



Global Environment Facility

GEF/C.27/4
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GEF Council
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Agenda Item 6

RELATIONS WITH CONVENTIONS AND OTHER INSTITUTIONS

Recommended Council Decision

The Council reviewed document GEF/C.27/4, *Relations with Conventions and Other Institutions*, and welcomed the progress made in supporting the international environmental conventions and other international processes relevant to GEF's mandate.

The Council takes note, in particular, of the decisions of the first meeting of the Conference of the Parties to the Stockholm Convention, and invites the GEF Secretariat to work with the Implementing and Executing Agencies to finalize the operational program on POPs, taking fully into account the guidance approved at the first meeting of the COP. The Council also approves the *Memorandum of Understanding between the Conference of the Parties of the Stockholm Convention on Persistent Organic Pollutants and the Council of the Global Environment Facility*.

The Council requests the countries and the Implementing and Executing Agencies to continue to seek opportunities to develop and implement projects consistent with the decisions of the conventions.

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INTRODUCTION

1. This document reports on developments of interest to the GEF occurring since the GEF Council meeting in June 2005 within the context of the Convention on Biological Diversity (CBD), the 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).

1. In addition, the document also includes information submitted by the Secretariats of the Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and their Disposal and notes briefly GEF representation at the 2005 World Summit, High Level Plenary Meeting of the 60th Session of the General Assembly.

2. At the Council meeting in June 2005, the GEF and Convention Secretariats were requested to work together to include in this report to the Council updated information on progress being made in

- (a) submission of national communications to the UNFCCC and national reports to the CBD;
- (b) progress being made towards ratification of the Cartagena Protocol and the Stockholm Convention by those countries who have expressed their intention to do so in order to access GEF financing; and
- (c) status of ODS phase out by economies in transition receiving GEF financing for ODS projects.

3. The information that the Secretariat has received from the Convention Secretariats on these three points is also included in this document.

CONVENTION ON BIOLOGICAL DIVERSITY

4. During the reporting period, the following meetings, touching upon issues which the Convention has identified as priorities for GEF financing, were convened under the auspices of the Convention on Biological Diversity. More information on these meetings is available on the convention website, www.biodiv.org.

- (a) Ad-hoc Open-ended Working Group on the Review of Implementation of the Convention was held from 5-9 September, 2005 in Montreal, Canada
- (b) First Meeting of the Ad Hoc Open-Ended Working Group on Protected Areas was held from June 13-17, 2005, in Montecatini, Italy

- (c) Meeting of Donor Agencies and Other Relevant Organizations to Discuss Options for Mobilizing New and Additional Funding for the Implementation of the Programme of Work on Protected Areas, Montecatini, Italy, June 20-21, 2005
- (d) Workshop to develop a Joint Work Program on Marine Invasive Alien Species, Montreal, Canada June 27-29, 2005
- (e) Ad Hoc Technical Expert Group on Implementation of Integrated Marine and Coastal Area Management (IMCAM) Montreal, Canada, July 11-15, 2005
- (f) Advisory Committee for the Program of Work on Article 8(j) and Related Provisions, held from July 11-14, 2005, Montreal, Canada
- (g) Third Meeting of the Ad Hoc Technical Expert Group on the review of implementation of the Program of Work on Forest Biodiversity, Bonn, Germany, July 25-29, 2005

Current status of national reports under the Convention on Biological Diversity

5. As of 6 October 2005, the Convention Secretariat received 140 first national reports, 118 second national reports, and 29 third national reports, as well as 116 national biodiversity strategies and action plans (includes 2 reports posted as “version 2”). In addition, the Convention Secretariat received 60 thematic reports on alien invasive species, 17 on access and benefit-sharing as related to genetic resources, 47 on forest ecosystems, 40 on mountain ecosystems, 28 on technology transfer and cooperation, 56 on protected areas, and 49 on global taxonomy initiative.

6. The Convention Secretariat has received 63 reports from governments since March 2005. The detailed information on these reports is contained in Annex I of this report.

CBD Guidance to the GEF: Proposed follow-up on issues of technology transfer and cooperation

7. The Seventh Meeting of the Conference of the Parties to the Convention on Biological Diversity provided new guidance¹ requesting the GEF to address issues related to marine and coastal biological diversity, monitoring and indicators, ecosystem approach, biological diversity and climate change, Global Taxonomy Initiative, sustainable use, invasive alien species, protected areas, strategic plan, technology transfer and cooperation, Millennium Development Goals, national reporting, education and public awareness, access to genetic resources and fair and equitable sharing of benefits, and biosafety.

8. The GEF Secretariat and the Implementing Agencies completed an internal review of the guidance assessing ways forward and reported to Council at its May 2004 meeting². As highlighted there, most of the additional guidance has been addressed through the preparation

¹ Decision VII/20. Further Guidance to the Financial Mechanism.

² Document GEF/C.23/6. Institutional Relations Paper. May 19-21, 2004.

and implementation of country driven project proposals consistent with the existing operational programs, strategic priorities, and modalities and procedures. However, guidance on national reporting, access to genetic resources and benefit sharing, and technology transfer and cooperation required further consideration for proposed new action.

9. The GEF in its report to the Council in November 2004³ highlighted progress on implementing the guidance, including third national reports, biosafety-related issues, capacity building and access and benefit sharing. The report also noted that the issue of technology transfer often cuts across various GEF focal areas and specific objectives within a focal area. Therefore, further assessment was needed.

10. The most recent review confirms that technology transfer and cooperation is often a core element in GEF investment projects in the biodiversity focal area. Technology transfer and cooperation has been promoted through activities such as (a) supporting information networks (e.g., the Inter-American Biodiversity Information Network and the Southern Africa Botanical Network); (b) strengthening national enabling environments through, for example, the support provided to develop the National Biosafety Frameworks; (c) increasing technical knowledge and capacity as in the Regional Central American Biological Corridor project; (d) development of good practice and its application to other projects and regions such as the Costa Rica Eco-markets project addressing environmental services; (d) the development and application of natural pest control for alien, invasive species such as in the Lake Victoria project; and (e) supporting the actual use of technology, as in the case of Geographic Information Systems (GIS) for land use planning, management and decision-making often requested and approved through many projects under implementation. It is proposed that support for priority needs in the area of technology transfer will continue to be addressed through the development of country driven projects as is done today.

11. Drawing upon experience in other focal areas of the GEF, particularly the climate change focal area, consideration may also be given to extending GEF financing to address technology transfer needs through:

- (a) capacity building to assist in the preparation of technology needs assessments; and
- (b) capacity building activities to strengthen the enabling environment for investments in technology, including policy and regulatory measures.

12. Through the development and implementation of its private sector strategy, the GEF will also encourage countries and national and global private companies⁴ to support and provide tools, practices and training necessary to strengthen technology transfer and cooperation. The GEF private sector strategy also calls for enhanced knowledge management and dissemination of

³ Document GEF/c.24/7. Institutional Relations Paper October 2004.

⁴ Commercial technology, including biotechnology, development has already been substantial in areas such as natural resource management, agriculture and health, to name a few. The private sector has had more substantive development in technology, particularly in biotechnology, than the public sector due to the high cost of research and development.

experience with the private sector to benefit many sectors important to supporting the objectives of the Convention as possible.

Progress on Biosafety issues during the reporting period

13. The Council, at its June 2005 meeting, approved an interim approach to the financing of biosafety capacity building activities, pending the completion of the evaluation, and requested the Secretariat to prepare, in consultation with the Implementing Agencies, a proposed strategy on the most efficient and effective means to provide additional support to countries to strengthen their capacity to implement national biosafety frameworks, as called for in the guidance of the Convention.

14. The approved interim approach seeks to support countries with urgent needs to move forward in implementing their NBFs through 10 to 15 medium sized projects, similar in scope, activities and financing to the demonstration projects implemented under the initial strategy. In addition, support would be provided through one to two projects aimed at strengthening developing country regional centers of excellence to enable those centers to assist countries in the region in implementing their NBFs.

15. The Office of Monitoring and Evaluation is presenting the evaluation of the Initial Strategy on Biosafety to the GEF Council. Based on the CBD COP guidance and the findings of the OME evaluation, the GEF Secretariat, in collaboration with the Implementing Agencies, has proposed for Council consideration at the present meeting *Elements of the Biosafety Strategy*, GEF/C.27/12, to guide future GEF activities in this area.

Second meeting of the Conference of the Parties to the Convention of Biological Diversity, serving as the meeting of the Parties to the Cartagena Protocol (COP/MOP2), May 30-June 3, 2005, Montreal, Canada.

16. The meeting addressed issues related to handling, transport and identification of living modified organisms for food, feed and processing (LMO-FFP), risk assessment and risk management, other scientific and technical issues, operations of the BCH, cooperation with other organizations, matters related to the financial mechanism, notification, socio-economic considerations, status of capacity building activities, and public awareness and participation.

