

**SUBSIDIARY BODY FOR IMPLEMENTATION**

**Twenty-third session**

**Montreal, 28 November to 6 December 2005**

**Agenda item 5 (d)**

**Financial mechanism (Convention)**

**Additional guidance to the Global Environment Facility**

**Draft decision proposed by Jamaica on behalf of the Group of 77 and China**

*The Conference of the Parties,*

*Recalling* Article 4, paragraph 3, and Article 11, paragraph 4, of the Convention,

*Further recalling* its decision 5/CP.8 on the review of the financial mechanism,

*Aiming* at the conduct of a comprehensive review process on the effectiveness of the financial mechanism of the Convention,

*Taking note* with grave concern of the information given on the Global Environment Facility Resource Allocation Framework contained in paragraphs 80 to 85 of the report of the Global Environment Facility to the Conference of the Parties (FCCC/CP/2005/3),

1. *Requests* the Global Environment Facility, as an operating entity of the financial mechanism, to submit information on the Resource Allocation Framework adopted by the Global Environment Council to the Conference of the Parties, and examine its potential implications for funding of developing countries in the implementation of their commitments under the Convention and to report on this evaluation to the Conference of the Parties through the UNFCCC secretariat for its consideration during its next session;
2. *Also requests* the Executive Secretary to invite the Global Environment Facility Chief Executive Officer to include in its regular report to the Conference of the Parties details on the initial application of the Resource Allocation Framework to resources allocated in the fourth replenishment of the Global Environment Facility, beginning in July 2006, under the climate change focal area, and its implications and potential impacts on the funding of developing countries in the implementation of the Convention;
3. *Further requests* the UNFCCC secretariat to examine whether the Resource Allocation Framework conforms with the provisions of the memorandum of understanding between the Conference of the Parties to the UNFCCC and the Council of the Global Environment Facility, as contained in the annex to decision 12/CP.2, and the decisions adopted by the Conference of the Parties on guidance to an operating entity of the financial mechanism in succeeding Conference of the Parties session;
4. *Requests* the Executive Secretary to invite the Global Environment Facility Chief Executive Officer to take fully into account the guidance provided in 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, in particular information relating to paragraphs 1 to 4 of the said annex, and to include this information in the Global Environment Facility's regular report to the Conference of the Parties at its next session;

5. *Requests* the Executive Secretary to report its finding to the next sessions of the Subsidiary Body for Implementation, with a view to making a recommendation to the twelfth session of the Conference of the Parties.

-----