

The Group of 77 and China

15 June 2011

DRAFT DECISION ON THE STANDING COMMITTEE OF THE FINANCIAL MECHANISM OF THE CONVENTION

The Conference of the Parties at its seventeenth session,

Recalling Articles 4 and 11 of the Convention,

Also recalling Article 7 of the Convention, in particular 7.2 (h) and (i),

Pursuant to the Bali Action Plan (decision 1/CP.13), which recognizes the need for enhanced action on the provision of financial resources and investment to support action on mitigation and adaptation and technology cooperation,

Having established the Standing Committee under the Conference of the Parties as provided for in paragraph 112 of Decision 1/CP.16,

Reiterating the need for enhanced *and urgent* action on the provision of financing resources and investment to support action on mitigation, adaptation and technology cooperation to developing country Parties,

ON ROLES AND FUNCTIONS

1. *Reaffirms* that the Standing Committee is established under the Conference of the Parties to assist the Conference of the Parties in exercising its functions with respect to the financial mechanism of the Convention in terms of:
 - a) improving coherence and coordination in the delivery of climate change financing, including through, *inter alia*:
 - (i) the development of recommendations to the COP for the coordination of all current and future funds under the Convention to ensure coherence in the delivery of climate change finance
 - (ii) the provision of a forum for the exchange of information with relevant financial institutions, bilateral aid agencies, and UN agencies dealing with climate change financing, as well as the provision of assistance to the COP in analyzing relevant information to ensure coherence and coordination; and
 - (iii) the establishment of a communication platform to advice coordination and coherence of operating entities of the financial mechanism under the Convention, as well as coordination with other thematic bodies of the

Convention to identify the gaps in implementation related to financial support.

- b) rationalization of the financial mechanism, including through, *inter alia*, developing recommendations to rationalize the financial mechanism of the Convention and existing funds under it, for achieving cost-effectiveness and efficiency.
 - c) mobilization of financial resources, including through, *inter alia* the preparation of recommendations to the COP on the technical feasibility and enhancing accessibility of the mobilization of resources from a wide variety new and additional sources, including public and private, bilateral, multilateral and alternative sources, taking into account the financial needs identified by developing country Parties, including those contained in their national communications.
 - d) measurement, reporting and verification of support provided to developing country Parties, including through, *inter alia*,
 - (i) the assessment of information related to the measurement, reporting and verification of support and enabling means provided to developing country Parties under the Convention, including through the information contained in Annex I national communications and information received from developing countries.
 - (ii) the development of recommendations on indicators for an assessed scale of contributions for Annex II countries, where applicable.
2. *Requests* the Standing Committee to elaborate an initial programme of work on all the elements identified in paragraph 1 for the consideration of the Conference of the Parties at its 18th session, as well as other elements that may be identified by the Standing Committee.

Decides

- 3. that the Standing Committee shall be composed of members nominated by Parties for approval of the Conference of the Parties, with expertise and competence in areas relevant to the work of the Standing Committee
- 4. that the Standing Committee shall consist of 16 members and be composed as follows:
 - a. 2 representatives from each of the 5 UN regional groups
 - b. 1 representative of the small island developing States
 - c. 1 representative of the least-developed country Parties

- d. 2 representatives from Parties included in Annex I to the Convention
 - e. 2 representatives from Parties not included in Annex I to the Convention
5. that the Parties shall also nominate an alternate for each members of the Standing Committee on the same criteria as set out in paragraphs 3 and 4 above, and that the nomination of a candidate member shall be accompanied by a nomination of a candidate alternate member from the same group.
 6. that Standing Committee members and alternates shall serve for two years. No member or alternate may serve in the Standing Committee for [more] than two consecutive terms.
 7. that the Standing Committee shall be open to representatives of the existing and future operating entities of the financial mechanism of the Convention, representatives of relevant bilateral, regional and multilateral funding entities, and representatives of observer organizations accredited to the UNFCCC.
 8. *Encourages* the Standing Committee to draw upon additional expertise from all levels, national, sub-regional, regional, and multilateral institutions, as it may deem necessary.
 9. *Decides* that the Standing Committee shall meet at least twice a year, or more if necessary, and that its first meeting shall take place not later than the (date) of (month) 2012.
 10. *Also decides* that the Standing Committee shall report and make recommendations to the Conference of the Parties at each ordinary COP session, on all aspects of its work, for decisions to be taken by the COP as may be necessary.
 11. *Also decides* that the Standing Committee shall perform any other functions that may be assigned to it by the COP.
 12. *Further decides* that the cost of meetings and the participation of members and alternates from developing country Parties shall be covered by the budget of the Convention.
 13. *Decides* that the UNFCCC secretariat shall also serve the Standing Committee.