



SUBSIDIARY BODY FOR IMPLEMENTATION

**Report of the Subsidiary Body for Implementation
on its twenty-first session,
held at Buenos Aires from 6 to 14 December 2004**

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I. Opening of the session

(Agenda item 1)

1. The twenty-first session of the Subsidiary Body for Implementation (SBI) was held at La Rural conference centre, Buenos Aires, Argentina, from 6 to 14 December 2004.
2. The Chair of the SBI, Ms. Daniela Stoycheva (Bulgaria), opened the session and welcomed all Parties and observers. She welcomed Mr. Fadhel Akbar Lari (Kuwait), Vice-Chair of the SBI, and Mr. Emilio Sempris (Panama), Rapporteur of the SBI.

II. Organizational matters

(Agenda item 2)

A. Adoption of the agenda

(Agenda item 2 (a))

3. At its 1st meeting, on 6 December, the SBI considered a note by the Executive Secretary containing the provisional agenda and annotations (FCCC/SBI/2004/11). A statement was made by the representative of one Party.
4. At the same meeting, the agenda was adopted 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:
 - (a) Summary report on in-depth reviews
 - (b) Report on the workshop on the preparation of fourth national communications
 - (c) 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
 - (d) Compilation and synthesis of initial national communications
 5. Financial mechanism of the Convention:
 - (a) Special Climate Change Fund
 - (b) Report of the Global Environment Facility to the Conference of the Parties
 - (c) Matters relating to the implementation of decision 5/CP.8
 - (d) Additional guidance to the Global Environment Facility
 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. Administrative and financial matters:
 - (a) Audited financial statements for the biennium 2002–2003
 - (b) Budget performance for the biennium 2004–2005
10. Continuing review of the functions and operations of the secretariat
11. Other matters:
 - (a) Level of emissions for the base year of Croatia
 - (b) Any other matters
12. 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 6 December, at which the Chair drew attention to the proposed programme of work posted on the UNFCCC web site.

C. Election of officers other than the Chair

(Agenda item 2 (c))

6. The SBI considered this sub-item at its 1st and 4th meetings, on 6 and 14 December, respectively. At the 1st meeting, 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. Such an election was last held at the nineteenth session for the Vice-Chair and at the twentieth session for the Rapporteur. In accordance with rule 25 of the draft rules of procedure being applied, Mr. Emilio Sempris completed the remainder of the current term of the Rapporteur. The Chair informed the SBI that consultations on nominations were being undertaken and that she would keep delegates informed of any progress made. In the conduct of these consultations Parties were invited to recall decision 36/CP.7 and to give active consideration to the nomination of women for elective posts in the SBI.

7. At the 4th meeting, the Chair informed the SBI that an agreement had been reached among the regional groups, and announced the nominees. The SBI elected Mr. Heorhiy Veremiychyk (Ukraine) as Vice-Chair and Mr. Emilio Sempris (Panama) as Rapporteur. The Chair informed the meeting that each will serve for a term of one year, which may be renewed for another year. The Chair noted that they will serve for the twenty-second and twenty-third sessions, and until their successors are elected. She thanked the current SBI Bureau for its work.

III. National communications from Parties included in Annex I to the Convention

(Agenda item 3)

A. Summary report on in-depth reviews

(Agenda item 3 (a))

B. Report on the workshop on the preparation of fourth national communications

(Agenda item 3 (b))

C. Status report on the review of third national communications

(Agenda item 3 (c))

1. Proceedings

8. The SBI considered these sub-items at its 3rd and 4th meetings, on 7 and 14 December, respectively. It had before it documents FCCC/CP/2004/5, FCCC/CP/2004/INF.2, FCCC/SBI/2004/INF.9 and FCCC/SBI/2004/INF.14. Statements were made by representatives of eight Parties, including one speaking on behalf of the European Community and its member States.¹

9. At its 4th meeting, the SBI considered and adopted conclusions² proposed by the Chair.

2. Conclusions

10. The SBI welcomed the summary report on in-depth reviews of national communications from Parties included in Annex I to the Convention (Annex I Parties) (FCCC/CP/2004/INF.2) and the executive summary of the information on national greenhouse gas (GHG) inventory data from Annex I Parties for the period 1990–2002 (FCCC/CP/2004/5). The SBI noted with appreciation the high quality of these documents, which help in the review of the implementation of the Convention by Annex I Parties and in sharing experiences among Parties. The SBI noted that such documents should also include additional information on ‘net’ GHG emissions.

11. The SBI took note of the status of the submission of national communications and their in-depth reviews (FCCC/SBI/2004/INF.9) and concluded that the third cycle of in-depth reviews contributed to the efficient and transparent assessment of the implementation of the Convention by Annex I Parties.

12. The SBI noted that total GHG emissions of Annex I Parties, as summarized in documents FCCC/CP/2004/5 and FCCC/CP/2004/INF.2, decreased by 6.3 per cent from 1990 to 2002, although GHG emissions from some of these Parties have increased since 1990 and emissions have grown considerably in some sectors, such as transport (an increase of about 20 per cent from 1990 to 2002) and international aviation (an increase of more than 40 per cent from 1990 to 2002). The SBI observed that total GHG emissions from Annex I Parties as a whole remained relatively stable between 2000 and 2002.

13. The SBI also noted that the most recent GHG emission projections, summarized in document FCCC/CP/2004/INF.2, suggest that between 2000 and 2010 total GHG emissions of Annex I Parties could increase by about 13 per cent, despite the mitigation measures currently in place. The SBI urged Annex I Parties to make additional efforts to reverse this trend.

