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**Thirteenth session**  
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**Item 6 (a) of the provisional agenda**  
**Review of implementation of commitments and of other provisions of the Convention**  
**Financial mechanism of the Convention**

## **Report of the Global Environment Facility to the Conference of the Parties**

### **Note by the secretariat\***

1. The Conference of the Parties (COP), by its decision 12/CP.2, adopted and thereby brought into force a memorandum of understanding (MOU) between the COP and the Council of the Global Environment Facility (GEF) (FCCC/CP/1996/15/Add.1). The MOU provides, inter alia, that annual reports of the GEF be made available to the COP through the secretariat.
2. In response to that provision, the GEF secretariat has submitted the attached report (see annex) dated 18 October 2007; it is reproduced here as submitted, without formal editing, and with the original pagination.
3. The MOU also provides that the COP shall, pursuant to Article 11, paragraph 1, of the Convention, decide on policies, programme priorities and eligibility criteria relating to the Convention for the financial mechanism which shall function under the guidance of and be accountable to the COP.
4. The MOU further stipulates that the COP will, after each of its sessions, communicate to the Council of the GEF any policy guidance approved by the COP concerning the financial mechanism.

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\* This document was received from the Global Environment Facility Secretariat on 19 November 2007 and was submitted as soon as it was received.





## Global Environment Facility

November 19, 2007

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# REPORT OF THE GEF TO THE THIRTEENTH SESSION OF THE CONFERENCE OF THE PARTIES TO THE UNITED NATIONS FRAMEWORK CONVENTION ON CLIMATE CHANGE

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## **I. INTRODUCTION**

1. This report has been prepared by the Global Environment Facility (GEF) for the thirteenth session of the Conference of the Parties (COP13) to the United Nations Framework Convention on Climate Change. For the project activities funded by the GEF, the report covers the period from September 1, 2006 to August 31, 2007.

2. The report consists of three substantive sections. Following this introductory section, Section II provides an overview of the reform agenda initiated by the new CEO and Chairperson of the GEF since August 2006. Section III reports the project activities approved by the GEF during this period from the GEF Trust Fund and the Special Climate Change Fund. Finally, Section IV provides responses to Convention guidance and COP decisions relating to the GEF.

## **II. THE GEF REFORM AGENDA**

3. Since taking office in August 2006 as the CEO and Chairperson of the GEF, Ms. Monique Barbut has embarked on a series of initiatives to reform the GEF. In her speech to the GEF Council in December 2006, the CEO outlined her vision of a “new GEF” – one that is strategic, innovative, equitable, accessible, and focused. This five-point sustainability compact laid the foundation for the GEF reform agenda. In many ways, the five points of the sustainability compact directly respond to the calls of the Conference of the Parties to the United Nations Framework Convention on Climate Change (UNFCCC).

4. To implement this five-point sustainability compact, the GEF has introduced a range of specific actions, including

- Reformulating the focal area strategies, including that for climate change, and moving from project-driven to a programmatic approach;
- Introducing a new project cycle that limits the time a proposal may take to move from concept identification to implementation to no more than 22 months—as opposed to the previous 66-month average;
- Leveling the playing field between GEF Implementing Agencies (IAs) and Executing Agencies (EAs) by abolishing corporate budgets for IAs as of Fiscal Year 2008 and increasing project cycle management fees from 9% to 10% for all GEF Agencies;
- Ensuring that GEF Agencies work according to their own comparative advantage so as to be able to deliver the required services to recipient countries;
- Creating avenues for direct dialogue between countries and the GEF Secretariat, as well as a position in the Office of the CEO to respond to country concerns;
- Enhancing the effectiveness of corporate programs, such as the National Dialogue Initiative, Country Support Program, and Small Grants Program, by having the GEF Secretariat chair the Steering Committees of all GEF corporate programs; and
- Strengthening the GEF Corporate image and public communications and overhauling the data management system and the website to enable easy access to GEF knowledge.

5. For climate change, the focal area strategy has been revised based on extensive consultation with GEF Council members, recipient countries, GEF Agencies, as well as independent experts, with a

view to greater emphasis on impact. The GEF climate change focal area draft strategy was reviewed by the Council in 2007, and a revised version was approved in September 2007 (see Annex 1).

6. According to the strategic programming for the fourth replenishment period (GEF-4) (FY2007-10), the GEF will continue to provide support to enabling activities, climate change mitigation, and adaptation. For enabling activities, the GEF approved an umbrella project during GEF-3 to provide expedited support through UNDP and UNEP for non-Annex I parties to the UNFCCC to prepare their second and subsequent national communications. As national communications from non-Annex I parties are presented on a five-year cycle, the umbrella project will cover the needs of most of the countries through the GEF-4 replenishment period. The GEF will take action to ensure that adequate and timely support will be made available to all countries as required.

7. For climate change mitigation, the new GEF strategy has identified six strategic programs as priorities for funding during GEF-4. They are: (1) energy efficiency in buildings; (2) industrial energy efficiency; (3) renewable energy; (4) sustainable energy production from biomass; (5) sustainable urban transport; and (6) management of land use, land-use change, and forestry (LULUCF). The new GEF mitigation strategy includes the management of land use, land use change, and forestry as one of the strategic programs to protect carbon stocks and reduce greenhouse gas emissions. In addition, the GEF is proposing a cross-cutting strategic program on Sustainable Forest Management (SFM) that will draw from biodiversity, land degradation, as well as climate change focal areas. The climate change focal area will support SFM activities through both the strategic program on biomass energy and the LULUCF program.

8. During GEF-4, support to adaptation programming from the GEF Trust Fund will continue through the Strategic Pilot on Adaptation (SPA). Once the remainder of the initial \$50million of funds devoted to the SPA is committed to projects, an evaluation will be undertaken to draw initial lessons and to assess the potential for mainstreaming adaptation into GEF's focal areas. The GEF Council will then decide how much further funding should be allocated to adaptation under the GEF Trust Fund, consistent with COP guidance to GEF on adaptation. In addition, a climate change impact assessment methodology is being developed for application to all projects supported by GEF, to be followed by a systematic integration of adaptation measures to decrease vulnerability and increase adaptive capacity. With respect to the mainstreaming of adaptation, an approach to reduce climate change risks will be developed for application to all GEF-4 projects across all focal areas. It will focus on the risks posed by the adverse impacts of climate change on project design, identify where changes need to be made and additional adaptation measures need to be implemented. Its development will incorporate inputs from STAP and the experience from other bilateral and multilateral agencies in the design and implementation of adaptation projects.

9. In June 2007, the GEF Council approved a new, streamlined project cycle that has as its objective, the development and approval of a project from concept identification to project implementation in less than 22 months. This new streamlined, project cycle will neither compromise project quality nor undermine financial accountability. The new project cycle consists of three steps: (1) Council approval of the work program, consisting of project concepts cleared by the CEO; (2) CEO endorsement following Council review of fully prepared projects; and (3) Secretariat monitoring of portfolio performance during implementation, and evaluation oversight of the GEF Evaluation Office. By reducing the number of steps compared with the previous project cycle, the new project cycle aims to reduce the documentation requirements by sharply focusing the Secretariat reviews of the project concepts and the project document on those criteria that are critical to achieving the objectives for which a GEF grant is provided. The full document describing the new project cycle (GEF/C.31/7) is available on the GEF website at [http://thegef.org/interior\\_right.aspx?id=17634](http://thegef.org/interior_right.aspx?id=17634).

10. Beginning in fiscal year 2008, UNDP, UNEP, and the World Bank will no longer receive an administrative budget from the overall GEF corporate budget. The abolition of this corporate administrative budget removes one of the final remaining distinctions between implementing and executing agencies. Recipient countries should now be at liberty to select the agency of their choice from among the 10 GEF agencies according to the project's needs.

11. In June 2007, the GEF Council approved a paper which carefully defines the role of each of the GEF's partner agencies according to their strengths in providing Scientific and Technological Advice; Technical Assistance; Capacity Building; and Investments. Each of the ten GEF partner agencies has been evaluated in terms of their relative strengths and weaknesses with respect to each focal area. The approach adopted is explained in the GEF Council document (GEF/C.31/5) and is also available at the GEF website [http://thegef.org/interior\\_right.aspx?id=17634](http://thegef.org/interior_right.aspx?id=17634). GEF recipient countries may wish to take each agency's comparative advantage into account when selecting agencies to work with them on their portfolios.

12. During the reporting period, the GEF Secretariat has established direct communications with all recipient countries. Phone calls have been made to over 120 countries to discuss with them their national priorities for all focal areas under GEF-4. Through this process, not only should national focal points be able to clarify their priorities under GEF for the upcoming years, but they also should develop a better sense of which agencies can provide them with project services for their entire portfolio. The GEF Secretariat expects to continue with this direct dialogue over the coming years.

13. The GEF's corporate programs have continued their active programs of work in the past year. The Country Support Program held four country support workshops during the year, according to its work plan. Another three sub-regional workshops are scheduled to take place before the end of calendar year 2007. The National Dialogue initiative held seven national workshops during the reporting period. Based on strategic guidance provided by the GEF Secretariat and recommendations from the Inter-agency Steering Committee in December 2006, future National Dialogues will be conceived of as supporting integrated processes rather than stand-alone events with results of limited duration. As such, GEF Focal Points will be encouraged to take stock of national strategies, experiences, commitments, and concerns related to global environmental issues during the dialogue preparation phase and plan for follow-up actions to be taken after the dialogue. The June 2007 GEF Work Program included another tranche of support to the Small Grants Program (SGP) valued at approximately \$123.65m of GEF funding. The GEF Secretariat will now serve as the chair of the Steering Committee for all of these activities in order to ensure their conformity with GEF Corporate goal.

14. The GEF is constantly seeking to strengthen its corporate image and outreach so as to make information about its activities as widely available as possible. To this end, the GEF Secretariat has prepared an information strategy to be submitted for approval by the November 2007 Council meeting. Among its other objectives, this strategy will place a renewed emphasis on ensuring that information about GEF and its focal area work is made available to all recipient countries through resources made available through GEF projects. This initiative is in keeping with past decisions and practices, and the current communication strategy will ensure that GEF projects do more to raise public awareness and share information regarding climate change and activities to mitigate its causes and to adapt to its adverse impacts.

### **III. PROJECT ACTIVITIES FUNDED BY THE GEF DURING THE REPORTING PERIOD**

15. As an operating entity of the financial mechanism of the Convention, the GEF provides financing to country-driven projects consistent with guidance approved by the Conference of the Parties on policies, program priorities, and eligibility criteria. GEF-financed projects are managed through its

three Implementing Agencies and seven Executing Agencies. Information on all GEF projects is available on the GEF website under "Project Database" (<http://www.thegef.org/interior.aspx?id=90>).

