



# Global Environment Facility

GEF/C.30/Inf.4  
November 7, 2006

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GEF Council  
December 5-8, 2006

## RELATIONS WITH THE CONVENTIONS AND OTHER INSTITUTIONS

## EXECUTIVE SUMMARY

This document reports on developments of interest to the GEF at the multilateral environmental conventions, including the Convention on Biological Diversity, the United Nations Framework Convention on Climate Change, the Stockholm Convention on Persistent Organic Pollutants, the United Nations Convention to Combat Desertification, and the Montreal Protocol on Substances that Deplete the Ozone Layer and its Multilateral Fund. The paper also includes information from other international environmental agreements that have submitted updates on their work relevant to the GEF.

Highlights reported include:

- (a) Meetings and activities as a follow-up of the UN Convention on Biodiversity, including the status of the enabling activities.
- (b) Issues addressed at the twenty-third sessions of the Subsidiary Bodies (SB 23) of the United Nations Framework Convention on Climate Change (UNFCCC), held in May 2006 in Bonn, Germany.
- (c) A report on the second Conference of the Parties (COP-2) to the Stockholm Convention on Persistent Organic Pollutants (POPs) held from May 1-5, 2006.
- (d) GEF participation in the International Year of Desertification.
- (e) A brief report on the meeting of the Commission for Sustainable Development held in New York from May 1-12, 2006.
- (f) A brief report from the third meeting of the Conference of the Parties (COP-3) to the Rotterdam Convention on the Prior Informed Consent (PIC) Procedure for Certain Hazardous Chemicals and Pesticides in International Trade. The meeting was held from October 9 -13, 2006, in Geneva, Switzerland.

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1. This document reports on developments of interest to the GEF occurring since the GEF Council meeting in June 2006 within the context of the UN Convention on Biodiversity, UN Framework Convention on Climate Change (UNFCCC), the Stockholm Convention on Persistent Organic Pollutants (the Stockholm Convention), the UN Convention to Combat Desertification in those countries experiencing serious drought and/or desertification, particularly in Africa (UNCCD), and the Montreal Protocol on Substances that Deplete the Ozone Layer (the Montreal Protocol). The paper also includes information from other international environmental agreements that have submitted updates on their work relevant to the GEF.

## **CONVENTION ON BIOLOGICAL DIVERSITY**

### **Meetings and events**

2. The following meetings were convened by the Convention on Biological Diversity:

- (a) *Brainstorming meeting of SBSTTA Chairs on ways and means to improve the effectiveness of the Subsidiary Body*, July 24-25, 2006 - Paris, France. The meeting identified ways and means to enhance the scientific underpinning of the Convention by the Subsidiary Body and improve its effectiveness in the light of the Convention's Strategic Plan and the 2010 target.
- (b) *The Bureau of the twelfth meeting of the Subsidiary Body on Scientific, Technical and Technological Advice (SBSTTA)*, July 26, 2006, Paris, France. The Bureau emphasized that it should play a leadership role to encourage active and appropriate participation by the Parties in SBSTTA and related processes, and promote wider recognition of SBSTTA and the work of the Convention in the scientific community, Governments and relevant organizations.
- (c) *A brainstorming session on South-South cooperation* will be convened on November 6-8, 2006 in Montreal, Canada, at the request of the President of the G77 and China. The session will organize an expert meeting to be held in 2007 to prepare a multi year plan of action for the implementation of the three objectives of the Convention to be submitted for adoption at the ninth meeting of the Conference of the Parties to be held in Bonn, Germany from May 19-30 2008.

3. The Biosafety Clearing-House (BCH) launched a new central registry of all approved living modified organisms. A new online directory of organizations involved in activities that are relevant to the effective implementation of the Cartagena Protocol was also launched in September 2006. It includes short profiles of the relevant activities undertaken by each institution and provides detailed contact information as well as links to relevant records in the Biosafety Clearing-House.

### **Ratification**

4. Timor-Leste deposited its instrument of access to the Convention on Biological Diversity, and will become the 189 Party on January 8, 2007. Five countries (Yemen, Swaziland, Serbia, Dominican Republic and Congo) became Parties to the Cartagena Protocol on Biosafety between

March 2006 and October 2006. Philippines has deposited its instrument of ratification and will become the 135 Party to the Protocol on January 3, 2007.

### **National reporting**

5. During the period between March 2006 and October 2006, the CBD Secretariat received eight national biodiversity strategies and action plans, four first national report, and thirty-three third national reports. GEF has provided funding to all eligible countries for preparing their biodiversity strategies and three national reports to the CBD through its implementing agencies.

### **UN FRAMEWORK CONVENTION ON CLIMATE CHANGE**

6. The Subsidiary Bodies (SB 24) of the United Nations Framework Convention on Climate Change (UNFCCC) met from May 18-26, 2006, in Bonn, Germany. SB 24 reached several conclusions, which are relevant to the GEF as the financial mechanism of the convention. The SBI adopted draft decisions which have yet to be discussed and approved by the COP. These draft decisions are included in this report for your information only.

### **Third review of the financial mechanism**

7. The SBI made progress in its consideration of the third review of the financial mechanism and prepared a draft text of a COP decision, based on a compilation of views expressed and text submitted by Parties at SBI 24. The SBI agreed to continue deliberating on this matter at its twenty-fifth session (November 2006), on the basis of the draft text. COP 12 (November 2006) is expected to approve a decision on the review of the financial mechanism based on recommendations by SBI 25.

### **Special Climate Change Fund**

8. The SBI will continue to deliberate on this matter at its twenty-fifth session, on the basis of the draft text produced at its twenty-second session, with a view to finalizing its recommendation on the operation of the Special Climate Change Fund to COP 12.

### **National communications from Parties not included in Annex I to the Convention**

9. The SBI invited the GEF to continue to provide information on activities of non-Annex I Parties relevant to the status of the preparation of their national communications. It was requested that information include the dates of approval and disbursement of funds. The UNFCCC secretariat was requested to report this information to the SBI 25. This information has since been provided to the Conference of Parties as attached in Annex 1.

10. The SBI expressed its appreciation for the technical assistance provided by the GEF-National Communication Support Program to non-Annex I Parties for the preparation of national communications. It requested Parties and relevant international organizations to submit to the Convention secretariat, by August 4, 2006, information on their activities relating to the preparation of national communications, for compilation into a miscellaneous document for consideration by the SBI 25.

11. The SBI recommended that COP 12 invite the GEF to further simplify its procedures and improve the efficiency of the process by which non-Annex I Parties receive funding to meet their obligations under Article 12, paragraph 1, of the Convention, with the aim of ensuring the timely disbursement of funds to meet the agreed full costs incurred by developing country Parties in complying with these obligations. The GEF has significantly reduced the time period in approving and disbursing the funding to countries by delegating the approval authority to its implementing agencies and simplifying the procedure. The table in Annex I provides the time between the project approval and first disbursement of the funds which has been drastically reduced from previous rounds.