17. The meeting was briefed by the GEF representatives on the GEF relevant activities carried out since the first meeting of the COP/MOP, and delegates were invited to attend the organized side-events for the presentation of GEF funded projects and the evaluation being carried out by the Office of Monitoring and Evaluation (OME).

18. The Plenary adopted a draft *Decision on Matters related to the Financial Mechanism* (Decision BS-II/5) in which the COP/MOP encourages donors and the GEF to simplify project-cycle requirements; welcomes GEF efforts to expand support for national components of the BCH and for development and implementation of NBFs; invites the GEF OME to make its evaluation report available to the CBD prior to the third COP/MOP; invites non-party countries that have received GEF funding to report on actions toward becoming Parties of the Protocol;

encourages the GEF and Executive Secretary to continue strong collaboration in supporting the implementation of the protocol; requests the Executive Secretary, in collaboration with the GEF and the Coordination Mechanism, to assess the status of funding and promote coordination and synergies in financing biosafety activities; and invites the Executive Secretary to cooperate with stakeholders with respect to developing, overseeing and evaluating biosafety project activities. This draft decision will be submitted to COP-8 for transmittal to the GEF.

First Meeting of the Ad Hoc Open-ended Working Group on Implementation of the Convention, Montreal, Canada, September 5-9, 2005

19. This meeting addressed issues related to operations of the Conference of the Parties (COP), its Subsidiary body on Scientific, Technical and Technological Advice (SBSTTA), the Clearing-house Mechanism (CHM), financial resources and the financial mechanism, cooperation, national reports, and indicators and targets for implementation of the Strategic Plan. The meeting recommended to the eighth meeting of the Conference of the Parties to be held in March 2006 that a decision be adopted calling upon Parties to:

- (a) contribute to the GEF;
- (b) examine the recently agreed Resource Allocation Framework (RAF) with respect to its potential implications for CBD implementation;
- (c) conduct an in-depth review of financial resources and the financial mechanism for COP-9;
- (d) adopt an updated list of developed country parties;
- (e) consider clarifying eligibility criteria by providing a list of developing country Parties; and
- (f) request the GEF to simplify procedures and give special consideration to developing country parties, in particular the least developed countries and Small Island Developing States (SIDS).

20. The meeting also recommended that the COP maintain the issue of financial resources and the financial mechanism as a permanent item on the COP agenda.

21. The Working Group calls on the Executive Secretary to collaborate with the GEF in a dialogue on ways to more effectively formulate and implement the guidance from the Parties, exploring opportunities for streamlining this guidance. It also calls for the Executive Secretary to invite the GEF Chairman to provide details on the Resource Allocation Framework (RAF) and its implications and potential impact on the implementation of the Convention at the next Conference of the Parties.

22. Other recommendations⁵ proposed to the Conference of the Parties (COP) include requests directed towards the GEF as follows:

- (a) *Global Initiative on Communication, Education and Public Awareness (CEPA).* GEF would be invited to make available financial resources to implement CEPA priority activities at national level.
- (b) *Cooperation.* Parties would be invited to promote synergies across conventions by seeking funding from the GEF where appropriate.
- (c) *National reporting.* GEF would be invited to explore and establish easier and expeditious mechanisms for the provision of funds to eligible countries for preparing their future national reports.
- (d) *Monitoring and implementation of the convention.* GEF would be called to provide information on funding programs of work.

Eighth ordinary meeting of the Conference of the Parties and the third meeting of the Conference of Parties serving as the meeting of the Parties to the Cartagena Protocol on Biosafety.

23. The third meeting of the Conference of the Parties serving as the meeting of the Parties to the Cartagena Protocol on Biosafety will be held in Curitiba, Brazil from March 13-17. The eighth ordinary meeting of the Conference of the Parties to the CBD will be held March 20-31, 2006, in Curitiba, Brazil.

UN FRAMEWORK CONVENTION ON CLIMATE CHANGE

24. The twenty-second sessions of the Subsidiary Bodies (SB 22) of the United Nations Framework Convention on Climate Change (UNFCCC) took place from May 19-27, 2005, in Bonn, Germany. SB 22 was the first gathering of the subsidiary bodies since the entry into force of the Kyoto Protocol in February 2005.

25. The Subsidiary Body for Implementation (SBI) agreed to recommend draft decisions for adoption by the Conference of the Parties at its eleventh session in November/December 2005. In particular draft decisions were formulated regarding two longstanding issues on SBI's agenda: Least Developed Countries, and submission of national communications from non-Annex I Parties. However, the SBI was unable to conclude its work on the Special Climate Change Fund, which will be taken up again at SB 23.

26. At SB 22, the Subsidiary Body for Scientific and Technological Advice (SBSTA) addressed issues relating to adaptation, mitigation, the development and transfer of technologies, and policies and measures among Annex I Parties. Discussions were held to develop a five-year

⁵ To view the complete text of the draft recommendations, please visit www.biodiv.org

SBSTA work program on adaptation, as mandated by decision 1/CP.10 (Buenos Aires Program of Work on Adaptation and Response Measures).

Non-Annex I Parties National Communications

27. Timeframes for non-Annex I Parties' submissions of second and, where appropriate, third national communications and related issues were agreed at SBI 22. In its conclusions the SBI recommended for adoption by COP 11 a decision stating that non-Annex I Parties shall make all efforts to submit second and, where appropriate, third national communications, within four years of initial disbursement for the actual preparation of the national communication, on an agreed full-cost basis.

28. In the draft COP decision, the COP notes that Parties, if necessary and based on their national circumstances, may use an extension of up to one year for submission, after informing the Secretariat; and that any extensions shall not imply additional financial resources from the GEF. LDCs may submit their second national communications at their discretion, and discussion on further implementation of Article 12.5 (national communications) will be taken up at COP 15 in 2009.

29. The conclusions on the compilation and synthesis of initial national communications (FCCC/SBI/2005/10, paragraph 25-27)⁶, note the Parties' consideration of document FCCC/SBI/2005/INF.2 containing the list of projects submitted by non-Annex I Parties in accordance with UNFCCC Article 12.4 (projects proposed by developing countries). The recommendation to COP 11 requests the GEF, in accordance with Article 12.4 and decision 11/CP.1 (funding for adaptation), to assist, if requested, non-Annex I Parties in formulating and developing project proposals identified in their national communications, when Parties are formulating national programs to address climate change issues. Bilateral and multilateral assistance programs are invited to offer similar assistance.

30. The SBSTA noted the progress on collaboration with the GEF-funded National Communication Support Program.

Information on Non-Annex I Parties National Communications

31. In response to the request of the Council, Annexes II and III present information on enabling activity funding for preparation of national communications and the status of those communications.

Provision of financial and technical support

32. The SBI welcomed the information provided by the GEF Secretariat on financial support made available for the preparation of initial and subsequent national communications. The SBI noted that the GEF continues to provide information on non-Annex I Parties that have not yet submitted initial and/or subsequent communications, and requested the UNFCCC Secretariat to

⁶ See Annex II

report to SBI 24. SBI also noted a document on Parties that have not submitted initial national communications, and requested them to do so as soon as possible. SBI further notes that LDCs may submit their communications at their discretion.

LDC Fund

33. The SBI (FCCC/SBI/2005/L.14/Add.1) recommended a draft COP decision, in which the COP states that the operation of the LDC Fund should be consistent with the following principles:

- (a) a country-driven approach, supporting the implementation of urgent and immediate activities identified in national adaptation programs of action (NAPAs), as a way of enhancing adaptive capacity;
- (b) support for implementation of activities identified in NAPAs and of other elements of the LDC work program as identified in decision 5/CP.7, to promote the integration of adaptation measures in national development and poverty reduction strategies, plans or policies, with a view to increasing resilience to the adverse effects of climate change; and
- (c) support for a learning-by-doing approach.

Development and Transfer of Technologies

34. In its conclusions (FCCC/SBSTA/2005/4, paragraph 53), SBSTA agreed on terms of reference to guide the Expert Group on Technology Transfer (EGTT) in preparing recommendations for enhancing the implementation of the framework for meaningful and effective actions to enhance the implementation of UNFCCC Article 4.5 of the Convention (technology transfer). The SBSTA welcomed the progress made by UNDP on its preliminary analysis of the results of GEF-funded technology needs assessments (TNAs) and its plan to collaborate with UNEP on this work. A workshop for innovative options for financing the development and transfer of technologies is planned for October 2005, and the EGTT will explore further the issues surrounding the transfer of publicly owned technologies and those in the public domain.

Eleventh session of the Conference of the Parties

35. The eleventh session of the Conference of the Parties to the Climate Change Convention (COP 11) will be held in conjunction with the first session of the Conference of the Parties serving as the Meeting of the Parties to the Kyoto Protocol (COP/MOP) in Montréal, Canada, from November 28-December 9, 2005.