### Activities Approved under the GEF Trust Fund

16. During the reporting period from September 1, 2006 to August 31, 2006, the GEF allocated \$ 81 million from the Trust Fund to 10 projects in the climate change focal area, including six full-size projects (FSPs) and four medium-sized projects (MSPs).<sup>1</sup> These projects are expected to leverage more than \$1.6 billion in co-financing from the governments of the recipient countries, the private sector, the GEF agencies, and bilateral agencies. Table 1 below gives the basic information of these projects. For project summaries, refer to Annexes 2 and 3.

**Table 1: Climate Change Projects Approved from the GEF Trust Fund  
(From September 1, 2006 to August 31, 2007)**

Country	OP	Project Type	Project Title	Agency	Date of Approval	GEF Amount* (Mil \$)	Co-financing (Mil \$)
Brazil	5	FSP	Market Transformation for Energy Efficiency in Buildings	UNDP/IADB	06/14/2007	13.8	64.8
China	5	FSP	Energy Efficiency Financing	World Bank	06/14/2007	13.5	583.2
Regional (Bangladesh, China, Indonesia, Thailand, Vietnam)	5	FSP	Barrier Removal to the Cost-Effective Development and Implementation of Energy Efficiency Standards and Labeling Project (BRESL)	UNDP	06/14/2007	6.9	27.4
India	5	MSP	Energy Conservation in Small Sector Tea Processing Units in South India	UNDP	07/25/2007	1.0	1.1
Russian Federation	6	FSP	Renewable Energy Project (RREP)	World Bank	06/14/2007	10.4	66.8
Uruguay	6	MSP	Uruguay Wind Energy Programme (UWEP)	UNDP	05/01/2007	1.0	6.0
Mexico	7	MSP	Grid-connected Photovoltaic Project	UNDP	05/01/2007	1.0	1.0
China	11	FSP	China/GEF/World Bank Urban Transport Partnership Program	World Bank	06/14/2007	21.4	585.8
South Africa	11	FSP	Sustainable Public Transport and Sport: A 2010 Opportunity	UNDP	06/14/2007	11.2	323.9

<sup>1</sup> A full-size project receives more than \$1 million in GEF funds; a medium-sized project is limited to a maximum of \$1 million in GEF funds.



			Adapting to Climate Change through the Improvement of Traditional Crops and Livestock Farming (SPA)				
Namibia	SPA	MSP		UNDP	08/21/2007	1.0	5.8
Total						81.0	1,665.8

\*GEF amount includes project preparation grants.

OP5 = Energy Efficiency; OP6 = Renewable Energy; OP7 = Low GHG-Emitting Energy Technologies; OP11 = Sustainable Transport; SPA = Strategic Priority for Adaptation

17. The approved activities are relatively few in number because the reporting period coincides with the beginning of the GEF-4 replenishment period, but the projects are well distributed among different regions and operational programs. Four out of the 10 projects are in Asia, three in Latin America, two in Africa, and one in the Europe and Central Asia (i.e., Russia). By operational programs, four fall under Energy Efficiency (OP5), two under Renewable Energy (OP6) and Sustainable Transport (OP11), respectively, and one under Low GHG-Emitting Energy Technologies (OP7) and Strategic Priority for Adaptation (SPA), respectively.

18. In addition to the above full-size and medium-sized projects, the GEF provides grants for project preparation. During the reporting period, the GEF provided a total of \$2 million of project preparation grants (PPGs) for the development of 5 climate change projects from the resources of the GEF Trust Fund: 4 are for mitigation projects and one is for an adaptation project under the SPA.

**Table 2: GEF Approval of Project Preparation Grants (PPG's)  
(From September 1, 2006 to August 31, 2007)**

Country	OP	Project Type	Project Title	Agency	Date of Approval	Amount (Million \$)
Brazil	6	FSP	Sugarcane Renewable Electricity (SUCRE)	UNDP	04/10/2007	0.2
China	5	FSP	Thermal Power Efficiency	World Bank	03/14/2007	0.4
India	11	FSP	Sustainable Urban Transport Project	World Bank/ UNDP	05/07/2007	0.4
Thailand	6	FSP	Promoting Renewable Energy in Mae Hong Son Province	UNDP	05/07/2007	0.1
Yemen	SPA	FSP	Adaptation to Climate Change Using Agrobiodiversity Resources in the Rainfed Highlands of Yemen	World Bank	07/25/2007	0.2
Total						2.0

OP5 = Energy Efficiency; OP6 = Renewable Energy; OP11 = Sustainable Transport; SCCF = Special Climate Change Fund; LDCF = Least Developed Country Fund; SPA = Strategic Priority for Adaptation (under the GEF Trust Fund)

### Activities Approved under the Special Climate Change Fund (SCCF)

19. The first meeting of the Least Developed Countries Fund/ Special Climate Change Fund (LDCF/SCCF) Council was held on December 8, 2006. The decisions of that meeting are summarized in the Joint Summary of the Chairs of the GEF LDCF/SCCF Council, December 8, 2006. The work program approved included two full-size projects under the Program for Adaptation to Climate Change (Kenya and Guyana, see below) and also an agreement of future fund-raising activities. The documents for this meeting are available on the GEF web-site at <http://www.thegef.org/interior.aspx?id=16718>.

20. The second meeting of the LDCF/SCCF Council was held on June 15, 2007. During this meeting of the Council, two further full-size projects were approved under the adaptation program of the SCCF (Ecuador, and a Regional project including Bolivia, Peru, Ecuador -- see below). In addition, a revised programming paper that includes proposals to modify the program on Technology Transfer and to implement Programs on Mitigation and Economic Diversification was discussed by the Council. A revised version of the paper is now being circulated for approval by the LDCF/SCCF Council. All the documents from this Council meeting can be found on the GEF website at: <http://www.thegef.org/interior.aspx?id=17862>.

21. During the reporting period, a total of seven projects were approved under the Special Climate Change Fund (SCCF), with a total allocation of \$24.4 million from the SCCF. Expected co-financing for these seven projects came to \$92.7 million (Table 3). Out of these seven projects, four are FSPs and three MSPs, and all were funded under the SCCF adaptation program. For summaries of these projects, refer to Annex 3. The geographic distribution of the projects approved during the reporting period was concentrated in Africa and Latin America.

**Table 3: Climate Change Projects Approved from the SCCF: Adaptation Program  
(From September 1, 2006 to August 31, 2007)**

Country	Type of Project	Project Title	Agency	Date of Approval	GEF Amount* (Mil \$)	Co-financing (Mil \$)
Ecuador	FSP	Adaptation to Climate Change through Effective Water Governance	UNDP	06/15/2007	3.4	6.0
Guyana	FSP	Conservancy Adaptation Project	World Bank	01/23/2007	3.8	16.2
Kenya	FSP	Adaptation to Climate Change in Arid Lands	World Bank/ UNDP	01/23/2007	6.8	44.8
Regional (Bolivia, Peru, Ecuador)	FSP	Design and Implementation of Pilot Climate Change Adaptation Measures in the Andean Region	World Bank	06/15/2007	7.5	21.8
Ethiopia	MSP	Coping with Drought and Climate Change	UNDP	11/27/2006	1.0	1.9
Mozambique	MSP	Coping with Drought and Climate Change	UNDP	11/27/2006	1.0	0.9
Zimbabwe	MSP	Coping with Drought and Climate Change	UNDP	11/27/2006	1.0	1.2
Total					24.4	92.7

\*GEF amount includes project preparation grants.

22. In addition to the FSPs and MSPs, the GEF CEO approved two Project Preparation Grants (PPGs) totaling \$599,000 under the SCCF: the Philippines Climate Change Adaptation Project, Phase I (PPG \$283,000; GEF project \$5 million), and China Mainstreaming Adaptation to Climate Change into Water Resources Management and Rural Development (PPG \$316,000; GEF project \$5 million).<sup>2</sup> In other words, total approvals by the GEF under the SCCF came to \$25 million during the reporting period.

**Table 4: GEF Approval of Project Preparation Grants  
(From September 1, 2006 to August 31, 2007)**

Country	SCCF Program	Project Type	Project Title	Agency	Date of Approval	Amount (Million \$)
China	Adapt	FSP	Mainstreaming Adaptation to Climate Change into Water Resources Management and Rural Dev't	World Bank		0.316
Philippines	Adapt	FSP	Climate Change Adaptation Project, Phase I	World Bank	03/19/2007	0.283
Total						0.599

Programs: Adapt= Adaptation; TT= Technology Transfer.

23. Prior to this reporting period, the GEF had approved only one project – an MSP in Tanzania – under the SCCF. The activities reported here represent an exponential increase in GEF approval of adaptation projects under the SCCF, signifying the full operationalization of the SCCF.

24. From its inception until the end of the reporting period, a total of \$71.5m has been pledged to the SCCF. Of this amount, \$11m is pledged to the program on technology transfer, and the remainder has been pledged to the program on adaptation to climate change. By the end of the reporting period, over \$25m had been committed to adaptation projects under the SCCF. No projects have yet been approved under the Technology Transfer program of the SCCF. Discussions are currently underway on projects having a capacity building component that help countries implement enabling environments for technology transfer as well as bringing together project sponsors with project financiers.”

#### **Activities Approved under the Least Developed Countries Fund (LDCF)**

25. During the reporting period, the LDCF/SCCF Council met for the first two times: in December and in June. The proceedings of these meetings are available on the GEF web site, as cited above.

26. Under the LDCF, all projects and preparation grants are approved on a rolling basis. During the course of the reporting period, no new NAPA's were approved, but several LDC's without approved NAPA's have initiated work on NAPA proposals. During the reporting year, four project preparation grants (PPG's) for implementation of adaptation projects were approved for funding using resources of the LDCF. These preparatory grants are listed by country in Table 5 below. The total resources utilized by these PPG's comes to \$0.6m.

<sup>2</sup> In fact, the China SCCF project was already approved by the GEF Council, in September 2007. It is not included in Table 3 because it is beyond the reporting period of this report.

**Table 5: GEF Approval of Project Preparation Grants  
(From September 1, 2006 to August 31, 2007)**

Country	OP	Project Type	Project Title	Agency	Date of Approval	Amount (Million \$)
Bangladesh	LDCF	FSP	Community Based Adaptation to Climate Change through Coastal Afforestation	UNDP	11/25/2007	0.1
Eritrea	LDCF	FSP	Integrating Climate Change Risks into Community-Based Livestock Management in the Northwestern Lowlands	UNDP	07/25/2007	0.1
Malawi	LDCF	FSP	Climate Adaptation for Rural Livelihoods and Agriculture (CARLA)	AfDB	08/29/2007	0.3
Niger	LDCF	MSP	Implementing NAPA Priority Interventions to Build Resilience and Adaptive Capacity of the Agriculture Sector to Climate Change	UNDP	08/07/2007	0.1
Total						0.6

LDCF = Least Developed Country Fund.

