

Update on the work of the Standing Committee
on Finance related to the Fifth Review of the
Financial Mechanism of the Convention

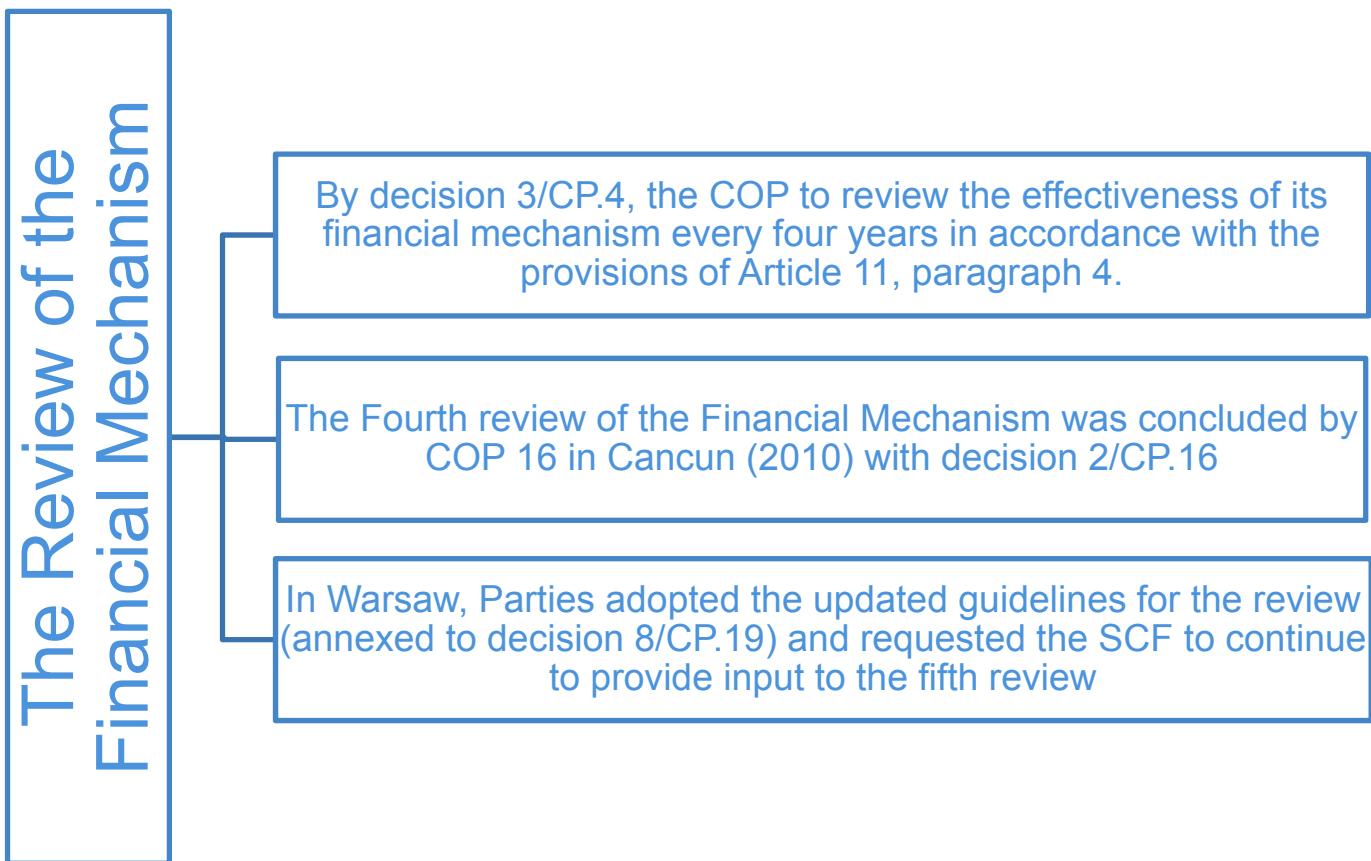
13 June, 2014



Mandates of the SCF related to the review of the Financial Mechanism

- The Standing Committee on Finance assists the Conference of the Parties (COP) in exercising its functions with respect to the financial mechanism of the Convention in terms of improving coherence and coordination in the delivery of climate change financing, rationalization of the financial mechanism
- One of the mandated activities of the SCF include providing expert input, including through independent reviews and assessments, into the preparation and conduct of the periodic reviews of the financial mechanism by the COP
(Decision 2/CP17)
- The SCF to continue to provide expert input to the fifth review of the financial mechanism, with a view of the review to be finalized by the COP at its 20th session
(Decision 8/CP.19)





Work of the SCF on the Fifth Review of the FM

Work of the SCF on the fifth review in **2013**

- Provided draft updated guidelines to the fifth review of the FM, taking into consideration recent developments under the FM
- COP adopted updated guidelines to the review of the FM, annexed to decision 8/CP.19

Work of the SCF on the fifth review in **2014**

- Engaged in in-depth discussion on the approach to the provision of expert input at the 6th Meeting, 14-15 March
- Agreed on the outline of a technical paper to be prepared by the secretariat and that will inform the SCF discussions at its 7th Meeting, June 16-18



Clusters of issues for the review of the FM

A. Governance

1. Transparency of decision-making processes of the operating entities of the financial mechanism (Decision 8/CP.19, para.3(a))
2. Level of stakeholder involvement (Decision 8/CP.19, para. 3(b))
3. Gender sensitive approaches (Decision 8/CP.19, para. 3(c))
4. Fiduciary standards
5. Environmental and social safeguards

B. Responsiveness of the operating entities to COP guidance

1. Level of responsiveness of the OEs to COP Guidance
2. Responsiveness and efficiency of the GEF project cycle (Decision 8/CP.19, para. 3(e))

C. Mobilization of financial resources

1. Amount of resources provided to developing country Parties (Decision 8/CP.19, para 3(f))
2. Amount of finance leveraged and modalities of co-financing (Decision 8/CP.19, para 3(g))
3. Adequacy, predictability and sustainability of funds (Decision 8/CP.19, para 3(d))
4. Enabling environments (Decision 8/CP.19, para. 1b(iii))
5. Role of the financial mechanism in scaling-up the level of resources (Decision 8/CP.19, para 1b(ii))



Clusters of issues for the review of the FM (cont'd)

D. Delivery and effectiveness of financial resources

1. Accessibility and timely disbursement of funds
2. Country ownership of programmes and projects
3. Sustainability of funded programmes and projects and operations in developing country Parties
4. Enabling environments

E. Results and impacts achieved with the resources provided (Decision 8/Cp.19, para. 3(f))

1. Mitigation results achieved
2. Adaptation results achieved
3. Forestry
4. Capacity Building

F. Consistency of the financial mechanism with the objectives of the Convention

1. The extent to which the resources provided are contributing to achieve the objectives of the Convention
(Decision 8/CP.19, para. 3(j))

G. Consistency and complementarity of the financial mechanism with other sources of investment and financial flows (Decision 8/CP.19, para 1(b))



Timeline for the expert input to the fifth review

Second half 2014					
	June	July	Aug	Sept	October
Update to SBI 40 on the fifth review					
7 th Meeting of the SCF: Consideration of the technical paper on the fifth review and discussion on the preliminary findings and recommendations					
Inter-sessional work of the working group in preparing the draft Expert Input for consideration by the SCF at its 8 th Meeting					
8 th Meeting of the SCF: Consideration of the draft conclusions and recommendations prepared by the working group and finalization of the expert input to be forwarded to the COP					