36. The first Conference of the Parties to the Stockholm Convention (COP) took place May 2-6, 2005, Punta del Este, Uruguay. The Convention, which entered into force in May 2004, now has 110 Parties. The COP took a number of decisions on nearly all items under consideration, allowing the Convention to move ahead at a good pace.

37. Three decisions are of direct relevance to the GEF and are annexed to the present document (Annex):

- (a) Decision SC-1/9 adopts “Guidance to the financial mechanism”. The guidance received from the COP is taken into account in the Secretariat’s proposals for GEF-4 programming and in the draft GEF POPs strategy. The Secretariat will be working over the coming months with Implementing and Executing Agencies to further operationalize the guidance received from the COP, in particular in finalizing operational program on POPs.
- (b) Decision SC-1/10 adopts terms of reference for the “First review of the financial mechanism”, which is to cover the period from adoption of the Convention in May 2001 to July 2005.
- (c) Decision SC-1/11 adopts the draft Memorandum of Understanding between the COP to the Stockholm Convention and the GEF Council, after minor amendments to the draft that had been drafted by both secretariats and circulated to Council at its November 2003 meeting. The revised draft MOU is appended to the COP decision annexed herewith. ***The Council is invited to review and approve the MOU.***

38. Also noteworthy is decision SC-1/17 on the “Preparation of draft 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”. Other decisions of some relevance to the GEF include decisions SC-1/12 on National Implementation Plans; SC-1/14 on non-compliance; SC-1/15 on technical assistance; SC-1/16 on regional and sub-regional delivery of technical assistance; SC-1/19 on BAT/BEP; and SC-1/25 on DDT.

39. The first meeting of the Persistent Organic Pollutants Review Committee (POPRC) and the first meeting of the Expert Group on Best Available Technologies and Best Environmental Practices (BAT/BEP) will take place in Geneva, 7-11 November 2005 and 28 November 2005 - 2 December 2005, respectively. The second meeting of the COP is scheduled for May 2006.

UN CONVENTION TO COMBAT DESERTIFICATION

40. At its meeting in June 2005, the Council reviewed the Proposed Memorandum of Understanding between UNCCD and the GEF jointly prepared by the Executive Secretary of the UNCCD and the CEO/Chairman of the GEF. Council requested the CEO to transmit the MOU to the Executive Secretary of the UNCCD for submission to the seventh session of the Conference

of the Parties to the UNCCD with a view to its consideration and adoption by the COP in order to support collaboration with, and implementation of, the Convention. The CEO submitted the proposed MOU reviewed by the Council to the Executive Secretary of the Convention for submission to the seventh session of the COP to be convened in Nairobi, Kenya, October 17-28, 2005. Once approved by the COP, the MOU will be submitted to the Council for approval.

41. The third session of the Committee for the Review of the Implementation of the Convention (CRIC.3) took place in Bonn, Germany from May 2-11, 2005. The Committee discussed among other issues the mobilization and use of financial resources and other support by multilateral agencies and institutions, in particular the GEF.

42. CRIC.3 was focused on reviewing African Reports on the Implementation of the Convention. It was noted that the GEF and its implementing/executing agencies enabled the successful preparation of the African reports. CRIC also requested GEF to consider providing timely, full and committed support in the next phase of the CRIC reporting cycle for members of the regional implementation annexes of the Convention other than Africa, which will present their experience at CRIC.5.

43. CRIC.3 acknowledged measures taken by developed country Parties, the GEF family and the Global Mechanism (GM) that lead to progress in the first phase of the Convention's launch in Africa.

44. It was also stated that projects in the context of GEF's Operational Programme 15 should have their procedures simplified for access to resources, transparency of transactions, capacity building and supported by significant replenishment.

45. CRIC.3 viewed the Country Pilot Partnership approach supported by the GEF as an important step of a consensus strategic pathway to the implementation of the Convention. Co-financing arrangements from other sources, including national and international, in the context of national development strategies were encouraged. Favouring a programmatic approach would also ensure that measures for the rehabilitation of degraded lands will have the desired long-term impact in Africa and enhance the continuity and coherence of activities.

46. CRIC.3 recommended that GEF-supported initiatives, as well as bilateral and multilateral cooperation, should be harmonized with national development strategies and anchored to implementation of the UNCCD. The Committee further urged the GEF to facilitate coordination between the GEF and UNCCD focal points at country level in order for the GEF to better respond to the needs of the UNCCD process. In this context, CRIC.3 also called upon the African GEF national focal points to more actively encourage synergies between the Rio conventions, the Ramsar Conventions on wetlands and other environmental treaties on the basis of an integrated natural resources management platform that takes into account the sustainable livelihoods of lower-income groups.

47. The seventh session of the Conference of the Parties is to take place in Nairobi, Kenya from 17 to 28 October 2005. The report of COP.7 will be presented to the Council by the Executive Secretary of the UNCCD.

MONTREAL PROTOCOL ON SUBSTANCES THAT DEplete THE OZONE LAYER

48. The Parties to the Montreal Protocol held their Second Extraordinary Meeting, July 1, 2005, in Montreal Canada, and successfully agreed on critical use exemptions for methyl bromide.

49. The Open-Ended Working Group of the Parties to the Montreal Protocol held its 25th meeting June 27-30, Montreal, Canada, and *inter alia*, discussed the 2006-2008 replenishment of the Multilateral Fund, and agreed to forward to the MOP the joint IPCC/TEAP special report on “Safeguarding the Ozone layer and the global climate system: issues related to hydrofluorocarbons and perfluorocarbons”.

50. The Implementation Committee under the Non-Compliance Procedure for the Montreal Protocol held its 34th meeting, July 2, 2005 in Montreal, Canada. The committee discussed compliance with phase-out and reporting obligations of a number of countries, including a number of non-Article 5 countries eligible for assistance from the GEF. In particular, Azerbaijan was encouraged to work with the Implementing Agencies to request assistance from the GEF for capacity-building “in order to support its efforts to return to compliance with the protocol”. The Implementing Agencies are responding to this request and are working with the countries to develop projects for submission to the GEF to strengthen the capacities build during the earlier ODS phase out efforts.

51. Discussions of the replenishment of the Multilateral Fund to finance activities from 2006-2008 are underway and are expected to be completed at the 17th Meeting of the Parties (MOP) in Dakar, Senegal, December 12-16, 2005. The replenishment discussions are informed by the Technology and Economic Assessment Panel “ Study on the 2006-2008 replenishment of the Montreal Protocol”, put together with the support of an *ad hoc* Replenishment Task Force. The Replenishment Task Force estimated that a total of \$420 million would be needed to enable Parties eligible for funding to comply with the control measures of the Montreal Protocol. The Open-ended Working Group at its 25th meeting in June 2005 considered the study, and requested additional work from the TEAP in advance of MOP-17.

52. The seventh Conference of the Parties to the Vienna Convention and seventeenth Meeting of the Parties to the Montreal Protocol will take place December 12-16, in Dakar, Senegal.

INFORMATION ON OTHER INTERNATIONAL ENVIRONMENTAL CONVENTIONS

53. 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 some of the Convention Secretariats for purposes of this paper.

54. **Basel Convention**⁷. The Open-Ended Working Group of the Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and their Disposal met for its 4th session, July 4-8 2005, Geneva, Switzerland. The Working Group, amongst other things, considered the further development of the Technical Guidelines on POPs (draft technical guidelines for the environmentally sound management of wastes consisting of, containing, or contaminated with PCDD/Fs; POPs pesticides; and HCB). The Working Group also discussed a draft study on “Legal and institutional feasibility of appropriate and predictable financial mechanisms of the Basel Convention” - commissioned by the Conference of the Parties at its previous meeting, October 2004 - and as a result requested the Basel Secretariat to include in the study an analysis of the experience of the UNCCD in “establishing a formal link with, and gaining access to, the GEF [...]”.

55. In this context, the secretariat has initiated collaboration with relevant stakeholders, in particular the secretariat of the Stockholm Convention, UNEP-Chemicals, UNIDO, Parties to the Convention and industry, with a view to developing national and regional projects addressing the above mentioned topics. The project proposal (PDF-B) entitled 'Demonstration of a regional approach to the ESM of PCBs in West Africa' has been submitted to the GEF Secretariat, which endorsed it for pipeline entry.

56. **Rotterdam Convention**⁸. The Second Conference of the Parties to the Rotterdam Convention on the Prior Informed Consent Procedure for Certain Hazardous Chemicals and Pesticides in International Trade is taking place September 27-30 2005, Rome, Italy. The COP will be considering a “Study of possible options for lasting and sustainable financial mechanism”, requested at its first meeting. The GEF figures in a number of the options presented.

