programme of work of the Climate Technology Centre and Network;

¹ FCCC/CP/2021/3.

² See https://unfccc.int/ttclear/events/2021/2021_event07.

³ In response to decision 12/CP.24, para. 7.

⁴ FCCC/CP/2021/3, paras. 14–60.

⁵ FCCC/CP/2021/3, paras. 61–62.

⁶ FCCC/CP/2021/3, annex VIII.

12. *Requests* the Climate Technology Centre and Network to include in its joint annual report with the Technology Executive Committee for 2022 and in the subsequent reports to the Conference of the Parties, through the subsidiary bodies, information on its plans and actions undertaken in response to the recommendations contained in the report referred to in paragraph 1 above;
13. *Notes* that the Climate Technology Centre and Network continues to face challenges that need attention, including limited and insufficient financial resources and a constrained budget for implementing its mandates given its broad scope of services; administrative and communication challenges related to its management structure; lack of resources of the developing country national designated entities to better engage and fulfil its role; and limited engagement and synergies among the network members;
14. *Invites* the Climate Technology Centre and Network and the Technology Executive Committee to explore ways to strengthen their collaboration and thereby enhance the effectiveness and efficiency of the Technology Mechanism;
15. *Also invites* the Climate Technology Centre and Network to enhance in its provision of services the engagement of private sector Network members with a view to reinforcing its position as a climate technology ‘matchmaker’;
16. *Encourages* the Climate Technology Centre and Network to enhance efforts to promote active collaboration among national designated entities;
17. *Acknowledges* the effectiveness of support provided by national designated entities to developing country Parties for requesting technical assistance from the Climate Technology Centre and Network, which led to all the requests received being deemed eligible, and *encourages* them to continue to provide such support;
18. *Also encourages* the Climate Technology Centre and Network to enhance its provision of support for strengthening the capacity of national designated entities in developing countries with a view to enabling them to fulfil their roles;
19. *Reiterates* that enhanced and sustainable financial support should be provided to the Climate Technology Centre and Network for the full and effective implementation of its mandate;
20. *Encourages* the Climate Technology Centre and Network, in collaboration with the United Nations Environment Programme and in consultation with the Advisory Board, to liaise with the UNFCCC secretariat to further enhance resource mobilization from various sources, including the Financial Mechanism; bilateral, multilateral and private sector channels; philanthropic sources; and financial and in-kind contributions from the host organization and participants in the Network;
21. *Invites* the Climate Technology Centre and Network to continue working with the operating entities of the Financial Mechanism to further strengthen their linkages with the aim of scaling up the Climate Technology Centre and Network’s provision of technical support to developing country Parties;
22. *Decides* to align the periodicity of the independent review of the effective implementation of the Climate Technology Centre and Network with the periodic assessment of the effectiveness and adequacy of the support provided to the Technology Mechanism in supporting the implementation of the Paris Agreement on matters relating to technology development and transfer⁷ by changing the periodicity of the independent review from four to five years until the Conference of the Parties reviews the functions of the Climate Technology Centre and Network at its thirty-first session (2026) and decides whether to extend its term;⁸
23. *Requests* the Subsidiary Body for Implementation to start considering, at its sixty-second session (2025), matters relating to the alignment between processes pertaining to the independent review of the Climate Technology Centre and Network and the periodic assessment of the Technology Mechanism with a view to recommending a draft decision on

⁷ See decision 1/CP.21, para. 69.

⁸ See decision 2/CP.17, annex VII, para. 23.

this matter for consideration and adoption by the Conference of the Parties at its thirty-first session;

24. *Also requests* the secretariat, pursuant to decision 2/CP.17, annex VII, paragraph 20, and subject to the availability of financial resources, to commission the third independent review of the effectiveness of the Climate Technology Centre and Network for consideration by the Conference of the Parties at its thirty-first session;

25. *Further requests* the secretariat to organize a dialogue, in conjunction with the thirty-first session of the Conference of the Parties, to consider the findings of the third independent review of the effective implementation of the Climate Technology Centre and Network.

*11th plenary meeting
12 November 2021*