27. From the initialization of the LDCF until the end of the reporting period, a total of \$163 million has been pledged to the LDCF. To support the work of the LDCF to date, including the funding of NAPA's, PPG, and administrative costs, a total of \$12.5m has been committed and disbursed. Approximately \$150m remains to be programmed to meet the urgent and immediate adaptation needs of the LDCs under the LDCF.

#### **IV. RESPONSE TO CONVENTION GUIDANCE**

28. A number of decisions taken during COP12 provided guidance to and requested reporting from the GEF. This section explains the GEF response to that guidance while trying to avoid the duplication inherent when several decisions request information on the same topic.

29. Decision 1/CP.12 requested that the GEF operationalize the guidance pertaining to operationalize items (c) and (d) of the SCCF and to begin to mobilize resources for that fund.

30. Decision 2/CP.12 requested the Global Environment Facility to:

- Give due priority to adaptation activities in accordance with the guidance provided by the COP;
- Strengthen work awareness-raising on GEF programs and procedures in order to assist developing countries to access GEF funds;

- Explore options for understanding land use and land-use change projects within the climate change focal area of the GEF, in light of past experience;
- Continue its promotion of energy efficiency projects;
- Recognize and respond to the challenges faced by small island developing states (SIDS) and Least Developed Countries (LDC's) in accessing GEF funding highlighted in third overall performance study of the GEF.

31. It also requested the GEF to report on its responses to the recommendations of OPS3 and the Third Review of the Financial Mechanism; project cycle changes; and efforts to engage the private sector in providing resources to address climate change.

32. Decision 3/CP.12 provided to the GEF to explore options to address concerns regarding leveraging of funds; to give a detailed assessment of resources made available to Parties; to continue to provide financing for technology transfer, to simplify procedures and improve efficiency for national communications; and to provide simple guidelines on how to enhance activities relating to Article 6 in project proposals. Decision 5/CP.11 requested the GEF to consider steps to evaluate and support capacity building and information for carbon capture and storage.

#### **A. Special Climate Change Fund (SCCF-Decision 1/CP.12)**

##### **Efforts to Implement Programs (c) and (d) of the SCCF**

33. In response to additional guidance provided at COP12 (Decision 1/CP.12), the GEF has taken steps to operationalize the “windows” 2 (c) and 2 (d) of decision 7/CP.7, i.e. energy, transport, industry, agriculture, forestry and waste management; and activities to assist developing country Parties referred to under Article 4, paragraph 8(h), in diversifying their economies.

34. The GEF Trust Fund finances activities related to energy and transport (a and b) under its regular programming for energy efficiency, renewable energy and sustainable transport in the climate change focal area. In the areas of agriculture and forestry (subparagraph (c) and (d)), the GEF has provided some funding through the biodiversity and land degradation focal areas, so care must be exercised in defining activities in these sectors. Finally with respect to waste management, past GEF programming has focused on the recovery and utilization of methane through the programming window for short-term response measures (STRM) and the renewable energy programming. Because all of these sectors have received some GEF support in the past, developing a complementary niche for funding between the activities to be supported under this program and those supported under the GEF Trust Fund poses a particular challenge. Consistent with this challenge, activities under this program of the SCCF will be used for technical assistance, capacity building and piloting specific activities consistent with the guidance that are not currently eligible for support under the GEF Trust Fund.

35. In this context, it was decided at the GEF Council Meeting in June 2007 that the initial attention under this sectoral mitigation program of the SCCF should support programs not currently being supported under the GEF Trust Fund but that relate the following priorities:

- Low GHG emitting advanced fossil fuel technologies: Under this initiative, the SCCF would fund capacity building and technical assistance work on advanced fossil-fuel energy generating technologies (such as IGCC, underground coal combustion, ultra-supercritical coal-fired generation) and complementary activities designed to reduce their GHG emissions (such as carbon capture and storage);

- Innovation in industrial energy efficiency and sustainable transport: In this area, targeted research and capacity building would be supported to deal with the identification of new, innovative approaches to energy efficiency in specified industries, new approaches to sustainable transport, and the formulation of sector-wide mitigation programs as relates to these two areas; and
- Climate-friendly agriculture: Under this topic, support would be provided to technical assistance, capacity building and piloting of low-GHG emitting agricultural technologies such as no-till and low-till agriculture (provided that chemicals safeguards are observed); alternatives reducing the agricultural emissions of N<sub>2</sub>O; and alternatives to traditional low-input agriculture that would decrease their overall GHG emissions.

36. All projects under this program of the SCCF will include a succinct statement of objectives; linkages to current GEF programming priorities; an explanation of the distinctness of the approach adopted from what might be eligible under GEF financing with current programming priorities; an assessment of country-specific need and relevance; a justification for the choice of agencies; and an assessment of the implications of the supported proposal for future GEF programming, carbon financing, including under the Kyoto Protocol, and other forms of potential future support to climate change mitigation activities.

37. For the program for economic diversification (2 (d) of decision 7/CP.7), given the long-term perspective and the complexity in shifting a country's economic structure, the role of this program under the SCCF should be viewed as catalytic to facilitate other processes, mechanisms and actions for economic diversification.

38. In accordance with the convention guidance, the program for economic diversification will initially target two groups of countries: (1) those whose economies are highly vulnerable due to their heavy reliance on the importation of fossil fuels, (2) those whose economies are highly dependent on income from the export of fossil fuels.

39. Eligible activities in the program for economic diversification will include technical assistance and capacity building in the following areas:

- (a) Assessment of vulnerability due to dependency on fossil fuels and the development of national strategies, economic and industrial development policies, including legal and regulatory frameworks aimed at economic diversification to reduce dependency on fossil-fuel production, export and consumption;
- (b) Facilitation of the flow of public sector investments and creation of favorable conditions for private sector investments leading to economic diversification to reduce fossil-fuel dependency;
- (c) Preparation of pre-feasibility studies, business plans, and integrated strategic planning to facilitate the process and the implementation of the national and sector-specific economic diversification strategies and measures; and
- (d) Promotion of diffusion and transfer of advanced, innovative and less-greenhouse-gas-emitting fossil-fuel and alternative technologies.

40. In October 2007, the GEF Council approved by mail the document entitled "Programming to Implement the Guidance for the Special Climate Change Fund Adopted by the Conference of the Parties

to the United Nations Framework Convention on Climate Change at its Twelfth Session” (GEF/LDCF.SCCF.2/4/Rev.1).

## **B. Review of the Financial Mechanism (Decision 2/CP.12)**

### **Adaptation Activities**

41. In response to COP guidance, the GEF has introduced several innovative initiatives relating to adaptation to climate change, including the Strategic Priority on Adaptation (SPA) under the Trust Fund, which addresses the adverse impacts of climate change through adaptation actions aimed at decreasing vulnerability and increasing adaptive capacity of countries, communities and their ecosystems. Moreover, a climate change impact assessment methodology is being developed for application to all projects supported by GEF, to be followed by a systematic integration of adaptation measures to decrease vulnerability and increase adaptive capacity.

42. Through the SPA, the GEF has prioritized \$50 million from the Trust Fund to the implementation of on-the-ground adaptation measures. As of August 31, 2007, \$29.6 million had been committed to a total of 12 projects, with a further \$119 million being leveraged in co-financing. Many more proposals are in the pipeline, and it is expected that the SPA portfolio under the current financing window will be completed at the latest by June 2008. The present portfolio under the SPA is quite diverse in terms of both regions and focal areas covered. Fourteen percent of the project funding is in Asia, 33 percent in Latin America and the Caribbean, 28 percent in Africa, 4 percent in Eastern and Central Europe, and 21 percent are global projects. By focal area, 43 percent of the projects are related to biodiversity, 23 percent land degradation, 11 percent international waters, 2 percent climate change mitigation, and 21 percent are cross-sectoral projects. . At the completion the SPA will be evaluated, by the GEF Council, which will consider further action, consistent with COP guidance

43. Outside of the Trust Fund, the current reporting period saw a dramatic increase in GEF funding to adaptation activities from both the LDCF and the SCCF. As discussed earlier, total funding mobilized for adaptation under the LDCF is \$163 million, and under the SCCF is \$60 million for adaptation projects. Projects funded under the SCCF reached \$25 million during this 12-month period, compared with merely \$1 million for one project prior to this. Furthermore, the GEF has maintained an active pipeline of adaptation projects under the SCCF that will be funded when they are fully prepared. Further expansion of the adaptation portfolio under the SCCF will depend upon its replenishment.

### **Awareness-Raising on GEF Programs and Procedures**

44. The GEF has put a variety of mechanisms in place to support recipient countries in their engagement with the GEF including sub-regional workshops, the National Dialogue Initiative, the Country Support Program, and the Council Member Support Program. The significant changes brought forth by the Resource Allocation Framework (RAF) as well as new policy and process reforms introduced in 2006 to streamline and enhance the effectiveness of GEF programming have necessitated direct dialogues between recipient countries and the GEF Secretariat.

45. As noted earlier in this report (Section II The GEF Reform Agenda), the GEF initiated direct dialogues with recipient countries to ensure that GEF 4 resources are programmed in accordance with: (i) the strategic directions as outlined in the GEF 4 focal area strategies; (ii) country priorities emerging from national sustainable development programs and global environmental commitments; and (iii) the comparative advantage of the GEF agencies. These direct dialogues have not only provided recipient countries with a significant new mechanism for understanding the implementation of the RAF but also

have opened up channels of direct communications capable of responding to additional recipient country concerns as they emerge. The Secretariat completed the initial round of consultations with eligible recipient countries over the six month period beginning October 19, 2006 and ending April 25, 2007.

46. In October 2006, the Secretariat established a system to initiate direct dialogues with all countries eligible under the RAF. Countries that had sent a prioritized list of proposals for financing from their respective allocations prior to September 15, 2006 were contacted first. The Secretariat sent notifications to country Operational Focal Points, inviting them to participate in a teleconference with a technical team from the Secretariat at a mutually convenient time. Focal Points were also asked to invite colleagues from the convention focal points, line ministries and other relevant national stakeholders for the teleconferences.