14. The SBI took note of the report on the workshop on the preparation of fourth national communications from Annex I Parties, held in Dublin, Ireland, on 30 September and 1 October 2004 (FCCC/SBI/2004/INF.14). The SBI expressed its appreciation to the Government of Ireland for hosting the workshop. The SBI considered the exchange of experiences and good practices at the workshop to be useful and encouraged Annex I Parties to take the report of this workshop and the report on the workshop

¹ Croatia aligned itself with this statement.

² Adopted as FCCC/SBI/2004/L.17.

on emission projections from Annex I Parties (FCCC/SBSTA/2004/INF.15) into consideration when preparing their national communications.

15. The SBI emphasized the importance of timely submission of the national communications due by 1 January 2006 (decision 4/CP.8). It recalled that Annex I Parties that have ratified the Kyoto Protocol shall also include in that national communication supplementary information under Article 7.2 of the Kyoto Protocol. The SBI also recalled decisions 22/CP.7 and 25/CP.8 urging Annex I Parties which have ratified the Kyoto Protocol to submit, by 1 January 2006, a report demonstrating the progress they have made in achieving their commitments under the Protocol.

16. The SBI further recalled that draft decision -/CMP.1 (*Modalities for the accounting of assigned amounts*) attached to decision 19/CP.7 requires Annex I Parties with a commitment inscribed in Annex B of the Kyoto Protocol to submit, before 1 January 2007 or one year after the entry into force of the Kyoto Protocol for that Party (whichever is later), a report on the calculation of its assigned amount pursuant to Article 3, paragraphs 7 and 8, and on its capacity to account for its emissions and assigned amount. The SBI urged those Parties to inform the secretariat, by 1 April 2005, when they intend to submit their reports.

17. The SBI noted that the national communications and the reports mentioned in paragraph 16 will be subject to review. The SBI requested the secretariat to prepare a note, for consideration at its twenty-third session (November 2005), on options for streamlining these review processes, in order to avoid possible duplication of effort and ensure efficient use of available resources.

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))

Proceedings

18. The SBI considered this sub-item at its 2nd and 4th meetings, on 7 and 14 December, respectively. It had before it documents FCCC/SBI/2004/MISC.3 and FCCC/SBI/2004/MISC.7. Statements were made by representatives of nine Parties, including one speaking on behalf of the Group of 77 and China, one on behalf of the Umbrella Group, and one on behalf of the European Community and its member States.³

19. At its 2nd meeting, the SBI agreed to consider this sub-item in a contact group co-chaired by Mr. Soobaraj Nayroo Sok Appadu (Mauritius) and Mr. Anders Turesson (Sweden). In the course of the negotiations Mr. Sok Appadu was replaced by Ms. Joyceline Goco (Philippines) as co-chair of this contact group. At the 4th meeting, Mr. Turesson reported on the contact group's consultations.

20. At its 4th meeting, the SBI agreed to forward the text of a draft decision (FCCC/SBI/2004/L.27) to the Presidency of the Conference of the Parties (COP) at its tenth session for further consideration.⁴

³ Croatia aligned itself with this statement.

⁴ The consultations undertaken by the Presidency did not lead to a consensus on this issue and, in accordance with rule 16 of the draft rules of procedure being applied, this item will automatically be included in the agenda of the twenty-second session of the SBI.

**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

21. The SBI considered this sub-item at its 2nd and 4th meetings, on 7 and 14 December, respectively. No document was prepared for this sub-item. Statements were made by representatives of eight Parties, including one speaking on behalf of the Alliance of Small Island States (AOSIS).

22. At the 2nd meeting, the Chair invited Mr. Brian Challenger (Antigua and Barbuda), Chair of the Consultative Group of Experts on National Communications from Parties not included in Annex I to the Convention (CGE), to report on progress of the implementation of the CGE work programme.

23. At the 4th meeting, the Chair welcomed the new members of the CGE, namely: Dr. M. Asaduzzaman (Bangladesh), Mr. Carlos Fuller (Belize), Ms. Renata Vandeputte (Belgium), Mr. Mohammad Mundicar (Kuwait), Ms. Lilian Portillo (Paraguay) and Dr. Jose Villarin (Philippines).

24. At its 4th meeting, the SBI considered and adopted conclusions⁵ proposed by the Chair, as amended.

2. Conclusions

25. The SBI welcomed the oral report by the Chair of the CGE. The SBI took note of the progress reported by the CGE in the implementation of its work programme and of the activities proposed for 2005, as well as the outcome of the third CGE meeting, held on 2 and 3 December 2004 in Buenos Aires, Argentina.

26. The SBI welcomed the report on the successful completion of the first CGE hands-on training workshop on national GHG inventories for the Latin America and the Caribbean region, held in Panama City, Panama, from 25 to 29 October 2004. It noted that the participation of 38 experts from 22 countries in the region illustrated a strong interest in the preparation of second and, where appropriate, third national communications. The SBI expressed its appreciation to the Government of Panama for hosting the training workshop and thanked the Governments of Finland, Spain, Switzerland and the United States of America for their financial contributions to the workshop.

27. The SBI noted the importance of developing training materials for the CGE hands-on training workshops and expressed its appreciation to the Government of the United States of America for providing financial support. It also noted that these workshops are important for assisting Parties not included in Annex I to the Convention (non-Annex I Parties) in preparing their national communications; and it encouraged the CGE to continue to hold these workshops, with the assistance of the secretariat, provided that adequate supplementary resources will be available. The SBI further noted that the next CGE hands-on training workshop on GHG inventories, for the Asia region, is scheduled to be held in Shanghai, China, from 8 to 12 February 2005.