STRATEGIC APPROACH TO INTERNATIONAL CHEMICALS MANAGEMENT (SAICM)

57. The Third Session of the Preparatory Committee for the Development of a SAICM met September 19-24 2005, Vienna, Austria. The committee, building on intersessional work and regional consultations, made good progress, but could not reach agreement on all aspects of the documents to be adopted at the International Conference on Chemicals Management to be held February 4-6 2006, Dubai, United Arab Emirates. Agreed upon text in the “Financial Considerations” section of the “Overarching Policy Strategy” includes an invitation to the GEF and the Multilateral Fund to identify within their mandates “the areas that can support implementation of appropriate and relevant Strategic Approach objectives”⁹.

⁷ The Basel Convention covers, amongst others, POPs when they become wastes. For example, the Stockholm Convention requires close cooperation with the Basel Convention to determine the methods that constitute “environmentally sound disposal”.

⁸ There are a total of 41 chemicals currently subject to the PIC procedure, including eight of the Stockholm Convention POPs.

⁹ The document *GEF's Role in Support of the Implementation of the Stockholm Convention: Opportunities for Advancing Global Sound Management of Chemicals* (GEF GEF/C.24/Inf.4), submitted by the GEF to the Second Session of the Preparatory Committee, is a first step in that direction.

**2005 WORLD SUMMIT, HIGH LEVEL PLENARY MEETING OF THE 60TH SESSION OF THE
GENERAL ASSEMBLY**

58. At the Council meeting in November 2005, it was suggested that the Secretariat consider contributing to the UN process on the review of the achievement of the Millennium Development Goals. The GEF Secretariat prepared a publication for dissemination at the 2005 World Summit. This publication entitled, *Achieving the Millennium development Goals - A GEF progress report*, provides information and examples of some of the GEF's contributions towards the eight development goals.

59. In addition, the CEO participated as a discussant in one of three high level panels (Future Priorities: Building on What Works) organized by the Poverty and Environment partnership (PEP) which was organized to call for a major scaling up of worldwide investment in environmental management as a central component of efforts to eradicate poverty and reach all of the MDGs. The Summit underscored that investment in sound and equitable environmental management makes real economic sense, and is critical to expanding opportunities for people in developing countries to lift themselves out of poverty.

ANNEX I:

A: Reports received by the CBD Secretariat between March and August 2005

Country	Reports	Date of receipt
Algeria	Third National Report	June 2005
Antigua & Barbuda	Thematic Report on Global Taxonomy Initiative	August 2005
Argentina	Thematic Report on Global Taxonomy Initiative	August 2005
Bangladesh	Third National Report	May 2005
Botswana	Third National Report	May 2005
Brazil	Second National Reports	March 2005
Brunei Darussalam	Thematic Report on Global Taxonomy Initiative	May 2005
Central African Republic	Thematic Report on Global Taxonomy Initiative	August 2005
Colombia	Second National Reports	March 2005
Comoros	Third National Report	August 2005
Cyprus	Third National Report	August 2005
Denmark	Third National Report	August 2005
	Thematic Report On Global Taxonomy Initiative	June 2005
DR Congo	Third National Report	May 2005
Finland	Third National Report	June 2005
	National Biodiversity Strategy and Action Plan (Progress Report)	March 2005
Gabon	Second National Reports	April 2005
	Thematic Report On Mountain Ecosystems	April 2005
	Thematic Report On Protected Areas	April 2005
	Thematic Report On Technology Transfer And Cooperation	April 2005
Greece	Thematic Report On Global Taxonomy Initiative	May 2005
Honduras	Second National Reports	July 2005
Indonesia	Thematic Report On Global Taxonomy Initiative	March 2005
Italy	Thematic Report On Global Taxonomy Initiative	May 2005
Kenya	Thematic Report On Global Taxonomy Initiative	April 2005
	Second National Reports	August 2005
Latvia	Third National Report	July 2005
Lebanon	Thematic Report On Technology Transfer And Cooperation	July 2005
	Thematic Report On Global Taxonomy Initiative	May 2005
Macedonia	Second National Reports	June 2005
	Thematic Report On Access And Benefit-Sharing As Related To Genetic Resources	June 2005
	Thematic Report On Forest Ecosystems	June 2005
Madagascar	Third National Report	August 2005
Malta	Thematic Report On Global Taxonomy Initiative	June 2005
Mauritania	Third National Report	August 2005
Morocco	Third National Report	July 2005
Namibia	Third National Report	July 2005
New Zealand	Thematic Report On Global Taxonomy Initiative	May 2005

Niue	Third National Report	May 2005
Norway	Third National Report	June 2005
Peru	Thematic Report On Global Taxonomy Initiative	April 2005
Poland	National Biodiversity Strategy And Action Plan	May 2005
Qatar	National Biodiversity Strategy And Action Plan	May 2005
Republic of Korea	Third National Report	June 2005
Rwanda	Second National Reports	March 2005
Saint Vincent & the Grenadines	Second National Reports	July 2005
Sao Tome & Principe	National Biodiversity Strategy And Action Plan	May 2005
Senegal	Third National Report	June 2005
Singapore	Thematic Report On Global Taxonomy Initiative	March 2005
Swaziland	Second National Reports	July 2005
Sweden	Third National Report	May 2005
Togo	Third National Report	August 2005
United Arab Emirates	Third National Report	July 2005
United Kingdom	Third National Report	August 2005

B: Status of ratification of the Cartagena Protocol on Biosafety

List of countries that have deposited their instruments of ratification, approval or accession or for which the Protocol has entered into force since June 2005

Parties to the Convention on Biological Diversity	Dates		
	Signature	Deposit of Instrument	Entry into force
Mauritania		22 July 2005 (Accession)	20 October 2005
Saint Lucia		16 June 2005 (Accession)	14 September 2005
Libyan Arab Jamahiriya		14 June 2005 (Accession)	12 September 2005
The Former Yugoslav Republic of Macedonia	26 July 2000	14 June 2005 (Ratification)	12 September 2005
Sudan		13 June 2005 (Accession)	11 September 2005
China	8 August 2000	8 June 2005 (Accession)	6 September 2005
Azerbaijan		1 April 2005 (Accession)	30 June 2005
Democratic Republic of the Congo		23 March 2005 (Accession)	21 June 2005
Eritrea		10 March 2005 (Accession)	8 June 2005

ANNEX II: GEF ENABLING ACTIVITY PROJECTS AND STATUS OF NATIONAL COMMUNICATIONS (SNC) FROM PARTIES NOT INCLUDED IN ANNEX I TO THE UN FRAMEWORK CONVENTION ON CLIMATE CHANGE

The GEF has funded 138 countries to prepare their initial national communications until now. Out of this 124 countries have already submitted their initial national communications while 14 countries are in different stages of preparation and submission. Nine eligible countries have not requested GEF funding.

Party	Implementing Agency	Date of Submission of Initial National Communication	GEF Funding for Self-Assessment to Prepare Project Proposals for the SNC			Status of the SNC Project Proposal		
			Funds Approved	Self-assessment Ongoing	Self-assessment Completed	Draft Submitted to IA	SNC Proposal Approved by IA	Date of Approval by IA
Albania	UNDP	13 Sep 2002	x		x		x	4 Feb 2005
Algeria	UNDP	30 Apr 2001	x		x		x	Undergoing IA approval
Antigua and Barbuda	UNDP	10 Sep 2001	x	x				
Argentina	WB	25 July 1997						
Armenia	UNDP	4 Nov 1998	x		x		x	29 Jul 2005
Azerbaijan	UNDP	23 May 2000	x		x	x		21 Jul 2005
Bahamas	UNDP	5 Nov 2001	x	x				
Bahrain	UNEP	20 Apr 2005						
Bangladesh	UNDP	12 Nov 2002	x	x				
Barbados	UNDP	30 Oct 2001	x	x				
Belize	UNDP	16 Sep 2002	x	x				
Benin	UNDP	21 Oct 2002	x	x				
Bhutan	UNDP	13 Nov 2000	x	x				

Party	Implementing Agency	Date of Submission of Initial National Communication	GEF Funding for Self-Assessment to Prepare Project Proposals for the SNC			Status of the SNC Project Proposal		
			Funds Approved	Self-assessment Ongoing	Self-assessment Completed	Draft Submitted to IA	SNC Proposal Approved by IA	Date of Approval by IA
Bolivia	UNDP	16 Nov 2000	x		x		x	10 Jun 2005
Botswana	UNDP	22 Oct 2001	x	x				
Brazil ¹⁰	UNDP	10 Dec 2004				x		Undergoing IA approval
Burkina Faso	UNDP	16 May 2002	x	x				
Burundi	UNDP	23 Nov 2001	x	x				
Cambodia	UNDP	8 Oct 2002	x	x				
Cameroon	UNEP	31 Jan 2005						
Cape Verde	UNDP	13 Nov 2000	x	x				
Central African Republic	UNEP	10 Jun 2003	x		x	x		
Chad	UNDP	29 Oct 2001	x	x				
Chile	UNDP	8 Feb 2000	x	x				
China	UNDP	10 Dec 2004						
Colombia	UNDP	18 Dec 2001	x	x				
Comoros	UNEP	5 Apr 2003						
Congo	UNDP	30 Oct 2001	x	x				
Cook Islands	UNDP	30 Oct 1999	x		x	x		

¹⁰ Brazil is following GEF full-cycle procedures for its SNC. Project Brief was submitted to the GEF for the July inter-sessional work programme and has received approval by the GEF Council.

