

SUBMISSION BY THE REPUBLIC OF INDONESIA

Elements in the Development of the Further Guidelines for the Fifth Review of the Financial Mechanism

Indonesia highly appreciates the opportunity to share its views and recommendations for consideration by the Standing Committee on Finance (SC) with regard to elements in the development of the further guidelines for the fifth review of the financial mechanism.

Taking into account recent developments of climate finance discussion and COP decisions in relation to financial mechanism under the UNFCCC after COP13, including the operationalization of the SC, Indonesia proposes the following additional elements to the current guidelines.

Objective/scope

In addition to the points of objective/scope in 3/CP.4 and 4/CP.14, Indonesia suggests three additional points:

1. Examining effectiveness of financial mechanism in mobilizing upscaled financial resources to ensure adequacy, predictability and sustainability of the funds.
2. Assessing the effectiveness of the financial mechanism in terms of providing direct access of developing countries to the funds and enhancing developing countries' ownership in every step of the program/project cycle, including decision making process.
3. Examining coherence and coordination between funds and between funds and thematic bodies, e.g. whether the current linkages between the funds and bodies support effectiveness of funds and facilitate access by developing countries.

Methodology

The existing guidelines lay out sources of information and criteria for the review. On the criteria, Indonesia proposes three additional points to be considered in assessing the effectiveness of financial mechanism, as follows:

1. The level of mobilization and scaling up of financial resources;
2. The level of direct access and ownership of developing countries; and,
3. Coherence and coordination between funds and between funds and thematic bodies.

Indonesia believes that the methodology section of the further guidelines should also spell out the process in which the review will be conducted, including the role of the SC. In Indonesia's view, the review process should comprise:

1. Initiation by COP at its eighteenth session;
2. Drafting updated guidelines by the SC to be endorsed by COP at its nineteenth meeting;
3. Evidence gathering, inter alia through study of existing publications and consultation with Parties and other key stakeholders, including climate financial institutions, competent and relevant international governmental organizations and non-governmental organizations, coordinated by the SC;
4. Findings, conclusion and recommendations drafted by the SC; and,
5. Deliberation and decisions by COP at its twentieth meeting.