28. The SBI welcomed the continuing efforts of the CGE to collaborate with other expert groups under the Convention by soliciting inputs to the development of hands-on training materials. It also welcomed the initiative of the CGE to develop a joint work plan with the National Communications Support Programme (NCSP) of the United Nations Development Programme/United Nations Environment Programme (UNEP) and the Global Environment Facility (GEF). The SBI encouraged the CGE to continue its coordination efforts with the NCSP and other expert groups under the Convention and requested the secretariat to support the efforts of the CGE.

⁵ Adopted as FCCC/SBI/2004/L.18 as amended.

29. The SBI took note of the progress of the work of the CGE to improve the process of national communications from non-Annex I Parties as mandated in paragraph 9 (c) of the annex to decision 3/CP.8. It also noted the efforts of the CGE to review existing activities and programmes, including those of multilateral and bilateral funding sources, to support the preparation of national communications in accordance with that decision.

30. The SBI encouraged the CGE to continue its efforts to prioritize its activities. It requested the CGE to prepare a report on the status of the implementation of its work programme for consideration at SBI 23 (November 2005).

31. The SBI welcomed the offer by the Government of Mozambique to host the first CGE hands-on training workshop on vulnerability and adaptation assessments for the Africa region in April 2005. It also welcomed the offer made by the Government of the Republic of Korea to host the CGE global hands-on training workshop on mitigation, scheduled for September 2005.

32. The SBI urged Parties included in Annex II to the Convention, and other Annex I Parties in a position to do so, to provide financial resources for the work of the CGE in the development of training materials and the organization of the hands-on training workshops.

C. Provision of financial and technical support

(Agenda item 4 (c))

1. Proceedings

33. The SBI considered this sub-item at its 2nd and 4th meetings, on 7 and 14 December, respectively. It had before it documents FCCC/SBI/2004/INF.11 and FCCC/SBI/2004/INF.12.

34. At its 4th meeting, the SBI considered and adopted conclusions⁶ proposed by the Chair.

2. Conclusions

35. The SBI welcomed the submission of initial national communications by 120 non-Annex I Parties and the submission of second national communications by three non-Annex I Parties. The SBI urged those Parties that 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.

36. The SBI welcomed the information made available by the GEF Secretariat on support for the preparation of initial and subsequent national communications. It invited the GEF to continue to provide such information on projects of non-Annex I Parties that have yet to submit their initial national communications, and on subsequent national communications, including second national communications that have been completed.

⁶ Adopted as FCCC/SBI/2004/L.19.

D. Compilation and synthesis of initial national communications

(Agenda item 4 (d))

1. Proceedings

37. The SBI considered this sub-item at its 2nd and 4th meetings, on 7 and 14 December, respectively. It had before it documents FCCC/SBI/2004/INF.13 and FCCC/SBI/2004/INF.16. Statements were made by representatives of three Parties.

38. At its 4th meeting, the SBI considered and adopted conclusions⁷ proposed by the Chair. Part of the text contained in document FCCC/SBI/2004/L.23 was forwarded to the Presidency of the COP at its tenth session for inclusion in a decision on additional guidance to the GEF.⁸

2. Conclusions

39. The SBI took note of document FCCC/SBI/2004/INF.13 containing the list of projects submitted by non-Annex I Parties in accordance with Article 12, paragraph 4, of the Convention. It also took note of document FCCC/SBI/2004/INF.16 containing information on possible means to implement these projects.

40. The SBI invited the GEF, in accordance with the policies, programme priorities and eligibility criteria established by the COP, as well as other bilateral and multilateral assistance programmes, to assist, if so requested, non-Annex I Parties in formulating and developing project proposals identified in accordance with Article 12, paragraph 4, of the Convention.

V. Financial mechanism of the Convention

(Agenda item 5)

A. Special Climate Change Fund

(Agenda item 5 (a))

Proceedings

41. The SBI considered this sub-item at its 2nd and 4th meetings, on 7 and 14 December, respectively. It had before it document FCCC/SBI/2004/MISC.6 and Add.1. Statements were made by representatives of 13 Parties, including one speaking on behalf of the European Community and its member States,⁹ one on behalf of AOSIS and one on behalf of the least developed countries.

42. At its 2nd meeting, the SBI agreed to consider this sub-item, together with sub-items 5 (c) and 5 (d), in a contact group co-chaired by Mr. Rawleston Moore (Barbados) and Mr. Jozef Buys (Belgium). At the 4th meeting, the co-chairs reported on the contact group's consultations.

43. At its 4th meeting, the SBI agreed to forward the text of a draft decision (FCCC/SBI/2004/L.25) to the Presidency of the COP at its tenth session for further consideration.¹⁰

⁷ Adopted as FCCC/SBI/2004/L.23.

⁸ The COP was unable to reach agreement on including this text in the decision on additional guidance to the GEF (decision 8/CP.10) and, in accordance with rule 16 of the draft rules of procedure being applied, this item will automatically be included in the agenda of the twenty-second session of the SBI.

⁹ Croatia aligned itself with this statement.

¹⁰ The consultations undertaken by the Presidency did not lead to a consensus on this issue and, in accordance with rule 16 of the draft rules of procedure being applied, this item will automatically be included in the agenda of the twenty-second session of the SBI.

B. Report of the Global Environment Facility to the Conference of the Parties
(Agenda item 5 (b))

1. Proceedings

44. The SBI considered this sub-item at its 2nd and 4th meetings, on 7 and 14 December, respectively. It had before it document FCCC/CP/2004/6. Statements were made by representatives of 15 Parties, including one speaking on behalf of the least developed countries, one on behalf of AOSIS, and one on behalf of the European Community and its member States.

