



UNITED
NATIONS



**Framework Convention
on Climate Change**

Distr.
GENERAL

FCCC/SBI/2004/10
31 August 2004

Original: ENGLISH

SUBSIDIARY BODY FOR IMPLEMENTATION

**Report of the Subsidiary Body for Implementation
on its twentieth session,
held at Bonn from 16 to 25 June 2004**

CONTENTS

| | <i>Paragraphs</i> | <i>Page</i> |
|---|-------------------|-------------|
| I. OPENING OF THE SESSION (Agenda item 1)..... | 1–2 | 4 |
| II. ORGANIZATIONAL MATTERS (Agenda item 2)..... | 3–8 | 4 |
| A. Adoption of the agenda..... | 3–4 | 4 |
| B. Organization of the work of the session..... | 5–6 | 5 |
| C. Election of officers other than the Chair..... | 7–8 | 6 |
| III. NATIONAL COMMUNICATIONS FROM PARTIES INCLUDED IN ANNEX I TO THE CONVENTION: STATUS REPORT ON THE REVIEW OF THIRD NATIONAL COMMUNICATIONS (Agenda item 3)..... | 9 | 6 |

| | <i>Paragraphs</i> | <i>Page</i> |
|-------|--|---------------|
| IV. | NATIONAL COMMUNICATIONS FROM PARTIES NOT INCLUDED IN ANNEX I TO THE CONVENTION (Agenda item 4)..... | 10–30 6 |
| | A. Submission of second and, where appropriate, third national communications | 10–14 6 |
| | B. Work of the Consultative Group of Experts on National Communications from Parties not included in Annex I to the Convention | 15–23 7 |
| | C. Provision of financial and technical support..... | 24–30 8 |
| V. | FINANCIAL MECHANISM OF THE CONVENTION (Agenda item 5)..... | 31–39 9 |
| | A. Matters relating to the implementation of decision 5/CP.8 | 31–39 9 |
| VI. | ARTICLE 6 OF THE CONVENTION (Agenda item 6)..... | 40–53 10 |
| VII. | CAPACITY-BUILDING (Agenda item 7)..... | 54–61 12 |
| VIII. | IMPLEMENTATION OF ARTICLE 4, PARAGRAPHS 8 AND 9, OF THE CONVENTION (Agenda item 8)..... | 62–73 13 |
| | A. Progress on the implementation of activities under decision 5/CP.7 | 62–65 13 |
| | B. Matters relating to the least developed countries..... | 66–73 14 |
| IX. | ARRANGEMENTS FOR INTERGOVERNMENTAL MEETINGS (Agenda item 9)..... | 74–112 14 |
| | A. Tenth session of the Conference of the Parties..... | 74–86 14 |
| | B. Future sessional periods..... | 87–90 16 |
| | C. Organization of the intergovernmental process | 91–94 16 |
| | D. Effective participation in the Convention process..... | 95–109 17 |
| | E. Arrangements for the first session of the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol | 110–112 18 |

| | <i>Paragraphs</i> | <i>Page</i> |
|-------|--|---------------|
| X. | ADMINISTRATIVE AND FINANCIAL MATTERS (Agenda item 10)..... | 113–123 19 |
| A. | Budget performance for the biennium 2004–2005 | 113–118 19 |
| B. | Implementation of paragraph 7 (c) of the financial procedures of the Convention concerning the financial support for participation in the UNFCCC process | 119 20 |
| C. | Implementation of the Headquarters Agreement | 120–123 20 |
| XI. | CONTINUING REVIEW OF THE FUNCTIONS AND OPERATIONS OF THE SECRETARIAT (Agenda item 11)..... | 124–131 20 |
| XII. | OTHER MATTERS (Agenda item 12)..... | 132 21 |
| XIII. | REPORT ON THE SESSION (Agenda item 13)..... | 133 21 |
| XIV. | CLOSURE OF THE SESSION..... | 134–135 21 |

Annexes

| | | |
|------|---|----|
| I. | Draft decision for consideration by the Subsidiary Body for Implementation at its twenty-first session [Submission of second and, where appropriate, third national communications] | 23 |
| II. | Consolidated views of Parties and guidance to the secretariat on the further development of the Article 6 of the Convention information network clearing house | 25 |
| III. | Draft decision for consideration by the Subsidiary Body for Implementation at its twenty-first session [Progress on the implementation of activities under decision 5/CP.7] | 26 |
| IV. | Documents before the Subsidiary Body for Implementation at its twentieth session | 33 |

I. Opening of the session

(Agenda item 1)

1. The twentieth session of the Subsidiary Body for Implementation (SBI) was held at the Maritim Hotel, Bonn, Germany, from 16 to 25 June 2004.
2. The Chair of the SBI, Ms. Daniela Stoycheva (Bulgaria), opened the session and welcomed all Parties and observers. A statement was made by one Party speaking on behalf of the European Community and its member States.

II. Organizational matters

(Agenda item 2)

A. Adoption of the agenda

(Agenda item 2 (a))

3. At its 1st meeting, on 16 June, the SBI considered a note by the Executive Secretary containing the provisional agenda and annotations (FCCC/SBI/2004/1). Statements were made by representatives of six Parties, including one speaking on behalf of the Group of 77 and China, one on behalf of the Alliance of Small Island States (AOSIS), one on behalf of the least developed countries, one on behalf of the European Community and its member States, and one on behalf of the African Group.
4. At the same meeting, the SBI added a new sub-item to item 9 of the provisional agenda. The agenda as finally adopted is as follows:
 1. Opening of the session
 2. Organizational matters:
 - (a) Adoption of the agenda
 - (b) Organization of the work of the session
 - (c) Election of officers other than the Chair
 3. National communications from Parties included in Annex I to the Convention: status report on the review of third national communications
 4. National communications from Parties not included in Annex I to the Convention:
 - (a) Submission of second and, where appropriate, third national communications
 - (b) Work of the Consultative Group of Experts on National Communications from Parties not included in Annex I to the Convention
 - (c) Provision of financial and technical support
 5. Financial mechanism of the Convention:
 - (a) Matters relating to the implementation of decision 5/CP.8
 6. Article 6 of the Convention

7. Capacity-building
8. Implementation of Article 4, paragraphs 8 and 9, of the Convention:
 - (a) Progress on the implementation of activities under decision 5/CP.7
 - (b) Matters relating to the least developed countries
9. Arrangements for intergovernmental meetings:
 - (a) Tenth session of the Conference of the Parties
 - (b) Future sessional periods
 - (c) Organization of the intergovernmental process
 - (d) Effective participation in the Convention process
 - (e) Arrangements for the first session of the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol
10. Administrative and financial matters:
 - (a) Budget performance for the biennium 2004–2005
 - (b) Implementation of paragraph 7 (c) of the financial procedures of the Convention concerning the financial support for participation in the UNFCCC process
 - (c) Implementation of the Headquarters Agreement
11. Continuing review of the functions and operations of the secretariat
12. Other matters
13. Report on the session.

B. Organization of the work of the session

(Agenda item 2 (b))

5. The SBI considered this sub-item at its 1st meeting, on 16 June, at which the Chair drew attention to the tentative programme of work posted on the UNFCCC web site. The secretariat informed the SBI that applications for provisional accreditation to the sessions of the subsidiary bodies had been received from 12 non-governmental organizations (NGOs). The SBI agreed to admit these organizations, on the basis of the provisions of Article 7, paragraph 6, of the Convention, without prejudice to subsequent action by the Conference of the Parties (COP). Statements were made by representatives of two Parties, including one speaking on behalf of AOSIS.

6. At the 4th meeting, on 24 June, the Chair informed the SBI that, during the session, she had attended a meeting, convened by the Chair of the Subsidiary Body for Scientific and Technological Advice (SBSTA), with the chairs of the expert groups established under the Convention – the Consultative Group of Experts on National Communications from Parties not included in Annex I to the Convention (CGE), the Expert Group on Technology Transfer (EGTT), and the Least Developed Countries Expert Group (LEG) – as mandated by decision 10/CP.8. The aim of that meeting was to further discuss how to facilitate collaboration among these expert groups in the implementation of their

respective programmes of work. Participants identified areas of cooperation among the expert groups, including improved sharing of information, that would help them to work more effectively.

C. Election of officers other than the Chair

(Agenda item 2 (c))

7. The SBI considered this sub-item at its 1st meeting, on 16 June. The Chair recalled rule 27 of the draft rules of procedure being applied, whereby the SBI is expected to elect its Vice-Chair and Rapporteur. She welcomed Mr. Fadhel Akbar Lari (Kuwait), who was elected as Vice-Chair of the SBI for a second term of one year covering the twentieth and twenty-first sessions of the SBI.

8. At the same meeting, the Chair informed the SBI that agreement had been reached among the regional groups on the nomination for the post of Rapporteur of the SBI and announced the nominee. The SBI elected Mr. Gonzalo Menéndez G. (Panama) as Rapporteur; he will serve for a term of one year, at the twentieth and twenty-first sessions of the SBI.

