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UNITED NATIONS FRAMEWORK CONVENTION ON CLIMATE CHANGE

Subsidiary Body for Implementation
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FINANCIAL AND TECHNICAL COOPERATION

FINANCIAL MECHANISM

Memorandum of Understanding between the Conference of the Parties and the Council of the Global Environment Facility: annex on the determination of funding necessary and available for the implementation of the Convention

Comments from Parties

Note by the secretariat

The Conference of the Parties, at its second session, by its decision 13/CP.2, paragraph 1, decided to refer the text of the annex on the determination of funding necessary and available for the implementation of the Convention, adopted by the Council of the Global Environment Facility, and the draft annex submitted by the Group of 77 and China (FCCC/SBI/1996/L.4) for consideration by the Subsidiary Body for Implementation at its fourth session.

The Executive Secretary, in his communication of 2 August 1996 to the permanent missions, advised Parties that the deadline for submission had been set for 30 September 1996.

Contributions have since been received from the Gambia, Ireland (on behalf of the European Community and its member States), and the United States of America. In accordance with the procedure for miscellaneous documents, these submissions are attached and reproduced in the language in which they were received and without formal editing.

FCCC/SBI/1996/MISC.1

GE.96-64283

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PAPER NO. 1

GAMBIA

MOU between the Conference of the Parties and the Global Environment Facility (GEF). The Annex on the determination of funding necessary and qualified for the implementation of the Convention.

The Gambia is calling for specific reference to GEF funding of full agreed costs of national communications, as well as full incremental costs of other measures in support of FCCC implementation under article 4.1 and costs of adaptation to the adverse effects of climate change.

We object to the conditionalities placed on the GEF funding approval, which states that "all guidelines on the GEF funding should come from GEF and not the COP"; rather, the guidelines or any conditionalities should, ideally, come from the COP under the guidance of SBI.

PAPER NO. 2

IRELAND

(On behalf of the European Community and its member States)

Parties were invited to submit comments to the FCCC Secretariat on the annex to the Memorandum of Understanding (MOU) between the Conference of the Parties and the GEF.

The EU notes that Parties have already reached agreement in the forum of the Council of the GEF on the scope and format of the MOU and on the adoption of the Annex to the MOU. At this stage, the EU is of the view that the MOU and the Annex thereto should be adopted to allow all Parties to progress to the implementation of the MOU and Annex, rather than re-opening debates which have already been brought to a satisfactory conclusion.

Accordingly, the EU expresses its support for the joint secretariats' text as it stands.

PAPER NO. 3

UNITED STATES OF AMERICA

By its prior decision (in August 1995), the Subsidiary Body on Implementation (SBI) agreed to consider the annex to the Memorandum of Understanding after the annex was approved by the Council of the Global Environment Facility (GEF). The SBI thus anticipated that substantive negotiation of the annex would take place in the GEF Council.

Substantive negotiations over Memorandum of Understanding (MOU), including the issue of determination of funding, took place over the course of several meetings of the GEF Council. Based on this process, as well as considerable joint work by the secretariats, a draft of the annex was considered by the Council, further revised, and then approved at the Council's meeting in April 1996. All governments that have ratified the Convention are represented on the GEF Council, either directly or through established constituencies. Like the MOU itself, the annex to the MOU has been approved in the GEF Council by governments that take part in the work of the Convention.

For these reasons, proposals made at the SBI's meeting in July 1996 for further amendments to the annex were surprising, and they raise significant procedural and substantive concerns. If such amendments were agreed by the SBI, they would require further consideration by the GEF Council, which already amended and approved the annex developed by the two secretariats; and it is not clear where this process would end.

The United States thus holds the view that the proposed annex, developed jointly by the two secretariats in response to the SBI's request in August 1995 and negotiated in and approved by the GEF Council in April 1996, should be adopted by the SBI without further amendment.

If the SBI wishes to take note of concerns raised by governments with respect to the annex, it could do so and refer them to the GEF Council, where they could be addressed in the same forum in which substantive negotiations over the annex took place.