12. The SBI concluded that, in view of the technical constraints and problems encountered in the preparation of national communications, there is a need for financial and technical resources to maintain and enhance national capacities of non-Annex I Parties for preparing national communications. It urged Parties and bilateral, multilateral and international organizations to take into account the recommendations contained in Annex 1 on the provision of financial and technical support to non-Annex I Parties. The GEF National Communications Support Program works in collaboration with interested bilateral and multilateral organizations to provide timely technical assistance to countries for preparing their national communications.

13. The SBI requested the Consultative Group of Experts (CGE), in consultation with the GEF-National Communication Support Program to advise the SBI 25 on the provision of technical assistance to non-Annex I Parties in identifying tools and methods needed for the preparation of national communications. A detailed report from the National Communications Support Program is provided in the GEF report to COP-12 which was approved by the Council as mentioned above.

### **Financial mechanism (Kyoto Protocol) - Adaptation Fund**

14. The SBI prepared a document containing possible elements for a draft decision on the Adaptation Fund (see Annex II) and invited relevant international institutions to submit further information by August 4, 2006. This information will be compiled in a miscellaneous document for consideration of SBI 25. A copy of GEF submission to COP detailing its comparative advantage in adaptation activities is attached. This is also being distributed widely at the Twelfth session of the Conference of Parties being held in Nairobi, Kenya

15. The GEF participated in the UNFCCC African Regional Workshop on Adaptation was held in Accra, Ghana, from September 21-23, 2006. The workshop aimed at highlighting African concerns related to climate change adaptation and vulnerability reduction, with a view to identifying specific adaptation needs to be considered under the UNFCCC. Sixty participants were in attendance, mainly from Africa, but also from developed countries, as well as representatives from UN agencies and intergovernmental organizations.

### **Development and transfer of technologies**

16. The SBSTA invited SBI to request the GEF, when providing support for technology needs assessments, to take into account actions to address barriers and constraints as well as the creation of enabling environments and capacity gaps, identified by the non-Annex I Parties.

17. GEF reported in its report to COP12 that almost all climate change projects funded from the GEF Trust Fund are concerned with the initial introduction of modern technologies in developing countries or dissemination and broadening of their application. Furthermore, as the SBI suggested, GEF has integrated factors related to capacity building and enabling environment in the GEF programming framework. The GEF report included examples of two projects, approved during the last year which show how capacity building, enabling environments, technology networks and access to finance are incorporated into their technology transfer efforts.”

18. The SBSTA urged Annex II Parties, relevant international organizations, and international financial institutions, to provide technical and financial support to non-Annex I Parties to conduct, further identify and help implement their prioritized technology needs.

### **Twelfth session of the Conference of the Parties**

19. The twelfth session of the Conference of the Parties to the Climate Change Convention (COP 12) will be held in conjunction with the second session of the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol (COP/MOP) in Nairobi, Kenya, from November 6-17, 2006. The Secretariat submitted to the COP for its information a report on its activities as the financial mechanism of the UNFCCC. This report was approved by the Council by mail on October 27, 2006.

### **STOCKHOLM CONVENTION ON PERSISTENT ORGANIC POLLUTANTS**

20. The Conference of the Parties to the Stockholm Convention (COP) met for its second session, May 1-5, 2006, in Geneva, Switzerland. The GEF CEO spoke at the opening of the meeting and the GEF secretariat and Implementing Agencies held two side-events on “Lessons learned and experiences in developing NIPs”, and “Examples and opportunities for NIP implementation”.

21. The COP took a number of decisions, including on DDT, PCB reporting, and Best Available Techniques/Best Environmental Practices (BAT/BEP). The following reports on decisions of particular relevance to the GEF, including the “Additional guidance to the financial mechanism”. The full text of the three decisions on “Financial resources and mechanism”, “Additional guidance to the Financial Mechanism”, and “Terms of reference for work on modalities on the needs assessment for Parties that are developing countries or Parties with economies in transition to implement the provisions of the Convention over the period 2006–2010”, are provided herewith as Annex III.

22. Future meetings under the Stockholm Convention include the second meeting of the POPs Review Committee, November 6-10 2006, Geneva, Switzerland. The meeting will continue its assessment of Pentabromodiphenyl ether, Chlordecone, Hexabromobiphenyl, Lindane and Perfluorooctane sulfonate, and will consider five new submissions: Octabromodiphenyl ether, Pentachlorobenzene, Short-chained chlorinated paraffins, Alpha hexachlorocyclohexane, and Beta hexachlorocyclohexane. The Expert Group on Best Available Techniques and Best Environmental Practices will hold its second meeting in Geneva,

Switzerland, November 19-24, 2006. The third session of the Conference of the Parties is due to take place April 30 - May 4, 2007, in Dakar, Senegal.

*Financial resources and mechanism, including review of the financial mechanism*

23. The COP welcomed “the achievements of the Global Environment Facility in support of the Convention and notes that the report of the first review of the financial mechanism is in general appreciative of the role of the Global Environment Facility as the principal entity of the financial mechanism of the Convention”.

24. The COP also decided to undertake its second review of the financial mechanism in 2009, “in time to submit recommendations and guidance to the Council of the Global Environment Facility and to invite it to take into account such recommendations and guidance during the Global Environment Facility’s fifth replenishment, in 2009”.

*Additional guidance to the financial mechanism*

25. The decision adopted by the COP does not add to the “program priorities” for funding developed and adopted by COP-1. However, a number of requests are addressed to the GEF that all relate in some way to improving the understanding that the Parties have of GEF modalities and processes, with a view to facilitating access to the GEF by recipient countries. The following table lists these requests and suggests how they can be responded to.

<b>COP requests the GEF to:</b>	<b>Suggested response</b>
“Continue to work with the Secretariat of the Convention to finalize Operational Programme 14 incorporating the guidance by the Conference of the Parties as soon as possible;	The status of the draft OP14 is on hold until the Council is presented in June 2007 with revised focal area strategies and a “simplified approach to the GEF’s operational programs and strategic objectives” as per the GEF-4 policy recommendations. The draft POPs strategy fully incorporates the guidance received from the COP.
Exercise any necessary flexibility in applying its criteria for access in order to ensure compatibility with the country eligibility criteria established by the Conference of the Parties in decision SC-1/9 in accordance with the specific priorities and needs of eligible countries;	The GEF Secretariat will continue to consult with the Stockholm Convention Secretariat when necessary.
Include in its regular reports to the Conference of the Parties a more in-depth analysis of its financing, including co-financing, in its persistent organic pollutants portfolio, which includes sources, mechanisms, arrangements and trends;	This will be done starting from the forthcoming GEF report to COP-3, to the extent allowed by the data available. The implementation of the new Project Management and Information System is expected to facilitate this exercise in the future.