Party	Implementing Agency	Date of Submission of Initial National Communication	GEF Funding for Self-Assessment to Prepare Project Proposals for the SNC			Status of the SNC Project Proposal		
			Funds Approved	Self-assessment Ongoing	Self-assessment Completed	Draft Submitted to IA	SNC Proposal Approved by IA	Date of Approval by IA
Costa Rica ¹¹	UNDP	18 Nov 2000	x	x				
Côte d'Ivoire	UNEP	2 Feb 2001	x		x		x	8 Jun 2005
Cuba	UNDP	28 Sep 2001	x	x				
Democratic People's Republic of Korea	UNEP	7 May 2004	x		x	x		
Democratic Republic of the Congo	UNEP	21 Nov 2000	x		x		x	Undergoing IA approval
Djibouti	UNEP	6 June 2002	x	x				
Dominica	UNDP	4 Dec 2001	x	x				
Dominican Republic	UNDP	4 June 2003	x		x	x		Undergoing IA approval
Ecuador	UNDP	15 Nov 2000	x		x	x		
Egypt	UNDP	19 Jul 1999	x		x	x		Undergoing IA approval
El Salvador	UNDP	10 Apr 2000						
Eritrea	UNDP	16 Sep 2002	x		x	x		
Ethiopia	UNDP	16 Oct 2001	x	x				
Gabon	UNDP	22 Dec 2004	x	x				
Gambia	UNEP	6 Oct 2003	x	x				

¹¹ Costa Rica had received approval of GEF funds for its SNC on the basis of previous procedures in March 1994, but is currently updating its project document through the self-assessment exercise to follow current procedures.

Party	Implementing Agency	Date of Submission of Initial National Communication	GEF Funding for Self-Assessment to Prepare Project Proposals for the SNC			Status of the SNC Project Proposal		
			Funds Approved	Self-assessment Ongoing	Self-assessment Completed	Draft Submitted to IA	SNC Proposal Approved by IA	Date of Approval by IA
Georgia	UNDP	10 Aug 1999	x		x		x	5 May 2005
Ghana	UNDP	2 May 2001	x	x				
Grenada	UNDP	21 Nov 2000	x	x				
Guatemala	UNDP	1 Feb 2002	x	x				
Guinea	UNDP	28 Oct 2002	x	x				
Guyana	UNDP	16 May 2002						
Haiti	UNEP	3 Jan 2002	x		x		x	Undergoing IA approval
Honduras	UNDP	15 Nov 2000	x		x	x		Undergoing IA approval
India ¹²	UNDP	22 Jun 2004				x		
Indonesia	UNDP	27 Oct 1999	x	x				
Iran (Islamic Republic of)	UNDP	31 Mar 2003	x		x	x		Undergoing IA approval
Israel		18 Nov 2000						
Jamaica	UNDP	21 Nov 2000	x	x				
Jordan	UNDP	6 Mar 1997	x	x				
Kazakhstan	UNDP	5 Nov 1998	x		x		x	3 Mar 2005
Kenya	UNEP	22 Oct 2002	x		x		x	Undergoing IA approval

¹² India is following GEF full-cycle procedures for SNC funding. India received PDF-B funds for preparation of SNC project brief, which is expected to be submitted to the February 2006 GEF work programme.

Party	Implementing Agency	Date of Submission of Initial National Communication	GEF Funding for Self-Assessment to Prepare Project Proposals for the SNC			Status of the SNC Project Proposal		
			Funds Approved	Self-assessment Ongoing	Self-assessment Completed	Draft Submitted to IA	SNC Proposal Approved by IA	Date of Approval by IA
Kiribati	UNDP	30 Oct 1999	x	x				
Kyrgyzstan	UNDP	31 Mar 2003	x		x		x	2 Jun 2005
Lao People's Democratic Republic	UNDP	2 Nov 2000	x	x				
Lebanon	UNDP	2 Nov 1999	x		x		x	8 Jul 2005
Macedonia	UNDP	25 Mar 2003	x		x		x	4 Feb 2005
Madagascar	UNEP	22 Feb 2004	x		x		x	Undergoing IA approval
Malawi	UNDP	2 Dec 2003	x	x				
Malaysia	UNDP	22 Aug 2000	x		x	x		
Maldives	UNDP	5 Nov 2001						
Mali	UNDP	13 Nov 2000	x	x				
Malta	UNDP	16 Jun 2004						
Marshall Islands	UNDP	24 Nov 2000	x	x				
Mauritania	UNEP	30 Jul 2002	x		x		x	14 Jul 2005
Mauritius	UNEP	28 May 1999	x		x	x		
Mexico ¹³	UNDP	9 Dec 1997					x	20 Jun 2005

¹³ Mexico is preparing a project proposal for its Third National Communication to be submitted to UNDP. Mexico did not request stocktaking funds.

Party	Implementing Agency	Date of Submission of Initial National Communication	GEF Funding for Self-Assessment to Prepare Project Proposals for the SNC			Status of the SNC Project Proposal		
			Funds Approved	Self-assessment Ongoing	Self-assessment Completed	Draft Submitted to IA	SNC Proposal Approved by IA	Date of Approval by IA
Micronesia (Federated States of)	UNDP	4 Dec 1997	x	x				
Mongolia	UNEP	1 Nov 2001	x		x		x	
Morocco ¹⁴	UNDP	1 Nov 2001					x	2 Mar 2005
Namibia	UNDP	7 Oct 2002	x		x	x		
Nauru	UNDP	30 Oct 1999	x	x				
Nepal	UNEP	1 Sep 2004						
Nicaragua	UNDP	25 Jul 2001	x		x		x	4 Feb 2005
Niger	UNDP	13 Nov 2000	x	x				
Nigeria	UNDP	17 Nov 2003	x	x				
Niue	UNEP	2 Oct 2001	x		x		x	11 Nov 2004
Pakistan	UNEP	15 Nov 2003						
Palau	UNEP	18 Jun 2003	x		x	x		
Panama	UNDP	20 Jul 2001	x		x	x		
Papua New Guinea	UNDP	27 Feb 2002	x	x				
Paraguay	UNDP	10 Apr 2002	x		x	x		Undergoing IA approval
Peru ¹⁵	UNDP	21 Aug 2001				x		

¹⁴ Morocco did not request stocktaking funds.

Party	Implementing Agency	Date of Submission of Initial National Communication	GEF Funding for Self-Assessment to Prepare Project Proposals for the SNC			Status of the SNC Project Proposal		
			Funds Approved	Self-assessment Ongoing	Self-assessment Completed	Draft Submitted to IA	SNC Proposal Approved by IA	Date of Approval by IA
Philippines	UNDP	19 May 2000	x	x		x		
Republic of Moldova	UNEP	13 Nov 2000	x		x		x	Undergoing IA approval
Saint Kitts and Nevis	UNDP	30 Nov 2001	x	x				
Saint Lucia	UNDP	30 Nov 2001	x	x				
Saint Vincent and the Grenadines	UNDP	21 Nov 2000	x	x				
Samoa	UNDP	30 Oct 1999	x		x		x	21 Jul 2005
São Tomé and Príncipe	UNDP	19 May 2005						
Senegal	UNEP	1 Dec 1997	x		x	x		
Seychelles	UNDP	15 Nov 2000	x	x				
Singapore		21 Aug 2000						
Solomon Islands	UNDP	29 Sep 2004	x	x				
South Africa	UNEP	11 Dec 2003						
Sri Lanka	UNDP	6 Nov 2000						
Sudan	UNDP	7 Jun 2003	x	x				
Swaziland	UNDP	21 May 2002	x	x				

¹⁵ Peru is following GEF full-cycle procedures for SNC funding. Peru received PDF-A funds for preparation of SNC project brief, which will be submitted to the November 2005 GEF work programme.

