



SUBSIDIARY BODY FOR IMPLEMENTATION  
Fourth session  
Geneva, 10-11 December 1996

REPORT OF THE SUBSIDIARY BODY FOR IMPLEMENTATION  
ON THE WORK OF ITS FOURTH SESSION  
GENEVA, 10-11 DECEMBER 1996\*

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\*Subject to adoption at the beginning of the fifth session

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## **I. OPENING OF THE SESSION** (Agenda item 1)

1. The fourth session of the Subsidiary Body for Implementation (hereinafter referred to as "the SBI") was held at the Palais des Nations, Geneva from 10 to 11 December 1996.
2. The Chairman of the SBI, Mr. Mohamed Ould El Ghaouth, opened the session on 10 December 1996. In welcoming the participants, he recalled that the session would be a short one, and would be devoted to consideration of the annex to the Memorandum of Understanding between the Conference of the Parties (COP) and the Global Environment Facility (GEF) referred to in the SBI decision 13/CP.2 (see FCCC/CP/1996/15/Add.1). He expressed the hope that the SBI should be able to come to an agreement on the text at the session.

## **II. ORGANIZATIONAL MATTERS** (Agenda item 2)

### **A. Adoption of the agenda** (Agenda item 2 (a))

3. At its 1st meeting, on 10 December, the SBI adopted the following agenda:
  1. Opening of the session.
  2. Organizational matters:
    - (a) Adoption of the agenda;
    - (b) Organization of work of the session.
  3. Financial mechanism:
    - (a) 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.
  4. Report on the session.

## **B. Organization of the work of the session**

(Agenda item 2 (b))

4. At its 1st meeting, on 10 December, the Chairman recalled that services would be available for formal meetings in the mornings from 10 a.m. to 1 p.m. and in the afternoons from 3 p.m. to 6 p.m. The Chairman also referred to the documentation mentioned in annex III (see FCCC/SBI/1996/13).

5. On the subject of applications for accreditation to sessions of the subsidiary bodies of the Convention, the SBI agreed to admit new applicant organizations that had been screened by the secretariat, on the basis of the provisions of Article 7.6 of the Convention, without prejudice to subsequent action by the COP.

6. At its 1st meeting, on 10 December, the Chairman of the SBI informed the SBI that consultations were being conducted on behalf of the President of the COP on the election of officers of the Bureau other than the President. Since the elections of the officers of the COP and those of the SBI, the Subsidiary Body for Scientific and Technological Advice (SBSTA) and the Ad Hoc Group on Article 13 (AG13) were still being considered as a package, the SBI agreed to the Chairman's proposal to await the outcome of these consultations before further considering the issue of the election of SBI officers other than the Chairman. By the end of the session, no agreement was reached.

7. At the invitation of the Chairman of the SBI, the representative of Uzbekistan gave a brief report on a regional workshop convened in Tashkent from 12 to 14 November 1996. The regional workshop was attended by five Central Asian States (Kazakhstan, Turkmenistan and Uzbekistan, Parties to the Convention, and Kyrgyzstan and Tajikistan non-Parties). Eight international organizations and programmes also participated in this workshop. The purpose of the workshop was to facilitate the preparation of the national communications of non-Annex I Parties to the Convention and to provide information to States not Parties. In evaluating the workshop, the participants expressed their joint opinion that it was highly important and useful for raising awareness of the United Nations Framework Convention on Climate Change, and they considered practical steps that States of the Central Asian Region would need to take to implement their commitments under the Convention.

## **C. Attendance**

8. The lists of attendance at the fourth session of the SBI are given in document FCCC/1996/INF.5.

## **D. Documentation**

9. The documents before the SBI at its fourth session are listed in annex II below.

### III. FINANCIAL MECHANISM (Agenda item 3)

A. **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.**

(Agenda item 3 (a))

10. At its 1st and 2nd meetings, on 10 and 11 December, the SBI addressed the item on the financial mechanism. It had before it documents FCCC/CP/1996/9 and FCCC/SBI/1996/L.4/Rev.1 (see annex II of this document).

11. Statements were made by the representatives of 15 Parties, including one speaking on behalf of the European Community and its member States and another speaking on behalf of the Group of 77 and China.

12. In the light of its deliberations, the SBI, at its 2nd meeting, on 11 December, adopted decision 1/SBI 4 on the annex to the Memorandum of Understanding between the Conference of the Parties and the Global Environment Facility on the determination of funding necessary and available for the implementation of the Convention. The text of the decision is contained in annex I to the present report.

### IV. REPORT ON THE SESSION (Agenda item 4)

13. At its 2nd meeting, on 11 December, the Chairman proposed that the draft report of the session be completed by the secretariat and presented to delegates before they depart for home on 19 December. This report was produced and circulated (FCCC/SBI/1996/L.5). In view of the short time allocated for the session, the SBI subsequently requested the Chairman, with the assistance of the secretariat, to complete the report of the session, taking into account the discussions during the session and the need for editorial adjustments and present it for formal adoption by the SBI at its fifth session.