47. Subsequent to their participation in the teleconference, a number of countries have followed up by holding additional national discussions and consultations subsequent to which they advised the Secretariat of changes in their programming approach or priorities. In these instances, when necessary, the appropriate technical representatives of the Secretariat teams have held follow up discussions with the country. Additionally, the Secretariat has advised the country to work with a GEF Agency to develop the concepts in line with the GEF focal area strategy, to consider agency comparative advantage and to submit it to the Secretariat for review and approval.

48. The direct dialogues between recipient countries and the GEF Secretariat have opened a significant new avenue for GEF's strategic engagement with countries. The Secretariat has successfully completed the initial round of direct dialogues with recipient countries. A total of 129 countries were called during this six-month effort.

49. This new engagement has generally been well received by recipient countries who have expressed appreciation for them. It has been particularly well received by countries with limited national capacities and by countries with limited or no prior engagement with the GEF. Countries have also appreciated their ability to directly discuss and reach an understanding about specific projects that have been rejected or considered inappropriate for GEF funding instead of waiting for an intermediated response through the Agencies.

50. The initial set of dialogues has clearly highlighted the need for strengthening the country relations and communications aspects of the GEF Secretariat to enhance its effectiveness and efficiency in delivering results for countries.

51. In addition to the direct dialogue with countries, the GEF has also discussed programming issues with select countries at seven national dialogue initiative consultations, and 15 constituency meetings.<sup>3</sup> The GEF has also held bilateral discussions with countries at the margins of the GEF Council meetings, meetings of Convention bodies, and other meetings, such as the African Ministerial Conference on the Environment (AMCEN) on the Global Environment Facility Strategic Investment Program for Sustainable Land Management in Sub-Saharan Africa, held in Burkina Faso on April 24-25, 2007.

52. During the reporting period, sub-Regional Workshops were held in Turkey for the Eastern and Central Europe Region, in Thailand for the East and Central Asian region, in Nairobi for the Eastern and Southern Africa Region, and in Senegal for the West and Central Africa region. Additional Sub-Regional Workshops have also been held for Latin America, Caribbean and the Pacific. A sub-regional workshop is

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<sup>3</sup> During 2007, thirteen constituency meetings have been held by Council Members from Benin, Moldova, Philippines (2), Argentina, Thailand (2), Cape Verde (2), Cameroon, Malawi (2), Djibouti (2), Switzerland (3), and Bahamas (2). In addition, five national dialogues have been held in Honduras, Iran and Mozambique, Seychelles and Mauritius.



scheduled for the South Asia and Middle East and North Africa before the end of calendar year 2007. The issues discussed at each Sub-Regional Workshop are determined based on the feedback from countries in prior sub-regional workshops. Unlike the sub-regional workshops in 2006 which were highly dominated by discussions on the RAF, the workshops in 2007 have discussed the RAF in the context of a broader set of GEF policies and processes such as the revised focal strategy and the project cycle.

53. Details of the Country Support Program (CSP) and summaries of the Sub-Regional Consultations can be found at [www.gefcountrysupport.org/report](http://www.gefcountrysupport.org/report). The CSP has developed a web-based dynamic and interactive Knowledge Facility for GEF Focal Points. The CSP also supports twice yearly constituency meetings at which the GEF Secretariat and the GEF Agencies provide information to raise awareness on GEF programs and procedures, respond to country concerns, and help countries access GEF funding.

### **Land Use and Land-Use Change Projects**

54. Decision 2/CP.12 requested the GEF “to explore options for undertaking land use and land-use change projects within the climate change focal area of the Global Environment Facility, in light of past experience”. Past GEF programming has included support in the biodiversity focal area to protect terrestrial ecosystems with globally significant biodiversity and in the land degradation focal area to protect land resources from degradation. During GEF-3, support was provided to over 20 million hectares of protected areas in the biodiversity focal area. Since its inception in 1991, it is estimated that GEF has provided support to over 70m ha in protected areas in its recipient countries. During GEF-3, it is estimated that at least 98m ha in productive land and seascapes were also included in programs to mainstream biodiversity. In the land degradation focal area, GEF-3 funding contributed to the direct protection of 19.2m ha from land degradation, and another 27.8m ha were indirectly influenced. Unfortunately, no reliable estimate of the number of tons of carbon protected or sequestered from the above activities exists. However, it is clear from the above estimates that GEF has been a major actor already in trying to protect land, including forests, from degradation due to improper management.

55. Through the GEF-4 strategy revision process, new strategic program called “Management of Land Use, Land-use Change and Forestry (LULUCF) as a Means to Protect Carbon Stocks and Reduce GHG Emissions” has been opened for GEF programming (see Annex 1). Successful outcomes of this strategic program will be the reduction of GHG emissions from LULUCF, the development of a systematic methodology that can be used to measure carbon stocks and fluxes in the land-use systems accurately and cost-effectively, and the identification and implementation of policies and practices that reduce emissions from the LULUCF sector. This strategic program also features in the GEF’s cross-cutting sustainable forest management (SFM) program.

56. The cornerstone of this program will be a global initiative to refine a methodology for estimating avoided GHG emissions as a result of GEF-supported project activities. Building upon the IPCC Good Practice Guidance for measuring carbon stocks and emissions, the tools to be developed under this program will link forest stand and measurement data to satellite imagery to enable better system-wide tracking and monitoring of progress to reduce emissions from undesirable land-use changes. In addition to resources being devoted from the biodiversity and climate change regional-global allocations and land degradation focal area, countries interested in participating may allocate GEF resources from the climate change focal area towards developing their own calibration coefficients using local data and globally-available remote sensing information. A second area of support includes technical assistance for policy formulation, building institutional and technical capacity to implement strategies and policies, developing and testing policy frameworks to slow the drivers of undesirable land-use changes, and working with local communities to develop alternative livelihood methods to reduce emissions and sequester carbon. In cases where the required forest stand data exists and the drivers of land-use changes

are well understood, countries may utilize GEF-4 resources to pilot investment projects designed to reduce net emissions from LULUCF.

### **Energy Efficiency Projects**

57. The revised GEF-4 programming strategy places increased emphasis on enhancing energy efficiency as a means to reduce GHG emissions (see Annex 1). The focal area strategy has identified buildings energy efficiency and industrial energy efficiency as two key strategic programs in the climate change focal area during GEF-4. Through this approach, it is expected that GEF support to energy efficiency will increase in importance over time.

58. Funding for energy efficiency projects during the reporting period continued to be strong. As shown in Table 1, four out of the 10 climate change projects funded under the GEF Trust Fund were energy efficiency projects. These projects will be undertaken in the key countries and regions where there is tremendous potential and demand for energy efficiency improvements:

- Brazil: Market Transformation for Energy Efficiency in Buildings;
- China: Energy Efficiency Financing;
- Southeast and East Asia: Barrier Removal to the Cost-Effective Development and Implementation of Energy Efficiency Standards and Labeling; and
- India: Energy Conservation in Small Sector Tea Processing Units in South India.

59. Together these energy efficiency projects accounted for more than 43 percent of the allocations from the Trust Fund during the reporting, for a total amount of \$35.1 million. Many more energy efficiency projects are expected to enter the GEF pipeline for approval for the remainder of GEF-4.

### **Support for SIDS and LDCs**

60. Responding to COP guidance for strengthening support to SIDS, the GEF initiated a programmatic approach for the SIDS starting with the 15 countries in the Pacific region. The Pacific Alliance for Sustainability will achieve three things for the region:

- Provide on-the-ground solutions for adapting to the impacts of climate change;
- Significantly increase the resources provided directly to the countries by the GEF; and
- Put the governments in the driving seat of all activities funded by the GEF.

61. This programmatic approach in the Pacific replaces the small and isolated projects with comprehensive and long-term programmatic solutions, lessening the administrative burden on the national governments and increasing effectiveness. The Pacific Alliance will also include in its fold the GEF Small Grants Program, which would be available to all the Pacific countries by the end of 2007.

62. This programmatic support would fully respond to the guidance provided by COP besides being in line with the Mauritius Declaration as well as the regional strategies already in existence. A comprehensive program was considered necessary to meet the complex challenge of strengthening the resilience of people to increases in cyclones, flooding, droughts and sea level rise.

63. Samoa and Kiribati have already undertaken such an integrated approach through their projects funded out of the GEF window on adaptation. The Samoa Government is initiating a comprehensive adaptation approach that would touch on improving their health sector, launch pilot projects in agriculture and improve early warning systems. All this has been possible because of launching a multi-focal project

that is well integrated to increase the country's adaptation strategy. Any sectoral project would not have made much dent on dealing with the impacts of climate change in SIDS.

64. There are two other initiatives that are good examples of the programmatic approach as it increases the economic and ecological resilience to climate change in the Pacific SIDS. They stand as examples of how sustainable development priorities can be practically integrated with global environmental objectives:

65. *First is the Micronesia Challenge:* Through the Challenge, three Pacific countries agreed to conserve 30% of the near shore marine resources and 20% of forest resources by 2020. They made a political commitment and then agreed to look at the issue of sustainable financing. The different activities of the three participating countries were identified and Palau led by considering a fee on tourists that can provide sustained funding every year for the management of marine and forest resources of the country. This converted the project into a long-term program that will continue after GEF and other external funding runs out.

66. Furthermore, two NGOs, Conservation International and Nature Conservancy agreed to match the GEF grant with the added promise of contributions from bilateral donors as well. In brief a successful story of attracting sustainable financing for a long-term plan that helps the country and adapts to climate change.

67. *Second example is the Coral Triangle Initiative:* This is a similar idea being considered by other Pacific countries in partnership with East Asian countries. The project aims to conserve tuna and coral ecosystems while including elements for poverty alleviation. The 1.6 billion acre Coral Triangle supports commercial tuna species, which spawn there and migrate to the Indian and Pacific Oceans where 90% of the world's catch occurs. This project aims to limit habitat destruction and over-fishing through a marine protected area network. It will promote sustainable live reef fish trade, sustainable tuna fisheries, ecological tourism and strengthens resilience to climate change.

68. The importance of this project lies in the agreement reached by countries to explore improved trade regime. This new trade regime will enable the industry to internalize the social and ecological costs of tuna management in this region and thus make the project benefits sustainable. WWF and the Asian Development Bank are considering to co-finance the project.

69. *Increase in GEF funding:* To date GEF provided approximately \$86 million to 14 of the Pacific region's countries in the past 15 years for biodiversity, climate change and persistent organic pollutants. The Pacific Alliance for Sustainability will increase funding six-times on an annual basis, reaching \$100 million in GEF-4. In addition, the programmatic approach is also expected to significantly increase the co-financing for GEF funded activities making a noticeable dent in its programs for adapting to climate change.

