

CLIMATE INVESTMENT FUNDS

SCF/TFC.10/5/Rev.1
April 10, 2013

Meeting of the SCF Trust Fund Committee
Washington D.C.
April 30, 2013

Agenda Item 6

FREQUENCY OF SCF MEETINGS

PROPOSED DECISION

The SCF Trust Fund Committee reviewed document SCF/TFC.10/5/Rev.1, *Frequency of SCF Meetings*, and recognizing the similarities in the functions of the SCF Trust Fund Committee with some of the functions of the CTF and noting that it would be more efficient and effective for such similar functions to be addressed at the level of the Climate Investment Funds, agrees that the functions of the SCF Trust Fund Committee and the requirement that it meet at least once a year, can be fulfilled primarily through joint meetings of the SCF Trust Committee and the CTF Trust Fund Committee with the following understandings:

- a) all members of both committees will be invited to participate in the joint meeting. Membership of the joint meetings of the CTF and the SCF Trust Fund Committee will seek to maintain the principle of an equal number of seats for contributor countries and recipient countries. Therefore, 16 seats should be provided at the joint meeting for both groups of countries so as to enable recipient or contributor countries that are not represented on either of the two committees to participate in the joint meeting's discussions on the CIF. If there are unfilled seats at the joint meeting for a group but more than 16 countries in the group, the group should agree upon how to fill the additional seats at the joint meetings;¹
- b) if in advance of a joint meeting there is an agenda item that falls only under the mandate of the SCF Trust Fund Committee, the Head of the Administrative Unit will consult with the Co-Chairs of the SCF Trust Fund Committee and agree with them on whether or not to convene a separate meeting of the SCF Trust Fund Committee in conjunction with the joint meeting of the CTF and SCF Trust Fund Committees;
- c) at any time during a joint meeting of the CTF and SCF Trust Fund Committees, a member of the SCF Trust Fund Committee, the SCF Co-Chairs, or the Head of the Administrative Unit may request that the SCF Trust Committee meet separately to consider any item that is deemed to fall only under the mandate of the SCF Trust Fund Committee;
- d) the joint meetings of the CTF and SCF Trust Fund Committees shall be chaired by one Co-Chair of the CTF Trust Fund Committee and one Co-Chair of the SCF Trust Fund Committee. One Co-Chair should be a representative from an eligible recipient country and one Co-Chair should be a representative from a contributor country. The constituency group represented by the CTF and SCF Co-Chairs chairing the joint meeting should alternate from meeting to meeting; and
- e) The SCF Trust Fund Committee may, without meeting, consider any matter on a no-objections basis, if the head of the Administrative Unit, in consultation with the Co-Chairs, determines and requests that the matter should not be postponed

¹ This distribution of seats at joint meetings was agreed when the joint meeting of the CTF and SCF Trust Fund Committees approved measures to improve the operations of the CIF in November 2011.

until the next joint meeting of the CTF and SCF Trust Fund Committees but does not warrant the calling of an intersessional meeting.

I. INTRODUCTION

1. At its meeting in May 2012, the SCF Trust Fund Committee requested the CIF Administrative Unit to prepare a note on the purpose, frequency and effective organization of its meetings for review at its next meeting. This note is prepared in response to that request.

II. PURPOSE OF THE SCF TRUST FUND COMMITTEE

2. The Governance Framework for the Strategic Climate Fund provides for the establishment of the SCF Trust Fund Committee which is to oversee the operations and activities of the SCF (paragraph 14 of the Governance Framework).

3. Under paragraph 20 of the Governance Framework, the SCF Trust Fund Committee is responsible for:

- a) approving establishment of SCF Programs and the scope, objectives and eligibility criteria governing the use of the funds under the SCF Programs based on a consultative process and an analysis to determine the utility of new SCF Programs;
- b) ensuring that the strategic orientation of the SCF is guided by the principles of the UNFCCC;
- c) establishing an SCF Sub-Committee for each SCF Program and designating who may participate in the SCF Sub-Committee;
- d) approving allocation of SCF resources for administrative budgets;
- e) providing guidance on the convening of the CIF Partnership Forum;
- f) ensuring monitoring and periodic independent evaluation of performance and financial accountability of MDBs;
- g) approving annual reports of the SCF;
- h) ensuring that lessons learned are transmitted to the UNFCCC and other relevant bodies;
- i) reviewing reports from the Trustee on the financial status of the SCF; and
- j) exercising such other functions as they may deem appropriate to fulfill the purposes of the SCF.

4. Paragraph 23 of the Governance Framework provides that the SCF Trust Fund Committee will meet at such frequency as it may decide, but at least once a year.
5. The Sub-Committees of the SCF – established by the SCF Trust Fund Committee for each of the SCF Programs – are responsible for the functions listed in paragraph 28 of the Governance Framework, which are to:
 - a) approve programming priorities, operational criteria and financial modalities for the SCF program;
 - b) approve SCF program financing for programs and projects;
 - c) approve periodic reports to the SCF Trust Fund Committee on the operations of the SCF program;
 - d) ensure continuity between activities foreseen for the SCF program and activities of other development partners active in the field of climate change; and
 - e) exercise such other functions as they may deem appropriate.