<p>Use its network in identifying other sources of finance for persistent organic pollutant activities and to continue to develop operational requirements which facilitate and guide the approach and actions of its implementing agencies and executing agencies to proactively assist in mobilizing other sources of financing for persistent organic pollutants projects from multilateral and bilateral sources and non-governmental organizations, including the private sector;</p>	<p>This is addressed by the implementation of the GEF policy on co-financing, and the on-going work of the Agencies to assist countries in securing co-financing from all sources, as well as ensuring financial sustainability of GEF projects. The private sector strategy under development, once operational, will also contribute to this objective.</p>
<p>Clarify its approach to the application of the concept of incremental costs in its activities in the persistent organic pollutants focal area;</p>	<p>To be done as response to the GEF-4 policy recommendation that requires that the GEF secretariat and agencies prepare for Council consideration at its June 2007 meeting “clearer operational guidelines for the application of the incremental cost principle for each focal area”.</p>
<p>Dedicate a section of its website on Operational Programme 14 to guidance on how to apply for funding and to finalize as soon as possible its operations manual related to the Stockholm Convention;</p>	<p>This is being done in the context of the revamping of the GEF website, and will be available to the parties by the next COP meeting in May 2007.</p>
<p>Consider the guidance from the Conference of the Parties on incremental costs;</p>	<p>No such guidance has been provided yet.</p>
<p>Consult with the Convention Secretariat with regard to its future work on the Resource Allocation Framework as it relates to the Convention without prejudice to any further decision on the application of the Resource Allocation Framework to the persistent organic pollutants focal area and to report on this issue to the Conference of the Parties at its third meeting;</p>	<p>The Stockholm Convention Secretariat was invited in the first POPs task force meeting where preliminary discussions on the RAF were initiated. The GEF secretariat will continue to consult with the Stockholm secretariat on this matter.</p>
<p>Work with the Convention Secretariat to determine an appropriate approach for capacity-building for developing country Parties and Parties with economies in transition in the process of effectiveness evaluation pursuant to Article 16 of the Convention;</p>	<p>The GEF secretariat has initiated discussions with the Stockholm secretariat on this matter, and will continue to collaborate.</p>
<p>Inform the Conference of the Parties of the ways in which the Global Environment Facility might support the procurement of scientific equipment and the development of scientific and technical capacity necessary for specific project execution in developing countries and countries with economies in transition necessary to fulfill their obligations under the Convention.”</p>	<p>This will be done in the forthcoming report of the GEF to COP-3.</p>

### *Modalities on the needs assessment*

26. Following the decision taken at COP-1 to initiate work on “Modalities on the needs assessment for Parties that are developing countries or Parties with economies in transition to implement the provisions of the Convention over the period 2006–2010”, the COP adopted Terms of Reference (TORs) to support this work.

27. The objectives of this exercise are stated as:

“To enable the Conference of the Parties to provide at regular intervals, to the principal entity entrusted with the operations of the financial mechanism and to other entities should they be so entrusted, assessments of the total funding needed by Parties eligible for assistance from the financial mechanism to facilitate their effective implementation of the Convention;

To provide the principal entity with a framework and modalities for the determination in a predictable and identifiable manner of the funding necessary and available for the implementation of this Convention by Parties eligible for its assistance.”

28. The TORs are to be further refined based on the experience gained in preparing a preliminary assessment of the funding needs, to be submitted to the COP at its Third Session. The GEF, among others, is invited to provide information gathered through its operations relevant to assistance needs in eligible Parties”.

### *Non-compliance*

29. The COP was preceded by a two-day Open-Ended Working Group to initiate discussion on a non-compliance regime. That group will reconvene immediately prior to COP-3. All countries that took the floor agreed that a non-compliance regime should be non-adversarial, facilitative, and flexible.

### **UN CONVENTION TO COMBAT DESERTIFICATION**

30. The UNCCD and the GEF Secretariats collaborated on the preparation of the paper before the Council, GEF/C.30/7, Implications of Amending the Instrument to Reflect the Designation of the GEF as a Financial Mechanism of the UNCCD which is before the Council at this meeting. The paper proposes that the GEF shall operate as a financial mechanism of the UN Convention to Combat Desertification in Countries Experiencing Serious Drought and/or Desertification, particularly in Africa (UNCCD), pursuant to article 20, paragraph 2(b), and article 21 of the Convention, and invites Council to approve arrangements to facilitate collaboration between the GEF and the UNCCD.

### **INTERNATIONAL YEAR OF DESERTS AND DESERTIFICATION (IYDD)**

31. The GEF Council in November 2005 agreed that the International Year of Deserts and Desertification offered a unique opportunity for the GEF to contribute to raising global awareness of the threats of land degradation and identify avenues for addressing the challenges

of land degradation and sustainable development. Following is a status report of the activities funded by the GEF as a contribution to the IYDD:

- (a) A report on *Resource mobilization and the Status of Funding of Activities related to Land Degradation* was prepared in cooperation with the Global Mechanism. The report provides an overview of the extent of land degradation and the financial and economic responses. The report has been disseminated and discussed at the *Sustainable Land and Water Management Forum* at the GEF Assembly in Cape Town, South Africa, August 2006 and at other GEF events (see below).
- (b) *UNESCO International Scientific Conference on the Future of Arid Lands*, Tunis, Tunisia, June 2006. The GEF organized a side event to discuss the need for, and challenges related to, development and use of indicators on the impact of land degradation and global environmental benefits from sustainable land management.
- (c) The GEF Secretariat organized a *Sustainable Land and Water Management Forum* at the GEF Assembly in Cape Town, South Africa, August 2006. The forum was attended by 250 experts and policy makers. Discussion focused on the results of the report on *Resource mobilization and the Status of Funding of Activities related to Land Degradation*, the results of the UNESCO International Scientific Conference on the Future of Arid Lands and lessons from GEF land and water activities, including the Country Partnership Programs. A High Level roundtable meeting summarized the discussions and issued conclusions and recommendations in the Cape Town Statement (see Annex IV).
- (d) The *Policy Imperative Joint International Conference* is scheduled to be held in Algiers, Algeria, from December 17 – 19, 2006. It is anticipated that the report on *Resource mobilization and the Status of Funding of Activities related to Land Degradation*, the outcome of the Tunis Conference and the Forum on Sustainable Land Management in Cape Town, South Africa, will feed into the deliberations at the conference. An international and diverse group of experts and decision makers will discuss desertification related policy issues and produce a policy brief summarizing key policy and management recommendations. GEF is financing the participation of three representatives of GEF projects and three female/youth representatives from developing countries. The GEF CEO will participate in the High-level Discussion Panel.

#### **MONTREAL PROTOCOL ON SUBSTANCES THAT DEplete THE OZONE LAYER**

32. The eighteenth Meeting of the Parties to the Montreal Protocol will take place October 30 to November 3, 2006 in New Delhi, India.

## **COMMISSION FOR SUSTAINABLE DEVELOPMENT**

33. The fourteenth session of the Commission on Sustainable Development (CSD-14) took place at UN headquarters in New York from May 1-12, 2006. CSD-14 was tasked to review progress in energy for sustainable development, industrial development, air pollution/atmosphere, and climate change, including cross-cutting issues.

34. The first week of CSD-14 featured a series of thematic discussions, facilitated by expert panels, and meetings to consider reports from the UN Regional Commissions on the status of implementation. During the second week, one day was dedicated to discussion on Small Island Developing States (SIDS), with a review of the implementation of the Mauritius Strategy organized under the headings of the CSD-14 thematic cluster.