70. *Countries in the driving seat:* The other benefit of the pre-determined resource allocation framework is to enable countries to be in the driving seat of GEF funded projects. This start has already been made. For the first time in GEF, Governments have internally discussed and determined their national priorities in advance for the future.

71. The attraction of this approach has already convinced other small island countries, from the Caribbean who are considering having a similar approach.

72. *Support by GEF agencies:* The Alliance is a partnership among the GEF agencies, regional organizations and international NGOs who will assist Governments in a coordinated manner in projects that are implemented nationally.

73. The World Bank is taking the lead in putting this program together using its vast experience in projects related to development, economic growth and its operational capacity to link this knowledge with achieving environmental conservation. The role of the World Bank is limited to work with countries in preparing the investment program. Governments will thereafter retain the choice of using other GEF agencies in the implementation of actual projects that form part of this program.

74. In addition to the support of GEF agencies a full-time GEF advisor has been located in the region to assist the countries improve their access to GEF resources. The Governments of Australia and New Zealand are financing this staff position located at SPREP.

### **Response to Recommendations of OPS3 and the Third Review of the Financial Mechanism**

75. The recommendations of OPS3 were responded to by the GEF Council in the GEF-4 Replenishment document (GEF/C.29/3GEF/A.3/6). Under the guidance of the GEF CEO, the GEF Secretariat and agencies are involved in the process of responding to all of those recommendations through the GEF reform process. The six key recommendations are listed below, together with brief description of the actions being taken to respond to the recommendation. The recommendations and the responses are:

i) Programming Directions (synergies among focal areas and linkages between environment and development): The revised GEF-4 strategy already includes attempts to create synergies and pays greater attention to environment and development. In addition, the strategy includes a cross-cutting program entitled “Sustainable Forest Management”, which includes objectives responding to the various focal areas in which the GEF works, and enables countries to use resources from climate change, biodiversity or land degradation to pursue the objective of making their forests sustainable.

ii) Strategies and Policies (revisions of the focal area strategies, private sector, and incremental costs): The focal area strategies have all been reformulated (see Annex 1 for the CC strategy); the public-private partnership initiative launched (see below); and the approach to incremental costs has been simplified (see below in Section C).

iii) Institutional Reforms (Resource Allocation Framework and Expanded Opportunities for Executing Agencies): The resource allocation framework is being applied in the climate change focal area. The “playing field” has been leveled between implementing and executing agencies—all now receive the same fees for their services and all may assist countries in GEF programming in their areas of comparative advantage (see Section II above).

iv) Managing for results (capacity building, results indicators, and country indicators): In June 2007, the GEF Council approved a results-based management for oversight of the entire GEF portfolio (GEF/C.31/11). The primary indicators to track project and portfolio progress toward achieving stated objectives are those that were developed in the focal area strategy revision process. The Secretariat will further develop the results-based management system and its application to all areas of GEF endeavor in the coming year.

v) Operational Reforms (project cycle streamlining, pipeline management, fiduciary responsibility, communications and transparency, lesson learning and dissemination, budget reform, and institutional effectiveness): The GEF project cycle has been simplified and streamlined (see immediately below).

All agencies are being required to meet the highest international fiduciary standards (GEF/C.31/6). The communications strategy has been proposed for consideration by the GEF Council in November 2007, and the GEF budget is being reformed and reviewed. As noted in Section II, the Implementing Agencies are no longer receiving support directly from the GEF Corporate Budget.

vi) Monitoring and Evaluation (quality of M&E systems, compliance with M&E requirements, and performance and outcomes matrix). The GEF Office of Evaluation has now established standards for project monitoring systems and projects are continually reviewed for meeting this criteria at the time of CEO Endorsement.

### **Simplification of GEF Project Procedures and Process**

76. Streamlining GEF project procedures and process is one of the key elements of the reform agenda initiated by the CEO. To this end, a new project cycle was introduced and approved by the GEF Council in June 2007, with the objective of processing a proposal from identification to start of implementation in less than 22 months without compromising project quality or undermining financial accountability.

77. The new project cycles consists of the following steps, involving the GEF Secretariat, the CEO, and the GEF Council in the project cycles of the Implementing and Executing Agencies:

- (a) Council approval of the work program, consisting of project concepts (PIFs) cleared by the CEO;
- (b) CEO endorsement following Council review of fully prepared projects; and
- (c) Secretariat monitoring of portfolio performance during implementation, and evaluation oversight of the GEF Evaluation Office.

78. The GEF will establish a target for average elapsed time of 22 months from PIF approval to endorsement by the CEO. Besides reducing the number of steps in the project cycle, the revised cycle aims to reduce the documentation requirements by sharply focusing the Secretariat reviews of the PIFS and the project document on those criteria that are critical to achieving the objectives for which a GEF grant is provided. The GEF Project Cycle document can be found on the GEF website at: [http://thegef.org/interior\\_right.aspx?id=17634](http://thegef.org/interior_right.aspx?id=17634).

### **Efforts to Engage the Private Sector**

79. In June 2007, the GEF Council endorsed the GEF Public Private Partnership (PPP) Initiative (available at: <http://thegef.org/interior.aspx?id=17160>). The objective of the PPP is to facilitate strategic engagement of the private sector in the GEF's efforts to address global environmental challenges in developing countries. Partnership with the private sector will contribute to the achievement of results on a larger scale than would be obtainable by the GEF on its own. The PPP will support a strategic investment program in competitive environmental technological and financial solutions and the scaling-up of the use of pilot instruments. Sectoral platforms related to GEF focal areas and priorities will be developed and implemented.

80. The PPP will have a separate governance structure that will include a PPP Board and Platform Steering Committees Consisting of GEF Council members and private sector, foundation, and NGO representatives, and will be chaired by the GEF CEO. The GEF has allocated \$50 million seed money to

the PPP Trust Fund, which is expected to leverage \$200 million in co-financing from GEF agencies, bilateral organizations, the private sector, foundations, and NGOs.

81. The PPP launches with two innovative strategic tools to generate capital and direct investment for environmental solutions, i.e., a Financial Product Development tool and a Capital for Prizes tool. PPP platforms will be identified that will aim to provide an innovative and strategic approach to a specific global environmental challenge on which the GEF and the private sector agree to collaborate. The platforms are also intended to support technology and capital transfer to developing countries.

### **C. Additional Guidance to the GEF (3/CP.12)**

#### **Requirements for Leveraging Additional Funds for Projects**

82. As set out in the GEF Instrument, “the GEF... shall operate for the purpose of providing new and additional grant and concessional funding to meet the agreed incremental costs of measures to achieve agreed global environmental benefits.” The application of incremental cost has been recognized as complex and not always transparent by the GEF Council, the Secretariat, the agencies, as well as project proponents, governments, and NGOs. To address these concerns, the GEF has developed a new pragmatic, and simplified approach for determining increment costs as part of the GEF-4 Reform Process.

83. The proposed approach consists of five steps that simplify the process of negotiating incremental costs, clarifies definitions, and links incremental cost analysis to results-based management and the GEF project cycle. These five steps are:

1. Determine the environmental problems, threat, or barrier, and the “business-as-usual” scenario;
2. Identify the global environmental benefits and fit with GEF strategic programs and priorities lined to the GEF focal area;
3. Develop the results framework of the intervention;
4. Provide the incremental reasoning and GEF’s role; and
5. Negotiate the role of co-financing.

84. The Operational Guidelines for the Application of the Incremental Cost Principle is available on the GEF website at: [http://thegef.org/interior\\_right.aspx?id=17634](http://thegef.org/interior_right.aspx?id=17634).

85. One of the key operational principles for GEF assistance, as outlined in the GEF Operational Strategy, is that the GEF will emphasize its catalytic role in seeking to maximize global environmental benefits and leverage additional financing from other sources. The GEF will finance actions that have a multiplier effect and address the need for innovation, experimentation, demonstration, and replication. Adequate co-financing is important to ensure success of the project and to deliver the full benefits – both global and local – of the projects.

86. It should be noted that the GEF, especially in the climate change focal area, has adopted a flexible, pragmatic approach to co-financing requirements. The amount of co-financing requirement depends on the type of the project and the circumstances of the country where the project will be undertaken. For example, if a project aims to establish a labeling program for energy-efficient appliances,

commitment from the policymakers in the country is most critical, while co-financing can be largely in-kind, associated with program design and implementation. On the other hand, if a project aims to support large-scale development in renewable energy, GEF funding for such a project must be complemented by substantive co-financing for investment, and GEF support will target technical assistance and limited demonstration where appropriate. Co-financing from the government, financial institutions, and the private sector will be essential to deliver tangible results of such a project.

### **Report on Resource Availability under the Resource Allocation Framework (RAF)**

87. The GEF has published, and periodically updates, information on the availability and utilization of the RAF resources to each country. The initial GEF-4 indicative allocations are made available in the RAF public disclosure document entitled *GEF Resource Allocation Framework: Indicative Resource Allocations for GEF-4*, dated September 15, 2006 ([http://thegef.org/uploadedFiles/Policies/Resource\\_Allocation\\_Framework/GEF-4\\_Indicative\\_Allocations/RAF\\_Public\\_Disclosure\\_Document\\_English\\_15Sep2006.pdf](http://thegef.org/uploadedFiles/Policies/Resource_Allocation_Framework/GEF-4_Indicative_Allocations/RAF_Public_Disclosure_Document_English_15Sep2006.pdf)). These resource allocations will be updated at the mid-point of GEF-4, beginning in July 2008, consistent with any recommendations being made from the mid-term review of the RAF.

88. As of October 15, 2007, a total of \$95.6 million of RAF resources in the climate change focal area had been allocated and \$120 million pipelined, leaving approximately \$733 million still to be programmed. Details for each country can be found in the GEF Council document GEF/C.32/Inf.6/Rev.1 which can be found at the following website:

[http://www.thegef.org/uploadedFiles/Documents/Council\\_Documents\\_\(PDF\\_DOC\)/GEF-C32/C32.Inf6.rev1%20RAF%20Implementation%20Progress%20Report\\_final\\_10-15-2007.pdf](http://www.thegef.org/uploadedFiles/Documents/Council_Documents_(PDF_DOC)/GEF-C32/C32.Inf6.rev1%20RAF%20Implementation%20Progress%20Report_final_10-15-2007.pdf)

### **Technology Transfer**

89. The GEF continues to provide support to countries wishing to undertake technology needs assessments (TNA's). For countries that have never received support for such activities, they are free to apply for such support through the National Communications Programme for Climate Change (NCPCC). For those countries having already received support for TNA's but who wish to update it, a separate proposal consistent with the guidelines and methodology for TNA's will have to be prepared and submitted to the GEF Secretariat and Agencies for approval.