45. At the 2nd meeting, the Chair invited the representative of the GEF Secretariat to make a statement.

46. At its 4th meeting, the SBI considered and adopted conclusions¹¹ proposed by the Chair.

2. Conclusions

47. The SBI recommended draft conclusions on this subject, as amended (FCCC/CP/2004/L.4), for adoption by the COP at its tenth session.¹²

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

(Agenda item 5 (c))

1. Proceedings

48. The SBI considered this sub-item at its 3rd and 4th meetings, on 7 and 14 December, respectively. It had before it document FCCC/SBI/2004/18. Statements were made by representatives of three Parties, including one speaking on behalf of the European Community and its member States.¹³ (See paragraph 42 above.)

49. At its 4th meeting, the SBI considered and adopted conclusions¹⁴ proposed by the Chair on the third review of the financial mechanism.

50. At the same meeting, the SBI agreed to forward the text of a draft decision on assessment of funding to assist developing countries in fulfilling their commitments under the Convention (FCCC/SBI/2004/L.26) to the Presidency of the COP at its tenth session for further consideration. The text of the draft decision proposed by the President of the COP is contained in document FCCC/CP/2004/L.10.¹⁵

2. Conclusions

51. The SBI noted the important role being played by the GEF, as an operating entity of the financial mechanism, in the effective implementation of the Convention. It also noted that, pursuant to Article 11, paragraph 4, of the Convention, the COP at its fourth session adopted decision 3/CP.4, according to which the third review of the effectiveness of the financial mechanism should be carried out by 2006.

52. In response to decision 5/CP.8, the SBI initiated the third review of the financial mechanism in accordance with the criteria set out in guidelines annexed to decision 3/CP.4, or as they may be subsequently amended, with a view to taking appropriate measures and reporting on the outcome to the COP at its twelfth session (November 2006).

¹¹ Adopted as FCCC/SBI/2004/L.20 as amended. The amended text is contained in document FCCC/CP/2004/L.4.

¹² For the text as adopted, see the conclusions under chapter IV (a) of document FCCC/CP/2004/10.

¹³ Croatia and Romania aligned themselves with this statement.

¹⁴ Adopted as FCCC/SBI/2004/L.24.

¹⁵ For the text as adopted, see document FCCC/CP/2004/10/Add.1, decision 9/CP.10.

53. The SBI invited Parties and intergovernmental organizations to submit to the secretariat, by 15 October 2005, information on their experiences regarding the effectiveness of the financial mechanism, in accordance with the criteria set out in the guidelines annexed to decision 3/CP.4.

54. In order to perform the review, the SBI requested the secretariat to prepare a synthesis report on the financial mechanism for consideration at its twenty-fourth session (May 2006). The report should be based on submissions received, the *Third Overall Performance Study* of the GEF and other GEF documents, including GEF Council documents relevant to the assessment of the effectiveness of the financial mechanism.

D. Additional guidance to the Global Environment Facility (Agenda item 5 (d))

Proceedings

55. The SBI considered this sub-item at its 3rd and 4th meetings, on 7 and 14 December, respectively. No documents were prepared for this sub-item. Statements were made by representatives of four Parties. (See paragraph 42 above.)

56. At the 4th meeting, the Chair informed Parties that it had not been possible to prepare a draft decision on additional guidance to the GEF for adoption by the COP. As the negotiations had not been completed on the various agenda items under which elements would be proposed for inclusion in the draft decision, the Presidency of the COP was requested to conclude on this matter. The text of the draft decision proposed by the President of the COP is contained in document FCCC/CP/2004/L.17.¹⁶

VI. Article 6 of the Convention (Agenda item 6)

1. Proceedings

57. The SBI considered this item at its 3rd and 4th meetings, on 7 and 14 December, respectively. It had before it documents FCCC/SBI/2004/14, FCCC/SBI/2004/15 and FCCC/SBI/2004/MISC.5 and Add.1. Statements were made by representatives of 12 Parties, including one speaking on behalf of the European Community and its member States,¹⁷ and one on behalf of AOSIS.

58. At the 3rd meeting, the Chair invited the representative of UNEP to make a statement.

59. At the same meeting, the SBI agreed to consider this item in a contact group chaired by Mr. Crispin D'Auvergne (Saint Lucia). At the 4th meeting, Mr. D'Auvergne reported on the contact group's consultations.

60. At its 4th meeting, the SBI considered and adopted conclusions¹⁸ proposed by the Chair.

2. Conclusions

61. The SBI welcomed the progress of work in implementing activities within the scope and in line with the guiding principles of the New Delhi work programme on Article 6 of the Convention, as reported by Parties in their national communications and other relevant documents. It took note of the financial requirements for their implementation, and urged the GEF and other bilateral and multilateral agencies to continue to make financial resources available for Article 6 activities.

¹⁶ For the text as adopted, see document FCCC/CP/2004/10/Add.1, decision 8/CP.10.

¹⁷ Bulgaria, Croatia and Romania aligned themselves with this statement.

¹⁸ Adopted as FCCC/SBI/2004/L.16.