35. The GEF participated in a number of the activities: the CEO made a statement at the opening plenary session and hosted a side event, "The GEF - Integrating Renewables into the Sustainable Development Agenda". A GEF staff member also participated in an expert panel on "Investing in Energy and Industrial Development: Challenges and Opportunities".

36. At the conclusion of CSD-14, delegates adopted the report of the session, including the Chair's non-negotiated Summary, containing an overview of the discussions, the SIDS day, the Multi-Stakeholder dialogue, the high-level segment, as well as the Partnerships Fair and the Learning Center.

## **INFORMATION SUBMITTED BY OTHER INTERNATIONAL ENVIRONMENTAL CONVENTIONS**

37. At its meeting in May 2000, the Council requested the Secretariat to include in its reports information on other related international environmental conventions. The following information has been submitted by the Convention Secretariats for purposes of this paper.

### **Basel Convention**

38. The eighth meeting of the Conference of Parties will be held in Nairobi, Kenya from November 27 to December 1, 2006.

### **Rotterdam Convention**

39. The third meeting of the Conference of the Parties (COP-3) to the Rotterdam Convention on the Prior Informed Consent (PIC) Procedure for Certain Hazardous Chemicals and Pesticides in International Trade, was held from October 9-13, 2006, in Geneva, Switzerland.

40. COP-3 discussed several issues including the implementation of the Convention; chrysotile asbestos; financial mechanisms; non-compliance; and cooperation and coordination among the Basel, Rotterdam and Stockholm Conventions' secretariats. Delegates did not reach agreement on the financial mechanisms and procedures for non-compliance. COP-3 deferred the decision on including chrysotile asbestos in Annex III (Chemicals subject to the PIC procedure) of the Convention to COP-4, which is scheduled to be held in Rome in October 2008.

41. In the final decision (UNEP/FAO/RC/COP.3/CRP.11 Rev.1), the COP invites developing country parties and those with economies in transition to incorporate sound chemicals management into national development plans, such as Poverty Reduction Strategy Plans, to promote mainstreaming for multilateral and bilateral financing and include capacity building and technology transfer in the regional elaboration of the Bali Strategic Plan for technology support and capacity building.

42. The COP recommends that individual developing countries and those with economies in transition use their national implementation plans under the Stockholm Convention as a basis for defining gaps in their chemicals management for implementing the Rotterdam Convention; and propose projects to the GEF POPs focal area and SAICM QSP that indirectly contribute to the Rotterdam Convention. It also encourages donor parties to continue contributing to the Voluntary Special Trust Fund.

**ANNEX I. NATIONAL COMMUNICATIONS FROM PARTIES NOT INCLUDED IN  
ANNEX I TO THE CONVENTION**



**UNITED  
NATIONS**



**Framework Convention  
on Climate Change**

Distr.  
GENERAL

FCCC/SBI/2006/INF.5  
18 October 2006

ENGLISH ONLY

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**SUBSIDIARY BODY FOR IMPLEMENTATION**

**Twenty-fifth session**

**Nairobi, 6–14 November 2006**

**Item 4 (b) of the provisional agenda**

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

**Provision of financial and technical support**

**Information on financial support provided by the Global Environment  
Facility for the preparation of initial and subsequent national  
communications from Parties not included in Annex I  
to the Convention**

**Note by the secretariat**

1. The Subsidiary Body for Implementation (SBI), at its twenty-fourth session, requested the secretariat to report, at the twenty-fifth session of the SBI, on the financial support provided by the Global Environment Facility (GEF) for the preparation of initial and subsequent national communications (FCCC/SBI/2006/11, para. 40). The GEF secretariat has provided the secretariat with information on its support for the preparation of initial and subsequent national communications.
2. The information attached<sup>1</sup> contains details of the status of enabling activity projects, including preparation of the second and subsequent national communications of Parties not included in Annex I to the Convention and the dates of approval and disbursement of funds.

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<sup>1</sup> Annexes 6-A and 6-B included in this note are reproduced as received from the GEF and without formal editing.

## Annex 6-A

**Status of GEF enabling activity projects and status of second national communications  
from eligible Parties and Parties not included in Annex I to the Convention**

Party	GEF funding for self-assessment to prepare project proposals			Status of SNC project proposals			
	Date of Submission of INC	Self-assessment funds approved	Self-assessment completed	Draft submitted to IA	SNC proposal approved by IA	Date of approval by IA	Date of initial disbursement of funds
1. Albania	13-Sep-02	x	x		x	04-Feb-05	14-Apr-05
2. Algeria	30-Apr-01	x	x		x	12-Dec-05	6-Feb-06
3. Antigua & Barbuda	10-Sep-01	x	x		x	18-Apr-06	6-Jun-06
4. Argentina	25-Jul-97	x	x	x	x	18-Dec-03	10-Mar-04
5. Armenia	4-Nov-98	x	x		x	29-Jul-05	24-Sep-05
6. Azerbaijan	23-May-00	x	x		x	21-Jul-05	28-Jul-05
7. Bahamas	5-Nov-01	x	x		x	22-May-06	19-Jun-06
8. Bahrain	20-Apr-05	x	x	x			
9. Bangladesh	12-Nov-02	x					
10. Barbados	30-Oct-01	x					
11. Belize	16-Sep-02	x	x		x	24-Mar-06	2-May-06
12. Benin	21-Oct-02	x		x		Undergoing IA approval	
13. Bhutan	13-Nov-00	x					
14. Bolivia	16-Nov-00	x	x		x	10-Jun-05	09-Aug-05
15. Botswana	22-Oct-01	x	x		x	23-Dec-05	03-Feb-06
16. Brazil	10-Dec-04				x	8-Nov-05	13-Dec-05
17. Burkina Faso	16-May-02	x	x		x	05-Jun-06	27-Jul-06
18. Burundi	23-Nov-01	x	x		x	22-May-06	29-Jun-06
19. Cambodia	8-Oct-02	x	x			09-May-06	24-Jun-06
20. Cameroon	31-Jan-05	*	*	*	*	*	*
21. Cape Verde	13-Nov-00	x					
22. Central African Republic	10-Jun-03	x	x	x	Prodoc sent to gov for signature		
23. Chad	29-Oct-01	x					
24. Chile	8-Feb-00	x	x		x	08-Sep-06	
25. China	10-Dec-04	x				PDF approved	
26. Colombia	18-Dec-01	x	x		x	08-Sep-06	