III. National communications from Parties included in Annex I to the Convention: status report on the review of third national communications

(Agenda item 3)

9. The SBI considered this item at its 2nd meeting, on 16 June. It had before it document FCCC/SBI/2004/INF.7 which it took note of. Statements were made by representatives of two Parties, including one speaking on behalf of the European Community and its member States.¹

IV. National communications from Parties not included in Annex I to the Convention

(Agenda item 4)

A. Submission of second and, where appropriate, third national communications

(Agenda item 4 (a))

1. Proceedings

10. The SBI considered this sub-item at its 1st and 5th meetings, on 16 and 25 June, respectively. No new documents were prepared for this sub-item. Statements were made by representatives of 20 Parties, including one speaking on behalf of the European Community and its member States,² one on behalf of the Group of 77 and China, and one on behalf of AOSIS.

11. At its 1st meeting, the SBI agreed to consider this sub-item in a contact group chaired by Mr. Soobaraj Nayroo Sok Appadu (Mauritius). At the 5th meeting, Mr. Sok Appadu reported on the contact group's consultations.

12. At the 5th meeting, the Chair informed Parties that a new document had been issued, FCCC/SBI/2004/MISC.3, containing a package proposal by the Group of 77 and China on the paragraphs of the text contained in annex I to this report which address the timing of submission of national communications. Because the document was submitted only on 25 June, it was not possible to discuss it

¹ Bulgaria and Romania aligned themselves with this statement.

² Bulgaria and Romania aligned themselves with this statement.

at the twentieth session. Document FCCC/SBI/2004/MISC.3 will therefore be considered at the twenty-first session of the SBI.

13. At the same meeting, the SBI considered and adopted conclusions³ proposed by the Chair of the contact group.

2. Conclusions

14. The SBI decided to continue consideration of this agenda item at its next session based on the text contained in annex I to this report, with a view to recommending a decision for adoption by the COP at its tenth session.

B. Work of the Consultative Group of Experts on National Communications from Parties not included in Annex I to the Convention

(Agenda item 4 (b))

1. Proceedings

15. The SBI considered this sub-item at its 1st and 5th meetings, on 16 and 25 June, respectively. It had before it document FCCC/SBI/2004/INF.5. Statements were made by representatives of 11 Parties, including one speaking on behalf of AOSIS.

16. At the 1st meeting, the Chair invited Mr. Brian Challenger (Antigua and Barbuda), Chair of the CGE, to present the results of the CGE meeting held in Manila, Philippines, on 3 and 4 May 2004.

17. At the same meeting, the Chair informed the SBI that one new member of the CGE has been nominated since COP 9. This is Mr. Satender Singh (Canada), who is the sixth member from Parties included in Annex I to the Convention (Annex I Parties). In addition, Ms. Riitta Pipatti (Finland) has been nominated to replace Mr. Lambert Schneider (Germany) and Mr. Alexander Pisarenko (Ukraine) has been nominated to replace Mr. Ivan Mojik (Slovak Republic).

18. At its 5th meeting, the SBI considered and adopted conclusions⁴ proposed by the Chair.

2. Conclusions

19. The SBI took note of the report by the CGE on its second meeting (FCCC/SBI/2004/INF.5) and expressed its gratitude to the Government of the Philippines for hosting that meeting.

20. The SBI welcomed the efforts of the CGE, in prioritizing its activities within its multi-year work programme, to support the process of preparation of national communications from Parties not included in Annex I to the Convention (non-Annex I Parties), and invited Annex II Parties, and other Parties in a position to do so, to provide financial resources and technical support for these activities.

21. The SBI also welcomed the efforts made by the CGE to cooperate with the LEG and the EGTT on issues relating to adaptation and transfer of technology, respectively.

22. The SBI reiterated the need for closer cooperation between the CGE and the National Communications Support Programme (NCSP) of the United Nations Development Programme (UNDP)/United Nations Environment Programme (UNEP) and the Global Environment Facility (GEF), the Intergovernmental Panel on Climate Change, and other relevant organizations. In this regard, the SBI

³ Adopted as FCCC/SBI/2004/L.10.

⁴ Adopted as FCCC/SBI/2004/L.8.

invited the NCSP to regularly exchange information on capacity-building and coordinate its training activities with the CGE in order to avoid duplication of effort, and requested the secretariat to facilitate this cooperation.

23. The SBI welcomed the offer by the Government of Panama to host the first CGE hands-on training workshop on greenhouse gas inventories.

C. Provision of financial and technical support

(Agenda item 4 (c))

1. Proceedings

24. The SBI considered this sub-item at its 1st and 5th meetings, on 16 and 25 June, respectively. It had before it documents FCCC/SBI/2004/INF.2, FCCC/SBI/2004/INF.3, FCCC/SBI/2004/INF.4 and FCCC/SBI/2004/INF.6. Statements were made by representatives of two Parties, including one speaking on behalf of the European Community and its member States.⁵

25. At its 5th meeting, the SBI considered and adopted conclusions⁶ proposed by the Chair.

2. Conclusions

26. The SBI welcomed the fact that 115 non-Annex I Parties had already submitted their initial national communications and that three of them had also submitted their second national communications to the COP, one of these using the guidelines contained in the annex to decision 17/CP.8. The SBI urged those Parties which had not yet submitted their initial national communications to do so as soon as possible. Parties that are least developed countries may submit their initial national communications at their discretion.

27. The SBI acknowledged the funding support provided by the Governments of the Philippines, Spain, Switzerland and the United States of America, and by the Asia-Pacific Network for Global Change Research, for the UNFCCC workshop on the preparation of national communications from non-Annex I Parties. The SBI expressed its gratitude to the Government of the Philippines for hosting that workshop.

28. The SBI took note of the needs and concerns of non-Annex I Parties relating to capacity-building and training on the use and application of tools, methods and models for greenhouse gas inventories, vulnerability and adaptation assessments and mitigation assessments, as identified at the workshop on the preparation of national communications from non-Annex I Parties held in Manila, Philippines (FCCC/SBI/2004/INF.6).

29. The SBI reiterated the need to strengthen national institutions, regional and subregional climate change centres and centres of excellence, especially in the least developed countries and small island developing States, particularly with regard to the provision of technical support and advice.

30. The SBI welcomed the information made available by the secretariat on the GEF support for the preparation of initial national communications from non-Annex I Parties. It requested the secretariat to make available at each of its sessions details of the financial support provided by the GEF for the preparation of initial and subsequent national communications.

⁵ Bulgaria and Romania aligned themselves with this statement.

⁶ Adopted as FCCC/SBI/2004/L.9.

V. Financial mechanism of the Convention

(Agenda item 5)

A. Matters relating to the implementation of decision 5/CP.8

(Agenda item 5 (a))

1. Proceedings

31. The SBI considered this item at its 2nd and 5th meetings, on 16 and 25 June, respectively. It had before it document FCCC/SBI/2004/6. Statements were made by representatives of 10 Parties, including one speaking on behalf of AOSIS, one on behalf of the European Community and its member States, and one on behalf of the African Group.

32. At its 2nd meeting, the SBI agreed to consider this sub-item in informal consultations convened by Ms. Andrea Alban (Colombia) and Ms. Sarah Hendry (United Kingdom of Great Britain and Northern Ireland). At the 5th meeting, Ms. Alban reported on these consultations.

33. At its 5th meeting, the SBI considered and adopted conclusions⁷ proposed by the Chair. After the SBI had concluded its deliberations on this agenda item, the Executive Secretary stated that her interpretation of the conclusions contained in paragraphs 36 and 37 below is that the secretariat, when preparing the report requested therein, will use information available in such documents as the GEF business plan and work programme, GEF reports to the COP and projects in the GEF pipeline, as well as information on multilateral, bilateral, concessional and grant sources of funding and private sector flows, and national communications.

2. Conclusions

34. The SBI welcomed the successful and substantial third replenishment of the GEF Trust Fund which was achieved through existing arrangements for GEF replenishments.

35. The SBI further noted that inputs by the COP to fourth replenishment discussions should be consistent with the provisions of the Convention, and of the Annex to the Memorandum of Understanding between the COP and the Council of the GEF on the determination of funding necessary and available for the implementation of the Convention as brought into effect by decision 12/CP.3.

36. The SBI requested the secretariat, in collaboration with the GEF secretariat, to prepare a report, to be considered by the COP at its tenth session, on the assessment of the funding necessary to assist developing countries in fulfilling their commitments under the Convention and in order to contribute to the joint determination, with the Council of the GEF, of the amount of funding necessary and available for the implementation of the Convention as defined in the Memorandum of Understanding between the COP and the Council of the GEF.

37. This report should be based on information and data identified in paragraph 1 (a)–(d) of the Annex to the Memorandum of Understanding between the COP and the Council of the GEF on the determination of funding necessary and available for the implementation of the Convention, in accordance with the guidance provided by the COP. The report should contain the data and the methodology used by the secretariat in carrying out the above-mentioned task in a transparent manner so that the results can be verified at a later stage.

38. The report will not prejudice the joint determination process.

⁷ Adopted as FCCC/SBI/2004/CRP.1.

39. The SBI agreed to continue its deliberations on this matter at its twenty-first session, with a view to preparing a draft decision for adoption by the COP at its tenth session.

VI. Article 6 of the Convention

(Agenda item 6)

1. Proceedings

40. The SBI considered this item at its 2nd and 4th meetings, on 16 and 24 June, respectively. It had before it document FCCC/SBI/2004/7. Statements were made by representatives of six Parties, including one speaking on behalf of the European Community and its member States.⁸

41. At the 2nd meeting, the Chair invited Ms. Fatou Gaye (Gambia) to report on the African regional workshop held in the Gambia from 28 to 30 January 2004, on behalf of Mr. Abdulatief Benrageb, Chair of the SBSTA, who chaired this regional workshop.