62. The SBI reaffirmed that regional, subregional and national workshops are valuable forums for sharing experiences and lessons learned, identifying specific opportunities for international and regional cooperation, and building partnerships with all sectors of the economy.
63. The SBI welcomed the offer of the Government of Uruguay to host the regional workshop for Latin America and the Caribbean in March 2005 and noted with appreciation the contributions of the Governments of Switzerland and the United States of America. It also welcomed the technical and financial resources pledged by UNEP to contribute to this workshop.
64. The SBI also welcomed the offer of the Government of Japan to host the Asia Pacific regional workshop in September 2005 back-to-back with the fifteenth Asia Pacific Seminar on Climate Change. It expressed its appreciation to the Government of Australia for its contribution to this seminar which will support participation in the regional workshop, and to UNEP for its pledge to provide technical and financial support for the organization of the workshop.
65. The SBI recognized the particular needs of the small island developing States and agreed that these needs could be addressed, subject to availability of resources, by organizing a pre-session workshop in conjunction with SBI 23 (November 2005).
66. The SBI urged Parties and international organizations in a position to do so to make funding available for the above-mentioned workshops.
67. The SBI welcomed the well-established collaboration between the secretariat and UNEP in advancing the implementation of Article 6 of the Convention and of the New Delhi work programme, in particular in facilitating the implementation of Article 6 activities in developing country Parties and Parties with economies in transition. It requested the secretariat to collaborate further with UNEP and other relevant international organizations, and to report on the outcome of such collaboration to the SBI at future sessions.
68. Having considered the options for the development of the information network clearing house as contained in FCCC/SBI/2004/14, the SBI encouraged the prompt start of the first development phase and requested the secretariat to advance its work as the host organization for the prototype clearing house.
69. The SBI noted that, in accordance with decision 16/CP.9, paragraph 20, the Executive Secretary provided Parties with an indication of the administrative and budgetary implications of these conclusions. The SBI also noted that no financial provisions have been made in the 2004–2005 core budget to further develop and maintain the information network clearing house on Article 6 of the Convention, and that these conclusions can be implemented only if supplementary funds are available.
70. The SBI expressed its appreciation to the Government of France for its two supplementary contributions, totalling EUR 70,000, towards the further development of the clearing house, and urged other Parties in a position to do so to contribute to meeting the estimated cost of its development and implementation, as indicated in FCCC/SBI/2004/14.
71. The SBI recommended a draft decision on this subject (FCCC/SBI/2004/L.16/Add.1) for adoption by the COP at its tenth session.¹⁹

¹⁹ For the text as adopted, see document FCCC/CP/2004/10/Add.1, decision 7/CP.10.

VII. Capacity-building

(Agenda item 7)

1. Proceedings

72. The SBI considered this item at its 3rd and 4th meetings, on 7 and 14 December, respectively. It had before it documents FCCC/SBI/2004/16 and FCCC/SBI/2004/MISC.4. Statements were made by representatives of seven Parties, including one speaking on behalf of the European Community and its member States,²⁰ and one on behalf of the Group of 77 and China.

73. At the 3rd meeting, the Chair invited Mr. Philip Gwage (Uganda), who chaired the pre-session meeting of capacity-building practitioners, held in Buenos Aires on 3 December, to make an oral report of that event.

74. Also at its 3rd meeting, the SBI agreed to consider this item in a contact group co-chaired by Ms. Shirley Moroka (South Africa) and Mr. Roger Cornforth (New Zealand). Due to the early departure of Mr. Cornforth during the negotiations, he was replaced by Mr. Jukka Uosukainen (Finland) as co-chair of this contact group. At the 4th meeting, Ms. Moroka reported on the contact group's consultations.

75. At its 4th meeting, the SBI considered and adopted conclusions²¹ proposed by the Chair.

76. At the same meeting, the SBI agreed to forward the text of a draft decision on capacity-building in developing countries (FCCC/SBI/2004/L.22/Add.2) to the Presidency of the COP at its tenth session for further consideration. The text of the draft decision proposed by the President of the COP is contained in document FCCC/CP/2004/L.11.²²

2. Conclusions

77. The SBI decided to recommend a draft decision on capacity-building in countries with economies in transition (FCCC/SBI/2004/L.22/Add.1) for adoption by the COP at its tenth session.²³

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))

Proceedings

78. The SBI considered this sub-item at its 1st and 4th meetings, on 6 and 14 December, respectively. No document was prepared for this sub-item. Statements were made by representatives of 13 Parties, including one speaking on behalf of the Group of 77 and China, one on behalf of AOSIS and one on behalf of the European Community and its member States.²⁴

79. At the 1st meeting, the Chair invited the representative of the United Nations Conference on Trade and Development to make a statement.

²⁰ Croatia and Romania aligned themselves with this statement.

²¹ Adopted as FCCC/SBI/2004/L.22.

²² For the text as adopted, see document FCCC/CP/2004/10/Add.1, decision 2/CP.10.

²³ For the text as adopted, see document FCCC/CP/2004/10/Add.1, decision 3/CP.10.

²⁴ Croatia aligned itself with this statement.

80. At the same meeting, the SBI agreed to consider this sub-item in a contact group co-chaired by Mr. Samuel Adejuwon (Nigeria) and Mr. Paul Watkinson (France). At the 4th meeting, Mr. Watkinson reported on the contact group's consultations.

81. At its 4th meeting, the SBI agreed to forward the text of a draft decision (FCCC/SBI/2004/CRP.3) to the Presidency of the COP at its tenth session for further consideration. The text of the draft decision proposed by the President of the COP is contained in document FCCC/CP/2004/L.16 (as amended).²⁵

B. Matters relating to the least developed countries

(Agenda item 8 (b))

Proceedings

82. The SBI considered this sub-item at its 1st and 4th meetings, on 6 and 14 December, respectively. It had before it document FCCC/SBI/2004/17. Statements were made by representatives of nine Parties, including one speaking on behalf of the least developed countries, one on behalf of the European Community and its member States, and one on behalf of AOSIS.

83. At the 1st meeting, the Chair invited Mr. La'avasa Malua (Samoa), Chair of the Least Developed Countries Expert Group (LEG), to report on progress in the implementation of the LEG programme of work.