27. Comoros	05-Apr-03	x	x	x			
28. Congo	30-Oct-01	x	x	x	x	24-Apr-06	24-Jun-06
29. Cook Islands	30-Oct-99	x	x		x	22-Dec-05	21-Apr-06
30. Costa Rica	18-Nov-00	x	x		x	12-Apr-06	12-May-06
31. Cote d'Ivoire	02-Feb-01	x		x	x	08-Jun-05	10-Jun-05
32. Cuba	28-Sep-01	x					
33. Democratic People's Republic of Korea	07-May-04	x		x	x	25-Apr-05	04-May-05
34. Democratic Republic of Congo	21-Nov-00	x		x	x	11-Oct-05	08-Nov-05
35. Djibouti	06-Jun-02	x		x	x	08-Jun-06	12-Jun-06
36. Dominica	04-Dec-01	x	x		x	16-Feb-06	04-Apr-06
37. Dominican Republic	04-Jun-03	x	x		x	11-Nov-05	21-Nov-06
38. Ecuador	15-Nov-00	x	x		x	08-Feb-06	23-Mar-06
39. Egypt	19-Jul-99	x	x		x	07-Nov-05	16-Mar-06
40. El Salvador	10-Apr-00	x					
41. Eritrea	16-Sep-02	x	x	x		Undergoing IA approval	
42. Ethiopia	16-Oct-01	*	*	*	*	*	*
43. Fiji	18-May-06	*	*	*	*	*	*
44. Gabon	22-Dec-04	x					
45. Gambia	06-Oct-03	x	x	x			
46. Georgia	10-Aug-99	x	x		x	05-May-05	24-Jun-05
47. Ghana	02-May-01	x	x		x	10-May-06	29-Jun-06
48. Grenada	21-Nov-00	x	x		x	08-Sep-06	Recently approved
49. Guatemala	01-Feb-02	x	x	x		Undergoing IA approval	
50. Guinea	28-Oct-02	x					
51. Guinea-Bissau	01-Dec-05	x		x		Undergoing IA approval	
52. Guyana	16-May-02	x					
53. Haiti	03-Jan-02	x		x	x	29-Sep-05	06-Oct-05
54. Honduras	15-Nov-00	x	x	x	x	02-Dec-05	**
55. India	22-Jun-04	x			x	Full-size project approved by Council, awaiting receipt of final produc	

56. Indonesia	27-Oct-99	x				Undergoing IA approval	
57. Iran Islamic Republic of	31-Mar-03	x	x		x	22-Dec-05	23-Jan-06
58. Jamaica	21-Nov-00	x	x		x	21-Apr-06	7-Jul-06
59. Jordan	6-Mar-97	x	x		x	29-Dec-05	25-Jan-06
60. Kazakhstan	5-Nov-98	x	x		x	03-Mar-05	15-May-05
61. Kenya	22 Oct-02	x		x	x	26-Oct-05	18-Nov-05
62. Kiribati	30-Oct-99	x					
63. Kyrgyzstan	31-Mar-03	x	x		x	02-Jun-05	5-Jul-05
64. Lao People's Democratic Republic	02-Nov-00	x					
65. Lebanon	2-Nov-99	x	x		x	08-Jul-05	14-Mar-06
66. Lesotho	17-Apr-00	x	x		x	04-Sep-06	
67. Madagascar	22-Feb-04	x		x	x	07-Nov-05	25-Nov-05
68. Malawi	2-Dec-03	x	x		x	08-Feb-06	**
69. Malaysia	22-Aug-00	x	x		x	21-Dec-05	**
70. Maldives	05-Nov-01	*	*	*	*	*	*
71. Mali	13-Nov-00	x	x		x	08-Sep-06	
72. Malta	16-Jun-04	x					
73. Marshall Islands	24-Nov-00	x					
74. Mauritania	30-Jul-02	x		x	x	14-Jul-05	15-Aug-05
75. Mauritius	28 May-99	x	x	x			
76. Mexico	09-Dec-97				x	20-Jun-05	11-Jul-05
77. Micronesia Federated States of	04-Dec-97	x	x		x	20-Aug-06	
78. Mongolia	01-Nov-01	x	x		x	28-Aug-06	
79. Morocco	01-Nov-01				x	02-Mar-05	13-May-05
80. Mozambique	06-Jun-06	x	x		Prodoc sent to gov for signature		
81. Namibia	7-Oct-02	x	x		x	14-Dec-05	24-Jan-06
82. Nauru	30-Oct-99	x					
83. Nepal	01-Sep-04	*	*	*	*	*	*
84. Nicaragua	25-Jul-01	x	x		x	04-Feb-05	07-Mar-05
85. Niger	13-Nov-00	x	x		x	12-Dec-05	04-Jan-06
86. Nigeria	17-Nov-03	x	x		x	30-Mar-06	01-Aug-06
87. Niue	02-Oct-01	x	x		x	11-Nov-04	20-Dec-04
88. Pakistan	15-Nov-03	*	*	*	*	*	*
89. Palau	18-Jun-03	x		x	x	09-Dec-05	13-Dec-04
90. Panama	20-Jul-01	x	x		x	07-Jun-06	**

91. Papua New Guinea	27-Feb-02	x	x		x		
92. Paraguay	10-Apr-02	x	x		x	08-Dec-05	10-Mar-06
93. Peru	21-Aug-01				x	14-Jul-06	18-Jan-06
94. Philippines	19-May-00	x	x		x	18-Apr-06	02-Aug-06
95. Republic of Macedonia	25-Mar-03	x	x		x	04-Feb-05	16-Feb-05
96. Republic of Moldova	13-Nov-00	x		x	x	12-Oct-05	27-Oct-05
97. Rwanda	06-Sept-05	x	x	x	Prodoc sent to gov for signature		
98. Saint Kitts and Nevis	30-Nov-01	x					
99. Saint Lucia	30-Nov-01	x	x		x	09-Jun-06	14-Jun-06
100. Saint Vincent and the Grenadines	21-Nov-00	x	x		x	07-Jun-06	27-Jun-06
101. Samoa	30-Oct-99	x	x		x	21-Jul-05	27-Oct-05
102. Sao Tome and Principe	19-May-05	x					
103. Saudi Arabia	29-Nov-05	x					
104. Senegal	01-Dec-97	x		x	x	08-Jun-06	20-Jun-06
105. Seychelles	15-Nov-00	x	x		x	09-Jun-06	16-Jun-06
106. Solomon Islands	29-Sep-04	x					
107. South Africa	11-Dec-03		x	x	Prodoc sent to gov for signature		
108. Sri Lanka	6-Nov-00	x					
109. Sudan	7-Jun-03	x					
110. Suriname	14-Oct-96	x					
111. Swaziland	21-May-02	x				Undergoing IA approval	
112. Tajikistan	8-Oct-02	x	x		x	26-May-05	07-Jul-05
113. Thailand	13-Nov-00	x	x		x	31-May-06	**
114. Tonga	21-Jul-05					08-Sep-06	
115. Togo	20-Dec-01	x	x	x	x	08-Sep-06	
116. Trinidad and Tobago	30-Nov-01	x	x		x	06-Jun-06	**
117. Tunisia	27-Oct-01				x	08-Jun-05	25-Aug-05

