



# Global Environment Facility

GEF/C.15/8  
April 8, 2000

---

GEF Council  
May 9-11, 2000  
Agenda Item 12

## RELATIONS WITH CONVENTIONS

### ***Recommended Council Decision***

The Council takes note of the developments of relevance to the GEF within the various international global agreements, and invites GEF eligible countries, the Implementing Agencies and the Secretariat to continue to develop country-driven projects consistent with the policies and program priorities identified in the guidance from the Conferences of the Parties to the Convention on Biological Diversity and the UN Framework Convention on Climate Change.

The Council welcomes the adoption of the Cartagena Protocol on Biosafety, including Article 28 of the Protocol which provides that “the financial mechanism established in Article 21 of the Convention shall, through the institutional structure entrusted with its operation, be the financial mechanism for this Protocol.” The Council requests the Secretariat, in consultation with the Implementing Agencies and the Secretariat of the Convention on Biological Diversity, to inform the Council at its next meeting of its initial strategy for assisting countries to prepare for the entry into force of the protocol. The Council also requests UNDP and the GEF Secretariat to take into account the provisions of the Cartagena Protocol in the on-going work of the Capacity Development Initiative.

The Council welcomes the efforts of the GEF Secretariat and the Implementing Agencies to simplify their procedures in making available to interested countries increased resources under the expedited enabling activities to address priority issues of capacity building. The Council also endorses the approach proposed for financing second national communications to the UN Framework Convention on Climate Change pursuant to the decisions of the Conference of the Parties.

The Council requests the CEO to continue to observe the negotiations of an international legally binding instrument for implementing international action on certain organic pollutants and to provide information to delegations negotiating the agreement on the assistance that may be available through the GEF to assist parties in implementing the provisions of the agreement.

## **INTRODUCTION**

1. This document reports on developments of interest to the GEF within the context of the Convention on Biological Diversity and the UN Framework Convention on Climate Change that have occurred since the GEF Council meeting in December 1999. The document also includes information on developments in the UN Convention to Combat Desertification and negotiations concerning certain organic pollutants that might be of interest to the Council.

## **CONVENTION ON BIOLOGICAL DIVERSITY**

*Fifth Meeting of the Subsidiary Body of Scientific, Technical and Technological Advice (SBSTTA) of the Convention on Biological Diversity, Montreal, Canada, January 31 – February 4, 2000*

2. The fifth meeting of the Subsidiary Body on Scientific, Technical and Technological Advice (SBSTTA) was held in Montreal from January 31 to February 4, 2000. The agenda of the meeting included:

- (a) Reports on cooperation with other bodies, the pilot phase of the clearing-house mechanism, the Global Taxonomy Initiative, alien species, inland water biological diversity, marine and coastal biological diversity, and forest biodiversity;
- (b) Under priority issues:
  - (i) two thematic areas: dry and sub-humid lands, and agrobiodiversity;
  - (ii) three cross-cutting issues: ecosystem approach, sustainable use, and indicators; and
  - (iii) two institutional issues: guidelines for the second national reports and ad hoc technical expert groups.

3. Below are highlights of some of the SBSTTA recommendations of particular relevance to the GEF.

### *Recommendation V/2. Pilot Phase of the Clearing-house Mechanism*

4. The fourth meeting of the Conference of the Parties to the Convention on Biological Diversity requested the GEF

“to evaluate at the end of the clearing-house mechanism pilot phase the experience of the GEF’s support for developing countries’ activities, to consider additional efforts to meet the increasing interest in taking part in and having access to the

clearing-house mechanism, including in regional networking, and to report to the Executive Secretary prior to the next meeting of the SBSTTA.”<sup>1</sup>

5. The Secretariat, in consultation with the Implementing Agencies and the Convention Secretariat, submitted a report on its experience in supporting developing countries with regard to the Clearing House Mechanism. A copy of this report will be made available to the Council at its meeting in May 2000.

6. The SBSTTA recommended that the Conference of the Parties endorse the immediate implementation of a strategic plan for the clearing-house mechanism and a longer term program of work for the clearing-house mechanism, and recommend to Parties and Governments priorities for the biennium 2001-2002.

*Recommendation V/3. Review of the Global Taxonomy Initiative*

7. The SBSTTA recommended that the Conference of the Parties establish a Global Taxonomy Initiative coordination mechanism to assist the Executive Secretary of the Convention to facilitate international cooperation and coordinate activities under the Global Taxonomy Initiative. The coordination mechanism is to include representatives from key taxonomic institutions and initiatives, the International Council of Scientific Unions, the Global Biodiversity Information Facility, the Food and Agriculture Organization of the United Nations, the United Nations Environment Programme, and the United Nations Educational, Scientific and Cultural Organization.

8. The SBSTTA recommended that the Conference of the Parties request the Executive Secretary of the Convention to draft a work program for the Global Taxonomy Initiative, as a component of the Convention’s strategic plan.

9. The SBSTTA further recommended that the Conference of the Parties urge Parties, Governments and relevant organizations to undertake assessments of national taxonomic capacity to identify taxonomic impediments and needs, and building of taxonomic capacity in particular in developing countries.

10. At their fourth meeting, the Parties acknowledged the work already under way by the financial mechanism concerning taxonomy, and requested the GEF to report on these experiences at the fifth meeting of the Conference of the Parties.<sup>2</sup> Information on GEF activities concerning taxonomy has been included in the Report of the GEF to the fifth meeting of the Conference of the Parties (see paragraphs 14 and 15). In addition, the GEF will be arranging a workshop on information management and taxonomy during the Conference of the Parties.

---

<sup>1</sup> Decision IV/2, *Review of the Operations of the Clearing-house Mechanism*, paragraph 9(d).

<sup>2</sup> Decision IV/1, *Report and Recommendations of the third meeting of the Subsidiary Body on Scientific, Technical and Technological Advice, and Instructions by the Conference of the Parties to the Subsidiary Body on Scientific, Technical and Technological Advice*, paragraph D.1.

**Recommendation V/4. *Alien species: guiding principles for the prevention, introduction and mitigation of impacts***

11. Among other things, the SBSTTA recommended that the Conference of the Parties urge Parties, Governments and relevant bodies to give priority to the implementation of alien invasive species strategies and action plans, as soon as they are developed.

**Recommendation V/5 *Inland water biological diversity***

12. Among other things, the SBSTTA recommended that the Conference of the Parties invite the Global International Waters Assessment, financed by the GEF, to contribute to the assessment of inland water biological diversity and to fully integrate a biological diversity component in its methodology protocol.

**Recommendation V/6. *Marine and coastal biological diversity: implementation tools for the program of work and analysis of coral bleaching***

13. The SBSTTA recommended that the Conference of the Parties urge Parties, Governments and other bodies to implement response measures to the phenomenon of coral bleaching, and consider the need for arrangements to make resources available to support the implementation of specific actions identified in this recommendation.