90. GEF continues to support projects providing technology transfer through resources provided to mitigation and adaptation projects supported under the GEF Trust Fund and programming strategy. In addition, it is working closely with its agencies, particularly UNEP, to prepare a new program to facilitate technology transfer using resources made available to the SCCF Program (b) on Technology Transfer. This program will build on, support and cooperate with a number of existing initiatives, most notably the UNEP/GEF Sustainable Alternatives Network (SANET), the UNFCCC initiatives TT: Clear and the UNFCCC/CTI/PPL initiative entitled the Private Financing Advisory Network (PFAN), which has established an effective structure for the facilitation of private sector financing of technology projects.

### **National Communications**

91. *Initial National communications*: 134 countries have submitted their initial national communications. The guidelines for national communications require an inventory of greenhouse gases and a general description of steps being taken by the country to implement the Convention. The IPCC provided detailed guidelines to prepare national GHG inventories and the GEF funded National Communications Support Program supported hands-on training of national experts to properly apply the

methodologies. The first round of these national communications has helped a number of national and regional energy related technical experts in developing countries to prepare and up-date these inventories.

92. *Technology needs assessments*: Over 90 countries received support as a follow-up of the initial national communications that were partially used for technology needs assessments (TNAs). Of these countries, 35 have submitted their technology needs assessments to the convention secretariat. The purpose of technology needs assessments was to identify and analyze priority technology needs, which can be the basis for a portfolio of environmentally sustainable technology (ESTs) projects, and programs which can facilitate the transfer of, and access to, the ESTs and know-how in the implementation of Article 4.5 of the Convention.

93. *Second national communications*: In April 2004, an umbrella project implemented jointly by UNDP and UNEP was approved by the GEF Council for \$58.4 million to fund the second national communications for 130 non-Annex I Parties using an expedited process. An amount of US\$ 1.68 million is being added to the umbrella project to provide funding to 4 additional non-Annex I Parties that requested for such funding recently. In addition 4 countries (Brazil, China, India and Peru) requested funding outside of the expedited cycle (full sized projects) which was approved in 2006 and 2007). The GEF is currently in discussions with its implementing agencies on how it can further simplify the process of obtaining funding for national communications

94. As part of its outreach strategy under the new CEO, the GEF has initiated programming dialogues, with all recipient countries to assist them in identifying their priorities for GEF funding in the climate change focal area. In helping countries specify priorities for further development with implementing agencies, input has been obtained from the country's initial, and where available, second national communications.

95. Annex VII to this document contains responses to the list of questions posed for the GEF after the twenty-sixth meeting of the SBI meetings held in Bonn in May 2007.

### **Article 6 to the Convention**

96. The GEF is working with the implementing agencies to develop simple guidelines for countries to include activities related to Article 6 in project proposals submitted for GEF funding. This principle of providing greater awareness and public support through the projects and programs that GEF supports is key to the communication strategy being presented to the GEF Council in November 2007. The guidelines will be available to countries by the end of 2007.

### **Capacity Building**

97. The GEF is providing the following report in response to para 1(b) of 4/CP.12.

98. In response to 2/CP.7 and 2/CP.10, the GEF has taken the following actions after several discussions with GEF Implementing Agencies, countries and the GEF Evaluation Office.

99. *Scope of capacity building* (para 15 of 2/CP.7): The GEF funding criteria for second national communications takes into consideration items (a), (c), (d), (e), (f), (g), (h), (i), (j), (k), (n) and (o) of para 15 through specific budget items in the enabling activity projects under implementation in 138 developing country Parties.

100. *Specific scope for capacity building in least developed countries* (para 17 of the Annex to 2/CP.7 and para 1(e) of 2/CP.10): The GEF-4 replenishment agreed to a specific allocation for LDCs,



including SIDS, for cross-cutting capacity building activities as identified through their national capacity self-assessments (NCSAs)

101. *Financing and operation* (para 21 and 22 of the Annex 2/CP.7): In response to this framework the GEF has elaborated a country-driven strategy for its capacity building activities as highlighted below.

- Collaborated with the UNFCCC Secretariat and providing funding to develop and discuss indicators for monitoring capacity in countries as per the COP12 guidance (para 2 (a) and (b) of 4/CP.12) GEF will present the draft indicators at the workshop to receive inputs from the Parties;
- Revised the GEF strategy for cross-cutting capacity building (CB2) activities after having several rounds of discussion with the IAs and countries based on 2/CP.7 and 2/CP10;
- *Programmatic and Systematic Approach*: In implementing this framework, the GEF strategy is based on the following elements and activities identified in para 19 and paras 25, 28, 29 and 30 of the 2/CP.7 Annex and para 1 of 2/CP.10 as follows:
  - Considering institutional capacity building as a priority for the creation and strengthening of basic institutional structure (para 1(a) of 2/CP.10)
  - Including public awareness activities within the GEF projects for which simple guidelines will be issued by the end of 2007 (para 1(b) of 2/CP.10);
  - Following-up to the training workshops held (twice in some regions) on identifying and prioritizing capacity needs for developing Country Parties. The regions where such training activities were held are West and Central Africa, North Africa, Pacific, Latin America and the Caribbean and Asia. (para 1(c) of 2/CP.10);
  - Following-up on the NCSAs completed by all eligible EIT countries that received funding from GEF for preparing the NCSAs (para 1 of 3/CP.10);
  - Strategically fulfilling an established capacity requirement for implementing a priority capacity building activity in one of the GEF Focal areas. (para 1(d) iii and iv of 2/CP.10) In financial terms, capacity building projects, if stand alone, need to show its forward linkages reflecting the need and use of the capacity being built and not considered an isolated activity. CB support (focal or cross-focal) has to be measurable through an agreed upon set of indicators and a system for monitoring, measuring impact and “on-line” reporting to conventions. Close coordination with other CB-type projects and with CB in regular projects. Quite often, there has been duplication of CB support to countries especially when an earlier enabling activities portfolio was designed individually by focal area. The result is duplication at many levels.

### **Carbon Capture and Storage (CCS)**

102. At their 11<sup>th</sup> Session in Montreal in December 2005, the COP requested the GEF to consider whether supporting Carbon Capture and Storage Technologies (CCS), in particular related capacity building activities, would be consistent with its strategies and objectives, and if so, how they could be incorporated within its operational programs. The GEF requested the assistance of its Scientific and Technical Advisory Panel in addressing this guidance. Together with the GEF Secretariat, STAP

convened a two-day expert workshop to address this issue. A draft report from this workshop is expected for circulation by the end of calendar year 2007.

### **Evaluation of Capacity Building**

103. In 2007 the GEF Evaluation Office began work on the evaluation of GEF Capacity Development Activities. To date the evaluation team has completed its approach paper, literature reviews, and two country case studies. The country case studies examined the nature and results of the national, regional and global interventions and related these to capacity development targets at the policy, institutional and individual level in each country.

104. The country case studies found that the GEF portfolios include considerable capacity development activities. The results are generally positive and in some areas significant. GEF capacity development support has been relevant, in line with national policy priorities and with a good level of national ownership. However, it was also found in one country case study that there is no system which effectively integrates the objectives of capacity development across projects, so that aggregation of impacts can be achieved.

105. The effectiveness of capacity development activities has varied. In one country study, some activities were effective in providing new skills and institutional capacities that showed direct and immediate results in the concerned sector; but in other cases, the activities had less immediate results, although benefits may develop in the longer term. In cases of another country study, institutions have been unable to provide appropriate incentives for trained staff, and opportunities to use new skills have proved limited. Concerning efficiency, GEF capacity development activities have usually met their immediate output and outcome targets, although a few projects have suffered unusual delays in implementation. Cost-effectiveness of capacity development activities was difficult to assess, since the activities rarely comprise a defined budget heading during project implementation or monitoring.

106. The evaluation found that there has been no systematic monitoring or evaluation of overall capacity development performance at the country level, which could promote improvements to the coverage or approaches. The case studies revealed an underlying weakness in the training programs, namely, the tendency to plan and execute training as a "one-shot" solution. Extensive stakeholder consultations showed the importance of progression and repetition in training. Progression is needed to allow successful trainees, who have made use of their new knowledge and skills, to undertake more advanced courses, to reach higher levels of expertise, thereby further strengthening institutional performance. Sustainability of training is necessary to deal with the attrition of trained personnel, which is a common problem in government institutions and for increased needs as the value of improved approaches generates new demands.

107. In order to address this common deficiency in capacity development, it is necessary to build training approaches on the basis of existing bodies in the country or region, such as universities, or specialist public or private sector training institutions. These can be supported to adapt their existing programs or create new ones to address the key environment-related skills identified as necessary during project preparation. In some cases, it may be effective to develop new specialist training bodies in a region.

108. After reflecting on the issues identified by the country case studies, the Evaluation Office decided that further work is needed to analyze capacity development across the GEF portfolio. In particular, the evaluation team will conduct a meta-evaluation of capacity development findings based on a review of a sample of Terminal Evaluations and previous Evaluation Office reports, to explore the

prevalence of the key issues identified by the country case studies. The team will also hold discussions with the GEF-UNDP-UNEP Support Program for Capacity Development to explore commonalities between its assessment of results and those of the evaluation. These additional activities will enable the development of a set of tools, which will enable forthcoming Annual Performance Reports, Country Program Evaluations, and OPS4 to evaluate the achievements of capacity development activities on a broader scale.

**ANNEX 1: GEF CLIMATE CHANGE FOCAL AREA STRATEGY FOR GEF-4****I. INTRODUCTION**

1. This brochure presents the Climate Change focal area strategy and strategic programming for GEF-4 (2007 – 2010), approved by the GEF Council in September 2007.

2. At the replenishment of the GEF Trust Fund in 2006, the GEF Council requested the GEF Secretariat to review and revise as necessary the strategies for the six focal areas of the GEF, taking into account issues such as sustainable forest management and sound chemicals management.<sup>4</sup>

3. In December 2006, the CEO presented to the Council a plan to increase the efficiency and impact of the GEF. A central element of this reform package is to move away from the previous single project interventions towards a more programmatic focus for the GEF. The purpose is two-fold: a) to focus the limited funding resources of GEF-4 on a set of priority issues of global environmental concern; and b) to link projects together to achieve stronger impacts.