Party	Implementing Agency	Date of Submission of Initial National Communication	GEF Funding for Self-Assessment to Prepare Project Proposals for the SNC			Status of the SNC Project Proposal		
			Funds Approved	Self-assessment Ongoing	Self-assessment Completed	Draft Submitted to IA	SNC Proposal Approved by IA	Date of Approval by IA
Rwanda	UNEP	6 Sep 2005						
Tajikistan	UNDP	8 Oct 2002	x		x		x	26 May 2005
Thailand	UNDP	13 Nov 2000	x	x		x		
Togo	UNDP	20 Dec 2001	x	x				
Tonga	UNDP	21 Jul 2005						
Trinidad and Tobago	UNDP	30 Nov 2001	x	x				
Tunisia ¹⁶	UNDP	27 Oct 2001					x	8 Jun 2005
Turkmenistan	UNEP	11 Nov 2000	x		x	x		
Tuvalu	UNDP	30 Oct 1999	x	x				
Uganda	UNEP	26 Oct 2002						
United Republic of Tanzania	UNEP	4 Jul 2003						
Uruguay ¹⁷	UNDP	15 Oct 1997					x	5 May 2005
Uzbekistan	UNEP	22 Oct 1999	x		x		x	10 Feb 2005
Vanuatu	UNDP	30 Oct 1999	x	x				
Viet Nam	UNEP	2 Dec 2003	x	x				

¹⁶ Tunisia did not request stocktaking funds.

¹⁷ Uruguay has submitted a project proposal for its Third National Communication to UNDP. Uruguay did not request stocktaking funds.

Party	Implementing Agency	Date of Submission of Initial National Communication	GEF Funding for Self-Assessment to Prepare Project Proposals for the SNC			Status of the SNC Project Proposal		
			Funds Approved	Self-assessment Ongoing	Self-assessment Completed	Draft Submitted to IA	SNC Proposal Approved by IA	Date of Approval by IA
Yemen	UNDP	29 Oct 2001	x	x				
Zambia	UNDP	18 Aug 2004	x	x				
Zimbabwe	UNEP	25 May 1998	x		x	x		

ANNEX III: GEF ENABLING ACTIVITIES AND STATUS OF PARTIES NOT INCLUDED IN ANNEX I TO THE UN FRAMEWORK CONVENTION ON CLIMATE CHANGE THAT HAVE YET TO SUBMIT INITIAL NATIONAL COMMUNICATIONS

Party	Implementing Agency	Date of Ratification of the Convention	GEF Funding for Stocktaking Activities to Prepare a Project Proposal			Date of Initial Disbursement of GEF Funds	Status of the INC Project Proposal
			Funds Approved	Self-assessment Ongoing	Self-assessment Completed		
Afghanistan		19 Sep 2002					
Angola		17 May 2000					
Bosnia and Herzegovina	UNDP	7 Sep 2000	x	x			Draft INC proposal submitted to UNDP
Cyprus		15 Oct 1997					Has not applied for GEF financing
Equatorial Guinea		16 Aug 2000				Has not applied for funds	Has yet to finalize project proposal
Fiji	UNDP	25 Feb 1993				Jun 1997	Ongoing
Guinea-Bissau	UNDP	27 Oct 1995				Sept 1998	Completed
Kuwait		28 Dec 1994					
Liberia	UNEP	5 Nov 2002	x		x		INC project proposal approved by IA – 30 Aug 2005
Libyan Arab Jamahiriya	UNEP	14 Jun 1999				Feb 2002	Ongoing
Mozambique	UNDP	25 Aug 1995				Sep 1997	Completed
Myanmar		25 Nov 1994					
Oman	UNDP	8 Feb 1995					Project document being finalized
Qatar		18 Apr 1996					

Party	Implementing Agency	Date of Ratification of the Convention	GEF Funding for Stocktaking Activities to Prepare a Project Proposal			Date of Initial Disbursement of GEF Funds	Status of the INC Project Proposal
			Funds Approved	Self-assessment Ongoing	Self-assessment Completed		
San Marino		28 Oct 1994					
Saudi Arabia	UNDP	28 Dec 1994				Jun 2002	Completed
Serbia and Montenegro	UNDP	12 Mar 2001	x	x			Project proposal being prepared
Sierra Leone	UNDP	22 Jun 1995					Ongoing
Suriname	UNDP	14 Oct 1996				Dec 1999	Completed
Syrian Arab Republic	UNDP	4 Jan 1996	x	x			
Turkey	UNDP		x		x		INC project proposal approved by IA
United Arab Emirates	UNEP	29 Dec 1995					Ongoing
Venezuela	UNDP	28 Dec 1994				Jan 2002	Completed

ANNEX IV: DECISIONS OF THE FIRST CONFERENCE OF THE PARTIES TO THE STOCKHOLM CONVENTION REGARDING THE GEF

Decision SC-1/9: A: Guidance to the financial mechanism

The Conference of the Parties,

Recalling paragraph 6 of article 13 of the Stockholm Convention, which establishes a mechanism for the provision of adequate and sustainable financial resources to developing country Parties and Parties with economies in transition on a grant or concessional basis to assist in their implementation of the Convention,

Bearing in mind the urgent need for financial resources to help developing country Parties and Parties with economies in transition to fulfill their obligations under this Convention,

Recalling further paragraph 7 of article 13, which requires the Conference of the Parties at its first meeting to adopt appropriate guidance to be provided to the financial mechanism,

Noting Article 14 of the Stockholm Convention on interim financial arrangements,

Considering the work of the open-ended working group on the financial mechanism established by the Intergovernmental Negotiating Committee for an International Legally Binding Instrument for Implementing International Action on Certain Persistent Organic Pollutants,

1. *Adopts* the guidance to the financial mechanism contained in the annex to the present decision;
2. *Requests* the Secretariat to transmit the guidance to the financial mechanism contained in the annex to the present decision to the entity or entities entrusted with the operation of the financial mechanism pursuant to paragraph 6 of Article 13 of the Convention;
3. *Further requests* the Secretariat to transmit the guidance to the financial mechanism contained in the annex to the present decision to the Global Environment Facility, which is, on an interim basis, the principal entity entrusted with the operations of the financial mechanism in accordance with Article 14 of the Convention;
4. *Requests* the entity or entities entrusted with the operations of the financial mechanism of the Convention, including the Global Environment Facility, to incorporate on an ongoing basis guidance from the Conference of the Parties in the further development of their operational programmes to ensure that the objectives of the Convention are addressed; and
5. *Requests* the Global Environment Facility to prepare and submit reports to each ordinary meeting of the Conference of the Parties on its operations in support of the Convention, as set out in the memorandum of understanding between the Conference of the Parties and the Council of the Global Environment Facility.

Annex to decision SC-1/9: Guidance to the financial mechanism

This guidance is intended to assist the entity or entities entrusted with the operation of the financial mechanism pursuant to paragraph 6 of Article 13 and in accordance with article 14 of the Stockholm Convention on Persistent Organic Pollutants.

1. Eligibility

- (a) *Country eligibility:* To be eligible to receive funding from the financial mechanism a country must be:
 - (i) A developing country or country with an economy in transition; and
 - (ii) A Party to the Convention.

For the preparation of the initial national implementation plan, developing countries and countries with economies in transition that are signatories or in the process of becoming Parties should also be eligible.

The entity or entities entrusted with the operations of the financial mechanism should take full account of the specific needs and the special situation of the least developed countries and small island developing States in their actions with regard to funding;

- (b) *Eligible activities:* Activities that are eligible for funding from the financial mechanism are those that seek to meet the objectives of the Convention, by assisting eligible Parties to fulfill their obligations under the Convention, in accordance with guidance provided by the Conference of the Parties.

2. Policy and strategy

Timely, adequate and sustainable financial resources on a grant or concessional basis should be allocated to meet the agreed full incremental costs of implementing eligible activities:

- (a) That are country-driven and are endorsed by the Parties concerned;
- (b) That assist eligible Parties in meeting their obligations under the Stockholm Convention and are in conformity with, and supportive of, the priorities identified in their respective national implementation plans;
- (c) That are in conformity with the programme priorities as reflected in the relevant guidance and guidelines developed and/or adopted by the Conference of the Parties, as appropriate;
- (d) That build capacity and promote the utilization of local and regional expertise;
- (e) That promote multiple-source funding approaches, mechanisms and arrangements; and
- (f) That promote sustainable national socio-economic development, poverty reduction and activities consistent with existing national sound environmental management programmes geared towards the protection of human health and the environment.