118. Turkmenistan	11-Nov-00	x	x	x	x	08-Jun-06	09 Jun-06
119. Tuvalu	30-Oct-99	x					
120. Uganda	26-Oct-02	*	*	*	*	*	*
121. United Republic of Tanzania	04-Jul-03	x	x		x	21-Jul-2006	15-Aug-06
122. Uruguay	15-Oct-97				x	05-May-05	30-Aug-05
123. Uzbekistan	22-Oct-99	x		x	x	10 Feb-05	21 Feb-05
124. Vanuatu	30-Oct-99	x				22-Dec-05	24-Jul-06
125. Venezuela	13-Oct-05	*	*	*	*	*	*
126. Vietnam	02-Dec-03	x	x	x	x	07-Jun-06	19-Jun-06
127. Yemen	29-Oct-01	x	x	x		Undergoing IA approval	
128. Zambia	18-Aug-04	x					
129. Zimbabwe	25-May-98	x	x	x	x	24-Apr-06	13-Jun-06

\* Discussion ongoing between IA and Government

\*\* UNDP Country Office verifying dates of funds availability

## Annex 6-B

**GEF enabling activities and status of Parties not included in Annex I to the Convention  
that have yet to submit initial national communications**

Party	Date of ratification of the Convention	GEF funding for stocktaking activities to prepare a project proposal				Status of Initial National Communication
		Funds Approved	Self-assessment Completed	Date of IA approval	Date of initial disbursement of funds	
130. Afghanistan	19-Sep-02	x	x	Prodoc under preparation		
131. Angola	17-May-00	*	*	*	*	*
132. Bosnia and Herzegovina	07-Sep-00	x	x	08-Dec-05	27-Apr-06	
133. Liberia	05-Nov-02	x	x	31-Aug-05	31-Aug-05	
134. Libyan Arab Jamahiriya	14-Jun-99			31-Jan-02	20-Feb-02	
135. Myanmar	25-Nov-94	x	x	Prodoc sent to gov for signature		
136. Serbia and Montenegro	12-Mar-01	x		Draft		
137. Sierra Leone	22-Jun-95					
138. Syrian Arab Republic	04-Jan-96	x		20-Jul-06		**
139. Turkey		x	x	21-Jun-05	16-Aug-05	

\* Discussion ongoing between IA and Government

\*\* UNDP Country Office verifying dates of funds availability

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## **ANNEX II. VIEWS ON THE ADAPTATION FUND**

18 September 2006

ENGLISH ONLY

UNITED NATIONS FRAMEWORK CONVENTION ON CLIMATE CHANGE

**SUBSIDIARY BODY FOR IMPLEMENTATION**

**Twenty-fourth session**

**Bonn, 18–25 May 2006**

**Agenda item 6**

**Financial mechanism (Kyoto Protocol): Adaptation Fund**

## **Views on the Adaptation Fund**

### **Statements by Parties on agenda item 6**

1. Statements were made by the representatives of the Philippines on behalf of the Group of 77 and China, Austria on behalf of the European Community and its member States, Norway and Switzerland on item 6 on the agenda of the twenty-fourth session of the Subsidiary Body for Implementation.
2. In accordance with the procedure for miscellaneous documents, these statements are attached and reproduced\* in the language in which they were made and without formal editing.

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\* These statements have been electronically imported in order to make them available on electronic systems, including the World Wide Web. The secretariat has made every effort to ensure the correct reproduction of the texts as submitted.

\*\*Reissued for technical reasons.

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\* This statement was made in association with Bulgaria, Romania, The former Yugoslav Republic of Macedonia, and Bosnia and Herzegovina.

PAPER NO. 1: STATEMENT BY THE PHILIPPINES  
ON BEHALF OF THE GROUP 77 AND CHINA

We would like to put this under record and to reflect this in the minutes of the sessions.

It is the understanding of the SBI meeting that the options mentioned in the paragraph 3 of the draft conclusions as contained in document no. FCCC/SBI/2006/L.18 refers to all the options listed in page 9, paragraph 14, of the annex to this document, as follows:

The Global Environment Facility  
The Multilateral Fund of the Montreal Protocol  
The United Nations Development Programme  
The United Nations Environment Programme  
The Executive Board of the clean development mechanism

PAPER NO. 2: STATEMENT BY AUSTRIA ON BEHALF OF  
THE EUROPEAN COMMUNITY AND ITS MEMBER STATES

Mr. Chairman,

With the conclusions we have reached today, the SBI has effectively postponed the implementation of the AF. The EU is disappointed about the decision taken.

The EU's objective for SB24 was to start work on operationalizing the Adaptation Fund, through the GEF as the financial mechanism, to achieve the greatest possible effect in supporting developing countries to adapt to the adverse effects of climate change. The AF should be developed as a model of a fund based on an international levy and other sources to fund adaptation.

Following this objective, Mr. Chairman, the EU aimed at discussing the arrangements for managing the AF and to clarify aspects of its governance, scope, eligibility and operating principles.

Also, the EU wanted to demonstrate that the existing arrangements between UNFCCC and GEF are the most efficient.

The EU had hoped that, based on the submissions made by Parties and the useful workshop in Edmonton, Parties would have been able to make more progress here in Bonn in reaching agreement on the AF. The EU regrets that this was not possible.

Specifically, the EU feels we are not using our and the institutions' resources efficiently if we request information on how to operationalize the AF from institutions other than the GEF. We have obviously reiterated that the CDM Executive Board, for example, has expertise only in mitigation and is not well placed to host the AF and it is from the formal point of view not the right body to deal with Adaptation. The EU will disagree with any attempt to use Secretariat resources in this way.

Finally Mr. Chairman, the EU will work actively with other Parties to clarify questions about the AF between now and COPMOP2, in order to reach agreement at that time. The EU is looking forward to a constructive debate to make concrete progress in Nairobi, and to operationalize the Adaptation Fund as quickly as possible.

In light of the decision taken this morning on our working methods, which the EU wholeheartedly supports, I would also like to point out, that it is common practice in UN bodies to allow statements made on behalf of a group of Parties, to slightly have more time to speak.

I urge you to include this statement in the minutes.

As a last remark, on the remark of Philippines that this is the understanding of the whole SBI we can not support because the SBI would be all of us and we have some difficulties with this understanding.

PAPER NO. 3: STATEMENT BY NORWAY

We cannot accept that the G77 has spoken on behalf of the SBI.

PAPER NO. 4: STATEMENT BY SWITZERLAND

We support the statement made by the EU.

It is not our understanding that the SBI has the understanding as read by the Philippines.