42. At the same meeting, the Chair also invited the representative of UNEP to report on the various initiatives of UNEP in supporting the implementation of Article 6 of the Convention.

43. At the same meeting, the SBI agreed to consider this item in a contact group chaired by Mr. Markus Nauser (Switzerland). At the 4th meeting, Mr. Nauser reported on the contact group's consultations.

44. At its 4th meeting, the SBI considered and adopted conclusions⁹ proposed by the Chair of the contact group.

2. Conclusions

45. The SBI took note of the conclusions of the African regional workshop on Article 6 of the Convention (FCCC/SBI/2004/7) and encouraged Annex I Parties and non-Annex I Parties to cooperate in following up on the key issues identified at the workshop, including:

- (a) Facilitating cooperation and supporting the sharing of resources, at subregional, regional and international levels, for education, training and public awareness
- (b) Improving the dissemination and distribution of climate change information to the public by enhancing the relationship between governments, the public and the media
- (c) Facilitating awareness raising and capacity-building within African countries, building on the New Partnership for Africa's Development (NEPAD) and other initiatives, with the support of intergovernmental organizations (IGOs), such as UNEP.

46. The SBI recalled that the COP, by its decision 11/CP.8, decided to undertake a review of the New Delhi work programme in 2007, with an intermediate review of progress in 2004. The SBI requested the secretariat to prepare an intermediate review report on progress achieved by Parties in implementing Article 6 of the Convention, based on information contained in national communications and other information received by the secretariat by 15 August 2004. The report by the secretariat will be considered by the SBI at its twenty-first session, and will form the basis for a draft decision to be forwarded for adoption by the COP at its tenth session.

⁸ Bulgaria and Romania aligned themselves with this statement.

⁹ Adopted as FCCC/SBI/2004/L.6.

47. The SBI also encouraged IGOs and NGOs to communicate to the secretariat, by 15 September 2004, their programmatic responses to the New Delhi work programme and to provide information on progress achieved in supporting its implementation, as part of the interim review process. It requested the secretariat to make this information available to the SBI at its twenty-first session.

48. The SBI invited Parties to designate a national focal point for Article 6 activities and to inform the secretariat accordingly. It recognized that the functioning of such a focal point would, depending on national circumstances, benefit from strengthening of national institutions and capacities.

49. The SBI further noted that decision 4/CP.9 requested the GEF, as the entity responsible for operating the financial mechanism of the Convention, to “continue its support for education, training and public awareness activities relating to climate change”. The SBI encouraged non-Annex I Parties to take this into account when submitting to the GEF their projects relating to their national communications, to promote the implementation of Article 6. It requested the secretariat to collaborate with the GEF secretariat to ensure the dissemination of information on the availability of such support.

50. The SBI welcomed the work of the secretariat on the development of the small-scale model of the Article 6 information network clearing house. It requested the secretariat to continue its work taking into account views expressed at the twentieth session of the SBI (see annex II), and in consultation with interested Parties. It also requested the secretariat to report to the SBI at its twenty-first session on the progress of work including:

- (a) Detailed technical specifications for the development and implementation of the clearing house
- (b) A profile for an institutional home for the clearing house highlighting relevant competences and expertise
- (c) A tentative time frame for implementation
- (d) Options, and their estimated financial implications, for the development and implementation of the clearing house.

51. The SBI expressed its appreciation to the Government of France for its financial contribution to the development of the clearing house project, and invited other Parties in a position to do so to consider funding the further development and implementation of the clearing house.

52. The SBI noted that regional workshops were essential to advance the implementation of Article 6 activities, and that reports of these workshops shall be an important contribution to the review of the New Delhi work programme in 2007. It invited Parties and others in a position to do so to contribute to financing the remaining workshops addressing the needs of Asia, Latin America and the members of AOSIS, at the earliest opportunity.

53. The SBI expressed its gratitude to UNEP for its offer to contribute to the organization of the Asian regional workshop, and expressed its appreciation for the evolving role UNEP is taking in supporting the implementation of Article 6 and the New Delhi work programme.

VII. Capacity-building

(Agenda item 7)

1. Proceedings

54. The SBI considered this item at its 2nd and 4th meetings, on 16 and 24 June, respectively. It had before it documents FCCC/SBI/2004/8, FCCC/SBI/2004/9, FCCC/SBI/2004/MISC.1 and FCCC/TP/2004/1. Statements were made by representatives of 12 Parties, including one speaking on behalf of AOSIS, one on behalf of the European Community and its member States,¹⁰ and one on behalf of the Group of 77 and China.

55. At its 2nd meeting, the SBI agreed to consider this item in a contact group chaired by Ms. Dechen Tsering (Bhutan). At the 4th meeting, Ms. Dechen Tsering reported on the contact group's consultations.

56. At its 4th meeting, the SBI considered and adopted conclusions¹¹ proposed by the Chair of the contact group.

2. Conclusions

57. The SBI recalled that the COP, by its decision 9/CP.9, decided to complete the first comprehensive review of the implementation of the framework for capacity-building in developing countries by its tenth session and to conduct further comprehensive reviews every five years thereafter, consistent with decision 2/CP.7; and that the COP also decided to complete the review of the effectiveness of the implementation of the framework for capacity-building in countries with economies in transition (EIT countries), annexed to decision 3/CP.7, by its tenth session, and that further reviews should be based on the review of national communications of these countries and other Annex I Parties, where appropriate.

58. The SBI noted the document prepared by the secretariat on the range and effectiveness of capacity-building activities in developing countries aimed at implementing decision 2/CP.7 (FCCC/SBI/2004/9) and the additional information provided by Parties relating to the comprehensive review of the implementation of capacity-building in developing countries (FCCC/SBI/2004/MISC.1). The SBI also noted the technical paper on the range and effectiveness of capacity-building in developing countries relating to decision 2/CP.7 (FCCC/TP/2004/1).

59. The SBI also took note of the compilation and synthesis of capacity-building activities in EIT countries (FCCC/SBI/2004/8).

60. In order to complete the comprehensive review of the implementation of the frameworks for capacity-building in developing countries and EIT countries, the SBI:

- (a) Decided to complete, at its twenty-first session, the elaboration of a draft decision on the range and effectiveness of capacity-building activities in developing countries aimed at implementing decision 2/CP.7, based on all inputs;
- (b) Requested the secretariat, subject to the availability of resources, to convene a meeting of practitioners with the aim of contributing to the comprehensive review at the tenth

¹⁰ Bulgaria aligned itself with this statement.

¹¹ Adopted as FCCC/SBI/2004/L.5.

session of the COP and to present the outcome of the meeting of practitioners to the SBI at its twenty-first session;

- (c) Invited Parties, in particular EIT Parties, to submit to the secretariat, by 15 August 2004, additional information on the effectiveness of capacity-building activities in EIT countries, being guided by paragraph 5 of decision 9/CP.9; and requested the secretariat to solicit from the secretariat of the GEF and its implementing agencies, multilateral and bilateral agencies, and other international organizations information on the effectiveness of capacity-building activities in EIT countries, being guided by paragraph 5 of decision 9/CP.9;
- (d) Requested the secretariat to prepare an analytical paper on the effectiveness of the implementation of the framework for capacity-building in EIT countries, based on the above-mentioned submissions and other available information, for consideration by the SBI at its twenty-first session.

61. The SBI noted that, in accordance with decision 16/CP.9, the Executive Secretary provided Parties with an indication of the administrative and budgetary implications of these conclusions. The SBI also noted that no financial provision has been made in the 2004–2005 core budget to hold the meeting of practitioners mentioned in paragraph 60 (b) above and that the conclusion can only be implemented subject to availability of additional supplementary funds.

VIII. Implementation of Article 4, paragraphs 8 and 9, of the Convention

(Agenda item 8)

A. Progress on the implementation of activities under decision 5/CP.7

(Agenda item 8 (a))

1. Proceedings

62. The SBI considered this sub-item at its 2nd and 5th meetings, on 16 and 25 June, respectively. It had before it document FCCC/SBI/2004/MISC.2 and Add.1–2. Statements were made by representatives of six Parties, including one speaking on behalf of AOSIS and one on behalf of the European Community and its member States.¹²

63. At its 2nd meeting, the SBI agreed to consider this sub-item in a contact group co-chaired by Mr. Mohamed Mahmoud Ould El Ghaouth (Mauritania) and Mr. Paul Watkinson (France). At the 5th meeting, Mr. Watkinson reported on the contact group's consultations.

64. At its 5th meeting, the SBI considered and adopted conclusions¹³ containing the draft text included in annex III to this report.

2. Conclusions

65. The SBI decided to continue its consideration of issues under this agenda sub-item at its twenty-first session on the basis of the draft text contained in annex III to this report.

¹² Bulgaria and Romania aligned themselves with this statement.

¹³ Adopted as FCCC/SBI/2004/L.11.

B. Matters relating to the least developed countries

(Agenda item 8 (b))

1. Proceedings

66. The SBI considered this sub-item at its 2nd and 4th meetings, on 16 and 24 June, respectively. It had before it document FCCC/SBI/2004/3. Statements were made by representatives of five Parties, including one speaking on behalf of the least developed countries.

