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## Conference of the Parties

### Twenty-eighth session

United Arab Emirates, 30 November to 12 December 2023

Agenda item 8(b)

### Matters relating to finance

### Matters relating to the Standing Committee on Finance

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### Proposal by the President

### Draft decision -/CP.28

## Matters relating to the Standing Committee on Finance

*The Conference of the Parties,*

*Recalling* Articles 4 and 11 of the Convention,

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

*Taking note* of decision -/CMA.5,<sup>1</sup>

1. *Welcomes with appreciation* the work of the Standing Committee on Finance in 2023;
2. *Notes* the 2023 report of the Standing Committee on Finance,<sup>2</sup> *endorses* the workplan of the Committee for 2024<sup>3</sup> and *underlines* the importance of the Committee focusing its work on its current mandates;
3. *Notes* the technical report by the Standing Committee on Finance on clustering types of climate finance definitions in use,<sup>4</sup> including the executive summary thereof,<sup>5</sup> and *also notes* the information therein on the clustering of elements aimed at assisting Parties in developing and applying definitions of climate finance and the discussions of the Standing Committee on Finance regarding a potential update to the operational definition of climate finance of the Committee;

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<sup>1</sup> Draft decision entitled “Matters relating to the Standing Committee on Finance” proposed under agenda item 10(a) of the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement at its fifth session.

<sup>2</sup> FCCC/CP/2023/2–FCCC/PA/CMA/2023/8.

<sup>3</sup> FCCC/CP/2023/2–FCCC/PA/CMA/2023/8, annex II.

<sup>4</sup> Standing Committee on Finance. 2023. *Report on clustering types of climate finance definitions in use*. Bonn: UNFCCC. Available at <https://unfccc.int/SCF>.

<sup>5</sup> FCCC/CP/2023/2/Add.2–FCCC/PA/CMA/2023/8/Add.2.



4. *Further notes* the complexities, in relation to accounting of and reporting on climate finance at the aggregated level, associated with the application of the variety of definitions of climate finance in use by Parties and non-Party stakeholders;
5. *Welcomes* that the sixth Biennial Assessment and Overview of Climate Finance Flows will contain a section compiling the operational definitions of climate finance in use;
6. *Requests* the Standing Committee on Finance to consider updating, in the context of its sixth Biennial Assessment and Overview of Climate Finance Flows, its operational definition of climate finance, building on the non-exhaustive list of potential options identified in paragraph 44(a–c) of the executive summary referred to in paragraph 3 above;
7. *Also requests* the Standing Committee on Finance to prepare a report on common practices regarding climate finance definitions, reporting and accounting methods among Parties and climate finance providers, building on the information in the technical report and executive summary thereof referred to in paragraph 3 above, for consideration by the Conference of the Parties at its twenty-ninth session (November 2024);
8. *Endorses* the general outlines of the technical report of the sixth Biennial Assessment and Overview of Climate Finance Flows, of the second report on the determination of the needs of developing country Parties related to implementing the Convention and the Paris Agreement, and of the second report on progress towards achieving the goal of mobilizing jointly USD 100 billion per year to address the needs of developing countries in the context of meaningful mitigation actions and transparency on implementation;<sup>6</sup>
9. *Notes* that the sixth Biennial Assessment and Overview of Climate Finance Flows will continue to consider the balance between mitigation and adaptation finance and public and private financial flows;
10. *Welcomes* the successful conduct of the 2023 Forum of the Standing Committee on Finance on financing just transitions and *notes* the summary thereof;<sup>7</sup>
11. *Expresses gratitude* to the Governments of Australia and Thailand and the United Nations Economic and Social Commission for Asia and the Pacific for their financial, administrative and substantive support for the 2023 Forum of the Standing Committee on Finance;
12. *Welcomes* accelerating climate action and resilience through gender-responsive finance as the topic for the 2024 Forum of the Standing Committee on Finance and accelerating climate action and resilience through financing for sustainable food and agricultural systems as the topic for the 2025 Forum;
13. *Notes with concern* that the draft guidance for the operating entities of the Financial Mechanism prepared by the Standing Committee on Finance was not considered owing to a limited number of submissions and *requests* Parties and other constituted bodies under the Convention and the Paris Agreement to provide elements for the draft guidance well in advance of future sessions of the Conference of the Parties and the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement to enable the Committee to fulfil its mandate in this regard;
14. *Notes* the self-assessment report of the Standing Committee on Finance<sup>8</sup> and the technical paper by the secretariat on the second review of the functions of the Standing Committee on Finance<sup>9</sup> and *encourages* the Committee to consider the opportunities for improving its efficiency and effectiveness identified therein;
15. *Notes with appreciation* the efforts of the Standing Committee on Finance to strengthen its engagement with stakeholders in the context of its workplan, including the constituted bodies and private entities and other entities outside the UNFCCC process, and *encourages* the Committee to continue such efforts in 2024, including, as appropriate, with

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<sup>6</sup> FCCC/CP/2023/2–FCCC/PA/CMA/2023/8, annexes III–V.

<sup>7</sup> FCCC/CP/2023/2/Add.4–FCCC/PA/CMA/2023/8/Add.4.

<sup>8</sup> FCCC/CP/2023/2/Add.5–FCCC/PA/CMA/2023/8/Add.5.

<sup>9</sup> FCCC/TP/2023/4.

people and communities on the front line of climate change, including Indigenous Peoples and local communities;

16. *Also encourages* the Standing Committee on Finance to continue to enhance its efforts to ensure gender responsiveness in implementing its workplan and *requests* Parties to consider gender balance and geographical representation when nominating members to the Committee;

17. *Expresses appreciation* to the European Union and the Governments of Japan and Switzerland for their financial contributions for the work of the Standing Committee on Finance and to the Governments of Austria, Switzerland and Thailand for hosting the meetings of the Committee in 2023;

18. *Requests* the Standing Committee on Finance to report to the Conference of the Parties at its twenty-ninth session on its progress in implementing its workplan for 2024;

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

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