**Recommendation V/8. *Biological diversity of dryland, Mediterranean, arid, semi-arid, grassland and savannah ecosystems; options for the development of a program of work***

14. The SBSTTA recommended that the Conference of the Parties establish a program of work on the biological diversity of dryland, Mediterranean, arid, semi-arid, grassland, and savannah ecosystems, bearing in mind the close linkages between poverty and loss of biological diversity in these areas, and endorsed a first phase of the program of work.

15. The SBSTTA also recommended that the Conference of the Parties consider the need to provide the necessary financial support, in accordance with Articles 20 and 21<sup>3</sup> of the Convention, for activities required for the implementation of the program of work and for capacity building.

**Recommendation V/9. *Agricultural biological diversity; assessment of ongoing activities and priorities for a program of work.***

16. The SBSTTA recommended that the Conference of the Parties endorse the draft program of work on agricultural biodiversity and consider the need for arrangements to provide financial

---

<sup>3</sup> Article 20 concerns Financial Resources. Article 21 concerns the Financial Mechanism.

support, in accordance with Article 21 of the Convention<sup>4</sup>, for activities and capacity building for the implementation of the program of work.

17. The Council has before it, for approval at its meeting in May 2000, proposed elements for an operational program on agricultural biological diversity. The proposed elements take into account earlier decisions of the COP. The Secretariat undertook to consult widely with interested parties on the proposed elements during the SBSTTA meeting. STAP also organized a brainstorming session on agricultural biodiversity with the aim of contributing to the draft operational program.

*Recommendation V/10. Ecosystem approach: further conceptual elaboration*

18. The SBSTTA recommended that the Conference of the Parties call upon Parties, other Governments, and international organizations to apply the ecosystem approach, in line with the principles and guidance contained in this recommendation. The SBSTTA also called for the identification of case-studies and the implementation of pilot projects. Furthermore, the SBSTTA called upon the Conference of the Parties to address the need for support for capacity building to implement the ecosystem approach.

19. The GEF already has considerable experience in addressing the principles of the ecosystem approach in actual projects, and could contribute constructively to the ongoing discussion and guidance being generated by SBSTTA to COP. In this context, the GEF Secretariat, in collaboration with the Implementing Agencies, is preparing a number of case studies on how the GEF has applied the ecosystem approach.

*Recommendation V/11. Development of indicators of biological diversity*

20. The SBSTTA recommended that the Conference of the Parties request the Executive Secretary to carry out activities in the work program on biodiversity indicators, and to develop a set of principles for designing national-level monitoring programs and indicators together with a key set of standard questions and a list of available and potential indicators.

21. The SBSTTA also recommended that the Conference of the Parties invite Parties, Governments and organizations to assist other countries (particularly developing countries) to increase their capacity of developing countries to develop and use indicators through actions such as provision of training, assisting in the development of national networks, and sharing of experiences between and among countries, regional and organizations involved in the development and use of indicators.

---

<sup>4</sup> Article 21 concerns the Financial Mechanism

*Recommendation V/12. Sustainable use of the components of biological diversity: identification of sectoral activities that could adopt biodiversity-friendly practices and technologies*

22. Among other things, the SBSTTA recommended that the Conference of the Parties invite Parties, Governments and organizations to assist other Parties to increase their capacity to implement the sustainable use objective at regional, national and local levels through actions such as workshops, assistance to Parties in the identification of sectors where priority action is required, assistance to Parties in the development of appropriate action plans, and information dissemination and appropriate technology transfer under mutually agreed terms.

*Recommendation V/13. Establishment of guidelines for the second national reports, including indicators and incentive measures*

23. In this recommendation, the SBSTTA noted the interim assessment of biodiversity enabling activities prepared by the GEF.

24. With regard to future reporting, the SBSTTA recommended that the COP approve guidelines for national reports which allow for Parties to report on the implementation of all actions for national implementation called for under the Articles of the Convention or decisions of the COP. It recommended that such reports be submitted every four years.

25. The SBSTTA also recommended that Parties be invited to prepare detailed thematic reports on one or more of the items for in-depth consideration by meetings of the Conference of the Parties.

*Biosafety Protocol*

26. At the resumed session of the first Extraordinary Meeting of the Conference of the Parties to the Convention on Biological Diversity held in Montreal from January 24 to 28, 2000, ministers and senior officials from over 130 governments finalized the Cartagena Protocol on Biosafety, a legally binding agreement for protecting the environment from risks posed by the transboundary movement of living modified organisms (LMOs) created by modern biotechnology.

27. The meeting was attended by over 700 delegates from governments as well as from intergovernmental and non-governmental organizations. The agreed text of the Biosafety Protocol will be opened for signature at United Nations Office at Nairobi from 15 - 26 May, on the occasion of the fifth meeting of the Conference of the Parties to the Convention on Biological Diversity (COP 5). The Protocol will enter into force for its members after 50 countries have ratified it.

28. Under the Cartagena Protocol on Biosafety, governments will indicate whether or not they are willing to accept imports of agricultural commodities that include LMOs by communicating their decision to the world community via an Internet-based Biosafety Clearing House. In

addition, shipments of these commodities are to clearly identify that they “may contain” LMOs and are not intended for intentional introduction into the environment.

29. Stricter advanced informed agreement procedures will apply to seeds, live fish, and other LMOs that are to be intentionally introduced into the environment. In these cases, the exporter must provide specific information to each importing country in advance of the first shipment, and the importer must then authorize the shipment. The aim is to ensure that recipient countries have both the opportunity and the capacity to assess risks involving the products of modern biotechnology as well as to take measures to regulate, manage and control the risks identified.

#### *GEF’s role in the Biosafety Protocol*

30. Another issue addressed in the Protocol is the concern that many developing countries lack the technical, financial, institutional, and human resources to address biosafety. They need greater capacity for assessing and managing risks, establishing adequate information systems, and developing expert human resources in biotechnology. In particular, Article 22 of the Protocol, entitled “Capacity Building”, calls for cooperation “in the development and/or strengthening of human resources and institutional capacities in biosafety, including biotechnology to the extent that it is required for biosafety, for the purpose of the effective implementation of this Protocol” including “scientific and technical training in the proper and safe management of biotechnology, and in the use of risk assessment and risk management for biosafety, and the enhancement of technological and institutional capacities in biosafety.”

31. Article 28 of the Protocol provides that “the financial mechanism established in Article 21 of the Convention shall, through the institutional structure entrusted with its operation, be the financial mechanism for this Protocol.” Furthermore, the protocol notes that in providing guidance to the financial mechanism, account should be taken of the need for financial resources to address the needs of the developing country Parties, in particular the least developed and the small island developing States among them, and of the Parties with economies in transition, in their efforts to identify and implement their capacity-building requirements for the purposes of the implementation of the Protocol.