III. COMPARISON TO THE CTF TRUST FUND COMMITTEE

6. The CTF and SCF Trust Fund Committees each have the following functions to exercise with respect to their respective funds:
 - a) ensuring that the strategic orientation of the fund is guided by the principles of the UNFCCC;
 - b) approving allocation of resources for administrative budgets;
 - c) providing guidance on the convening of the CIF Partnership Forum;
 - d) ensuring monitoring and periodic independent evaluation of performance and financial accountability of MDBs;
 - e) approving annual reports of the fund;
 - f) ensuring that lessons learned are transmitted to the UNFCCC and other relevant bodies;
 - g) reviewing reports from the Trustee on the financial status of the fund; and
 - h) exercising such other functions as they may deem appropriate to fulfill the purposes of the fund.

7. The CTF Trust Fund Committee and the SCF Sub-Committee share some similar functions in that each is responsible for:

- a) approving programming priorities, operational criteria and financial modalities for its program; and
- b) approving program financing for programs and projects.

IV. EFFECTIVE ORGANIZATION OF THE SCF TRUST FUND COMMITTEE

8. To date, the SCF Trust Fund Committee has met in eight sessions. Once the SCF targeted programs were designed and approved, oversight of the funding and operations of the SCF shifted to the SCF Sub-Committees which are responsible for general operational oversight and for approving program priorities, operational criteria and financing modalities for the programs as well as funding for programs and projects.

9. The responsibilities of the SCF Trust Fund Committee are focused on ensuring that the strategic orientation of the SCF is guided by the principles of the UNFCCC; approving administrative budgets; providing guidance on the Partnership Forum, approving annual reports of the CIF; ensuring monitoring and independent evaluation of performance and financial accountability of MDBs, and reviewing reports from the Trustee.

10. The functions carried out by the SCF Trust Fund Committee are similar to many of the functions of the CTF Trust Fund Committee and are often reported on at the level of the Climate Investment Funds – as opposed to funding at the level of one trust fund (annual report, administrative budget, independent evaluation, Partnership Forum). Since November 2008, these items have been reviewed and discussed in joint meetings of the CTF and SCF Trust Fund Committees, convened twice a year, to promote efficiency and facilitate effective decision making across the two funds on matters affecting the governance of each fund.

V. RECOMMENDATIONS

11. Recognizing the similarities in the functions of the SCF Trust Fund Committees with some of the functions of the CTF and that such similar functions are best addressed at the level of the Climate Investment Funds, it is recommended that the functions of the SCF Trust Fund Committee can be fulfilled primarily through joint meetings of the SCF Trust Committee with the CTF Trust Fund Committee with the following understandings:

- a) the SCF Trust Fund Committee will meet jointly twice a year with the CTF Trust Fund Committee. All members of both committees will be invited to participate in the joint meeting. Membership of the joint meetings of the CTF and the SCF Trust Fund Committee should seek to maintain the principle of an equal number of seats for contributor countries and recipient countries. Therefore, 16 seats should be provided at the joint meeting for both groups of countries so as to enable recipient or contributor countries that are not represented on either of the two committees to participate in the joint meeting's discussions on the CIF. If

there are unfilled seats at the joint meeting for a group but more than 16 countries in the group, the group should agree upon how to fill the additional seats at the joint meetings.²

- b) if in advance of a joint meeting there is an agenda item that falls only under the mandate of the SCF Trust Fund Committee, the Head of the Administrative Unit will consult with the Co-Chairs of the SCF Trust Fund Committee and agree with them on whether or not to convene a separate meeting of the SCF Trust Fund Committee in conjunction with the joint meeting of the CTF and SCF Trust Fund Committees.
- c) at any time during a joint meeting of the CTF and SCF Trust Fund Committees, a member of the SCF Trust Fund Committee, the SCF Co-Chairs, or the Head of the Administrative Unit may request that the SCF Trust Committee meet separately to consider any item that is deemed to fall only under the mandate of the SCF Trust Fund Committee.
- d) the joint meetings of the CTF and SCF Trust Fund Committees shall be chaired by one Co-Chair of the CTF Trust Fund Committee and one Co-Chair of the SCF Trust Fund Committee. One Co-Chair should be a representative from an eligible recipient country and one Co-Chair should be a representative from a contributor country. The constituency group represented by the CTF and SCF Co-Chairs chairing the joint meeting should alternate from meeting to meeting.
- e) in accordance with the Rules of Procedure of the Meetings of the SCF Trust Fund Committee, the SCF Trust Fund Committee may, without meeting consider on a no-objection basis any matter, which the Head of the Administrative Unit, in consultation with the Co-Chairs, determined and requested that it should not be postponed to the next regular Meeting but does not warrant the calling of an intersessional Meeting.

12. These recommendations are proposed as a pragmatic means to achieve greater simplicity and efficiency in the governance of the SCF.

² This distribution of seats at joint meetings was agreed when the joint meeting of the CTF and SCF Trust Fund Committees approved measures to improve the operations of the CIF in November 2011.