67. At the 2nd meeting, the Chair invited Mr. La'avasa Malua (Samoa), Chair of the LEG, to report on progress in the implementation of the LEG programme of work.

68. At the same meeting, the SBI agreed that the Chair would prepare draft conclusions on this issue, with the assistance of the secretariat and in consultation with interested Parties.

69. At a different meeting, one Party, speaking on behalf of the least developed countries, and referring to this sub-item, requested the secretariat to organize a consultative meeting for the least developed countries to prepare for the negotiations at COP 10 and invited Parties that are in a position to do so to provide funding for the organization of this meeting. The United Republic of Tanzania offered to host this meeting in October or November 2004.

70. At its 4th meeting, the SBI considered and adopted conclusions¹⁴ proposed by the Chair.

2. Conclusions

71. The SBI took note of document FCCC/SBI/2004/3 containing the report on the fifth meeting of the LEG, including the membership of the LEG and the proposed programme of work of the LEG for its second term (2004–2005).

72. The SBI endorsed the above-mentioned programme of work, noting with appreciation the efforts made so far by the LEG in implementing its programme of work in support of the mandate contained in decision 29/CP.7.

73. The SBI invited the Chair of the LEG to update the SBI at its twenty-first session on progress made in implementing the programme of work of the LEG.

IX. Arrangements for intergovernmental meetings

(Agenda item 9)

A. Tenth session of the Conference of the Parties

(Agenda item 9 (a))

1. Proceedings

74. The SBI considered this sub-item at its 3rd and 4th meetings, on 17 and 24 June, respectively. It had before it document FCCC/SBI/2004/4. The secretariat noted that, following the offer of Argentina to host COP 10 and the decision of the Bureau with regard to the dates for the conference, COP 10 will take place from 6 to 17 December in Buenos Aires at the La Rural conference centre. Concerning financial issues, it was noted that the traditional model is being followed, whereby most of the costs for the organization of the conference are borne by the host country. The core budget agreed by the Parties does

¹⁴ Adopted as FCCC/SBI/2004/L.4.

not include any provision for conference facilities or conference fit-out. When meetings take place in Bonn, these costs are borne by the Bonn Fund, a special contribution made available by the Government of Germany for meetings in Germany. If Parties did wish to change the current practice, they would have to incorporate the change in future budgets or take other decisions as appropriate. If any changes were to be in effect for COP 10, they would need to be agreed at this session.

75. On COP 10 and dates and schedules, the secretariat recalled information provided to the SBI at its eighteenth session regarding the formal booking arrangement with the Maritim Hotel, which obligates the secretariat to give sufficient notice of confirmation or cancellation for the use of the facility. The contingency booking for COP 10 must be cancelled by 28 June. Retaining the booking and cancelling later would result in a cancellation fee of EUR 200,000.

76. The representative of Argentina stated that preparations for COP 10 have progressed in a satisfactory manner. He expressed concern regarding the treatment of COP sessions in the Convention budget and noted that the current practice should be considered at a future session. He invited delegations to consult the meeting web site maintained by the Government of Argentina for matters concerning hotels.

77. Statements were made by representatives of 18 Parties on this sub-item, as well as on sub-items 9 (b), 9 (c), 9 (d) and 9 (e), including one speaking on behalf of the Group of 77 and China, one on behalf of the European Community and its member States,¹⁵ one on behalf of the African Group and one on behalf of AOSIS.

78. At its 3rd meeting, the SBI agreed to consider this sub-item together with sub-items 9 (b), 9 (c), 9 (d) and 9 (e) in a contact group chaired by Mr. Karsten Sach (Germany). At the 4th meeting, Mr. Sach reported on the contact group's consultations.

79. At its 4th meeting, the SBI considered and adopted conclusions¹⁶ proposed by the Chair of the contact group.

2. Conclusions

80. The SBI expressed its thanks to the Government of Argentina for its generous offer to host COP 10. It noted with appreciation the preparations being made by the Government of Argentina and the secretariat to convene COP 10 in Buenos Aires, Argentina, from 6 to 17 December 2004.

81. The SBI recognized that the year 2004 will mark the tenth anniversary of the entry into force of the Convention and recommended that the tenth anniversary serve as the central theme for COP 10.

82. The SBI considered arrangements for COP 10 in the event that the Kyoto Protocol had not yet entered into force. The SBI endorsed the dates of 15–17 December for the high-level segment to be attended by ministers and other heads of delegation.

83. The SBI recommended that panel discussions be the mode for exchanges during the high-level segment. Panels would consist of ministers and other heads of delegation. Panel members would initiate an interactive dialogue with other ministers and heads of delegation. There should be a balanced representation among panel members, taking into account geographical representation and diversity of points of view. The high-level segment should also provide an opportunity, on request, for statements in the opening ceremony, but it is recognized that Parties will be expected to contribute mainly through their participation in the panel discussions.

¹⁵ Bulgaria and Romania aligned themselves with this statement.

¹⁶ Adopted as FCCC/SBI/2004/L.7.

84. The SBI recognized that two panels may need to be held in parallel and recommended that the panels have the following themes:

- The Convention after 10 years: accomplishments and future challenges
- Impacts of climate change, adaptation measures and sustainable development
- Technology and climate change
- Mitigation of climate change: policies and their impacts.

85. The SBI invited the Bureau of COP 9, in collaboration with the secretariat and the Government of Argentina, to take note of the views expressed by Parties and to give further consideration to the details and format of the high-level segment, in keeping with the foregoing conclusions.

86. The SBI requested the Executive Secretary to take note of views expressed by Parties on the possible elements of the provisional agenda for COP 10.

B. Future sessional periods

(Agenda item 9 (b))

1. Proceedings

87. The SBI considered this sub-item at its 3rd and 4th meetings, on 17 and 24 June, respectively. It had before it document FCCC/SBI/2004/4. Statements were made by representatives of 18 Parties as noted in paragraph 77 above.

88. At its 4th meeting, the SBI considered and adopted conclusions proposed by the Chair of the contact group referred to in paragraphs 78 and 79 above.

2. Conclusions

89. The SBI noted that the eleventh session of the Conference of the Parties (COP 11) would be convened during the period 7–18 November 2005. The SBI also noted that the secretariat had not received any offers from Parties to host COP 11. It urged Parties to come forward with offers to host COP 11, so that an appropriate decision can be taken at COP 10.

90. The SBI took note of the proposed dates for the 2009 sessional periods (1 to 12 June 2009 and 30 November to 11 December 2009) contained in document FCCC/SBI/2004/4. The SBI recommended the proposed dates for adoption by the COP at its tenth session.

C. Organization of the intergovernmental process

(Agenda item 9 (c))

1. Proceedings

91. The SBI considered this sub-item at its 3rd and 4th meetings, on 17 and 24 June, respectively. It had before it document FCCC/SBI/2004/4. Statements were made by representatives of 18 Parties as noted in paragraph 77 above.

92. At its 4th meeting, the SBI considered and adopted conclusions proposed by the Chair of the contact group referred to in paragraphs 78 and 79 above.

2. Conclusions

93. The SBI reviewed the general state of the organization of the Convention process. It recognized the challenges arising from the large number of items under consideration by the subsidiary bodies, especially in terms of developing workable agendas and the pressures placed on small delegations.

94. The SBI agreed to continue its discussion on the organization of future sessional periods with a view to ensuring that the Convention bodies can work as efficiently and effectively as possible within the time available at a session, while ensuring a coherent and responsive approach to issues. It requested the secretariat to convene a workshop on the organization of the intergovernmental process in conjunction with the twenty-first session of the SBI and to prepare a background paper taking into account relevant experience in other multilateral processes.

D. Effective participation in the Convention process

(Agenda item 9 (d))

1. Proceedings

95. The SBI considered this sub-item at its 3rd and 4th meetings, on 17 and 24 June, respectively. It had before it document FCCC/SBI/2004/5. Statements were made by representatives of 18 Parties as noted in paragraph 77 above. Statements were also made by representatives of the United Nations Permanent Forum on Indigenous Issues, the Business Council for Sustainable Energy speaking on behalf of business and industry NGOs, CAN Southeast Asia speaking on behalf of environmental NGOs, the International Alliance of Indigenous–Tribal Peoples of the Tropical Forests speaking on behalf of the indigenous peoples' organizations, and the International Institute for Sustainable Development speaking on behalf of research and independent NGOs.

96. At its 4th meeting, the SBI considered and adopted conclusions proposed by the Chair of the contact group referred to in paragraphs 78 and 79 above.

2. Conclusions

97. The SBI took note of a concern expressed with respect to the interpretation of rules 26 and 27 of the rules of procedure of the Executive Board of the clean development mechanism.

98. The SBI underlined the paramount importance of facilitating effective participation of Parties throughout the Convention process. The SBI also recognized the fundamental value of effective participation by observers, both in the process and in responding to climate change.

99. The SBI agreed to continue its consideration of effective participation at its twenty-second session on the basis of submissions received before 31 January 2005.

Participation by observer organizations

100. The SBI took note of the current approach of the secretariat to the admission of observer organizations and views expressed by Parties, and agreed to continue its consideration of the matter in the context of the continued consideration of effective participation.