32. It will be recalled that a GEF financed pilot project on biosafety has recently been completed by UNEP. The objective of this project was to assess the types of needs that recipient countries might have in this area, and the level and range of financial support for activities to address those needs, in order to enable the GEF to put together an appropriate program in the area of biosafety. The project had a country level component in 18 representative countries around the world, and a global/ regional component for consultations. The results of the project are currently under evaluation by UNEP and the Steering Committee of the project. Based on the final report on the project (expected shortly), a proposal will be prepared for Council review on how to finance activities to assist countries to meet their capacity building needs. In this regard, the GEF will also take the opportunity to consult further with the parties when the Intergovernmental Committee on the Cartagena Protocol meets later this year.

*Meeting of the Ad-hoc intersessional open-ended working group to address the implementation of Article 8(j) and related provisions of the Convention on Biological Diversity.*

33. At its fourth meeting, held in Bratislava, Slovakia, in May 1998, the Conference of the Parties (COP) agreed to establish an ad-hoc intersessional open-ended working group to address the implementation of Article 8(j) and related provisions of the Convention on Biological Diversity.

34. The first meeting of this work took place in Seville, Spain, from March 27-31, 2000. The mandate of the working group is:

- (a) to provide advice on the application and development of legal and other appropriate forms of protection of the knowledge, innovation, and practices of local and indigenous communities;
- (b) to provide the Conference of the Parties with advice relating to the implementation of Article 8(j) and related provisions, in particular on the development and implementation of a program of work and national and international levels;
- (c) to develop a program of work;
- (d) to identify objectives and activities falling within the scope of the CBD and recommend priorities, opportunities for collaboration and implementation; and
- (e) to advise the Conference of the Parties on measures to strengthen cooperation at the international levels among indigenous and local communities.

35. The meeting brought together more than 400 individuals from Parties and non-party countries, indigenous and local community representatives, UN and other international agencies, and national/international NGOs and academic institutions.

36. The meeting recommended that the Conference of the Parties adopt a program of work on Article 8(j) and related provisions, and request Parties, Governments, the financial mechanism and other international, regional and national organizations to provide appropriate financial support for the implementation of the program of work. It also recommended that Parties, international financial institutions and the Global Environment Facility explore ways of providing necessary funding for measures to strengthen cooperation among indigenous and local communities at the international level.

37. To respond to the growing interest and demand for project support dealing with indigenous and local communities and the Convention's objectives, the GEF and the World Bank

organized an informal briefing during the above meeting. The purpose of the meeting was to exchange information and ideas so that the GEF can more effectively respond to these growing demands. The meeting highlighted existing policies, opportunities for funding, and project examples. Approximately 50 individuals attended and feedback provided will be very helpful in structuring GEF follow-up.

*Report of the GEF to the fifth meeting of the Conference of the Parties*

38. The Report of the GEF to the fifth meeting of the Conference of the Parties to the Convention on Biological Diversity was approved by the Council at its meeting in December 1999. Shortly after the Council approved the report, it was submitted to the Parties for purposes of their fifth meeting through the Convention Secretariat.

39. The GEF Secretariat and the Implementing Agencies are planning a number of workshops and consultations during the fifth meeting of the Conference of the Parties to present more detailed information and to dialogue with Parties on a number of key issues, including enabling activities, information management and taxonomy, GEF's activities concerning drylands, biosafety, and the Capacity Development Initiative.

*Biodiversity Enabling Activities: Revised Operational Criteria for Additional Funding (Expedited Procedures)*

40. It will be recalled that the operational criteria for expedited approval of enabling activities were revised in July 1997 to accommodate the additional guidance provided to the GEF by the third meeting of the Conference of the Parties to the Convention on Biological Diversity. Following further guidance from the fourth meeting of the Conference of the Parties and the additional funding under enabling activities approved by Council in May 1999, the operational criteria were further revised. In preparing the revised criteria for additional funding of biodiversity enabling activities (expedited procedures), the Secretariat and the Implementing Agencies built on the experience gained through the enabling activities and made a concerted effort to simplify procedures even further. The guidelines foresee that each country will decide its priorities and determine the proportion of available resources that it wishes to allocate to each selected activity within the envelope of funds available through the expedited procedures. It is expected that this revision will make it simpler still for eligible countries to seek additional GEF resources for priority sectors. A longer term plan of action to meet capacity building needs is to be developed under the Capacity Development Initiative approved by Council in May 1999.

*Interim Assessment of Biodiversity Enabling Activities*

41. At its December meeting, the Council reviewed document GEF/C.14/11, *An Interim Assessment of Biodiversity Enabling Activities*. The Council took note of the recommendations contained in the evaluation, and requested the Secretariat and the Implementing Agencies to take the report into consideration in future enabling activity efforts. The Council also invited the Secretariat to submit the interim assessment to the fifth session of the Conference of the Parties to the Convention on Biological Diversity pursuant to paragraph 3.2 of the Memorandum of

Understanding between the Conference of the Parties to the Convention on Biological Diversity and the Council of the Global Environment Facility. The Secretariat submitted the report to the Convention Secretariat in December with a request that it be submitted to the fifth meeting of the Conference of the Parties. The document was made available by the Executive Secretary of the Convention as an information document for the fifth meeting of the SBSTTA, and will be further used as an information document at the fifth meeting of the Conference of the Parties. In addition, the Secretariat is organizing a workshop to present the findings of the report to interested parties during the fifth meeting of the Conference of the Parties.

#### *Collaboration with the Convention Secretariat*

42. During this reporting period, close collaboration between the Secretariat of the Convention and the GEF Secretariat has continued, particularly with regard to preparations of information and documentation for the forthcoming Conference of the Parties in Nairobi. In addition, representatives of the GEF participated in all the meetings of the convention described in this section, while the Convention Secretariat contributed to the work of the GEF in the area of biodiversity and the Capacity Development Initiative

### **United Nations Framework Convention on Climate Change**

#### *Follow-up to the Fifth session of the Conference of the Parties, Bonn, October 25-November 5, 1999*

43. At the last meeting of the Council, the Executive Secretary of the United Nations Framework Convention on Climate Change reported to the Council on the results of the fifth session of the Conference of the Parties. In addition to highlighting the positive political momentum that had been evident at the meeting, he noted that new guidelines were adopted for reporting by Annex I Parties and for the technical review of their inventories. In parallel to this, a new process for the consideration and improvement of communications by non-Annex I Parties had been launched. Both these streams of work relating to national communications will be reviewed at COP 7.