4. The strategy for Climate Change presented here is the result of a consultative process involving external advisory groups and contributions from the GEF Council Members, Convention secretariats, GEF agencies, the Scientific and Technical Advisory Panel (STAP) and other GEF partners.<sup>5</sup>

5. The strategy builds on previous GEF achievements and experience within climate change. The long term objectives of this focal area are still to “support sustainable measures that minimize climate change damage by reducing the risk, or the adverse effects, of climate change. The GEF will finance agreed and eligible enabling, mitigation, and adaptation activities in eligible recipient countries.” (1995, GEF Operational Strategy, p 31).

6. As a step towards a more programmatic approach, strategic programs have been developed in support of the long term objectives. These strategic programs define the GEF’s focus during GEF-4. The strategic programs have been selected and defined in view of their importance, urgency and cost-effectiveness from a global environment perspective. Priorities identified by countries, as well as overall guidance from the multilateral environmental agreements and conventions have also been taken into consideration. The strategic programs provide an intermediate link between the project level and the long term objectives of the GEF within the focal areas.

7. The long term objectives and strategic programs that are redefined for every replenishment period replace the previous structure of operational programs and strategic priorities. The new structure, summarized for the Climate Change Focal Area in the table below, balances continuity and flexibility and supports the emphasis on results.

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<sup>4</sup> GEF/R.4/32, Policy recommendations for the Fourth Replenishment of the GEF Trust Fund

<sup>5</sup> Working documents and comments received from GEF partners are accessible at the GEF website [www.thegef.org](http://www.thegef.org) under GEF policies.

Table 1. Long term objectives and strategic programs for Climate Change in GEF-4

Long-term Objectives	Strategic Programs for GEF-4
<b>1:</b> To promote energy-efficient technologies and practices in the appliance and building sectors	1. Promoting energy efficiency in residential and commercial buildings
<b>2:</b> To promote energy-efficient technologies and practices in industrial production and manufacturing processes	2. Promoting energy efficiency in the industrial sector
<b>3:</b> To improve the efficiency and performance of existing power plants	(strategic objective not pursued directly in GEF-4)
<b>4:</b> To promote on-grid renewable energy	3. Promoting market approaches for renewable energy
<b>5:</b> To promote the use of renewable energy for the provision of rural energy services (off-grid)	(strategic objective not pursued directly in GEF-4)
<b>6:</b> To support new low-GHG emitting energy technologies	4. Promoting sustainable energy production from biomass
<b>7:</b> To facilitate market transformation for sustainable mobility in urban areas leading to reduced GHG emissions	5. Promoting sustainable innovative systems for urban transport
<b>7 bis:</b> To reduce GHG emissions from land use, land use change and forestry	6. Management of land use, land-use change and forestry (LULUCF) as a means to protect carbon stocks and reduce GHG emissions
<b>8:</b> To support pilot and demonstration projects for adaptation to climate change	(Reference is made to the SPA, SCCF and LDCE, and to the principle of GEF-wide climate proofing described in Annex 2)

8. The focal area strategy is aligned with the Results Based Management (RBM) Framework for the GEF, in order to direct the strategies towards tangible global environmental benefits and to enable adequate reporting on the implementation of the strategies. Long-term expected *impacts* on the global environment are assigned to each of the objectives, and intermediate expected *outcomes* are assigned to each of the strategic programs. The projects are thus expected to support the achievement of the impacts and outcomes identified at the programmatic level.

9. Provisional indicators have been identified for each expected impact and for each expected outcome. These indicators will allow a systematic monitoring of the actual achievement of the expected impacts and outcomes. The indicators will be further developed in connection with the Results Based Management for the GEF.

10. The strategy for Climate Change presented here seeks to guide project proponents in countries and in GEF agencies and other GEF partners in preparing and reviewing project proposals for GEF-4. The GEF Secretariat will initiate the development of long term objectives and strategic programs for GEF-5 in 2008 with a view to presenting proposed strategic programming for GEF-5 to the GEF Council at its first meeting in 2009.

## II. BACKGROUND

11. Since its inception in 1991, the GEF has allocated over US\$2 billion to projects in the climate change focal area. These funds have leveraged another US\$10 billion of funding in support of the climate change activities of the GEF. Three types of interventions – enabling, mitigation, and adaptation activities – have formed the basis for GEF support to the climate change focal area.

12. The GEF’s approach has evolved through time. From a Pilot Phase which placed a premium on innovative demonstrations of technically feasible mitigation projects, the GEF’s focus has continually shifted upstream toward creating a conducive policy environment, away from individual investments. GEF support is directed not at subsidizing individual investments, but rather at creating the market environment in which the technologies and practices can diffuse into the target markets. In addition, the further deepening of international commitments to climate change has provided a new flow of funds in the form of carbon finance for mitigation projects in developing countries. As this flow tends to target specific investment projects, GEF’s barrier removal approach minimizes the potential for duplication of efforts, while laying the foundation for complementarity between GEF resources and carbon-finance backed investments. Because GEF resources are limited, GEF support in the climate change focal area is most effective when it is used to facilitate, leverage, and complement other sources of financing.

13. Based upon past experience and the strategy that was specified in the GEF-4 Replenishment Paper (GEF/C.29/3), this document presents a revised climate change focal area strategy for the GEF-4 period. A starting point for the revision of the strategy is the agreement that all resources in the climate change focal area will be allocated through the Resource Allocation Framework (RAF). This framework builds upon the ability of countries to deliver global environmental benefits given their country capacity, policies, and practices. The strategy allows a range of responses broad enough for all countries to access the support needed to meet their obligations and commitments to the UN Framework Convention on Climate Change (UNFCCC).

## III. MISSION

14. In the climate change focal area, the GEF will finance eligible enabling, mitigation, and adaptation activities. With respect to *enabling activities*, arrangements were made to support the second national communications of most eligible countries during the period of GEF-3. Further arrangements are necessary to ensure that adequate and timely support for third and subsequent national communications is made available to countries requiring it. GEF’s mission in *mitigation* is to transform the market development paths of eligible countries into trajectories with lower greenhouse gas (GHG) emissions in the energy, industry, transport, and land-use sectors. The long-term impact of this work will be a slowing of the accumulation of GHG concentrations in the atmosphere. GEF’s mission under *adaptation* is to assist developing countries in piloting how to address the adverse impacts of climate change, including variability, by supporting projects that: identify and implement suitable adaptation measures; build adaptive capacity; and reduce vulnerability and increase ecosystem resilience to the adverse impacts of climate change, including variability.

## IV. STRATEGIC OBJECTIVES

15. Recent reviews of GEF programming have helped shape the evolution of the climate change strategy. The second Climate Change Program Study (CCPS2) stated that, “The GEF Secretariat should take the lead in improving overall strategic coherence by clarifying the overarching goal of market transformation outcomes that contribute to GHG emissions reduction or avoidance, and the manner in which existing Operational Programs and associated strategies contribute to this overall goal.” (CCPS2, p. 67)

16. In accordance with this recommendation, the GEF has directed its strategic objectives in the climate change focal area to include seven mitigation objectives and the single adaptation objective listed in Table 2 above. These objectives form the basis for GEF's approach to the climate change focal area at the heart of the GEF-4 Replenishment Agreement, and reflect considerable experience with respect to its past programming successes and failures. However, as part of that Replenishment Agreement, the strategy is being reviewed and revised with an eye toward greater focus for impact.

Table 2. GEF Strategic Objectives in the Climate Change Focal Area

Strategic Objectives	Expected Direct Impacts	Indicators
<b>Mitigation</b>		
1. To promote energy-efficient technologies and practices in appliances and buildings	Improved efficiency of energy use in the built environment	Energy consumption (and GHG emissions) of buildings and appliances; (kWh / m <sup>2</sup> and tons CO <sub>2 eq</sub> / m <sup>2</sup> ); and \$/ t CO <sub>2eq</sub> <sup>6</sup>
2. To promote energy-efficient technologies and practices in industrial production and manufacturing processes	Improved energy efficiency of industrial production	Efficiency of industrial energy use (energy use / \$ GDP); GHG emissions from industry (tons CO <sub>2 eq</sub> / \$ GDP); and \$/ t CO <sub>2eq</sub>
3. To improve the efficiency and performance of existing power plants	Improved energy efficiency of electricity generation from existing power plants	Efficiency of power generation (tons coal/kWh); GHG emissions per unit of electricity generated (tons CO <sub>2 eq</sub> / kWh); and \$/ t CO <sub>2eq</sub>
4. To promote on-grid renewable energy	Increased production of renewable energy in electricity grids	Market penetration of on-grid renewable energy (% from renewables); GHG emissions from electricity generation (tons CO <sub>2eq</sub> / kWh); and \$/ t CO <sub>2eq</sub>
5. To promote the use of renewable energy for the provision of rural energy services (off-grid)	Increased production and use of renewable energy in rural areas	Number (or %) of rural households served by renewable energy (# HH or % HH); renewable generation of electricity for rural energy services (kWh renewable); and \$/ t CO <sub>2eq</sub>
6. To support new low-GHG emitting energy technologies	Reduced cost of selected low GHG-emitting energy technologies	Cost of selected, low-GHG emitting energy generating technologies (\$/ W installed or \$/kWh generated); and \$/ t CO <sub>2eq</sub>
7. To facilitate market transformation for sustainable mobility in urban areas leading to reduced GHG emissions	Increased use of sustainable transport modes	Number or percentage of trips using sustainable modes of transport and \$/ t CO <sub>2eq</sub>
7. To reduce GHG emissions from land use, land use change, and forestry	Reduced GHG emissions from land use, land use change, and forestry	Emissions from LULUCF (tons CO <sub>2 eq</sub> ); and \$/ t CO <sub>2eq</sub>
<b>Adaptation</b>		
8. To support pilot and demonstration projects for adaptation to climate change	Enhanced resilience and increased capacity to respond to the adverse impacts of climate change	Decreased vulnerability; enhanced resiliency

<sup>6</sup> Cost effectiveness indicator for impact over long term is and \$/ t CO<sub>2eq</sub> per paragraph 7 in text.

17. During the GEF-4 replenishment period, the climate change mitigation target is set at an additional estimated 400 million tons of CO<sub>2</sub> equivalent (CO<sub>2e</sub>) to be avoided through GEF interventions. It has been estimated that the GEF's cumulative contribution to GHG emissions reduction from its inception until 2006 comes to 1,200 million tons of CO<sub>2e</sub> avoided. During the period of GEF-3, the GEF's support to climate change mitigation projects was estimated to result in over 400 million tons of CO<sub>2e</sub> avoided, including both direct and indirect effects of GEF projects over the lifetime of the investments.