101. The SBI requested the secretariat to inform the SBI at its twenty-second session of relevant initiatives in the United Nations focused on enhancing the relationship between the United Nations system and civil society, such as the High Level Committee on Programmes (HLCP) and the High Level Panel of Eminent Persons on United Nations–Civil Society Relations (HLP).

102. The SBI recognized that NGO participation, although extensive, was not geographically balanced, with fewer NGOs attending from developing countries and EIT countries. The SBI also recognized the importance of a more globally representative participation in sessions and workshops and encouraged interested Parties to support attendance by NGOs from developing countries and EIT countries that lack the necessary resources.

103. The SBI recognized the value of NGO contributions to deliberations on substantive issues. It welcomed the current practices of the President of the COP, the chairs of the subsidiary bodies and the chairs of contact groups in permitting interventions by NGOs when appropriate, while ensuring that the Convention process proceeds in an efficient and effective manner.

104. The SBI agreed that requests for submission of information and views could be extended to NGOs where appropriate and on the understanding that such submissions would not be issued as official documents, in order not to expand the volume of documentation, but would be made available on the secretariat web site.

Participation of indigenous peoples

105. The SBI considered the recommendations of the Permanent Forum on Indigenous Issues, as well as other requests by indigenous peoples organizations, summarized in document FCCC/SBI/2004/5.

106. The SBI noted that indigenous peoples organizations have been admitted as observers in accordance with Article 7, paragraph 6, of the Convention and that the secretariat has an officer responsible for liaising with observer organizations, including the indigenous peoples organizations. It also noted that the agendas of the Convention bodies include items relevant to the concerns of indigenous peoples. The SBI encouraged the indigenous peoples organizations to make full use of the existing bodies and the opportunities currently afforded to them under the Convention.

107. The SBI invited Parties to consider drawing on the expertise of indigenous peoples organizations when discussing matters of concern to them. It encouraged individual Parties to give consideration to ways of enhancing the participation of indigenous peoples organizations in the Convention process.

108. The SBI acknowledged the importance of an enhanced participation by indigenous peoples organizations in the Convention process, in particular through discussions on relevant agenda items, participation in workshops and informal contacts. The SBI invited the chairs of relevant Convention bodies and the secretariat to facilitate such participation to the extent possible, without recourse to financial support.

109. The SBI concluded that opportunities exist for fostering a full and effective participation by indigenous peoples organizations in the Convention process. It requested the secretariat to convey its conclusions to the Permanent Forum on Indigenous Issues.

E. Arrangements for the first session of the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol (Agenda item 9 (e))

1. Proceedings

110. The SBI considered this sub-item at its 3rd and 4th meetings, on 17 and 24 June, respectively. It had before it documents FCCC/SBI/2003/8 and FCCC/CP/2003/6/Add.2. Statements were made by representatives of 18 Parties as noted in paragraph 77 above.

111. At its 4th meeting, the SBI considered and adopted conclusions proposed by the Chair of the contact group referred to in paragraphs 78 and 79 above.

2. Conclusions

112. The SBI confirmed the continuing relevance of the conclusions agreed at its eighteenth session on arrangements for the first session of the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol (COP/MOP 1),¹⁷ of decision 17/CP.9,¹⁸ of the provisions of the Kyoto Protocol, and of other COP decisions relevant to arrangements for COP/MOP 1. The SBI took note of the information provided by the secretariat on this sub-item and requested the Executive Secretary to take note of the views expressed by Parties in preparing the provisional agenda.

X. Administrative and financial matters

(Agenda item 10)

A. Budget performance for the biennium 2004–2005

(Agenda item 10 (a))

1. Proceedings

113. The SBI considered this sub-item at its 2nd and 4th meetings, on 16 and 24 June, respectively. It had before it documents FCCC/SBI/2004/INF.1 and FCCC/SBI/2004/INF.8. Statements were made by representatives of three Parties.

114. At its 2nd meeting, the SBI agreed that the Chair would prepare draft conclusions on this issue, with the assistance of the secretariat and in consultation with interested Parties.

115. At its 4th meeting, the SBI considered and adopted conclusions¹⁹ proposed by the Chair.

2. Conclusions

116. The SBI took note of the information on the work programme for the biennium 2004–2005 relating to Article 4.8 of the Convention contained in document FCCC/SBI/2004/INF.1.

117. The SBI also took note of the information contained in document FCCC/SBI/2004/INF.8 on the status of contributions as at 31 May 2004. It expressed its appreciation to the Parties that had made their contributions to the core budget in time and in full, and particularly to those Parties that had made voluntary contributions to the Trust Fund for Participation in the UNFCCC Process and the Trust Fund for Supplementary Activities. It urged Parties that had not yet made their contributions to the core budget to do as soon as possible.

118. The SBI stressed the importance of maintaining a high level of contributions to the Trust Fund for Participation in the UNFCCC Process in order to ensure effective participation by developing countries, especially least developed country and small island developing State Parties, in sessions of Convention bodies. It noted with concern the declining trend of contributions to the trust fund, and called on Parties to contribute generously in order to fully implement decision 16/CP.9, paragraph 18.

¹⁷ FCCC/SBI/2003/8, paragraphs 43 and 44.

¹⁸ FCCC/CP/2003/6/Add.2.

¹⁹ Adopted as FCCC/SBI/2004/L.2.

B. Implementation of paragraph 7 (c) of the financial procedures of the Convention concerning the financial support for participation in the UNFCCC process

(Agenda item 10 (b))

119. The SBI considered this sub-item at its 2nd meeting, on 16 June. It had before it document FCCC/SBI/2004/2 which it took note of. Statements were made by representatives of nine Parties, including one speaking on behalf of AOSIS and one on behalf of the least developed countries.

C. Implementation of the Headquarters Agreement

(Agenda item 10 (c))

1. Proceedings

120. The SBI considered this sub-item at its 2nd and 4th meetings, on 16 and 24 June, respectively. No new documents were prepared for this sub-item. Statements were made by the representative of the Host Government and by the Executive Secretary.

121. At its 2nd meeting, the SBI agreed that the Chair would prepare draft conclusions on this issue, with the assistance of the secretariat and in consultation with interested Parties.

122. At its 4th meeting, the SBI considered and adopted conclusions²⁰ proposed by the Chair.

2. Conclusions

123. The SBI took note of the statement made by the representative of the Host Government regarding the United Nations campus and international conference centre in Bonn. It welcomed the undertaking to make the secretariat premises a model environmental building. It also took note of the statement by the Executive Secretary, in which she reported that negotiations with the Host Government are under way to ensure that the move to the new premises is made with no additional costs to Parties. The SBI requested the Executive Secretary to inform it of any new developments. The SBI invited the Host Government and the Executive Secretary to report on further progress with the implementation of the Headquarters Agreement at its twenty-second session.

XI. Continuing review of the functions and operations of the secretariat

(Agenda item 11)

1. Proceedings

124. The SBI considered this item at its 3rd and 5th meetings, on 17 and 25 June, respectively. No documents were prepared for this item. Statements were made by representatives of seven Parties, including one speaking on behalf of the Group of 77 and China, and one on behalf of the European Community and its member States.²¹

125. At the 3rd meeting, the Chair indicated that she would undertake informal consultations, assisted by one of the Vice-Presidents of COP 9, on the issues raised and how these might be addressed in the SBI report. At the 5th meeting, Mr. Mamadou Honadia (Burkina Faso) reported on these consultations.

126. At its 5th meeting, the SBI considered and adopted conclusions²² proposed by the Chair.

²⁰ Adopted as FCCC/SBI/2004/L.3.

²¹ Romania aligned itself with this statement.

²² Adopted as FCCC/SBI/2004/L.12.

2. Conclusions

127. The SBI took note of the views expressed by Parties on this item. Parties reaffirmed their continuing confidence in the Executive Secretary and the secretariat and recognized their importance in the Convention process. Parties also underlined the continuing importance of transparency and objectivity in the secretariat's work, documentation and public statements, including care to distinguish between views of Parties on which there is consensus and those lacking consensus.

128. The secretariat underlined the high importance attached to Article 101.3 of the Charter of the United Nations which reads: "The paramount consideration in the employment of the staff and in the determination of the conditions of service shall be the necessity of securing the highest standards of efficiency, competence, and integrity. Due regard shall be paid to the importance of recruiting the staff on as wide a geographical basis as possible." The SBI requested the secretariat to update, for its twenty-first session, the information on geographical distribution of the senior staff, and to provide information on the criteria for the appointment of such staff.

129. The SBI invited the COP at its tenth session to request its President to resume the consultations on the procedure for the appointment of an Executive Secretary referred to in paragraph 127 of document FCCC/CP/2002/7, and to report to the tenth session of the COP thereon.

130. The SBI welcomed the Executive Secretary's reaffirmation of the secretariat's continuing commitment to attaining the highest standards of professionalism and objectivity. The Executive Secretary also stressed the secretariat's efforts to promote transparency overall. In this regard, the Executive Secretary expressed willingness to address specific circumstances and concerns of Parties regarding the operation of the secretariat brought to her attention.

131. The SBI agreed to continue consideration of this agenda item at its twenty-first session. In this context, the SBI requested the secretariat to provide information on the arrangements for UNFCCC workshops, including such issues as criteria, scheduling and managing with limited funds.

