

## **EIG Submission on the review of the functions of the Standing Committee on Finance (SCF)**

8 November 2016

In accordance with decision 6/CP.21 paragraph 10, which calls for submissions on the terms of reference for the review of the functions of the Standing Committee on Finance (SCF), we are pleased to share our reflections which are structured along three main questions. On a general note, we are of the view that the terms of reference should be as much to-the-point as possible and outline the objective of the review, the sources of information it draws upon and the criteria used. Moreover, we suggest that the selection of the reviewer will be the result of a transparent process that assures an independent expert review.

### *(1) To what extent has the SCF delivered on its mandated activities?*

The review of the functions of the SCF should start with assessing the extent to which the SCF has effectively delivered on its core functions and mandated activities as outlined in decision 2/CP.17 paragraph 121. In our judgement, the SCF's past work has advanced particularly well with regard to improving coherence and coordination in the delivery of climate change financing as well as on measurement, reporting and verification of the support provided to developing country Parties. This is evidenced by key outputs such as the Biennial Assessment and overview of climate finance flows (BA), the draft guidance for the operating entities of the financial mechanism of the Convention, the recommendations to improve the methodologies for the reporting of financial information by Annex I Parties, and the SCF annual forums. Less progress has been made with respect to the rationalization of the financial mechanism and the mobilization of financial resources. We expect the review to take stock of past achievements by the SCF by looking at the concrete outputs of the SCF and how they were received both by the Conference of the Parties and external stakeholders. In this context, special emphasis should be placed on how activities undertaken by the SCF, in particular its recommendations, have informed and advanced the work of the Conference of the Parties.

### *(2) Which areas for potential improvement can be identified?*

Recognizing that the activities under the core functions of the SCF have progressed at different speeds, we suggest that the review examines the reasons why the SCF has not been able to fully deliver and how these gaps can be addressed. In our assessment, there are a number of concrete measures that could enhance the uptake of the work of the SCF and thus increase its overall effectiveness and efficiency. Firstly, we see a great potential in improving the dissemination of SCF outputs by communicating the information more widely and actively and by using more appealing packaging. This is particularly true for the outcomes of the annual forums for which a separate publication outlet could be considered. Secondly, to facilitate the uptake of its deliverables, the SCF should endeavor to be as specific and actionable as possible in its recommendations to the Conference of the Parties. At the same time, the Conference of the Parties should be clear on what it expects from the SCF when approving its work plan or assigning a specific task to it. Finally, entertaining a regular dialogue with climate finance institutions, including other thematic bodies and the operating entities of the Financial Mechanism, would help to calibrate the work of the SCF and maximize its impact.

Looking ahead, the review should also look into ways how the SCF can serve the Paris Agreement, as stipulated in decision 1/CP.21 paragraph 63. A special focus should be given to the question what the potential role of the SCF under the Paris Agreement could be and whether the current mandate of the SCF is broad enough to incorporate a possible involvement of the SCF in the implementation of the Paris Agreement. In our view, the current mandate of the SCF is compatible with the post-Paris architecture and does not need to be changed to enable the SCF to make a meaningful contribution to the various mandates stemming from the Paris Agreement and its accompanying decision.

### *(3) Are the current working modalities of the SCF fit-for-purpose or should they be revisited?*

One of the key strengths of the SCF is its ability to bring together different key players and institutions working on climate finance issues. This is particularly true for the processes related to the BA, the

guidance to the operating entities, and the annual forums. Regular interaction with external stakeholders is indeed relevant both to inform the learning of the SCF and to disseminate its findings. Given the importance of outreach activities in the context of the SCF, we expect the review to examine how the SCF could further improve its relations with external actors by giving due consideration to the budgetary implications. The review should also take stock of the internal working modalities of the SCF and propose options to facilitate maximum participation of SCF members in their meetings and to ensure efficiency and transparency in the proceedings of the SCF meetings.