44. In addition, the Conference launched assessments of capacity-building needs for non-Annex I Parties and for Annex I Parties with economies in transition, with a view to making the delivery of financial and technical support from existing sources more responsive to the evolving needs of those countries. In these decisions, the “country-driven” nature of capacity-building and of needs assessment was stressed. Parties were invited to present their needs and priorities.

45. With regard to the GEF, some decisions of the fifth session reiterated concerns of the Parties and reaffirmed guidance to the GEF, for example with regard to support for activities related to vulnerability assessment and adaptation processes, continuity in support for enabling activities and second national communications. The guidelines to be used for second communications were specified.

46. The new process on non-Annex I communications launched a consultative group of experts and associated regional workshops that are, among other things, to seek to review and improve support for the preparation of these communications.

47. The decision on capacity building in developing countries recognized the important role of the GEF in this area. It invited the Secretariat to prepare document for further consideration by the subsidiary bodies in close coordination with, and seeking the assistance of, the GEF and other relevant organizations. The decision also expressed the interest of the Parties in further information on the GEF review of its enabling activities, on its Country Dialogue Workshops and on its Capacity Development Initiative.

*Climate Change Enabling Activities: Revised Operational Criteria*

48. Following the decisions of the fourth session of the Conference of the Parties to the UNFCCC and the additional funding for expedited enabling activities approved by Council in May 1999, the operational guidelines for climate change enabling activities have been extended to allow eligible countries to address priority concerns with GEF assistance. As in the case of biodiversity, a longer term plan of action to meet capacity building needs is to be developed under the Capacity Development Initiative approved by Council in May 1999.

*Review of GEF support to initial national communications from Non-Annex I Parties*

49. At the request of the Council, the Monitoring and Evaluation team of the Secretariat, initiated a review of climate change enabling activities in February 2000. The terms of reference for the review were developed in consultation with the three Implementing Agencies. The review is being undertaken by a team consisting of an international consultant (team leader) and an inter-agency task force comprising staff from the UNDP, UNEP, the World Bank, and the GEF Secretariat. Terms of Reference for the Review are set forth in the Annex A to this paper.

50. The task force proposes to collect information from a variety of sources as outlined in paragraph 12 of the terms of reference. Visits to selected countries and preparation of country and regional case studies form the backbone of the review. The GEF review team will be complemented by country consultants during country visits; and country and regional case studies will be prepared by country/regional consultants respectively. Based on the selection criteria described in paragraph 16 of the terms of reference, the following countries have been selected:

*Country Visits:*

51. Armenia, Azerbaijan, Bolivia, Brazil, Cameroon, Lebanon, Lesotho, Mali, Philippines, South Africa, Vietnam, Zambia.

*Country Case Studies:*

52. China, Egypt, Honduras, India, Malaysia.

*Regional Case Studies:*

53. Countries in the Caribbean which have received GEF-support under the Caribbean: Planning for Adaptation to Climate Change (CPACC) Project.

54. Countries in the South Pacific which have received GEF-support under the Pacific Islands Climate Change Assistance Project (PICCAP).

*Progress to date*

55. The country visits and country and regional case studies are currently underway. The visits to all the 12 countries are expected to be completed by end-April. The country and regional case studies are expected to be completed by end-May. A report on progress will be presented to the UNFCCC Subsidiary Body for Implementation (SBI) meeting in June 2000.

56. The task force will submit its report to the GEF Council for discussion during its November 2000 meeting. The Council will be invited to agree to forwarding the report to the sixth session of the Conference of the Parties to the UN Framework Convention on Climate Change in November.

*GEF response to guidance concerning second national communications*

57. At its last Council meeting, the Council requested the Secretariat to circulate to the Council, for its comment, the proposal of the Secretariat and the Implementing Agencies concerning the implementation of the decision of the fifth session of the Conference of the Parties concerning second national communications of non-Annex I Parties. The proposed approach allows full flexibility to countries to address their priority concerns in accordance with the guidance and decisions of the Conference of the Parties, and makes both expedited and regular GEF funding available for the purpose. Details are contained in Annex B of this document.

*Collaboration with Convention Secretariat*

58. In the period since the last GEF Council, the GEF Secretariat has continued to collaborate closely with UNFCCC Secretariat, including through exchange of information and reciprocal attendance at meetings. The two Secretariats have consulted, in particular, with regard to the Capacity Development Initiative, and the GEF CEO and Chairman is scheduled to meet with the Executive Secretary of the Convention in April to review their collaboration in this area.

**Vienna Convention and the Montreal Protocol**

*11th Meeting Of The Parties To The Montreal Protocol*

*5th Meeting of the Conference of the Parties to the Vienna Convention*

*27th November - 3 December 1999, Beijing, China*

59. In December 1999 the GEF Secretariat participated in the fifth meeting of the Conference of the Parties to the Vienna Convention and the eleventh Meeting of the Parties to the Montreal Protocol. The GEF representative addressed the high level segment of the conference on behalf of the GEF CEO and Chairman. The crucial role of the GEF in facilitating the phase-out of ozone depleting substances in countries with economies in transition was highlighted in presentations of various delegates representing countries of the region as well as the European Union.

60. According to official data reported under Article 7 of the Montreal Protocol, total consumption of Annex A and B substances in the countries receiving GEF support decreased from about 190,000 ODP tons in 1990 to less than 15,000 ODP tons by 1997, a reduction of more than 90%. Production has been reduced accordingly. Of the four original ODS producers among countries with economies in transition, only Russia is still sustaining a limited production capacity. The recent approval by the GEF Council of the third tranche of financing for the Russia ODS phase-out project will enable Russia to permanently close the remaining ODS production capacity by June 2000.

*Collaboration with the Ozone Secretariat and the Implementation Committee under the Non-Compliance Procedure of the Montreal Protocol*

61. Collaboration between the Ozone Secretariat, the Implementation Committee of the Montreal Protocol and the GEF Secretariat has been instrumental in fostering country commitment and promoting compliance with the Protocol. The GEF Secretariat regularly observes the meetings of the Implementation Committee and shares data on the status of GEF funded projects and of the ODS consumption in the countries with economies in transition. Information on progress of implementation according to the milestones and benchmarks agreed to by the countries provides an important basis for the recommendations of the Committee to the Meeting of the Parties. The decisions of the Parties on compliance by these countries provide the framework for GEF's operational work in the ozone focal area.

62. GEF implementing agencies are assisting countries eligible for GEF support to promptly follow-up on the decisions concerning their compliance. The GEF has played a crucial role in the phase-out process in these countries not only by providing much needed financial assistance, but also by making available technical expertise, supporting learning, and assisting in establishing suitable regulatory frameworks, including those for trade control. With GEF technical assistance countries with economies in transition have introduced various innovative policies and regulatory measures, including economic instruments and tax incentives promoting CFC phase out.