3. Programme priorities

Priority should be given to the funding of activities that enable eligible Parties to fulfil their obligations under the Convention, in particular with:

- (a) Development, review and updating, as appropriate, of national implementation plans, pursuant to Article 7 of the Convention;
- (b) Development and implementation of activities identified in national implementation plan as national or regional priorities;
- (c) Reducing the need for specific exemptions by eligible Parties;
- (d) Activities that support or promote capacity-building, including human resource development and institutional development and/or strengthening; including those from centres for regional and subregional capacity-building and technology assistance, e.g.:
 - (i) Institutional strengthening and capacity-building;
 - (ii) Capacity improvement for designing, developing and enforcing action plans, strategies and policies, including measures to minimize negative impacts on workers and local communities;
- (e) Activities that promote and provide access to technical assistance through appropriate arrangements, including those from centres for regional and subregional capacity-building and technology assistance;
- (f) Assistance with needs assessment and information on available sources on funding;
- (g) Activities that promote transfer of technology adapted to local conditions, to eligible Parties, including best available techniques and best environmental practices;
- (h) Activities that promote education, training, public participation and awareness-raising of stakeholders and the general public;
- (i) Projects that are responsive to priorities identified in the national implementation plans of eligible Parties and take fully into account the relevant guidance of the Conference of the Parties;
- (j) Activities that enhance information exchange and management;
- (k) Development and promotion of alternatives to persistent organic pollutants, including non-chemical alternatives.

4. Determination of funding

In accordance with paragraph 7 (d) of article 13, the Conference of the Parties will regularly provide the entity or entities entrusted with the operations of the financial mechanism pursuant to paragraph 6 of article 13 of the Convention assessments of the funding needed to ensure effective implementation of the Convention.

5. Updating the guidance

The Conference of the Parties shall review, in consultation, as appropriate, with the entity or entities entrusted with the operation of the financial mechanism, the effectiveness of the present guidance on a regular basis and update and prioritize it as necessary.¹⁹ Such reviews will coincide with the schedule of reviews for the effectiveness of the financial mechanism.

¹⁹ In determining the length of time between updates of the guidance, the Conference of the Parties may wish to take into account the schedule for the review of the effectiveness of the financial mechanism.

Decision SC-1/10: C: First review of the financial mechanism

The Conference of the Parties,

Recalling paragraph 8 of Article 13 of the Convention;

Noting that the first review of the financial mechanism of the Convention will take place at the second meeting of the Conference of the Parties, to be held in 2006;

Recognizing that the period to be addressed by the review will cover activities from the date on which the Convention was open for signature until July 2005;

Recognizing further that during such period the Global Environment Facility will have been the principal entity entrusted with the operations of the financial mechanism of the Convention, on an interim basis, in accordance with Article 14;

Adopts the attached terms of reference for the first review of the financial mechanism of the Convention;

Agrees that future reviews of the financial mechanism of the Convention will address the principal entity referred to above until such time as the Conference of the Parties decides which institutional structure will be designated in accordance with Article 13 of the Convention. Thereafter, the review will address the entity or entities so entrusted.

Annex to decision SC-1/10: Terms of reference for the first review of the financial mechanism

Objective

1. Pursuant to paragraph 8 of Article 13 of the Convention, the Conference of the Parties will review the effectiveness of the financial mechanism established under Article 13 of the Stockholm Convention in supporting implementation of the Convention, with a view to taking appropriate action, if necessary, to improve the effectiveness of the financial mechanism, including by means of recommendations and guidance to ensure timely, adequate and sustainable funding. For this purpose the review will include an analysis of:

- (a) The mechanism's ability to address the changing needs of developing-country Parties and Parties with economies in transition;
- (b) The criteria and the guidance referred to in paragraph 7 of Article 13 of the Convention, including the mechanism's ability to incorporate policy guidance from the Conference of the Parties;
- (c) The level of funding;
- (d) The effectiveness of the performance of the institutional entities entrusted to operate the financial mechanism

2. With regard to the above, the effectiveness of the performance of the Global Environment Facility, in its capacity as principal entity entrusted, on an interim basis, with the operations of the

financial mechanism in accordance with Article 14 of the Convention, will be evaluated when undertaking this first review.

3. For the purpose of these terms of reference for this first review, the principal entity refers to the Global Environment Facility in accordance with Article 14 of the Convention.

Methodology

4. The review will cover the activities of the financial mechanism for the period since the Convention was open for signature (22 May 2001) to July 2005, with special emphasis on those activities which have been concluded during the same period.

5. The review shall draw, among others, on the following sources of information:

- (a) Information provided by the Parties and other Governments on their experiences gained through activities funded by the financial mechanism;
- (b) Reports submitted to the Conference of the Parties by the principal entity;
- (c) Other reports provided by the principal entity, among others, the reports of its independent monitoring and evaluation unit and the overall performance studies;
- (d) Reports and information provided by other relevant entities providing multilateral, regional and bilateral financial and technical assistance pursuant to paragraph 6 of Article 13 of the Convention;
- (e) Relevant information provided by intergovernmental organizations and non-governmental organizations and other relevant stakeholders.

6. The principal entity is requested to provide to the Secretariat relevant information for this review in a timely manner.

7. Parties and other Governments, intergovernmental organizations, non-governmental organizations and other relevant stakeholders are encouraged to submit to the Secretariat the relevant information pursuant to paragraphs 5 (a) and (f) above, as soon as possible but not later than 31 July 2005.

8. In keeping with these terms of reference, the Secretariat shall:

- (a) Make adequate arrangements to ensure that the effectiveness review is undertaken in an independent and transparent manner;
- (b) Hire an independent evaluator to prepare a draft report on the review of the financial mechanism;
- (c) Circulate the draft report among Parties and other Governments for comment before the second meeting of the Conference of the Parties;
- (d) Submit the draft report to the Conference of the Parties for consideration at its second meeting. The report shall be deemed an official document of the Conference of the Parties.

Report

9. The report of the review shall include, among other things, the following elements:
- (a) An overview of elements (a) to (d) of paragraph 1 above;
 - (b) An analysis of lessons learned from the activities funded by the financial mechanism during the period covered by the review;
 - (c) Recommendations and guidance to improve the effectiveness of the financial mechanism in meeting the objectives of the Convention;
 - (d) An assessment against the performance criteria listed in paragraph 10 below.

Performance criteria

10. The effectiveness of the financial mechanism shall be assessed taking into account, among other things:
- (a) The responsiveness of the principal entity to the resolutions adopted by the Conference of Plenipotentiaries and the decisions of the Intergovernmental Negotiating Committee on an International Legally Binding Instrument on Persistent Organic Pollutants and, to the extent possible, guidance from the Conference of the Parties adopted at its first meeting;
 - (b) The transparency and timeliness of the project approval process;
 - (c) Procedures for accessing funds which are simple, flexible and expeditious;
 - (d) The adequacy and sustainability of resources;
 - (e) Country ownership of activities funded by the financial mechanism;
 - (f) The level of stakeholder involvement;
 - (g) The findings and recommendations of the Global Environment Facility's Office of Monitoring and Evaluation and the Facility's Third Overall Performance Study; and
 - (h) Any other significant issues raised by the Parties.

Decision SC-1/11: Memorandum of understanding between the Conference of the Parties and the Council of the Global Environment Facility

The Conference of the Parties,

1. *Adopts* the memorandum of understanding between the Conference of the Parties and the Council of the Global Environment Facility, as contained in the annex to the present decision;
2. *Requests* the Secretariat to transmit the memorandum of understanding to the Council of the Global Environment Facility for its consideration and adoption.

Annex to decision SC-1/11

Memorandum of understanding between the Conference of the Parties of the Stockholm Convention on Persistent Organic Pollutants and the Council of the Global Environment Facility

The Conference of the Parties to the Stockholm Convention on Persistent Organic Pollutants and the Council of the Global Environment Facility,

Recalling Article 13, paragraph 2 of the Convention which states that “the developed country Parties shall provide new and additional financial resources to enable developing country Parties and Parties with economies in transition to meet the agreed full incremental costs of implementing measures which fulfil their obligations under this Convention as agreed between a recipient Party and an entity participating in the mechanism described in paragraph 6”;

Further recalling Article 13 of the Convention and recognizing that the financial mechanism established pursuant to it is to provide “adequate and sustainable financial resources to developing country Parties and Parties with economies in transition on a grant or concessional basis to assist in their implementation of the Convention” and is to “function under the authority, as appropriate, and guidance of, and be accountable to the Conference of the Parties for the purposes of this Convention”;

Recalling Article 13, paragraph 7, of the Convention which stipulates that, “pursuant to the objectives of the Convention and paragraph 6 of Article 13, the Conference of the Parties shall at its first meeting adopt appropriate guidance to be provided to the mechanism and shall agree with the entity or entities participating in the financial mechanism upon arrangements to give effect thereto”;

Recalling Article 14 of the Convention which stipulates that “the institutional structure of the Global Environment Facility, operated in accordance with the Instrument for the Establishment of the Restructured Global Environment Facility, shall on an interim basis, be the principal entity entrusted with the operations of the financial mechanism referred to in Article 13, for the period between the date of entry into force of this Convention and the first meeting of the Conference of the Parties, or until such time as the Conference of the Parties decides which institutional structure will be designated in accordance with Article 13;

Recalling paragraph 6 of the Instrument for the Establishment of the Restructured Global Environment Facility, as amended at the second Global Environment Facility Assembly in October 2002, which provides that “GEF shall also be available to serve as an entity entrusted with the operation of the financial mechanism of the Stockholm Convention on Persistent Organic Pollutants”;

Having consulted with each other and taking into account the relevant aspects of their governance structures as reflected in their constituent instruments,

Have reached the following understanding:

Definitions

1. For the purpose of the present memorandum of understanding:
 - (a) “Assembly” means the Assembly of GEF as defined in the *Instrument for the Establishment of the Restructured Global Environment Facility*;
 - (b) “Conference of the Parties” means Conference of the Parties to the Stockholm Convention on Persistent Organic Pollutants;
 - (c) “Convention” means the Stockholm Convention on Persistent Organic Pollutants;
 - (d) “Council” means the Council of GEF as defined in the *Instrument for the Establishment of the Restructured Global Environment Facility*;
 - (e) “GEF” means the mechanism established by the *Instrument for the Establishment of the Restructured Global Environment Facility*;
 - (f) “GEF Instrument” means the *Instrument for the Establishment of the Restructured Global Environment Facility*; and
 - (g) “Party” means Party to the Stockholm Convention on Persistent Organic Pollutants; and,
 - (h) “POPs” means the chemicals covered under the Stockholm Convention on Persistent Organic Pollutants.