14. The Chairman, after thanking all participants for their constructive cooperation, declared the fourth session of the SBI closed.

**Annex I**

**Decision 1/SBI 4**

**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**

*The Subsidiary Body for Implementation,*

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

*Recalling* decision 9/CP.1 of the Conference of the Parties at its first session on the maintenance of the interim arrangements referred to in Article 21, paragraph 3, of the Convention and decision 10/1 on arrangements between the Conference of the Parties and the operating entity or entities of the financial mechanism,

*Recalling* also Decision 12/CP.2 by which the Conference of the Parties at its second session adopted the Memorandum of Understanding between the Conference of the Parties and the Global Environment Facility,

*Recalling* further Decision 13/CP.2 of the Conference of the Parties at its second session by which it decided to refer 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/Rev.1) for consideration by the Subsidiary Body for Implementation at its fourth session,

*Having considered* the text of the annex to the Memorandum of Understanding approved by the Council of the Global Environment Facility at its April 1996 session,

1. *Decides* to adopt the Annex attached to this decision which is derived from the text approved by the Council of the Global Environment Facility and to transmit it to the Council of the Global Environment Facility for expeditious consideration and approval so that the SBI could recommend its adoption by COP 3,
2. *Requests* the Executive Secretary to bring this decision to the attention of the Council of the Global Environment Facility.

## ANNEX TO THE MEMORANDUM OF UNDERSTANDING

### Determination of funding necessary and available for the implementation of the Convention

In accordance with Article 11.3(d) of the Convention, which calls for arrangements to determine in a predictable and identifiable manner the amount of funding necessary and available for the implementation of the Convention and the conditions under which that amount shall be periodically reviewed, the COP and the Council will jointly determine the aggregate GEF funding requirements for the purpose of the Convention in accordance with the following procedures.

1. In anticipation of a replenishment of the GEF, the COP will make an assessment of the amount of funds that are necessary to assist developing countries, in accordance with the guidance provided by the COP, in fulfilling their commitments under the Convention over the next GEF replenishment cycle, taking into account:
  - (a) The amount of funds necessary to meet the agreed full costs to be incurred by developing country Parties in order to prepare their national communications under Article 12.1 of the Convention on the basis of the guidelines for national communications of non-Annex I Parties adopted by the Conference of the Parties at its second session, and the information communicated to the COP under Article 12 of the Convention;
  - (b) Financial resources needed by the developing country Parties to meet the agreed full incremental costs of implementing measures<sup>1</sup> that are covered by Article 4.1 of the Convention and that are agreed between a developing country Party and the international entity or entities referred to in Article 11 of the Convention;
  - (c) Information communicated to the COP from the GEF on the number of eligible programmes and projects that were submitted to the GEF, the number that were approved for funding, and the number that were turned down owing to lack of resources;
  - (d) Other sources of funding available for the implementation of the Convention.
2. The GEF replenishment negotiations will take into account fully and comprehensively the COP's assessment.

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<sup>1</sup> Including national, or where appropriate regional, plans or programmes developed towards the achievement of the Convention's objective.

3. On the occasion of each replenishment, the GEF will, in its regular report to the COP as provided for in paragraphs 6 and 7 of this Memorandum of Understanding, indicate how it has responded during the replenishment cycle to the COP's previous assessment prepared in accordance with paragraph 1 of this annex, inform the COP of the conclusion of replenishment negotiations and indicate the amount of new and additional funding to be contributed to the GEF Trust Fund in the next replenishment cycle for the purposes of the GEF, including the implementation of the Convention. The COP may, in its action on the GEF reports, consider the adequacy of the resources available for implementation of the Convention.
4. The reiteration of this process on the occasion of each replenishment will present the opportunity to review the amount of funding necessary and available for the implementation of the Convention in accordance with Article 11.3(d).



**Annex II**

**DOCUMENTS BEFORE THE SUBSIDIARY BODY FOR IMPLEMENTATION AT  
ITS FOURTH SESSION**

**Documents prepared for the session**

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|----------------------|--|
| FCCC/SBI/1996/13     | Provisional agenda and annotations   |
| FCCC/SBI/1996/MISC.1 | Comments submitted by the Parties on the annex for the determination of funding necessary and available for the implementation of the Convention |

**Other documents for the session**

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|------------------------------|--|
| FCCC/SBI/1996/12             | Report of the Subsidiary Body for Implementation on the work of its third session held at Geneva from 9-16 July 1996   |
| FCCC/CP/1996/CP/15 and Add.1 | Report of the Conference of the Parties on its second session held at Geneva from 8-19 July 1996   |
| FCCC/CP/1996/9               | Financial mechanism: draft 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  |
| FCCC/SBI/1996/L.4/Rev.1      | Financial mechanism: Memorandum of Understanding between the Conference of the Parties and the Global Environment Facility: annex to the Memorandum of Understanding: determination of funding necessary and available for the implementation of the Convention. Draft proposal submitted by the Group of 77 and China |

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