63. The following common project features were guided by the recommendations of the Implementation Committee:

- (a) creation and enhancement of domestic commitment to the environmental goals pursued, which has been furthered by ensuring country leadership in project development and implementation and by creating relevant institutional capacity;

- (b) integration of subprojects in a sectoral strategy that is itself integrated into a country-wide approach;
- (c) integration of problem-specific activities in a broader effort to develop suitable policy and regulatory frameworks; and
- (d) integration of problem-specific solutions in a comprehensive approach that considers the further environmental impacts potential solutions might have.

## **UN CONVENTION TO COMBAT DESERTIFICATION**

*Third Session of the Conference of the Parties, Recife, Brazil, November 15-26, 1999*

64. In December 1999 the GEF Secretariat participated in the Conference of the Parties in Recife where the CEO and Chairman of the GEF addressed the high level segment of the conference. Other activities included a workshop on Clarifying Linkages between Land Degradation and the GEF focal areas, a workshop on GEF activities in the area of land degradation, an exhibit on GEF activities in the area of land degradation and an interagency meeting on the GEF Africa Land and Water Initiative.

### *Collaboration between Secretariats*

65. The CCD Secretariat attended and addressed the GEF Council in December 1999 which adopted the action plan on increasing GEF support for activities land degradation. The GEF Secretariat in January 2000 had meetings with the Managing Director of the Global Mechanism of the CCD to discuss issues related to collaboration in developing field activities. The CCD Secretariat participated in the GEF STAP meetings in Barbados in February as well as taking part in the brainstorming sessions on agricultural biodiversity and SIDS. The GEF will also be attending meetings of the facilitating committee of the Global Mechanism and meetings of the Africa Land and Water Initiative in Nairobi in May. In collaboration with the Global Mechanism of the CCD the GEF has through its implementing agencies now identified several activities in Africa which will be the basis for future work on the Africa Land and Water Initiative.

**THIRD MEETING OF THE INTERNATIONAL NEGOTIATING COMMITTEE (INC) FOR AN INTERNATIONAL LEGALLY BINDING INSTRUMENT FOR IMPLEMENTING INTERNATIONAL ACTION ON CERTAIN ORGANIC POLLUTANTS**

66. The fourth session of the Intergovernmental Negotiating Committee (INC-4) met from March 20 to 25, 2000, in Bonn, Germany. Representatives from 121 countries, international organizations and non-governmental organizations participated in INC-4, and continued preparation of an international legally binding instrument for implementing international action on certain POPs grouped into three categories: 1) pesticides: aldrin, chlordane, DDT, dieldrin, endrin, heptachlor, mirex and toxaphene; 2) industrial chemicals: hexachlorobenzene (HCB) and polychlorinated biphenyls (PCBs); and 3) unintended byproducts: dioxins and furans.

67. INC-4 considered and made progress on articles concerning: national implementation plans; listing of substances; information exchange; public information, awareness and education; and research, development and monitoring. Delegates also addressed control measures and how to handle elimination language, particularly with respect to by-products. INC-4 was unable, however, to conclude full consideration of the preamble, objective and definitions, leaving these articles to INC-5.

68. Financial resources and technical assistance received a great deal of attention during the INC4 discussions. Substantial progress was achieved on matters concerning technical assistance. A draft provision on financial resources and mechanisms that is heavily bracketed and includes four alternative texts was prepared.

69. INC4 supported the proposal of the Chair to hold an intersessional meeting to consider the issue of financial resources and the financial mechanism prior to June 2000. The meeting will be limited to 19 delegates (10 from the Group of 77 and China;, Canada, Czech Republic, Denmark France, Japan; Norway, Poland, UK, and USA) and the INC Chair. The objective of the meeting will be to prepare a document that could facilitate the task of INC5 by contributing to finding a consensus among the different views.

70. The GEF and UNEP made a joint presentation on the portfolio of POPs related projects financed by the GEF. On that occasion, the note prepared for the Council entitled, *Addressing the threats of persistent toxic substances*, was distributed. (This document is before the Council as GEF/C.15/Inf.14).

## ANNEX A

### GEF Review of Climate Change Enabling Activities

#### Terms of Reference

##### BACKGROUND

1. **Enabling activities.** Enabling activities – which include preparation of inventories, compilation of information, policy analysis, and design of strategies and action plans – represent a basic building block of GEF assistance to countries. They either are a means of fulfilling essential communications requirements to a Convention, provide a basic and essential level of information to enable policy and strategic decisions to be made, or assist planning that identifies priority activities within a country. Countries thus enabled will have the ability to formulate and direct sectoral and economy-wide programs to address global environmental problems through a cost effective approach within the context of national sustainable development efforts.<sup>5</sup>
2. **Climate Change Enabling Activities.** In the context of climate change, enabling activities were defined by the Conference of the Parties (COP) to the UN Framework Convention on Climate Change (UNFCCC) as ‘[measures] such as planning and endogenous capacity building, including institutional strengthening, training, research and education, that will facilitate implementation, in accordance with the Convention, of effective response measures’.
3. The first Conference of the Parties (COP1) to the FCCC, requested the Global Environment Facility (GEF), the entity operating the financial mechanism of the UNFCCC on an interim basis, to give priority to the support of national communications:

“Priority should be given to the funding of agreed full costs (or agreed full incremental costs, as appropriate) incurred by developing country Parties in complying with their obligations under Article 12.<sup>6</sup> and other relevant commitments under the Convention. In

---

<sup>5</sup> GEF Operational Strategy, 1996, page.9

<sup>6</sup> Article 12.1 of the UN Framework Convention on Climate Change (FCCC) requires that each Party, in accordance with Article 4.1, shall communicate to the Conference of the Parties, through the Convention Secretariat, the following elements of information:

- “(a)A national inventory of anthropogenic emissions by sources and removals by sinks of all greenhouse gases not controlled by the Montreal Protocol, to the extent its capacities permit, using comparable methodologies to be promoted and agreed upon by the Conference of the Parties;
- (b)A general description of steps taken or envisaged by the Party to implement the Convention; and
- (c) Any other information that the Party considers relevant to the achievement of the objective of the Convention and suitable for inclusion in its communication, including, if feasible, material relevant for calculations of global emission trends”.

the initial period, emphasis should be placed on enabling activities undertaken by developing country Parties, such as planning and endogenous capacity-building, including institutional strengthening, training, research and education, that will facilitate implementation, in accordance with the Convention, of effective response measures<sup>7</sup>.

