



Seventh meeting of the Standing Committee on Finance Bonn, Germany, 16–18 June 2014

Background paper on the Fifth Review of the Financial Mechanism

Background

1. The Conference of the Parties (COP), at its 18th session, initiated the 5th review of the financial mechanism (FM) and requested the Standing Committee on Finance (SCF) to further amend the guidelines for the review of the FM and to provide draft updated guidelines for consideration and adoption by COP 19, taking into account existing guidelines annexed to decisions 3/CP.4 and 6/CP.13 and recent developments within the FM.¹
2. At its 19th session, the COP adopted the updated guidelines for the fifth review of the financial mechanism and requested the SCF to continue to provide expert input, with a view of the review being finalized by the COP at its 20th session.²
3. At its 6th meeting in March 2014, the SCF started its work on the fifth review of the FM and conducted in-depth discussions based on a background document prepared by the secretariat which contained a draft outline of a technical paper on the review of the FM.³ The SCF agreed on a revised outline of the technical paper⁴ and that the working group on the fifth review would continue to work on the paper intersessionally. The technical paper will serve as input to the discussions on the fifth review by the SCF at its 7th meeting.
4. The secretariat is finalizing the technical paper under the guidance of the facilitator of the working group and it will be made available in advance to the 7th meeting of the SCF.

Proposed actions by the Standing Committee on Finance

5. The SCF may wish to consider the findings contained in the technical paper in continuing its discussions on the fifth review, with a view to finalizing a technical summary that will be part of its expert input to the COP.
6. The SCF may also wish to discuss and agree on conclusions and recommendations to be forwarded for consideration by the COP as outcome of the fifth review of the financial mechanism.

¹ Decision 8/CP.18.

² Decision 8/CP.19.

³ Document SCF/2014/6/4, available at: < <http://bit.ly/ShPwwa> >

⁴ Contained in annex II of the report of the 6th meeting of the SCF available at: < <http://bit.ly/1tqNx4n> >

Annex

Technical Paper on the Effectiveness of the Financial Mechanism

(To be made available in advance of the meeting)