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**ANNEX III. REPORT ON PROGRESS OF THE GLOBAL ENVIRONMENT FACILITY IN DEVELOPING  
CAPACITY-BUILDING PERFORMANCE INDICATORS**

**Report of the Conference of the Parties of the Stockholm  
Convention on Persistent Organic Pollutants**

**Decisions of Particular Relevance to the GEF**

**SC-2/10: Financial resources and mechanism**

*The Conference of the Parties,*

1. *Welcomes* the approval by the Council of the Global Environment Facility of the memorandum of understanding between the Conference of the Parties of the Stockholm Convention and the Council of the Global Environment Facility contained in the annex to decision SC-1/11 and takes note that the memorandum entered into effect on 10 November 2005;

2. *Requests* the Secretariat, in consultation with the Global Environment Facility, to report to the Conference at its future meetings on the effectiveness of the implementation of the memorandum of understanding between the Conference of the Parties and the Council of the Global Environment Facility;

3. *Welcomes* the report on the first review of the financial mechanism and notes its recommendations, the relevant ones of which are included, as appropriate, either in the present decision or in decision SC-2/11 on additional guidance to the financial mechanism;

4. *Decides* to include all its requests and recommendations to the Global Environment Facility in a single decision on additional guidance to the financial mechanism;

5. *Welcomes* the achievements of the Global Environment Facility in support of the Convention and notes that the report of the first review of the financial mechanism is in general appreciative of the role of the Global Environment Facility as the principal entity of the financial mechanism of the Convention;

6. *Urges* donor Parties and invites other Governments to contribute to the Global Environment Facility in order to achieve a timely and successful fourth replenishment and the resources necessary for advancing the implementation of the Convention;

**Mobilization of resources**

7. *Invites*, in accordance with paragraphs 2 and 3 of Article 13 of the Convention, the developed country Parties, other Parties and other sources, including relevant funding institutions, to provide information to the Secretariat on ways in which they can support the Convention;

8. *Requests* the Secretariat to identify other possible sources of funding and/or entities to facilitate the adequacy and sustainability of funding for activities relevant to the implementation of the Convention and to propose arrangements with those entities for consideration by the Conference of the Parties at its third meeting;

9. *Also requests* the Secretariat to prepare a report on the basis of the information to be provided pursuant to paragraphs 7 and 8 above reviewing the availability of financial resources in addition to those provided through the Global Environment Facility and ways and means of mobilizing and channelling those resources in support of the objectives of the Convention, as requested by the Conference of Plenipotentiaries in its resolution 2, for consideration by the Conference of the Parties at its third meeting;

## **Second review of the financial mechanism**

10. *Further requests* the Secretariat to prepare, on the basis of the terms of reference for the first review of the financial mechanism contained in the annex to decision SC-1/10, draft terms of reference for the second review of the financial mechanism, for consideration and possible adoption by the Conference of the Parties at its third meeting;

11. *Decides* to undertake the second review of the financial mechanism at the fourth meeting of the Conference of the Parties, scheduled to take place in 2009, in time to submit recommendations and guidance to the Council of the Global Environment Facility and to invite it to take into account such recommendations and guidance during the Global Environment Facility's fifth replenishment, in 2009;

12. *Also decides* that the second review of the financial mechanism should also include:

(a) An assessment of the Global Environment Facility principles of incremental cost and global environmental benefits as they pertain to activities relating to persistent organic pollutants in order to facilitate fulfilment of obligations under the Convention, along with lessons learned from the evaluation reports on the activities of the Global Environment Facility;

(b) An assessment of the adequacy, sustainability and predictability of the funding.

## SC-2/11: Additional guidance to the Financial Mechanism

*The Conference of the Parties,*

1. *Requests* the Global Environment Facility to continue to work with the Secretariat of the Convention to finalize Operational Programme 14 incorporating the guidance by the Conference of the Parties as soon as possible;

2. *Also requests* the Global Environment Facility to exercise any necessary flexibility in applying its criteria for access in order to ensure compatibility with the country eligibility criteria established by the Conference of the Parties in decision SC-1/9 in accordance with the specific priorities and needs of eligible countries;

3. *Further requests* the Global Environment Facility to include in its regular reports to the Conference of the Parties a more in-depth analysis of its financing, including co-financing, in its persistent organic pollutants portfolio, which includes sources, mechanisms, arrangements and trends;

4. *Invites* the Global Environment Facility to use its network in identifying other sources of finance for persistent organic pollutant activities and to continue to develop operational requirements which facilitate and guide the approach and actions of its implementing agencies and executing agencies to proactively assist in mobilizing other sources of financing for persistent organic pollutants projects from multilateral and bilateral sources and non-governmental organizations, including the private sector;

5. *Requests* the Global Environment Facility to clarify its approach to the application of the concept of incremental costs in its activities in the persistent organic pollutants focal area;

6. *Also requests* the Global Environment Facility to dedicate a section of its website on Operational Programme 14 to guidance on how to apply for funding and to finalize as soon as possible its operations manual related to the Stockholm Convention;

7. *Further requests* the Global Environment Facility to consider the guidance from the Conference of the Parties on incremental costs;

8. *Notes* that the Resource Allocation Framework of the Global Environment Facility is not currently applied to the persistent organic pollutants focal area and invites the Global Environment Facility to consult with the Convention Secretariat with regard to its future work on the Resource Allocation Framework as it relates to the Convention without prejudice to any further decision on the application of the Resource Allocation Framework to the persistent organic pollutants focal area and to report on this issue to the Conference of the Parties at its third meeting;

9. *Requests* the Global Environment Facility to work with the Convention Secretariat to determine an appropriate approach for capacity-building for developing country Parties and Parties with economies in transition in the process of effectiveness evaluation pursuant to Article 16 of the Convention;

10. *Also requests* the Global Environment Facility to inform the Conference of the Parties of the ways in which the Global Environment Facility might support the procurement of scientific equipment and the development of scientific and technical capacity necessary for specific project execution in developing countries and countries with economies in transition necessary to fulfil their obligations under the Convention.

SC-2/12: Terms of reference for work on modalities on the needs assessment for Parties that are developing countries or Parties with economies in transition to implement the provisions of the Convention over the period 2006–2010

*The Conference of the Parties,*

1. *Adopts* the terms of reference set forth in the annex to the present decision for work on modalities on the needs assessment for Parties that are developing countries or Parties with economies in transition to implement the provisions of the Convention over the period 2006–2010;
2. *Requests the* Secretariat to make the necessary arrangements to initiate the preliminary assessment of funding needs;
3. *Invites* the Parties, other Governments, the principal entity of the financial mechanism, other financial institutions, intergovernmental organizations, non-governmental organizations, including the private sector, and secretariats of other multilateral environmental agreements to provide to the Secretariat by 31 December 2006 the information needed for the work on preliminary assessment of funding needs for developing country Parties and Parties with economies in transition to implement the provisions of the Convention over the period 2006–2010;
4. *Requests* the Secretariat to provide the report of the preliminary assessment of funding needs for consideration by the Conference of the Parties at its third meeting;
5. *Invites* Parties and other Governments, on the basis of the above-mentioned terms of reference, to submit to the Secretariat by 31 October 2006 views on the further elaboration of the terms of reference for work on assessment of funding needs for Parties that are developing countries or Parties with economies in transition to implement the provisions of the Convention over the period 2006–2010;
6. *Requests* the Secretariat to prepare revised draft terms of reference taking into account the experience and lessons learned from conducting the preliminary assessment of funding needs as well as the views submitted under paragraph 5 of the present decision for consideration by the Conference of the Parties at its third meeting.