4. At its second meeting, the Conference of the Parties (COP2) adopted detailed guidelines<sup>8</sup> for the content of the first national communications from non-Annex-1 Parties. In its guidance to the GEF, COP2 confirmed that these guidelines and format shall form the basis for the funding of communications from non-Annex I Parties. The guidance also required the GEF to expedite the approval and disbursement of financial resources for this purpose and consider country-specific needs and other approaches which may be used for several countries with similar needs, upon request, and take into account that the preparation of national communications is a continuing process.<sup>9</sup>

5. At the Fourth Conference of Parties (COP4), guidance to the GEF emphasized the need for funding support for preparing initial and subsequent national communications “by maintaining and enhancing relevant national capacity, so as to prepare the initial and second national communications which will take into account experiences, including gaps and problems identified in previous national communications, and guidelines established by the Conference of Parties.<sup>10</sup> COP4 also decided “to ensure that issues and concerns identified by non-Annex I Parties in their initial communications are brought to the attention of the Global Environment Facility (GEF) and through it, as appropriate, its implementing agencies when undertaking the comprehensive review of enabling activities projects”<sup>11</sup>

---

<sup>7</sup> Decision 11/CP.1, item b(i) in document FCCC/CP/1995/7/Add.1, Report of the Conference of the Parties on its First Session, held at Berlin from 28 March to 7 April, 1995, Part Two: Action taken by the Conference of the Parties at its First Session.

<sup>8</sup> Decision 10/CP.2, Communications from Parties not included in Annex 1 to the Convention: guidelines, facilitation and process for consideration, in document FCCC/CP/1996/15/Add.1, Report of the Conference of the Parties on its Second Session, held at Geneva from 8 to 19 July 1996, Part Two: Action taken by the Conference of the Parties at its Second Session.

<sup>9</sup> Decision 11/CP.2, paragraphs 1(c) and (d), Guidance to the Global Environment Facility, in document FCCC/CP/1996/15/Add.1, Report of the Conference of the Parties on its Second Session, held at Geneva from 8 to 19 July 1996, Part Two: Action taken by the Conference of the Parties at its Second Session.

<sup>10</sup> Decision 2/CP.4, para 1(d) Additional guidance to the operating entity of the financial mechanism, in document FCCC/CP/1998/16/Add.1, Report of the Conference of the Parties on its Fourth Session, held at Buenos Aires from 2 to 14 November 1998, Part Two: Action taken by the Conference of Parties at its fourth session.

<sup>11</sup> Decision 12/CP.4, para 1(d), Initial National Communications from Parties not included in Annex-I of the Convention in document FCCC/CP/1998/16/Add.1, Report of the Conference of the Parties on its Fourth Session, held at Buenos Aires from 2 to 14 November 1998, Part Two: Action taken by the Conference of Parties at its fourth session.

6. **GEF Supported Enabling Activities.**<sup>12</sup> Among the enabling activities, those that are specifically related to countries' obligations to first national communications under Article 12.1 of the UNFCCC are eligible for GEF financing on the basis of "agreed full costs". The GEF has prepared operational criteria, issued in Feb 1996 and revised in Feb 1997, to guide the preparation and scheduling of support for these activities, following expedited procedures.<sup>13</sup>

## **STATUS OF THE CLIMATE CHANGE ENABLING ACTIVITIES**

7. The GEF has supported Climate Change Enabling Activities in a total of 128 countries amounting to a total GEF allocation of US\$ 72 million through:

- (a) enabling activities processed through expedited procedures in 96 countries amounting to US\$ 24 million;
- (b) enabling activities supported as full projects in 14 countries<sup>14</sup> amounting to US\$ 10 million;
- (c) 10 global/regional projects in 18 countries<sup>15</sup> amounting to US\$ 36 million; and

8. In March 1998, the GEF approved a National Communications Support Program amounting to US\$ 2 million, implemented jointly by the UNDP and UNEP. The project is geared towards enhancing the capacity of participating non-Annex 1 Parties to prepare their initial national communications to the UNFCCC. The activities of the project aim to improve the quality, comprehensiveness, and timeliness of the initial national communication from non-Annex 1 Parties to the Convention in accordance with the guidance provided by CoP-2 through the operation of a "Help" desk for climate change enabling activities, provision of additional technical assistance to countries preparing national communications and through the organization of a number of thematic and regional exchange workshops.

## **RATIONALE & SCOPE OF THE STUDY**

9. The Study of GEF's Overall Performance recommended a comprehensive review of enabling activities to "determine how successful the projects have been, analyze the reasons for those that have failed, and consider policy and programmatic responses to the problem".<sup>16</sup> The

---

<sup>12</sup> GEF Operational Strategy, 1997, page 37

<sup>13</sup> Operational Criteria for enabling activities: Climate Change, GEF/C.7/Inf.10, February 1996

Operational Criteria for Expedited Financing of Initial Communications from non-Annex-1 Parties, February 1997.

<sup>14</sup> Jordan received support both under full project and under expedited procedure.

<sup>15</sup> Note that the global/regional projects also cover some of the countries listed in categories (a) and (b)

<sup>16</sup> Study of GEF's Overall Performance, pp.57

GEF Council, endorsed this recommendation at the October 1998 meeting.<sup>17</sup> Since a sizeable number of activities have been implemented (or are underway), it would be useful to understand the effectiveness of climate change enabling activities in participating countries. In addition, the outputs from this study are expected to provide useful inputs to the Capacity Building Initiative proposed under the Strategic Partnerships (GEF/C.13/9).

10. The overall purpose of the study will be to take stock of experience with GEF-supported climate change enabling activities and to extract lessons for future enabling activities. Specifically, the study is expected to examine:

- (a) the effectiveness of the enabling activity modality;
- (b) the effectiveness and efficiency of the process -- the GEF approval process and the national execution process;
- (c) influence on broader capacity building and/or planning in countries through the process of preparation of initial communications; and
- (d) best practices from country experiences.

11. The review will cover items (a), (b), and (c) listed in paragraph 7. The National Communications Support Program will be considered in the review to examine how the program is covering gaps identified in the GEF-supported enabling activities. The specific activities to be conducted under the study are:

#### Response to guidance from the COP

- (a) Identify elements of COP guidance (from among those referenced in footnotes 3,4, and 5) to which the GEF Operational Criteria on Climate Change Enabling Activities has responded.
- (b) Assess the responsiveness of operationalization of elements of COP guidance relevant to GEF Climate Change Enabling Activities in terms of: (i) timeliness of response; and (ii) reflection of the content and spirit of the guidance.
- (c) Describe the evolution of the consultation process between the GEF Secretariat, the Implementing Agencies, and the UNFCCC Secretariat in the operationalization of Convention guidance in terms of specific milestones of consultation.

---

<sup>17</sup> Decision on Agenda Item 8, *Action Plan on Follow-up to the Overall Performance Study*, Joint Summary of the Chairs, GEF Council Meeting, October 14-16, 1998.

