



SUBMISSION BY POLAND AND THE EUROPEAN COMMISSION ON BEHALF OF THE EUROPEAN UNION AND ITS MEMBER STATES

This submission is supported by Albania, Croatia, Iceland, the Former Yugoslav Republic of Macedonia, Montenegro and Serbia.

Warsaw, 20th September 2011

Subject: Financial mechanism of the Convention: Views and recommendations from Parties on elements to be taken into account in developing guidance to the Global Environment Facility

(FCCC/SBI/2010/L.38/Add. 1, paragraph 7)

SBI-33 concluded to invite parties to submit to the secretariat annually, no later than 10 weeks prior to the subsequent session of the Conference of the Parties, their views and recommendations in writing on elements to be taken into the account in developing guidance to the Global Environment Facility.

The EU reiterates its view that the successful conclusion in May 2010 of the GEF-5 replenishment negotiations (with approximately 54 % of the new resources coming from EU Member States) as well as the accompanying programmatic and institutional reforms of the GEF have created a solid basis to improve its capability of responding to the growing demands for enhanced support to developing countries in meeting their commitments under the Convention.

Bearing in mind the additional guidance provided to the GEF at COP-16 (FCCC/CP/2010/L.2), the EU has taken note of the annual report of the GEF to COP-17 which provides detailed and useful information on a broad variety of steps taken by the GEF as well as the LDCF and the SCCF to implement COP guidance.

The EU wishes to make particular reference to information included in the annual report that:

- the funding of projects on climate change mitigation through the Trust Fund and for adaptation through the specialized funds has proceeded at a level and pace expected, and that a first multi-trust fund project has been initiated in the area of technology transfer, in which also otherwise significant progress is reported, and that the streamlining of the project-cycle has continued in accordance with decisions and recommendations made;

- the GEF has met all requests to support National communications and that as of June 2011 143 non-Annex 1 countries have received funding for the preparations of their National Communications;

- as of June 2011, 48 least developed countries (LDCs) have received GEF LDCF funding for, and 45 have completed, the preparation of their National Adaptation Programmes of Action;

- the GEF, together with its partner agencies, continues to provide significant capacity building support to developing countries, and that the reporting on these activities has been improved and made more informative;

- on the basis of instructions by the GEF Council, the GEF Secretariat has been piloting a new approach to broaden the range of agencies that are able to access resources directly from the GEF Trust Fund for the preparation and execution of projects; the range of entities include national institutions, regional organizations, non-governmental organisations, United Nations specialised agencies and programs, and other international non-governmental organisations.

SBI-34 in its conclusions made a request to the GEF to clarify whether the activities (systematic observations) in Decision 5/CP.7, paragraph 7(a)(iv) fall within its mandate. The EU notes the affirmation by the GEF in its annual report, as shown in a separate project listing included in table 39 of the report, that its mandate under the LDCF and the SCCF covers these activities, and regards this as a starting point for any further guidance on activities in this area.

Anticipating agreement on guidelines for biennial reports and stressing the importance of supporting developing countries in this regard, guidance to the GEF should be provided to implement the new measures. Due to limited availability of funding in the current replenishment period, prioritisation of countries might be considered.

Notwithstanding the reforms and improvements that the GEF has successfully implemented following COP guidance, which is expected to continue during the rest of GEF-5, the EU believes there is scope for further improving the formulation of recommendations to the GEF. Clearer guidance and recommendations would facilitate greater transparency and the accountability in the operation of the financial mechanism. All Parties should strive to improve the guidance in this respect so that it is operable on the part of the GEF. Further enhancing the direct communication and collaboration between the Convention Secretariat and the GEF would also help in the interpretation and practical implementation of the guidance provided.