

Draft decision -/CP.22

Terms of reference for the review of the functions of the Standing Committee on Finance

The Conference of the Parties,

Recalling decisions 6/CP.20, 6/CP.21 and 1/CP.21, in particular paragraph 63,

1. *Adopts* the terms of reference for the review of the functions of the Standing Committee on Finance contained in the annex;
2. *Takes note* of the report of the Standing Committee on Finance to the twenty-second session of the Conference of the Parties and in particular annex VII thereto;¹
3. *Invites* members of the Standing Committee on Finance, Parties, the constituted bodies under the Convention and external stakeholders to submit, by 9 March 2017, their views on the review of the Standing Committee on Finance based on the terms of reference contained in the annex, for consideration by the Subsidiary Body for Implementation at its forty-sixth session (May 2017);²
4. *Requests* the Subsidiary Body for Implementation, at its forty-sixth session, to initiate work on the review of the functions of the Standing Committee on Finance in accordance with the terms of reference contained in the annex, taking into account the submissions referred to in paragraph 3 above;
5. *Also requests* the secretariat to prepare a technical paper on the review of the Standing Committee on Finance, in accordance with the terms of reference contained in the annex, taking into account the deliberations and conclusions of the Subsidiary Body for Implementation at its forty-sixth session and the submissions referred to in paragraph 3 above, for consideration by the Subsidiary Body for Implementation at its forty-seventh session (November 2017);
6. *Further requests* the Subsidiary Body for Implementation to complete its work on the review of the Standing Committee on Finance at its forty-seventh session with a view to recommending a draft decision on the matter for consideration and adoption by the Conference of the Parties at its twenty-third session (November 2017).

¹ FCCC/CP/2016/8.

² Parties should submit their views via the submission portal at <<http://www.unfccc.int/5900>>. Observers and other stakeholders should e-mail their submissions to <secretariat@unfccc.int>.

Annex

Terms of reference for the review of the functions of the Standing Committee on Finance

A. Objective

1. The objective of the review of the Standing Committee on Finance (SCF) is to review the functions of the committee, with a view to:

- (a) Strengthening the work of the SCF, as appropriate;
- (b) Identifying opportunities for increased efficiency and effectiveness;
- (c) Informing Parties on the extent to which the existing activities and working modalities of the SCF will fulfil its mandate to serve the Paris Agreement in line with decision 1/CP.21, paragraph 63;
- (d) Taking into account interrelated review processes, such as the sixth review of the Financial Mechanism.

B. Scope

2. The scope of the review will cover the progress made to date and lessons learned in the fulfilment of the mandate of the SCF to assist the Conference of the Parties (COP) in the exercise of its functions with respect to the Financial Mechanism. In this context, the review should:

- (a) Be based on the current mandate and functions of the SCF;
- (b) Be informed by the work on climate finance conducted by other entities;
- (c) Examine whether any gaps exist in the delivery of the work of the SCF and how they can be addressed.

3. The review should address the following elements:

- (a) Assessment of the extent to which the SCF has effectively delivered on its core functions and mandated activities as outlined in decision 2/CP.17 and other relevant decisions and, in this regard, taking stock of past achievements of the SCF in terms of its concrete outputs and how they have been utilized;
- (b) Identification of the potential need for reorientation or reprioritization of the existing functions of the SCF;
- (c) Assessment of whether the working modalities of the SCF, including the participation of its members, are fit-for-purpose for carrying out its functions;
- (d) Quality of outputs;
- (e) Linkages with the constituted bodies under the Convention;
- (f) Relations with relevant external stakeholders.

C. Sources of information

4. The review shall draw upon, inter alia, the following sources of information:
 - (a) Submissions from members of the SCF, Parties and the constituted bodies under the Convention, as well as external stakeholders involved in the activities of the SCF;
 - (b) The annual reports of the SCF, including, in particular, annex VII to its report to COP 22;³
 - (c) The relevant decisions of the COP related to the SCF;
 - (d) Outputs delivered by the SCF, such as the biennial assessment and overview of climate finance flows;
 - (e) A self-assessment report of the SCF and recommendations on improving its efficiency and effectiveness;
 - (f) The technical paper to be prepared by the secretariat in line with paragraph 5 of this decision.

D. Criteria

5. The review shall take into account, inter alia, the following:
 - (a) The effectiveness and efficiency of the SCF in the delivery of its functions;
 - (b) The transparency of its decision-making processes;
 - (c) The level and nature of stakeholder engagement;
 - (d) The quality and added value of the outputs of the SCF, including how they were received by the COP and external stakeholders, and in particular how its recommendations have informed and advanced the work of the COP;
 - (e) The timeliness of the outputs of the SCF.
-

³ FCCC/CP/2016/8.