## Effectiveness of the Operational Criteria

- (d) Assess the appropriateness of the GEF Operational Criteria for Climate Change Enabling Activities in terms of: (i) ease of interpretation and operationalization by the Implementing Agencies and participating countries; (ii) its guidance on preparation of national communication; and (iii) applicability and flexibility to specific country needs.
- (e) Evaluate the effects of expedited procedures in terms of elapsed times for different stages of the project preparation, approval, and disbursement process.

## Portfolio Overview

- (f) Identify the status of various countries enabling activities, specifying the status of sub-components, and preparation/submission of first national communications.

## Project Design and Implementation

- (g) Compare the activities of enabling activity projects against the GEF Operational Criteria for Climate Change Enabling Activities, and carry out a preliminary evaluation of adequacy of the GEF cost norms to facilitate the completion of each of the components of the enabling activities towards meeting the objective of preparing the first national communications<sup>18</sup>.
- (h) Assess the roles played by the countries, the Implementing Agencies and the GEF Secretariat in developing the portfolio of enabling activities, and the impact of enabling activities on the GEF portfolio as a whole. Assess the GEFSEC-IA review/dialogue process and its consistency with established timelines, quality and relevance of technical comments; and the impacts on project design and implementation.
- (i) Assess the adequacy of budgets made available to the Implementing Agencies to design and implement enabling activities; assess the adequacy of project implementation time and schedule.
- (j) Examine how the enabling activities complemented existing climate change related activities in country. Specifically examine the complementarity with enabling activities supported by other external sources of financing.
- (k) Identify the sources, and assess the quality of technical assistance available to design and implement the projects, with specific reference to: (i) advice and inputs from Implementing Agencies; (ii) manuals, guidelines or other relevant materials;

---

<sup>18</sup> The comparison should be done in the context of evolution of procedures and norms of enabling activities, with reference to specific time periods when enabling activity projects were reviewed and approved.

- and (iii) consultants, with particular attention to the use of national and regional consultants.
- (l) Assess the roles, level, and mode of participation of different stakeholders (governments, NGOs, private sector, academic/research institutions, etc) in project design and implementation.
  - (m) Assess the contribution (complementary and supplementary) of the regional and global climate change enabling activity projects on country-level enabling activity projects and/or national communications. Assess possible synergies or overlaps between GEF-supported activities and bilateral programs.
  - (n) Assess whether the National Communications Support Program is providing adequate and appropriate additional assistance to countries to address identified gaps in the enabling activity project design.
  - (o) Assess the reporting and management procedures on implementation of enabling activities.
  - (p) Assess the relative merit and cost-effectiveness of capacity building through the three different approaches for enabling activities – full country projects, regional projects, projects under expedited procedures, as referenced in paragraph 7.

### Project Results

- (q) In countries where implementation has been underway for a significant amount of time:
  - (i) assess, if possible, whether the contributions of enabling activities are progressing towards meeting objectives set forth in the project design, including preparation and submission of initial communications.
  - (ii) assess the early results and sustainability of capacity building activities --- improvements to national institutional arrangements, training, data gathering and research, education, enhancement of human resources, and consideration in planning of response measures in accordance with the Convention, and other issues, such as capacity to improve and prepare inventories --- included in the enabling activity projects.
  - (iii) assess additional benefits, if any, that have resulted from enabling activities.

## Best Practices

- (r) Describe remedial actions taken by Implementing Agencies to early problems identified with the design and implementation of enabling activities.
- (s) Identify the best practices and lessons learned in the design and implementation of enabling activities.

## Recommendations

- (t) Recommend broadly what modifications, if any, should be undertaken in the future to respond to future guidance from the Conference of the Parties regarding national communications.
- (u) Recommend possible improvements in design, budgeting, appraisal and approval procedures, stakeholder participation and other relevant elements of enabling activities.

## **METHODOLOGY**

12. The proposed methodology for the study will cover the following broad areas:
- (a) Review of relevant documentation at the GEF Secretariat, United Nations Development Programme, United Nations Environment Programme, the World Bank, and the UNFCCC Secretariat.
  - (b) Visits to the Implementing Agencies and discussions with GEF regional coordinators and task managers of enabling activities.
  - (c) Consultation with relevant stakeholders such as the UNFCCC Secretariat, other relevant bilateral and multilateral agencies, international, regional and local NGOs, including academic institutions.
  - (d) Views expressed by the Parties through the Convention process.<sup>19</sup>
  - (e) Preparation of regional overviews (case studies) by consultants, focusing on regional groups of countries which may have undertaken a common approach to enabling activities.
  - (f) Preparation of country case studies on selected countries by local consultants.

---

<sup>19</sup> FCCC/SBI/1999/INF.3, National Communication from Parties not included in Annex I to the Convention; Provision of Technical and Financial Support,  
FCCC/SBI/1999/MISC.2, National Communication from Parties not included in Annex I to the Convention, Preparation for Review of Enabling Activities, Views of Parties with regard to the review of the Global Environmental Facility enabling activities.

- (g) Country visits by study team members.
- (h) Questionnaires to countries (to be carried out together with ongoing work under the National Communications Support Programme).

#### **STUDY TEAM**

13. The study will be carried out by a team comprising of members from the implementing agencies, the GEF Secretariat, the GEF Monitoring and Evaluation Unit, an international consultant, and local in-country consultants. The identified members of the study team are as follows:

- (a) Mr. Samir Amous, team leader/international consultant.
- (b) Ms. Bo Lim, Mr. Richard Hosier, and other members of the UNDP-GEF climate change team (with Mr. Martin Krause) UNDP
- (c) Mr. Ravi Sharma, UNEP
- (d) Mr. Mahesh Sharma, World Bank
- (e) Mr. Avani Vaish, GEF Secretariat
- (f) Messrs. Jarle Harstad, Ramesh Ramankutty, GEF Monitoring and Evaluation Team.
- (g) Local consultants (to be identified depending on countries for case studies and field visits

14. The team will participate in all stages of the study, including developing detailed plan and methodology for the study and participate in initial synthesis discussions on finding and conclusions following country visits. Local consultants will participate in the team visits to countries and preparation of selected country case studies.

15. The team leader (with inputs from the team) will prepare an Inception Report, which will contain an overview of the data sources, plans on how to address the various issues, outlines of questionnaires or structured interview guides, a list of countries proposed for case studies and country visits, as well as a schedule for the execution of the study.