84. At the same meeting, the SBI agreed to consider this sub-item in a contact group co-chaired by Mr. Bubu Jallow (Gambia) and Mr. Ricardo Moita (Portugal). At the 4th meeting, Mr. Jallow reported on the contact group's consultations.

85. At its 4th meeting, the SBI considered draft conclusions²⁶ proposed by the Chair.

86. At the same meeting, the SBI agreed to forward the text of a draft decision on the work of the LEG (FCCC/SBI/2004/L.28/Add.1) to the Presidency of the COP at its tenth session for further consideration. The text of the draft decision proposed by the President of the COP is contained in document FCCC/CP/2004/L.13.²⁷

87. At the same meeting, the SBI agreed to forward the text of a draft decision on further guidance for the operation of the Least Developed Countries Fund (FCCC/SBI/2004/L.28/Add.2) to the Presidency of the COP at its tenth session for further consideration. The text of the draft decision proposed by the President of the COP is contained in document FCCC/CP/2004/L.15.²⁸

88. At the same meeting, the SBI agreed to forward the text of draft conclusions on assessing the status of implementation of Article 4, paragraph 9, of the Convention (FCCC/SBI/2004/L.28/Add.3) to the Presidency of the COP at its tenth session for further consideration. The text of the draft conclusions proposed by the President of the COP is contained in document FCCC/CP/2004/L.14).²⁹

²⁵ For the text as adopted, see document FCCC/CP/2004/10/Add.1, decision 1/CP.10.

²⁶ FCCC/SBI/2004/L.28.

²⁷ For the text as adopted, see document FCCC/CP/2004/10/Add.1, decision 4/CP.10.

²⁸ Having considered an amended text (FCCC/CP/2004/L.15), the COP was still unable to reach agreement on this issue and, in accordance with rule 16 of the draft rules of procedure being applied, this item will automatically be included in the agenda of the twenty-second session of the SBI.

²⁹ For the text as adopted, see the conclusions under chapter IV (f) of document FCCC/CP/2004/10.

IX. Administrative and financial matters

(Agenda item 9)

A. Audited financial statements for the biennium 2002–2003

(Agenda item 9 (a))

B. Budget performance for the biennium 2004–2005

(Agenda item 9 (b))

1. Proceedings

89. The SBI considered these sub-items at its 3rd and 4th meetings, on 7 and 14 December, respectively. It had before it documents FCCC/SBI/2004/12 and Add.1–2, FCCC/SBI/2004/13 and FCCC/SBI/2004/INF.15. Statements were made by representatives of two Parties.

90. At its 3rd meeting, the SBI agreed to consider these sub-items in informal consultations convened by Mr. Harald Dovland (Norway). At the 4th meeting, Mr. Dovland reported on these consultations.

91. At its 4th meeting, the SBI considered and adopted conclusions³⁰ proposed by the Chair.

2. Conclusions

92. The SBI took note of the audited financial statements for the biennium 2002–2003, the report by the United Nations Board of Auditors, and the secretariat's response and the status of implementation by the secretariat of the audit recommendations (FCCC/SBI/2004/12 and Add.1–2).

93. The SBI also took note of the information contained in documents FCCC/SBI/2004/13 and FCCC/SBI/2004/INF.15 relating to income and budget performance as at 30 June 2004 and the status of contributions as at 15 November 2004, respectively. It also took note of the additional clarifications provided by the secretariat on the impact of the exchange rate on the programme budget 2004–2005.

94. The SBI agreed to recommend an omnibus draft decision on administrative and financial matters (FCCC/SBI/2004/L.15/Add.1)³¹ for adoption by the COP at its tenth session.

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

(Agenda item 10)

1. Proceedings

95. The SBI considered this item at its 3rd and 4th meetings, on 7 and 14 December, respectively. It had before it documents FCCC/SBI/2004/13 and FCCC/SBI/2004/INF.10. Statements were made by representatives of three 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.³²

96. At its 3rd meeting, the SBI agreed to consider this item in informal consultations convened by Mr. Harald Dovland (Norway). At the 4th meeting, Mr. Dovland reported on these consultations.

97. At its 4th meeting, the SBI considered and adopted conclusions³³ proposed by the Chair.

³⁰ Adopted as FCCC/SBI/2004/L.15.

³¹ For the text as adopted, see document FCCC/CP/2004/10/Add.1, decision 11/CP.10.

³² Croatia aligned itself with this statement.

³³ Adopted as FCCC/SBI/2004/L.14.

