

Twelfth meeting of the Standing Committee on Finance Bonn, Germany, 6–7 April 2016

Background paper on the 2016 biennial assessment and overview of climate finance flows

Proposed actions by the Standing Committee on Finance

The Standing Committee on Finance will be invited to:

- a) Consider the zero order draft of the technical report of the 2016 biennial assessment and overview of climate finance flows;
- b) Provide preliminary views on the scope, structure, and flow of the *summary and recommendations by the SCF on the 2016 biennial assessment and overview of climate finance flows*; and
- c) Develop an outline for the draft *summary and recommendations* of the 2016 BA.

I. Actions for consideration by the SCF

1. The Committee may wish to consider the zero order draft of the technical report of the 2016 biennial assessment and overview of climate finance flows (BA) with a view to assess progress and provide further guidance.
2. In considering the zero order draft, the Committee may wish to consider a set of guiding questions and proposed next steps prepared by the co-facilitators to be distributed separately. Additionally, the SCF may wish to refer to information on relevant provisions in the Paris Agreement and decision 1/CP.21 and workplan on MRV of support beyond the BA contained in document SCF/2016/12/7.
3. With regard to the preparation of the *summary and recommendations* by the SCF on the 2016 BA, the Committee may wish to deliberate on its scope, structure and flow.
4. Furthermore, the Committee may wish to discuss and agree on working modalities. The Committee may wish to request the co-facilitators of the working group on the 2016 BA, with input from Committee members, to prepare inter-sessionally an annotated outline of the *summary and recommendations* for consideration by the Committee at its thirteenth meeting. Additionally, the Committee may wish to request the co-facilitators, with the support of the secretariat, to prepare inter-sessionally a draft *summary and recommendations* for consideration by the Committee at its fourteenth meeting.

II. Background

Relevant decisions taken by COP17–COP20

5. One of the functions of the Standing Committee on Finance is to assist the COP with respect to the measurement, reporting and verification of the support provided to developing country Parties through activities such as the preparation of the BA. The COP requested the Standing Committee on Finance to prepare a biennial assessment and overview of climate finance flows, drawing on the available sources of information, and including information on the geographical and thematic balance of flows.¹
6. Subsequently, the COP requested the Standing Committee on Finance to consider:

¹ Decision 2/CP.17 paragraph 121(f).



- a. Relevant work by other bodies and entities on the MRV of support and the tracking of climate finance;²
 - b. Ways of strengthening methodologies for reporting climate finance;³
 - c. Ongoing technical work on operational definitions of climate finance, including private finance mobilized by public interventions, to assess how adaptation and mitigation needs can most effectively be met by climate finance.⁴
7. Furthermore, COP 20 decided that, in the context of its ongoing work, including the preparation of the BA, the SCF is to further explore how it can enhance its work on the MRV of support, based on best available information on the mobilization of various resources, including private and alternative resources, through public interventions.
 8. The initial two-year workplan of the Executive Committee of the Warsaw International Mechanism for Loss and Damage associated with Climate Change Impacts, which was approved by COP 20, also contains the invitation to the SCF to include information on financial instruments that address the risks of loss and damage associated with the adverse in its next BA.

Relevant decisions taken by the COP at its twenty-first session.

9. COP 21, in decision 9/CP.21, paragraph 13, also requested the SCF to take into account the enhanced information provided by Parties included in Annex II to the Convention referred to in paragraph 6 of this decision in its BAs.
10. Furthermore, COP 21, in decision 1/CP.21, paragraph 94 (c), requested the Ad Hoc Working Group on the Paris Agreement, when developing the modalities, procedures and guidelines referred to in paragraph 91 in the same decision, to consider, *inter alia*, information in the biennial assessments and other reports of the Standing Committee on Finance and other relevant bodies under the Convention.⁵
11. COP21, in decision 1/CP.21, paragraph 63, decided that the SCF shall serve the Agreement in line with its functions and responsibilities established under the Conference of the Parties.
12. SCF/2016/12/7 contains other relevant elements contained in the Paris Agreement and decision 1/CP.21.

Agreement reached by the SCF at its eleventh meeting

13. The SCF, at its eleventh meeting, developed a general outline for the 2016 BA which is contained in annex VIII in FCCC/CP/2015/8.

² Decision 1/CP.18 paragraph 71.

³ Decision 5/CP.18 paragraph 11.

⁴ Decision 3/CP.19, paragraph 11.

⁵ Decision 1/CP.21, paragraph 94.