

Decision -/CP.27

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

The Conference of the Parties,

Recalling decisions 6/CP.20, 6/CP.21, 8/CP.22, 9/CP.22, 8/CP.23, 4/CP.24, 11/CP.25, 5/CP.26, 5/CMA.2 and 10/CMA.3,

1. *Adopts* the terms of reference for the second review of the functions¹ of the Standing Committee on Finance, contained in the annex;
2. *Takes note* of the 2022 report of the Standing Committee on Finance to the Conference of the Parties and the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement,² in particular its annex II;
3. *Invites* members of the Standing Committee on Finance, Parties, UNFCCC constituted bodies and external stakeholders to submit via the submission portal,³ by 30 April 2023, their views on the second review of the functions 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 fifty-eighth session (June 2023);
4. *Requests* the Subsidiary Body for Implementation, at its fifty-eighth session, to initiate the second review of the functions of the Standing Committee on Finance, in accordance with the terms of reference, taking into account the submissions referred to in paragraph 3 above;
5. *Also requests* the Subsidiary Body for Implementation to complete its work on the second review of the functions of the Standing Committee on Finance at its fifty-ninth session (November–December 2023) with a view to recommending draft decisions on the matter for consideration and adoption by the Conference of the Parties at its twenty-eighth session and the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement at its fifth session (November–December 2023);
6. *Further requests* the secretariat to prepare a technical paper on the second review of the functions of the Standing Committee on Finance, in accordance with the terms of reference, taking into account the deliberations and conclusions of the Subsidiary Body for Implementation at its fifty-eighth session and the submissions referred to in paragraph 3 above, for consideration by the Subsidiary Body for Implementation at its fifty-ninth session;
7. *Invites* the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement to affirm this decision, including the terms of reference, with respect to the review of the functions of the Standing Committee on Finance as it relates to the Paris Agreement;
8. *Takes note* of decision -/CMA.4⁴ on the review of the functions of the Standing Committee on Finance.

Please recycle 

¹ Pursuant to decision 11/CP.25, para. 17.

² FCCC/CP/2022/8–FCCC/PA/CMA/2022/7.

³ <https://www4.unfccc.int/sites/submissionsstaging/Pages/Home.aspx>.

⁴ Draft decision entitled “Terms of reference for the second review of the functions of the Standing Committee on Finance” proposed under agenda item 8(a) of the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement at its fourth session.

Annex

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

I. Objective

1. The objective of the second review is to review the functions of the Standing Committee on Finance (SCF) 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 facilitate it to 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 review of the Financial Mechanism.

II. Scope

2. The scope of the review will cover progress to date and lessons learned in the fulfilment of the mandate of the SCF to assist the Conference of the Parties (COP) and serve the Paris Agreement 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, taking into consideration the capacity of the SCF to deliver its work.
3. The review should address the following elements:
 - (a) Assessment of the extent to which the SCF has effectively delivered on its four core functions and mandated activities⁵ outlined in relevant decisions and, in this regard, take 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 and the Paris Agreement;
 - (f) Relations with relevant external stakeholders.

III. Sources of information

4. The review shall draw upon, inter alia, the following sources of information:

⁵ As per decision 2/CP.17.

- (a) Submissions from members of the SCF, Parties to the Convention and the Paris Agreement, and the constituted bodies under the Convention and the Paris Agreement, as well as external stakeholders involved in the activities of the SCF;
- (b) Annual reports of the SCF;
- (c) Relevant decisions of the COP and the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement (CMA) relating to the SCF;
- (d) Outputs delivered by the SCF;
- (e) The self-assessment report of the SCF and recommendations on improving its efficiency and effectiveness;
- (f) The technical paper to be prepared by the secretariat referred to in paragraph 6 of this decision.

IV. 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 inclusiveness and geographical representation of the SCF;
 - (d) The level and nature of its stakeholder engagement;
 - (e) The quality and added value of the outputs of the SCF, including how they were received by the COP, the CMA and external stakeholders, and in particular how its recommendations have informed and advanced the work of the COP and the CMA;
 - (f) The timeliness of the outputs of the SCF.
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