2. Conclusions

98. The SBI took note of documents FCCC/SBI/2004/13 and FCCC/SBI/2004/INF.10 and views expressed by Parties on this item.
99. The SBI expressed its appreciation to the secretariat for its efforts in organizing workshops, noting that considerable time and effort are necessary to ensure that workshops are organized in an efficient manner and lead to productive recommendations. The SBI noted that the lack of sufficient and predictable funding makes organizing workshops difficult.
100. The SBI also noted that the lack of sufficient and predictable funding is the main reason for delays in the organization of workshops. The SBI urged Parties to ensure that timely and sufficient funding is provided for workshops, and to make un-earmarked contributions to the Trust Fund for Supplementary Activities for the funding of workshops, to the extent possible. The SBI requested the secretariat, in the absence of predictable funding, to postpone a workshop rather than provide insufficient time for preparations and invitations.
101. The SBI noted the need to ensure balanced participation of Parties in workshops. In this context, the SBI requested the secretariat to publish information about upcoming workshops on the UNFCCC web site. The SBI encouraged Parties to submit to the secretariat, in a timely manner, expressions of interest in participating in particular workshops. The SBI also requested the chairs of the subsidiary bodies, with the assistance of the secretariat, to ensure that invitees to a workshop represent a balanced mix of participants from Annex I and non-Annex I Parties, and a diversity of points of view.
102. The SBI requested the secretariat to ensure that, for workshops which are confirmed, invitations and documentation are made available to participants in a timely manner.
103. The SBI welcomed the secretariat's policy of accepting, in consultation with the chairs of the subsidiary bodies, invitations from Parties to host workshops, while acknowledging that this has sometimes led to increased costs, and travel and visa complications. The SBI urged the secretariat to continue this approach in a prudent manner.
104. The SBI also took note of the information on the human resources and the staff selection policy and procedures of the secretariat. The SBI requested the Executive Secretary to strengthen her or his efforts to ensure a wider geographical balance in the appointment of staff at senior and managerial levels within the rubric of Article 101.3 of the Charter of the United Nations and the applicable rules, guidelines and practices of the United Nations and the secretariat.
105. The SBI decided to continue its consideration of issues under this item annually.
106. The SBI also requested the secretariat to take note of the concern expressed that officials of the secretariat should take care in their public statements to reflect the views of Parties held by consensus, and not to appear to support only one side or another on contentious issues.

XI. Other matters

(Agenda item 11)

A. Level of emissions for the base year of Croatia

(Agenda item 11 (a))

1. Proceedings

107. The SBI considered this item at its 1st and 4th meetings, on 6 and 14 December, respectively. No documents were prepared for this session. Statements were made by representatives of eight Parties, including one speaking on behalf of the European Community and its member States.

108. At its 1st meeting, the SBI agreed to consider this sub-item in informal consultations convened by Mr. Jim Penman (United Kingdom of Great Britain and Northern Ireland). At the 4th meeting, Mr. Penman reported on these consultations.

109. At its 4th meeting, the SBI considered and adopted conclusions proposed by the Chair, as amended.³⁴

2. Conclusions

110. The SBI did not complete its consideration of this agenda item. It agreed to continue its consideration of this item at its next session.

B. Any other matters

(Agenda item 11 (b))

111. No other matters were raised or considered.

XII. Report on the session

(Agenda item 12)

112. At its 4th meeting, on 14 December, the SBI considered the draft report on its twenty-first session (FCCC/SBI/2004/L.13). 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. The Executive Secretary provided information on the financial implications of conclusions adopted and decisions forwarded to the COP. Statements were made by representatives of four 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.

XIII. Closure of the session

113. At the 4th meeting, on 14 December, the Chair thanked the outgoing Bureau members, delegates and observers for all their efforts in the past two years towards reaching the goals of the SBI, and stated that she had enjoyed working with them throughout her term of office. She also thanked the secretariat for its professional support and wished the SBI and its new Bureau every success in the future. Statements were made by representatives of four Parties, including one speaking on behalf of the least developed countries, one on behalf of the European Community and its member States, and one on behalf of the Group of 77 and China, expressing their appreciation of the work of the outgoing SBI Chair. The Executive Secretary and SBI Coordinator thanked the Chair for her dedication and hard work.

³⁴ Adopted as FCCC/SBI/2004/L.21/Rev.1.

Annex**Documents before the Subsidiary Body for Implementation
at its twenty-first session****Documents prepared for the session**

FCCC/SBI/2004/11	Provisional agenda and annotations. Note by the Executive Secretary
FCCC/SBI/2004/12	Report of the United Nations Board of Auditors. Note by the Executive Secretary
FCCC/SBI/2004/12/Add.1	Report of the United Nations Board of Auditors. Note by the Executive Secretary. Addendum. Comments by the secretariat
FCCC/SBI/2004/12/Add.2	Report of the United Nations Board of Auditors. Note by the Executive Secretary. Addendum. Audited financial statements for the biennium 2002–2003
FCCC/SBI/2004/13	Income and budget performance as at 30 June 2004. Note by the Executive Secretary
FCCC/SBI/2004/14	Options for the development of an Article 6 information network clearing house. Note by the secretariat
FCCC/SBI/2004/15	Report on progress achieved in implementing Article 6 of the Convention. Note by the secretariat
FCCC/SBI/2004/16	Effectiveness of the implementation of the framework for capacity-building in countries with economies in transition. Note by the secretariat
FCCC/SBI/2004/17	Progress report of the Least Developed Countries Expert Group. Note by the secretariat
FCCC/SBI/2004/18	Report on the assessment of funding necessary to assist developing countries in fulfilling their commitments under the Convention prepared in the context of the Memorandum of Understanding between the Conference of the Parties and the Council of the Global Environment Facility. Note by the secretariat
FCCC/SBI/2004/INF.9	Status report on the review of third national communications. Note by the secretariat
FCCC/SBI/2004/INF.10	Information on arrangements for UNFCCC workshops. Note by the secretariat
FCCC/SBI/2004/INF.11	Information on activities by the Global Environment Facility. Note by the secretariat
FCCC/SBI/2004/INF.12	Status of the preparation of national communications from Parties not included in Annex I to the Convention. Note by the secretariat