XII. Other matters

(Agenda item 12)

132. No other matters were raised or considered.

XIII. Report on the session

(Agenda item 13)

133. At its 5th meeting, on 25 June, the SBI considered the draft report on its twentieth session (FCCC/SBI/2004/L.1). At the same meeting, on a proposal by the Chair, the SBI authorized the Rapporteur, with the assistance of the secretariat, to complete the report on the session, under the guidance of the Chair. Statements were made by representatives of two Parties, one speaking on behalf of the Group of 77 and China, and the other on behalf of the European Community and its member States.

XIV. Closure of the session

134. At the 5th meeting, on 25 June, with reference to decision 16/CP.9, the Executive Secretary provided the SBI with an indication of administrative and budgetary implications of decisions and conclusions approved at the twentieth session that cannot be met from existing resources within the core budget. Taking SBI and SBSTA together, additional demands on the Trust Fund for Supplementary

Activities of a total of almost USD 500,000 have been generated. These will be additional requirements for the Trust Fund for Supplementary Activities compared to those listed in decision 16/CP.9.

A statement was made by the representative of one Party.

135. At the same meeting, the Chair thanked delegates, the chairs of contact groups and convenors of informal consultations for their contributions. Statements were made by representatives of two Parties, one speaking on behalf of the Group of 77 and China, and the other on behalf of the European Community and its member States.

Annex I

**Draft decision for consideration by the
Subsidiary Body for Implementation at its twenty-first session
[Submission of second and, where appropriate, third national
communications]¹**

The Conference of the Parties,

[*Recalling*, in particular, Article 4, paragraphs 1, 3 and 7, Article 10, paragraph 2 (a), and Article 12, paragraphs 1, 5 and 7, of the Convention,

Recalling also its decisions on national communications from Parties not included in Annex I to the Convention (non-Annex I Parties), in particular its decisions 10/CP.2, 2/CP.4, 12/CP.4, 8/CP.5, 31/CP.7, 32/CP.7 and 17/CP.8,

Reaffirming that, in accordance with Article 4, paragraph 3, of the Convention, the developed country Parties and other developed Parties included in Annex II to the Convention shall provide new and additional financial resources to meet the agreed full costs incurred by developing country Parties in complying with their obligations under Article 12, paragraph 1, of the Convention,

Noting that guidelines for the preparation of national communications were adopted by the Conference of the Parties at its eighth session,

Noting also that in accordance with decision 17/CP.8, non-Annex I Parties should use the guidelines contained in the annex to that decision, together with the guidance to an operating entity of the financial mechanism provided in decision 6/CP.8, for the preparation of second and, where appropriate, third national communications and, where appropriate, initial national communications, except where Parties have initiated the process of preparing second national communications and received funding under the expedited procedures or on an agreed full-cost basis prior to the approval of the guidelines,

Recognizing that the preparation of national communications is a continuous process,

Recognizing also that the submission of national communications is very important for Parties to better understand climate change issues,

Recognizing further the difficulties that non-Annex I Parties have had in preparing their initial national communications and the need to build capacity for using the new guidelines for the preparation of national communications from non-Annex I Parties, as adopted by the Conference of the Parties at its eighth session, and the need to allocate adequate time to non-Annex I Parties for preparing their national communications,

Acknowledging that the Global Environment Facility, as an operating entity of the financial mechanism of the Convention, has agreed to fund, and has approved the funds for, the preparation of national communications, and has agreed on the Operational Procedures for Expedited Financing of National Communications from non-Annex I Parties,

1. [Acknowledges that a significant number of non-Annex I Parties are still having difficulty with the preparation and submission of their initial national communications due to, inter alia:

¹ FCCC/SBI/2004/L.10.

- (a) Lack of know-how
- (b) Insufficient technical and financial capacity
- (c) Logistical difficulties
- (d) Complexity of the new guidelines contained in the annex to decision 17/CP.8;

2. [*Requests* the secretariat to organize an expert group meeting to be held before the eleventh session of the Conference of the Parties, with input from the Consultative Group of Experts and in coordination with the Global Environment Facility and its implementing agencies, to examine the difficulties that Parties not included in Annex I to the Convention (non-Annex I Parties) are having in the preparation and submission of their national communications, including the difficulties listed in the paragraph above, with a view to recommending a decision for adoption by the Conference of the Parties at its eleventh session on further action;]

3. [*Invites* non-Annex I Parties that may wish to do so to submit every two years a national inventory of anthropogenic emissions by sources and removals by sinks of all greenhouse gases not controlled by the Montreal Protocol, to the extent their capacities permit, provided that the agreed full costs of such inventories are made available pursuant to Article 4, paragraph 3, of the Convention;]

Option 1:

4. [*Invites* non-Annex I Parties that have not prepared project proposal for the financing of second and, where appropriate, third national communications to do so, even in advance of substantially completing previously funded activities, in order to avoid a lack of continuity in project financing;]

Option 2:

5. [*Requests* non-Annex I Parties to submit project proposals for the financing of second and, where appropriate, third national communications as soon as possible, even in advance of substantial completion of their previous national communication, but not later than one year after the submission of their previous national communication, in order to avoid a lack of continuity in the process of preparation of national communications;]

6. [*Decides* that non-Annex I Parties shall submit their second and, where appropriate, third national communication within [three] [four] [six] years of the initial disbursement of financial resources for the actual preparation of the national communication, in accordance with Article 4, paragraph 3, of the Convention, under the expedited procedures or standard approved procedures, on an agreed full cost basis; Parties that are least developed countries may submit their second national communications at their discretion;]

7. [*Decides* to undertake a review by 2008 of the submission of subsequent national communications from non-Annex I Parties;]

8. [*Decides* that the Global Environment Facility, as an operating entity of the financial mechanism of the Convention, should include in its report to the Conference of the Parties, at its eleventh session, information on the umbrella project of the United Nations Development Programme/United Nations Environment Programme and the Global Environment Facility, with regard to the operational modalities and approval procedures for financing the preparation of second and, where appropriate, third national communications from non-Annex I Parties.]]

Annex II

**Consolidated views of Parties and guidance to the secretariat on
the further development of the Article 6 of the Convention
information network clearing house¹**

1. The small-scale model of the clearing house presented by the secretariat is considered to be a good start and should serve as a basis for further work. The model was developed on the basis of the original proposal (FCCC/SBI/2003/4) and input provided by the interim informal advisory group.
2. The development of the clearing house should follow a two-phase implementation process that is realistic and economical.
3. Phase one should:
 - (a) Target Parties but be accessible to the general public;
 - (b) Focus on the education and public awareness components of Article 6 of the Convention;
 - (c) Utilize links to web pages relevant to Article 6 as a principal source of information;
 - (d) Facilitate contributions from, and dissemination of relevant information to, the target audience;
 - (e) Explore and use nodes to provide and exchange information from regional, subregional and national entities;
 - (f) Contain a welcome page clarifying what the site seeks to deliver;
 - (g) Assess the effectiveness of the clearing house on an ongoing basis, including the role and workload of nodes and Article 6 focal points, and quality control;
 - (h) Recognize that Parties consider “feedback/statistics”, “search” and “forum” as important features;
 - (i) Continue to draw on experience with TT:CLEAR, in particular regarding the interconnectivity of the search engine and partner site databases;
 - (j) Seek options whereby entities with limited web access can contribute to and draw from the clearing house.
4. Following the assessment of phase one in 2007 or before, a second phase should be considered with a view to broadening the scope and target audience of the clearing house.

¹ FCCC/SBI/2004/L.6, annex.

Annex III

**Draft decision for consideration by the
Subsidiary Body for Implementation at its twenty-first session
[Progress on the implementation of activities under decision 5/CP.7]¹**

[The Conference of the Parties,

Recalling its decision 5/CP.7,

Welcoming the progress made in the implementation of decision 5/CP.7.

Acknowledging that there is a need to further implement decision 5/CP.7 in order to address the gaps in implementation that remain,

Having considered the reports on the workshops referred to in paragraphs 32–37 of decision 5/CP.7,²

Having considered the submissions included in documents FCCC/SBI/2004/MISC.2, Add.1 and Add.2; and FCCC/SBI/2002/MISC.3 and Add.1,

I. Adverse effects of climate change

[Information and methodologies:]

- 1.* *[Acknowledges that further financial and technical support is needed:*
 - (a) To improve data collection and information gathering, and their analysis, interpretation and dissemination to end-users, under paragraph 7 (a) (i) of decision 5/CP.7, within and by Parties not included in Annex I to the Convention (non-Annex I Parties) which are vulnerable to the adverse effects of climate change, including through the enhancement of systematic observation and monitoring networks in countries with observation stations that feed into the Global Climate Observing Systems, and through increased data sharing between Parties, particularly between Parties included in Annex I to the Convention (Annex I Parties) and Parties not included in Annex I to the Convention (non-Annex I Parties);
 - (b) To strengthen in-country capacity-building for the generation, management, processing and analysis of data sets, for improving the quality of analytical tools, and for the dissemination of the results of these efforts in sectors that can contribute to climate change impact analysis, including through the development and strengthening of in-country modelling tools to assess the adverse effects of climate change;
 - (c) To provide additional training in each specialized field relevant to adaptation identified in paragraph 7 (a) (iii) of decision 5/CP.7, to create and sustain in-country capacity, including through overseas training, scholarship programmes and workshops, according to needs identified by Parties;

¹ FCCC/SBI/2004/L.11, annex. This text has not been formally edited.