Purpose

2. The purpose of the present memorandum of understanding is to make provision for the relationship between the Conference of the Parties and the Council in order to give effect to the provisions of Article 13, paragraphs 6, 7 and 8, and Article 14 of the Convention and paragraphs 6, 26 and 27 of the GEF Instrument.

Guidance from the Conference of the Parties

3. The Conference of the Parties will provide GEF, as the principal entity entrusted on an interim basis according to Article 14 of the Convention with the operation of the financial mechanism established under Article 13 of the Convention, with appropriate guidance that the

Conference of the Parties may adopt, review, update or revise in pursuance of paragraphs 7 and 8 of Article 13 and will subsequently agree with GEF upon any additional arrangements beyond the present memorandum of understanding that may be necessary. The guidance will address, among other things:

- (a) Determination of the policy, strategy and programme priorities, as well as clear and detailed criteria and guidelines regarding eligibility for access to and utilization of financial resources including monitoring and evaluation on a regular basis of such utilization;
- (b) Provision by the Council of regular reports to the Conference of the Parties on adequacy and sustainability of funding for activities relevant to the implementation of the Convention;
- (c) Promotion of multiple-source funding approaches, mechanism and arrangements;
- (d) Modalities for the determination in a predictable and identifiable manner of the amount of funding necessary and available for the implementation of the Convention, keeping in mind that the phasing out of persistent organic pollutants might require sustained funding, and the conditions under which that amount will be periodically reviewed; and
- (a) Modalities for the provision to interested Parties of assistance with needs assessment, information on available sources of funds and on funding patterns in order to facilitate coordination among them;

Conformity with guidance from the Conference of the Parties

4. The Council will ensure the effective operation of GEF, as an entity entrusted on an interim basis with the operations of the financial mechanism under the Convention, as a source of funding activities for the purposes of the Convention in conformity with the guidance provided to it by the Conference of the Parties.

5. The Council may raise with the Conference of the Parties any matter arising from the guidance adopted by the Conference of the Parties. In particular, if the Conference of the Parties provides guidance to GEF subsequent to its first meeting, the Council may consult with the Conference of the Parties to update and clarify existing guidance in light of any new or additional guidance that it receives.

6. The funding decisions for specific projects and activities should be agreed between the developing country Party or the Party with economy in transition concerned and GEF in accordance with policy, strategy, programme priorities and eligibility criteria established by the Conference of the Parties. The GEF Council is responsible for approving the GEF work programmes. If a Party considers that a decision of the Council regarding a specific project was not consistent with the policies, programme priorities and/or eligibility criteria established by the Conference of the Parties in the context of the Convention and if after consideration the Conference of the Parties decides the concern of the relevant Party has merit, it will seek clarification from GEF and analyse the observations presented to it by the concerned Party and the response by GEF. In the event that the Conference of the

Parties considers that this specific project decision does not comply with the policy, strategy, programme priorities and/or eligibility criteria established by the Conference of the Parties, it may decide to request GEF to propose and implement a course of action to address the concern regarding the project in question.

Reporting

7. In order to meet the requirements of accountability to the Conference of the Parties, the Council will prepare and submit regular reports to the Conference of the Parties at each ordinary meeting of the Conference of the Parties. The report of the Council will be an official document of the meeting of the Conference of the Parties.

8. The reports will include specific information on how GEF has applied the guidance determined by the Conference of the Parties, as well as any other decision of the Conference of the Parties communicated to GEF, under Article 13 of the Convention.

9. In particular, the reports will provide the following information:

- (a) Information on how GEF has responded to the guidance provided by the Conference of the Parties including, where appropriate, through its incorporation in the strategies and operational policies of GEF;
- (b) A synthesis of projects approved by the Council during the reporting period in the persistent organic pollutants focal area with an indication of GEF and other resources allocated to such projects and the approval status of each project;
- (c) A listing of projects approved by the Council in the persistent organic pollutants focal area, with an indication of the total financial resources allocated to these projects; and
- (d) In case of any project proposal included in a work programme that is not approved by the Council, the reasons for not being approved.

10. The Council will also report on GEF monitoring and evaluation activities concerning projects in the persistent organic pollutants focal area.

11. The Council will also provide information on other matters concerning the discharge of functions under Article 13, paragraph 6, as may be requested by the Conference of the Parties. If the Council has difficulties in responding to any such request, it will explain its concerns to the Conference of the Parties, and the Conference of the Parties and the Council will find a mutually agreed solution.

12. The Council will include in its report to the Conference of the Parties any views it may have on the guidance decided by the Conference of the Parties.

13. The Conference of the Parties may raise with the Council any matter arising from the reports received.

Monitoring and evaluation

14. As provided for in Article 13, paragraph 8, of the Convention, the Conference of the Parties will review, on a regular basis, the effectiveness of the financial mechanism established under the Convention, its ability to address the changing needs of developing country Parties and Parties with economies in transition, the criteria and guidance referred to in Article 13, paragraph 7 of the Convention, the level of funding as well as the effectiveness of the performance of GEF as an institutional entity entrusted on an interim basis with the operation of the financial mechanism.

15. In preparing its review on the effectiveness of the financial mechanism, the Conference of the Parties will, as appropriate, take into account the reports of the GEF independent monitoring and evaluation unit and the views of GEF. The GEF independent monitoring and evaluation unit will consult, as appropriate, with the Secretariat of the Convention when preparing evaluations of the activities of GEF related to persistent organic pollutants.

16. The Conference of the Parties, based on the above-mentioned reviews, will communicate to the Council relevant decisions taken by the Conference of the Parties as a result of such reviews, to improve the performance and effectiveness of the financial mechanism in assisting developing country Parties and Parties with economies in transition to implement the Convention.

Cooperation between Secretariats

17. The Secretariat of the Convention and the Secretariat of GEF will communicate and cooperate with each other and consult on a regular basis to facilitate the effectiveness of the financial mechanism in assisting developing country Parties and Parties with economies in transition to implement the Convention.

18. In particular, in accordance with the GEF project cycle the Secretariat of the Convention will be invited to comment on the project proposals related to persistent organic pollutants under consideration for inclusion in a proposed work programme, especially with regard to the consistency of the project proposals with the guidance provided by the Conference of the Parties.

19. The Secretariats of the Convention and of GEF will reciprocally consult with each other on draft texts of documents relevant to the Convention and GEF prior to issuing the final texts of such documents.

20. Official documentation of GEF, including information on project activities, will be made available on its web site. Official documentation of the Convention will be made available on its web site.

Reciprocal representation

21. On a reciprocal basis, representatives of GEF will be invited to attend meetings of the Conference of the Parties and representatives of the Convention will be invited to attend meetings of the Council and Assembly.

Amendments

22. The present memorandum of understanding may be amended at any time by written agreement between the Conference of the Parties and the Council.

Interpretation

23. If differences arise in the interpretation of the present memorandum of understanding, the Conference of the Parties and the Council will make every effort to reach a mutually acceptable solution. If necessary the issue may be referred, as appropriate, to the Conference of the Parties and /or the Council of GEF for consideration.

Entry into effect

24. The present memorandum of understanding will come into effect upon approval by the Conference of the Parties and by the Council and will remain in force until such time as the Conference of the Parties decides which institutional structure will be designated in accordance with Article 13 of the Convention.

Withdrawal

25. Either the Conference of the Parties or the Council may terminate the present memorandum of understanding at any time upon written notification to the other. The withdrawal will take effect six months after its notification and shall not affect the validity or duration of activities initiated before such termination.