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**Framework Convention on
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SUBSIDIARY BODY FOR IMPLEMENTATION

First session

Geneva, 31 August - 1 September 1995

Agenda item 3 (b)

MATTERS RELATING TO THE FINANCIAL MECHANISM

Draft decision on agenda item 3 (b) submitted by the Chairman

**Arrangements between the Conference of the Parties and the
operating entity or entities of the financial mechanism**

The Subsidiary Body for Implementation,

Recalling Article 11.3 of the United Nations Framework Convention on Climate Change,

Recalling also decision 10/CP.1 of the Conference of the Parties at its first session which requested the secretariat, in consultation with the secretariat of the Global Environment Facility and bearing in mind comments made at the seventh session of the Intergovernmental Negotiating Committee, to prepare draft arrangements for consideration by the Subsidiary Body for Implementation at its first session and adoption by the Conference of the Parties at its second session,

Having considered the draft Memorandum of Understanding between the Conference of the Parties and the Council of the Global Environment Facility, prepared by the secretariat in consultation with the secretariat of the Global Environment Facility, and approved by the Council of the Global Environment Facility at its fifth session (FCCC/SBI/1995/3),

1. *Recommends* that the Conference of the Parties adopt the draft decision below and the draft Memorandum of Understanding annexed thereto subject to necessary editorial adjustments;
2. *Requests* the secretariat, in consultation with the secretariat of the Global Environment Facility, to elaborate the annex to the Memorandum of Understanding on procedures to facilitate the joint determination, by the Conference of the Parties and the Council of the Global Environment Facility, of funding necessary and available, as referred to in paragraph 9 of the Memorandum;
3. *Decides* to consider the above-mentioned annex prior to its adoption by the Conference of the Parties at its second session.

DRAFT COP DECISION

**Arrangements between the Conference of the Parties and the operating entity
or entities of the financial mechanism**

The Conference of the Parties,

Recalling Article 11.3 of the United Nations Framework Convention on Climate Change,

Having considered the recommendation of the Subsidiary Body for Implementation,

1. *Adopts* the Memorandum of Understanding annexed to the present decision;
2. *Authorizes* the Executive Secretary to enter into an arrangement, on its behalf, with the Chief Executive Officer of the Global Environment Facility on the basis of the text approved by the Conference of the Parties.