**Annex to decision SC-2/12**

**Terms of reference for work on modalities on the needs assessment for Parties that are developing countries or countries with economies in transition to implement the provisions of the Convention over the Period 2006–2010**

**Objectives**

1. The objectives of the work to be carried out under the present terms of reference are:
  - (a) To enable the Conference of the Parties to provide at regular intervals, to the principal entity entrusted with the operations of the financial mechanism and to other entities should they be so entrusted, assessments of the total funding needed by Parties eligible for assistance from the financial mechanism to facilitate their effective implementation of the Convention;
  - (b) To provide the principal entity with a framework and modalities for the determination in a predictable and identifiable manner of the funding necessary and available for the implementation of this Convention by Parties eligible for its assistance.

## **Execution**

2. The work will be facilitated and coordinated by the Secretariat in two stages, as follows:

(a) The development of a preliminary assessment of funding needs based on currently available information to provide, for consideration by the Conference of the Parties at its third meeting:

- (i) Initial funding needs to the principal entity entrusted with the operation of the financial mechanism, as well as;
- (ii) A framework and methodology for the further development of the modalities for regular funding needs assessments;

(b) The development of a full needs assessment based on the methodology and experience gained from the preliminary assessment of funding needs, for consideration by the Conference of the Parties at its fourth meeting.

3. In developing the preliminary assessment of funding needs, the Secretariat will facilitate and coordinate:

(a) The compilation and analysis of the needs identified in the implementation plans submitted by Parties pursuant to paragraph (b) of Article 7 of the Convention;

(b) The review of reports submitted by Parties pursuant to Article 15 of the Convention to identify funding needs in fulfilment of their obligations under the Convention; and

(c) The compilation and analysis of such funding needs identified in any supplementary information provided by the principal entity of the financial mechanism, other international financial institutions, intergovernmental and nongovernmental organizations, including the private sector, and secretariats of other multilateral environmental agreements.

## **Sources of information**

4. In developing the preliminary assessment of funding needs, the work will draw primarily upon information provided in the implementation plans and reports submitted by Parties pursuant to paragraph (b) of Article 7 and Article 15 of the Convention;

5. Relevant supplementary information will be drawn from the Secretariat, Parties, entities of the financial mechanism, other international financial institutions, intergovernmental and nongovernmental organizations including the private sector and secretariats of other multilateral environmental agreements, where available, such as:

(a) The Global Environment Facility, as the principal entity entrusted with the operations of the financial mechanism on an interim basis, is invited to provide information gathered through its operations relevant to assistance needs in eligible Parties;

(b) Other international financial institutions that provide bilateral or multilateral financial or technical assistance pursuant to paragraph 6 of Article 13 of the Convention are invited to provide information on such assistance, including the levels of such assistance;

(c) Intergovernmental and nongovernmental organizations are invited to provide information relating to the needs assessment;

(d) Secretariats of other multilateral environmental agreements are invited to provide information relevant to modalities for conducting similar needs assessments in connection with their agreements;

(e) Parties are invited to provide any other information on their experiences in implementing the Convention;

(f) Observers are invited to provide information relevant to the needs assessment.

## **Scope**

6. The preliminary funding needs assessment should be comprehensive and primarily directed toward assessing total funding needs with a view to identifying in full needs assessments and baseline and incremental funding needs in order for all Parties to fulfil their obligations under the Convention.

## **Process**

7. The information identified above should be provided to the Secretariat by 31 December 2006. The timing of any future updating of this information will be decided by the Conference of the Parties.

8. Based on the information it receives, the Secretariat will provide the preliminary assessment of funding needs of developing country Parties and Parties with economies in transition for consideration by the Conference of the Parties at its third meeting.

**ANNEX IV. CAPE TOWN STATEMENT  
CONSENSUS OF THE FORUM FOR SUSTAINABLE LAND AND WATER MANAGEMENT AT THE  
THIRD GEF ASSEMBLY**

**CAPE TOWN STATEMENT**

**CONSENSUS OF THE  
FORUM FOR SUSTAINABLE LAND AND WATER MANAGEMENT  
AT THE THIRD GEF ASSEMBLY  
CAPE TOWN, SOUTH AFRICA  
AUGUST 28, 2006**

The GEF Forum on Sustainable Land and Water Management, held during the Third GEF Assembly in Cape Town, South Africa consisted of three symposia and a high-level round table attended by 250 participants including six African ministers and heads of multilateral agencies. The following statement was agreed by the Forum participants for submission to the Third GEF Assembly;

1. Ever-increasing demands on the land from global economic growth, burgeoning cities and rural people are driving unprecedented land use change. Land use change is often driving soil erosion, water scarcity and salinity, nutrient overdraft, pollution and forest loss - undermining the ecosystems that support our habitat, economy and society. Land degradation is not just a collection of local difficulties; it is a global issue responsible for climate change, loss of biodiversity, rural poverty, and the flight of people to cities and across borders.

Extreme land degradation and extreme poverty join forces in drylands where the vagaries of climate are often exacerbated by unsustainable land management.

2. It is proven that land degradation can be reversed but effective technologies are yet to be translated into effective policies, and the resources applied are not even of the same order of magnitude as the scale of the problem.
3. The mandate of the Global Environment Facility (GEF) is to protect the global life support system on which all life depends. Land degradation, part of this mandate, is an environment issue and, at the same time, a development issue. Sustainable land management is essential to both combat degradation of ecosystems and to raise human well-being.
4. The GEF has provided a new impetus to efforts to combat land degradation through its many linkage projects and its Operational Program 15 (OP#15) on Sustainable Land Management (SLM) through investments, capacity

building, projects, and framework processes such as Country Pilot Partnerships (CPP) and TerrAfrica. SLM is being carried into national development programs and donor cooperation frameworks by GEF's collaboration with the UN Convention to Combat Desertification (UNCCD) and the Global Mechanism; these initiatives are beginning to make a difference and need to be continued and expanded.

5. A critical aspect of OP#15 is the integration of land, water, biodiversity and societal issues. This enables responses to problems affecting whole ecosystems and economies, through coordinated land use planning and resource management. Integrated land and water management is important everywhere but critical in drylands - to conserve biodiversity, moderate climatic fluctuations and change, and enhance productivity.
6. SLM involves a combination of scientific knowledge, local knowledge and know-how, innovation, and community-driven action. New capacity for knowledge management and exchange plays a key role; transparent knowledge-sharing and feedback are important GEF principles.
7. GEF is encouraged to test implementation of the concept of integrated land and water resources management by working with countries to:
  - a. Define problem/opportunity areas in the context of ecosystems or drainage basins;
  - b. Create community-based approaches to improved natural resources management;
  - c. Identify and pursue activities that will yield global benefits.
8. GEF, as a coordinating agent, should take the lead to develop a policy and administrative framework within which various sectoral, national and district organizations can contribute to such integrated approaches as SLM.
9. In view of the critical state and trend of land degradation, GEF and its partner agencies are urged to focus on activities that will result in a significant reduction in land degradation and its damage to ecosystem services and to the poor. Every effort should be made to increase the resources devoted at national and international levels, and to improve their effectiveness where the need is greatest – in particular in Africa.

At a minimum, the Forum background paper on Resource Mobilization recommends an additional 10 – 15 percent annual increase in resources for the next ten years by countries and donor agencies.