² FCCC/SBI/2002/9, FCCC/SBI/2003/11, FCCC/SBI/2003/18, FCCC/SB/2003/1, FCCC/SBI/2003/INF.2.

* The Parties that proposed this paragraph indicated that they would provide an alternative formulation.

- (d) To improve the availability of downscaled Global Circulation Model based climate models and appropriate training for their use at national and regional levels;
- (e) To strengthen institutions and centres through targeted research programmes under paragraph 7 (a) (v) and (vi) of decision 5/CP.7 to address the adverse effects of climate change in vulnerable sectors;
- (f) To support education and training in, and public awareness of, issues relating to climate change under paragraph 7 (a) (vii) of decision 5/CP.7;]

[Vulnerability and adaptation:]

2. *Invites* the Global Environment Facility (GEF) to report to the COP at its eleventh [and subsequent] session[s] on the activities it has undertaken in response to decision 5/CP.7, including:

- (a) The strategic priority “Piloting an Operational Approach to Adaptation” (SPA);
- (b) The small grants programme;
- (c) Efforts to address adaptation in the climate change focal area and to mainstream it into other GEF focal areas;
- (d) The Least Developed Countries Fund and efforts to finance the preparation of National Adaptation Programmes of Action (NAPAs);
- (e) The Special Climate Change Fund;

3.* [*Acknowledges* that greater financial and technical support is needed for:

- (a) Pilot and demonstration projects under paragraph 7 (b) (v) of decision 5/CP.7, in particular to take forward adaptation projects identified in national communications;
- (b) Enhanced technical training for integrated climate change impact and vulnerability assessment across all relevant sectors, and for environmental management relating to climate change under paragraph 7 (b) (ii) of decision 5/CP.7;
- (c) The promotion of the transfer of adaptive technologies under paragraph 7 (b) (iv) of decision 5/CP.7 on an urgent basis in priority sectors, including agriculture and water resources, for example, through the exchange of experiences and lessons learned in enhancing resilience to the adverse effects of climate change in key sectors;
- (d) Building capacity, including institutional capacity, for preventive measures, planning, preparedness and management of disasters relating to climate change, including contingency planning, in particular for droughts and floods and extreme weather events under paragraphs 7 (b) (vi) and 8 (c) of decision 5/CP.7;]

4. [*Requests* the secretariat to organize, before the xxx session of the Conference of the Parties, three regional workshops, as outlined in paragraph 32 of decision 5/CP.7. [These workshops should address, inter alia, the preparedness of developing countries to cope with climate variability and adapt to climate change at local, national and regional levels, and increase their resilience, and should focus on areas such as food security, water security, health, and disaster prevention, taking into account the differences between regions];]

* The Parties that proposed this paragraph indicated that they would provide an alternative formulation.

5.

Option 1:

Urges Parties included in Annex II to the Convention (Annex II Parties) to mobilize technical and financial resources, including through the Special Climate Change Fund, to support, as a top priority, adaptation activities at national and regional levels to address the adverse effects of climate change through, inter alia, a prompt start to country-driven projects under paragraph 8 of decision 5/CP.7;

Option 2

Invites developing country Parties to make use of the strategic priorities opened by the GEF on adaptation and capacity building;

6. [Requests the GEF and other bilateral and multilateral sources to fund the elaboration of adaptation strategies in non-Annex I Parties that build upon their national communications, in order to enable them access to financial resources through the GEF Strategic Priority: Piloting an Operational Approach to Adaptation, and the Special Climate Change Fund;]

[Insurance:]

7. [Requests the secretariat to organize an expert meeting, prior to the twenty-third session of the Subsidiary Body for Implementation, in the context of decision 5/CP.7, on insurance and risk assessment in small island developing States. The terms of reference for this meeting will include, inter alia, the bringing together of 20-25 technical experts in the fields of insurance, reinsurance, hazard assessment, financial risk management, disaster risk management and financial markets, and experts on the impacts of climate change on small island developing States, to consider how insurance and insurance-related mechanisms might be used as a tool to reduce risk and vulnerability in sectors and regions highly exposed to the adverse effects of climate change in a cost-effective manner; and to report the results and recommendations of this meeting to the Subsidiary Body for Implementation at its xxx session for its consideration and adoption of a decision at the Conference of the Parties at its xxx session;]

8. [Requests the secretariat to organize an expert meeting, prior to the twenty-third session of the Subsidiary Body for Implementation, in the context of decision 5/CP.7, on insurance and risk assessment in developing countries. The terms of reference for this meeting will include, inter alia, the bringing together of 20-25 technical experts in the fields of insurance, reinsurance, hazard assessment, financial risk management, disaster risk management and financial markets, and experts on the impacts of climate change on developing countries, to consider how insurance and insurance-related mechanisms might be used as a tool to reduce risk and vulnerability in sectors and regions highly exposed to the adverse effects of climate change in a cost-effective manner; and to report the results and recommendations of this meeting to the Subsidiary Body for Implementation at its xxx session for its consideration and adoption of a decision at the Conference of the Parties at its xxx session;]

[Modelling:]

9. *Encourages* the Intergovernmental Panel on Climate Change to incorporate, to the extent possible, region-specific modelling information on the adverse effects of climate change into its Fourth Assessment Report, and to engage developing-country researchers in the assessment process;

10. *Stresses* the importance of involving experts from developing countries in improving data collection and information gathering relating to the adverse effects of climate change as well as in the analysis, interpretation and dissemination of such data and information;

[Reporting:]

11. [*Encourages* Parties to document, in their national communications, local coping strategies, technologies, and experience in coping with the impacts of climate change;]
12. [*Requests* the secretariat to develop a format, based on the structure of Decision 5/CP.7, to enable Annex I Parties to report annually on progress made in the implementation of paragraphs 7, 8 and 9 of Decision 5/CP.7, and to include this information in their national communications;]
13. [*Requests* non-Annex I Parties to submit, by xxx, the needs and gaps they identify in implementing activities of paragraph 7, 8 and 9 of Decision 5/CP.7, in order to have an input on better methods to implement these activities and make recommendations thereon to the COP at its xxx session;]

II. Impact of the implementation of response measures**[Progress on implementation:]**

14. [*Requests* Annex II Parties to mobilize technical and financial resources, including through the Global Environment Facility (in accordance with decision 6/CP.7), the Special Climate Change Fund (in accordance with decision 7/CP.7, paragraph 2 (d)), and other bilateral and multilateral sources, to support, as a high priority, the implementation of activities included in paragraphs 22-29 of decision 5/CP.7;]
15. [*Invites* the Global Environment Facility (in accordance with decision 6/CP.7), the Special Climate Change Fund (in accordance with decision 7/CP.7) and other bilateral and multilateral sources, to provide feedback to the Conference of the Parties, at its xxx session, on the status of support for the implementation of activities included in paragraphs 22 - 29 of decision 5/CP.7, with a view to taking a decision on further action at its xxx session;]

[Insurance:]

16. [*Decides* to establish a bi-annual forum on insurance, for interested Parties and representatives from relevant intergovernmental organizations and the financial and insurance private sector, with a mandate to establish a work programme to address the specific needs and concerns of developing country Parties arising from the impact of the implementation of response measures;]
17. [*Decides further* that the work programme developed in accordance with paragraph xxx above should include the following elements, with a view to providing feedback to the Conference of the Parties at its xxx session on its progress:
 - (a) Possible collaboration between the climate change community, government programmes and private insurance sectors;
 - (b) Private-public partnerships linking insurance mechanisms and risk-reduction mechanisms;
 - (c) Ways in which to build capacity at the national level for risk management, risk financing and risk transfer to better manage the impact of the implementation of response measures;
 - (d) Means by which to engage the private sector in the development of alternative risk transfer mechanisms;]

[Modelling:]

18.

Option 1:

Decides to establish an expert group on modelling to consider, at the xxx and xxx session of the Subsidiary Body for xxx, the outcome of the workshop on modelling activities, and to propose further actions to be taken by the Conference of the Parties at its xxx session, such actions to include:

- (a) Dissemination of modelling tools and models to non-Annex I Parties, and ensuring increased collaboration on modelling activities on an ongoing basis;
- (b) Development of methodologies to assist developing countries to examine vulnerability to the impact of the implementation of response measures;
- (c) Development of draft guidance documents on how to undertake socio-economic assessments of the impact of response measures to be piloted in selected countries as a basis for detailed and comprehensive guidance;
- (d) Development, as a high priority and in collaboration with international organizations, of methodologies to assess the impacts on developing countries of policies already implemented by Annex I Parties, by expanding coverage of current models for evaluating the impact of the implementation of response measures;
- (e) Coordination with the scientific research community, including the IPCC, to improve the quality of models, in particular those that assess the impact of response measures on developing countries, with a view to fully addressing this issue in the Fourth Assessment Report of the IPCC;

Invites Parties to submit to the secretariat, by xxx, information on actions taken as a result of the recommendations of the workshop on modelling activities, for consideration by the Subsidiary Body for Scientific and Technological Advice, at its xxx session, with a view to recommending a decision to the Conference of the Parties on further action;

Option 2:

Stresses the importance of the involvement of developing country experts in improving data collection and information gathering relating to the impact of the implementation of response measures, as well as in the analysis, interpretation and dissemination of such data and information;

Invites relevant national and international organizations to continue research on improving the quality of models used to assess positive and negative impacts of the implementation of response measures;

[Economic diversification:]

19. [*Stresses* that in spite of substantial efforts made by oil-producing countries to diversify their economies, these economies continue to rely heavily on oil and gas for export earnings and government revenue;]

20.