FCCC/SBI/2004/INF.13	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.14	Report on the workshop on the preparation of fourth national communications from Parties included in Annex I to the Convention. Note by the secretariat
FCCC/SBI/2004/INF.15	Status of contributions as at 15 November 2004. Note by the secretariat
FCCC/SBI/2004/INF.16	Possible means to implement projects pursuant to Article 12, paragraph 4, of the Convention. Note by the secretariat
FCCC/SBI/2004/MISC.3	Submissions from Parties on agenda item 4 (a)
FCCC/SBI/2004/MISC.4	Additional information on the effectiveness of capacity-building activities in countries with economies in transition. Submissions from Parties
FCCC/SBI/2004/MISC.5 and Add.1	Compilation of information on progress achieved in implementing Article 6 of the Convention. Submissions from Parties
FCCC/SBI/2004/MISC.6 and Add.1	Views on activities, programmes and measures in the areas listed in paragraph 2 (c) and (d) of decision 7/CP.7. Submissions from Parties
FCCC/SBI/2004/MISC.7	Submission of second and, where appropriate, third national communications by Parties not included in Annex I to the Convention. Submissions from Parties
FCCC/SBI/2004/L.13	Draft report of the Subsidiary Body for Implementation on its twenty-first session
FCCC/SBI/2004/L.14	Continuing review of the functions and operations of the secretariat. Draft conclusions proposed by the Chair
FCCC/SBI/2004/L.15	Administrative and financial matters. Draft conclusions proposed by the Chair
FCCC/SBI/2004/L.15/Add.1	Administrative and financial matters. Draft conclusions proposed by the Chair. Addendum. Recommendation of the Subsidiary Body for Implementation
FCCC/SBI/2004/L.16	Review of progress of work on Article 6 of the Convention. Draft conclusions proposed by the Chair
FCCC/SBI/2004/L.16/Add.1	Review of progress of work on Article 6 of the Convention. Draft conclusions proposed by the Chair. Addendum. Recommendation of the Subsidiary Body for Implementation
FCCC/SBI/2004/L.17	National communications from Parties included in Annex I to the Convention. Draft conclusions proposed by the Chair

FCCC/SBI/2004/L.18	Progress of work of the Consultative Group of Experts on National Communications from Parties not included in Annex I to the Convention. Draft conclusions proposed by the Chair
FCCC/SBI/2004/L.19	Provision of financial and technical support for the national communications of Parties not included in Annex I to the Convention. Draft conclusions proposed by the Chair
FCCC/SBI/2004/L.20	Report of the Global Environment Facility to the Conference of the Parties. Draft conclusions proposed by the Chair
FCCC/SBI/2004/L.21/Rev.1	Level of emissions for the base year of Croatia. Draft conclusions proposed by the Chair
FCCC/SBI/2004/L.22	Capacity-building. Draft conclusions proposed by the Chair
FCCC/SBI/2004/L.22/Add.1	Capacity-building. Draft conclusions proposed by the Chair. Addendum. Recommendation of the Subsidiary Body for Implementation
FCCC/SBI/2004/L.22/Add.2	Capacity-building. Draft conclusions proposed by the Chair. Addendum. Recommendation of the Subsidiary Body for Implementation
FCCC/SBI/2004/L.23	Possible means to implement projects pursuant to Article 12, paragraph 4, of the Convention. Draft conclusions proposed by the Chair
FCCC/SBI/2004/L.24	Third review of the financial mechanism. Draft conclusions proposed by the Chair
FCCC/SBI/2004/L.25	Special Climate Change Fund. Draft conclusions proposed by the Chair
FCCC/SBI/2004/L.26	Matters relating to the implementation of decision 5/CP.8. Draft conclusions proposed by the Chair
FCCC/SBI/2004/L.27	Submission of second and, where appropriate, third national communications from Parties not included in Annex I to the Convention. Draft conclusions proposed by the Chair
FCCC/SBI/2004/L.28	Matters relating to the least developed countries. Draft conclusions proposed by the Chair
FCCC/SBI/2004/L.28/Add.1	Matters relating to the least developed countries. Draft conclusions proposed by the Chair. Addendum. Recommendation of the Subsidiary Body for Implementation
FCCC/SBI/2004/L.28/Add.2	Matters relating to the least developed countries. Draft conclusions proposed by the Chair. Addendum. Recommendation of the Subsidiary Body for Implementation
FCCC/SBI/2004/L.28/Add.3	Matters relating to the least developed countries. Draft conclusions proposed by the Chair. Addendum. Recommendation of the Subsidiary Body for Implementation

FCCC/SBI/2004/CRP.3 Progress on the implementation of activities under decision 5/CP.7.
Draft conclusions proposed by the Chair

Other documents before the session

FCCC/CP/2004/5 Information on national greenhouse gas inventory data from Parties included in Annex I to the Convention for the period 1990–2002, including the status of reporting. Executive summary. Note by the secretariat

FCCC/CP/2004/6 Report of the Global Environment Facility to the Conference of the Parties. Note by the secretariat

FCCC/CP/2004/INF.2 Summary of information available from in-depth reviews of national communications from Parties included in Annex I to the Convention. Note by the secretariat

FCCC/SBSTA/2004/INF.15 Report on the workshop on emission projections from Parties included in Annex I to the Convention. Note by the secretariat

Draft COP conclusions and decisions cited

FCCC/CP/2004/L.4 Report of the Global Environment Facility to the Conference of the Parties. Recommendation of the Subsidiary Body for Implementation

FCCC/CP/2004/L.10 Review of implementation of commitments and of other provisions of the Convention. Proposal by the President

FCCC/CP/2004/L.11 Capacity-building. Proposal by the President

FCCC/CP/2004/L.13 Matters relating to the least developed countries. Proposal by the President

FCCC/CP/2004/L.14 Matters relating to the least developed countries. Proposal by the President

FCCC/CP/2004/L.15 Matters relating to the least developed countries. Proposal by the President

FCCC/CP/2004/L.16 Buenos Aires programme of work on adaptation and response measures. Proposal by the President

FCCC/CP/2004/L.17 Financial mechanism of the Convention. Proposal by the President