#### **COUNTRY SELECTION CRITERIA**

16. The team members will visit a selected number of countries. The countries will be selected to broadly represent the following factors

- (a) projects approved under expedited procedures/projects that were approved under normal GEF procedures;
- (b) projects that are close to completion/projects that are in early stages of implementation;
- (c) Large/small projects.
- (d) Large/small countries/island nations.
- (e) Countries with low emissions and high vulnerability/countries with high emissions and low vulnerability.
- (f) Geographical balance.
- (g) Implementing Agency representation

## **OUTPUT**

2. The team leader will be responsible for preparing the first draft of the report, based on country visit reports and on inputs provided by the team members.<sup>20</sup> Based on feedback received, a second draft will be prepared for management review at the GEF Secretariat and the Implementing Agencies. Following management review, a third draft will be prepared and forwarded to countries covered under visits and case studies for their comments. Based on feedback, the final report will be prepared for submission to the GEF Council. The final report will consist of 30-50 pages plus appendices, including, inter-alia, a list of all interviewees and data sources.

## **PROPOSED SCHEDULE**

1. Identification of independent consultant	Jan 04, 2000
2. Finalization of Terms of Reference for review	Feb 7, 2000
3. Finalization of countries for visits and case studies	Feb 7, 2000
3. Team Meeting to go over TOR and finalize methodology	Feb 7, 2000
4. Consultation with Implementing Agencies, GEF Secretariat, UNFCCC Secretariat and Desk Review	Feb 2000
5. Inception Report	Feb 25, 2000
6. Country Visits and Country Case Studies	Mar – April ,2000
7. First Draft Report – to team for review	June 15, 2000
8. Second Draft Report – for GEFSEC-IA management review	July 15, 2000
9. Third Draft Report – for country comments	August 15, 2000
10. Final Report	Sept 31, 2000
11. Desktopping and Publishing	Oct 1, 2000

---

<sup>20</sup> Team members will be requested to provide specific inputs.

## ANNEX B

### **Financing of Second National Communications to the UN Framework Convention on Climate Change**

1. At its meeting in December 1999, the GEF Council requested the Secretariat to circulate to the Council for comment a proposal, prepared in collaboration with the Implementing Agencies and in consultation with the Secretariat of the United Nations Framework Convention on Climate Change (UNFCCC), as to how the GEF will respond to the guidance of the Conference of the Parties to the UNFCCC concerning second national communications of non-Annex I Parties. This note presents the GEF proposal for financing second national communications of non-Annex I Parties.

2. Decision 8/CP.5 of the fifth session of the Conference of the Parties provided:

“1. (c) That a process of reviewing the guidelines for the preparation of national communications shall be initiated with the aim of improving them by the seventh session of the Conference of the Parties, taking into account information on the use of the guidelines contained in the compilation and synthesis report comprising a representative and meaningful number of national communications from non-Annex I Parties;

(d) That all Parties that have submitted their initial national communications before the adoption of revised guidelines for national communications, and wish to start the preparation of their second national communications before the seventh session of the Conference of the Parties, may do so using the initial guidelines; that the Global Environment Facility (GEF) shall provide funding for the preparation of the second national communications of such Parties, following the guidance to the GEF set out in decisions 11/CP.2 and 2/CP.4; and that Parties which start to prepare their second national communications after adoption of the revised guidelines shall use the revised guidelines.”

3. This decision makes clear that a Party that has submitted its initial national communication may decide :

- (a) to begin activities for the preparation of its second national communication using the existing guidelines for the preparation of initial national communications contained in the annex to decision 10/CP.2; or
- (b) to wait until revised guidelines for the preparation of national communications have been approved by the time of the seventh session of the Conference of the Parties.

4. Decision 8/CP.5 requests the GEF to provide funding for the preparation of second national communications of Parties wishing to exercise the first alternative above, following the guidance to the GEF set out in decisions 11/CP.2 and 2/CP.4.

*Response of the GEF*

5. The GEF will fully implement the decision of the Conference of the Parties by making available financial resources to any eligible Party seeking assistance to prepare its second national communication prior to the revision of the guidelines. In so doing, the GEF will endeavor to respond as expeditiously and flexibly as possible, consistent with the guidance of the Conference of the Parties.

6. Following the practices that evolved for the preparation of initial national communications, a Party which determines that it would like to proceed with the preparation of its second national communication will be able to access GEF financing through two pathways:

- (a) expedited procedures for financing requests that do not exceed \$350,000; and
- (b) the regular GEF project cycle for financing requests that exceed \$350,000.

Under both pathways, the GEF will make every effort to streamline and expedite the processing of requests for financial assistance.

7. In the preparation of proposals for GEF assistance, Parties will be encouraged to :

- (a) apply the guidelines for the preparation of initial national communications by non-Annex I Parties contained in the annex to decision 10/CP.2, and the guidance provided in decision 11/CP.2, together with decision 2/CP.4. Decision 2/CP.4 provides, *inter alia*,

"that the GEF should provide funding to developing country parties to implement adaptation response measures under Article 4.1 of the Convention for adaptation activities envisaged in decision 11/CP.1, paragraph 1(d)(ii) (Stage II activities) in particularly vulnerable countries and regions identified in Stage I activities, and especially in countries vulnerable to climate-related natural disasters, taking into account their preparatory adaptation planning frameworks in priority sectors, the completion of Stage I activities, and in the context of their national communications."

A Party choosing to prepare its second national communication may thus request financing for activities sufficient to complete Stage II adaptation work (see decision II/CP.1).

- (b) consider the other provisions of decision 2/CP.4 in preparing its request for financial assistance and to decide to what extent it wishes to address the priorities for capacity building identified therein in the context of its second national communications or through other project activities, including regional or global project activities. These activities include capacity building to assist in:
  - (i) identification and submission of prioritized technology needs,
  - (ii) participation in systematic observation networks,
  - (iii) improvement of emission factors,
  - (iv) assessment of technology needs and modalities to acquire and absorb them,
  - (v) design, evaluation and hosting of projects; and
- (c) in consultation with the Implementing Agency concerned, take full stock of its relevant GEF-financed and other activities, including “experiences, including gaps and problems identified in previous national communications” (decision 2/CP.4, paragraph 1(d)). This stocktaking will be very valuable for the country to build on existing activities and experience, and to identify new or enhanced activities requiring special attention in the preparation of its second communication

9. For a Party seeking financing through the pathway of expedited procedures, the *processing and review* of proposals would remain the same as before.

*Parties not undertaking the preparation of second national communications before guidelines are revised by the Conference of the Parties*

10. In July, 1999, the GEF Council made additional funds to the extent of \$100,000 available through the expedited procedure pathway for countries to address priority capacity building needs identified in decision 2/CP.4. In November, 1999, operational guidelines were adopted by the GEF to assist countries to access the additional funds.

11. A Party may choose to access these funds if it would like to undertake capacity building activities identified in decision 2/CP.4 while waiting for revised guidelines for the preparation of second national communications.

12. With these funds, a Party should be enabled to maintain and enhance relevant national capacity to prepare its initial second national communication.