Option 1:

Decides to establish an expert group on economic diversification to consider, inter alia, the following elements arising from the report of the workshop on economic diversification, held in accordance with paragraph 37 of decision 5/CP.7, and to provide advice to the Conference of the Parties at its xxx session with a view to recommending a decision on further action:

- (a) Providing support for the integration of economic diversification into sustainable development strategies;
- (b) Exchanging experience in economic diversification and lessons learned, with a view to identifying what technical assistance may be needed to develop structural and institutional capacity, and/or to establishing a mechanism for facilitating efforts to achieve economic diversification;
- (c) Coordination by the secretariat with relevant international organizations and the private sector in developed countries on matters relating to economic diversification;
- (d) Building capacity, at the national level, in the areas of economic diversification;
- (e) Promoting private-public partnerships in various areas to support economic diversification;
- (f) Providing recommendations for encouraging direct investment by and technology transfer from developed countries to assist in the economic diversification of developing countries described in Article 4, paragraph 8 (h), of the Convention;
- (g) Addressing the extent to which trade and export barriers affect economic diversification in Parties addressed under Article 4, paragraph 8, of the Convention;

Option 2:

Stresses that efforts to facilitate economic diversification can only be effective if mainstreamed into national development;

Stresses that national governments in developing countries need to take longer-term perspectives and actively formulate national development plans that facilitate the growth of new economic activities that are less emissions-intensive and less climate-sensitive;

Encourages Parties to cooperate in the further pursuit of economic diversification, including through integrating economic diversification objectives in the national sustainable development planning process of developing country Parties;

[Reporting:]

21.

Option 1:

Requests the Subsidiary Body for Implementation to add to the existing guidelines for the preparation of national communications, the provisions of decision 5/CP.7, paragraphs 22–29, for Annex I Parties and for non-Annex I Parties, with a view to recommending a decision to formalize the expanded guidelines by the Conference of the Parties at its xxx session;

Encourages non-Annex I Parties to provide information, in their national communications and/or other relevant reports, on their specific needs and concerns arising from the impact of the implementation of response measures;

Requests Annex II Parties to provide detailed information, in their national communications and/or any other relevant reports, on their existing and planned support programmes to meet the specific needs and concerns of developing country Parties arising from the impact of the implementation of response measures;

Option 2:

Encourages non-Annex I Parties to provide information, in their national communications and/or other relevant reports, on their specific needs and concerns arising from the impact of the implementation of response measures, and to provide in their national communications detailed information on their existing and planned measures and programmes to meet their needs arising from the impact of the implementation of response measures;

[III. Further multilateral work relating to activities under decision 5/CP.7]

22. [*Invites* Parties and relevant international organizations to submit to the secretariat, by xxx, information on current and/or planned activities including, where appropriate, support programmes to meet the specific needs and circumstances of developing country Parties arising from the impact of the implementation of response measures, implemented in support of the various provisions of decision 5/CP.7; and additional submissions on such activities arising from the adverse effects of climate change pursuant to the request for submissions at the nineteenth session of the SBI;]

23. [*Requests* the secretariat to prepare a document synthesizing the submissions referred to in paragraph xxx above, as well as related information in national communications and other reports presented to the Conference of the Parties, for consideration by the Subsidiary Body for Implementation at its xxx session [and to report on this synthesis to the Subsidiary Body for Implementation at its xxx session, with a view to recommending further actions necessary to implement decision 5/CP.7]];

24. [*Decides* to assess, at its xxx session, the status of implementation of Article 4, paragraph 8, of the Convention and of decision 5/CP.7, and to consider further action thereon.]]

Annex IV**Documents before the Subsidiary Body for Implementation
at its twentieth session****Documents prepared for the session**

| | |
|---------------------|--|
| FCCC/SBI/2004/1 | Provisional agenda and annotations. Note by the Executive Secretary |
| FCCC/SBI/2004/2 | Financial support for participation in the UNFCCC process. Note by the secretariat |
| FCCC/SBI/2004/3 | Progress report of the Least Developed Countries Expert Group. Note by the secretariat |
| FCCC/SBI/2004/4 | Arrangements for intergovernmental meetings. Note by the Executive Secretary |
| FCCC/SBI/2004/5 | Promoting effective participation in the Convention process. Note by the secretariat |
| FCCC/SBI/2004/6 | Implementation of decisions 12/CP.2 and 12/CP.3: determination of funding for the implementation of the Convention. Note by the secretariat |
| FCCC/SBI/2004/7 | Report on the African regional workshop on Article 6 of the Convention. Note by the secretariat |
| FCCC/SBI/2004/8 | Compilation and synthesis of capacity-building activities in countries with economies in transition. Note by the secretariat |
| FCCC/SBI/2004/9 | Range and effectiveness of capacity-building activities in developing countries aimed at implementing decision 2/CP.7. Note by the secretariat |
| FCCC/SBI/2004/INF.1 | Information on the implementation of decision 16/CP.9, paragraph 22. Note by the Executive Secretary |
| FCCC/SBI/2004/INF.2 | Activities of the secretariat to facilitate the preparation of national communications and information on those communications. Note by the secretariat |
| FCCC/SBI/2004/INF.3 | Information on activities by the Global Environment Facility. Note by the secretariat |
| FCCC/SBI/2004/INF.4 | List of projects submitted by Parties not included in Annex I to the Convention in accordance with Article 12, paragraph 4, of the Convention. Note by the secretariat |
| FCCC/SBI/2004/INF.5 | Report on the second meeting of the Consultative Group of Experts on National Communications from Parties not included in Annex I to the Convention. Note by the secretariat |

| | |
|-----------------------------------|--|
| FCCC/SBI/2004/INF.6 | Report on the workshop on the preparation of national communications from Parties not included in Annex I to the Convention. Note by the secretariat |
| FCCC/SBI/2004/INF.7 | Status report on the review of third national communications. Note by the secretariat |
| FCCC/SBI/2004/INF.8 | Status of contributions as at 31 May 2004. Note by the secretariat |
| FCCC/SBI/2004/MISC.1 | Additional information relating to the comprehensive review of the implementation of the framework for capacity-building in developing countries. Submissions from Parties |
| FCCC/SBI/2004/MISC.2 and Add. 1–2 | Information on current and/or planned activities implemented in support of the various provisions of decision 5/CP.7. Submissions from Parties and international organizations |
| FCCC/SBI/2004/MISC.3 | Submissions from Parties on agenda item 4 (a) |
| FCCC/TP/2004/1 | The range and effectiveness of capacity-building in developing countries relating to decision 2/CP.7. Technical paper |
| FCCC/SBI/2004/L.1 | Draft report of the Subsidiary Body for Implementation on its twentieth session |
| FCCC/SBI/2004/L.2 | Draft conclusions proposed by the Chair on agenda item 10 (a) |
| FCCC/SBI/2004/L.3 | Draft conclusions proposed by the Chair on agenda item 10 (c) |
| FCCC/SBI/2004/L.4 | Draft conclusions proposed by the Chair on agenda item 8 (b) |
| FCCC/SBI/2004/L.5 | Draft conclusions proposed by the Chair of the contact group on agenda item 7 |
| FCCC/SBI/2004/L.6 | Draft conclusions proposed by the Chair of the contact group on agenda item 6 |
| FCCC/SBI/2004/L.7 | Draft conclusions proposed by the Chair of the contact group on agenda item 9 (a–e) |
| FCCC/SBI/2004/L.8 | Draft conclusions proposed by the Chair on agenda item 4 (b) |
| FCCC/SBI/2004/L.9 | Draft conclusions proposed by the Chair on agenda item 4 (c) |
| FCCC/SBI/2004/L.10 | Draft conclusions proposed by the Chair of the contact group on agenda item 4 (a). Recommendation of the Subsidiary Body for Implementation |
| FCCC/SBI/2004/L.11 | Draft conclusions proposed by the co-chairs of the contact group on agenda item 8 (a) |
| FCCC/SBI/2004/L.12 | Draft conclusions proposed by the Chair on agenda item 11 |
| FCCC/SBI/2004/CRP.1 | Draft conclusions proposed by the Chair on agenda item 5 (a) |

Other documents before the session

| | |
|----------------------|--|
| FCCC/SBI/2003/4 | Proposal for an information network clearing house. Note by the secretariat |
| FCCC/SBI/2003/8 | Report of the Subsidiary Body for Implementation on its eighteenth session, held at Bonn from 4 to 13 June 2003 |
| FCCC/SBI/2003/19 | Report of the Subsidiary Body for Implementation on its nineteenth session, held at Milan from 1 to 10 December 2003 |
| FCCC/CP/2003/6/Add.2 | Report of the Conference of the Parties on its ninth session, held at Milan from 1 to 12 December 2003. Addendum. Part two: action taken by the Conference of the Parties at its ninth session |
| FCCC/CP/2002/7 | Report of the Conference of the Parties on its eighth session, held at New Delhi from 23 October to 1 November 2002 |