18. During GEF-4, the overarching goal is to reduce GHG emissions through transforming markets. Because market transformation is a complex, long-term process, even successful projects will almost never completely transform a market, but will instead contribute positively to the transformation process. Given GEF's role as an innovative catalyst, many of the global benefits of GEF support are expected to be indirect in nature. Additional activities, including follow-on investments, will be required to complete the process of market transformation. Not only must participating governments demonstrate a strong commitment to adopting policies and regulations to ensure the success of the activities being promoted, but also the private sector must be engaged both for advice on establishing pre-conditions for success and for making the necessary investments themselves. Seen in a full context, policy gains alone are insufficient to lead to a full transformation of the targeted markets.

19. Stabilizing GHG concentrations in the atmosphere will require: reducing GHG emission by improving the efficiency of energy production and utilization; increasing the use of renewable energy which produces low net GHG emissions; and improving the sustainability of mobility and reducing emissions from the land use and forestry sectors. These approaches will represent the revised focus of the GEF's climate change mitigation operations for the period of GEF-4.

## **V. STRATEGIC FOCUS IN GEF-4**

20. The GEF-4 Replenishment Paper (GEF/C.29/3) specified seven strategic objectives in mitigation and one in adaptation that form the longer-term basis for GEF programming (Table 2). These options have been reviewed in terms of the feasibility of achieving significant impacts under these objectives given the level of resources available during the period of GEF-4. Gaps left in the strategy have also been identified and new areas of intervention proposed to fill those gaps. As a result of this review process, GEF climate change mitigation programming will be concentrated in six strategic programs for the period of GEF-4. In arriving at these six strategic programs, each of the original seven objectives was considered with respect to the GEF's unique role, mission, and potential impact. Potential shortcomings or gaps were then identified and alternates proposed in order to ensure that the GEF has a balanced approach to mitigation needs posed by recipient countries.

21. In re-examining the initial seven mitigation objectives for GEF-4, it became very clear that resources are not sufficient to have a noticeable impact with respect to the objective "Rehabilitation of Power Plants." The GEF is committed to working with the World Bank and the other international financial institutions (IFIs) to make the Clean Energy Investment Framework a reality. Rather than allocating too few resources to such an important problem, thereby making no impact at all, further GEF support to power plant rehabilitation will be delayed until it can be placed effectively within the context of a meaningful clean energy investment framework, which would require a substantial increase in GEF resources. The challenge of clean energy investment for developing countries is essential to stabilizing GHG concentrations, but it will require greater support than the GEF can provide during GEF-4. The



GEF will continue to work closely with the World Bank in its program to accelerate the transition to a low carbon economy.

22. With respect to the strategic objective entitled “Off-grid Renewable Energy,” the GEF has, since its inception, supported projects in this area, but evaluations of these projects have indicated that these projects have resulted in neither a significant take-off of these markets nor a meaningful reduction in GHG emissions. Past GEF support has stimulated a small but growing market for renewable energy in the rural areas of developing countries, but supplying that market leads to no appreciable GHG emission reductions. Therefore, the market for rural renewable energy is more appropriately addressed as part of the energy access agenda of official development assistance, not as part of the climate change mitigation agenda. Traditional development assistance is posed to build upon the earlier GEF experience and the lessons learned to begin providing modern energy services to those without. For GEF-4, this strategic objective will not be considered a priority given the level of support available and the renewed importance being placed on reducing overall GHG emissions.

23. The GEF has struggled over the years with the strategic objective entitled “Low-GHG Emitting Energy Technologies”. Only a handful of these projects, utilizing an inordinately large quantity of resources, have made it through to implementation. To date, they have shown little or no concrete benefits in reducing the costs of the targeted technologies or even in reducing GHG emissions. The GEF experience tends to support the view that transferring technologies that are not yet mature is difficult as it imposes large additional costs and risks on developing countries and their energy systems. However, the GEF needs to keep abreast of developments related to new, low-GHG emitting energy technologies in order to determine whether or not they reach a point where they merit GEF support. While the GEF will not allocate significant resources to the new technologies during GEF-4, limited support in the form of targeted research may be necessary to keep a watching brief on related developments. New approaches to this programming priority will have to be considered for GEF-5. During GEF-4, clean energy will be pursued as one of the priority platforms for the GEF Public-Private Partnership.

24. From the initial seven mitigation objectives defined for GEF-4, this strategic review has focused on four objectives. In addition to these four programs, two additional gaps in the programming menu were identified: a) sustainable energy production from biomass, and b) reducing emissions from land use, land-use change, and forestry.<sup>7</sup> The GEF Council has agreed to include these strategic programs in GEF-4.

25. In the case of biomass energy, the GEF has supported past efforts in this field. However, most of these projects have focused on utilized by-products of the forestry or agricultural industries and have not required the planting or harvesting of dedicated biomass-fuel supply streams. As the price of petroleum fuels rises, pressure will increasingly be put on countries to increase energy production from biomass. But as recent Scientific and Technical Advisory Panel (STAP) work has argued (GEF/C.31/Inf.2), the production of biomass and biofuels poses considerable sustainable risks. This new strategic program is designed to pay particular attention to these sustainability needs, ensuring that biomass supplies for GEF climate change mitigation projects do not threaten indigenous biodiversity or contribute to further land deterioration or water misallocation. The global benefits from this program are expected to come mainly from the energy value of the biomass, not the value of the residual carbon sequestered.

26. In the case of land use, land-use change, and forestry (LULUCF), estimates from land-use changes in developing countries range as high as 20% of global anthropogenic emissions. During the

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<sup>7</sup> Reducing GHG emissions from LULUCF is the negative corollary of carbon sequestration. The two are interchangeable ends of the same continuum and efforts to reduce emissions from LULUCF also include efforts to sequester carbon in vegetation.

period of GEF-4, emphasis within this program will be placed on clarifying the following two issues: a) development of a cost-effective methodology for measuring carbon stocks and fluxes, and b) identification and formulation of “best practice” activities in the land-use sectors to reduce GHG emissions from land-use changes. Efforts to pilot activities to reduce emissions from LULUCF may be supported in countries having a framework to implement “best practice” policy actions to reduce undesirable land-use changes and a detailed database that calibrates forest stand and carbon measurements in order to ensure rigorous monitoring of results. This new strategic program on LULUCF also responds to Decision 2/ CP.12 of the UNFCCC Conference of Parties, which requested that the GEF “explore options for undertaking land use and land-use change projects within the climate change focal area of the Global Environment Facility, in light of past experience.” The GEF will take future guidance from the UNFCCC related to this programming area into account in order to make adjustments as necessary.

27. These six climate change strategic programs for GEF-4 prove largely consistent with the International Energy Agency’s Alternative Policy Scenarios developed in 2006, which demonstrated that energy efficiency is a key to reducing GHG emissions. The strategy also targets LULUCF emissions, which comprise a significant portion of global GHG emissions from developing countries. Together, these changes serve to place renewed emphasis on reducing GHG emissions from GEF program countries.

## **VI. STRATEGIC PROGRAMMING FOR GEF-4**

### *GEF-4 Support to Enabling Activities*

28. Enabling activities will continue to be financed by the GEF, as national communications represent both an obligation of non-Annex I parties under the UNFCCC. Article 4.3 of the UNFCCC specifies that the GEF shall pay the agreed full cost of the preparation of national communications. During GEF-3, an umbrella project was approved for United Nations Development Programme (UNDP) and United Nations Environment Programme (UNEP) to provide expedited support to countries’ second national communications. As national communications from non-Annex I Parties are presented on a five-year cycle, this project, approved in 2004, will cover the needs of most countries through the GEF-4 replenishment period. Action will be required to ensure that adequate and timely support for third and subsequent national communications is made available to countries requiring it. The GEF will ensure that it keeps UNFCCC Parties well informed of available funding support, and of any changes to funding procedures with respect to the preparation of national communications.

29. Non-Annex I national communications projects have helped countries undertake inventories of GHG emissions and describe steps to implement the Convention. National communications remain at the heart of the implementation of the UNFCCC for all countries. All GEF agencies, the UNFCCC Secretariat, and the GEF Secretariat will need to redouble their cooperative efforts to ensure proper support to all activities undertaken through the national communication process, including technology needs assessments (TNAs) and vulnerability and adaptation assessments (V&As).

### *GEF-4 Support to Mitigation Programming*

30. Six strategic programs will form the basis for mitigation programming for the GEF-4 replenishment period. These strategic programs are described below and listed in Table 3.

### **Strategic Program 1: Promoting Energy Efficiency in Residential and Commercial Buildings**

31. This strategic program will promote energy efficiency in residential and commercial buildings. Successful outcomes will include increased market penetration of energy-efficient technologies, practices, products, and materials in the residential and commercial building markets. Indicators of success will be the tons of CO<sub>2e</sub> avoided, the adoption of energy efficiency standards, and the estimated quantity of energy saved. This strategic program covers the entire spectrum of the building sector, including the building envelope, the energy-consuming systems and appliances used in buildings for heating, cooling, lighting, including appliances and office equipment, as well as building operation and energy consumption during building operation. Some activities may use solar energy for heating and cooling, some may extend to the replacement of older chillers and air-conditioning systems with newer ones, provided that the replacements are both more efficient, lower in global warming potential (GWP) and minimize the use of chemicals damaging to the ozone layer.

32. Where it makes sense to do so in order to reduce GHG emissions and it is consistent with “chemical-proofing” the portfolio, GEF projects in this strategic program can support the phase-out of hydrochlorofluorocarbons (HCFCs) used in chillers, air-conditioners, refrigerators, and other equipment, even before the required phase-out dates under the Montreal Protocol. Government commitments to adopting and enforcing standards and regulations are essential for these initiatives to have an impact through replication. Over the course of the GEF-4 programming period, the focus in this programming areas will naturally shift from appliances, lighting, and refrigerators to energy efficiency of the built environment. While this programming area is of relevance to all countries, it will be especially important to rapidly urbanizing countries. Projects will be largely oriented to technical assistance, but some investment will also be required for markets to reach their limits.

### **Strategic Program 2: Promoting Energy Efficiency in the Industrial Sector**

33. This program will promote energy efficiency in the industrial sector, including the deployment and diffusion of energy-efficient technologies and practices in industrial production and manufacturing processes. A successful outcome will be the increased deployment of energy-efficient technologies and adoption of energy-saving practices. Indicators of success will be tons of CO<sub>2e</sub> avoided, volume of investment in new, more efficient plants and equipment, and the quantity of energy saved. This strategic program covers the energy systems in industrial manufacturing and processing, including combustion, steam, process heat, combined heat and power, electricity generation, and other public utilities. Small and medium enterprises (SMEs) in developing countries demonstrate significant potential for improved efficiency and reduced GHG emissions as they frequently have limited access to the technology and capital necessary for improving their facilities. Adoption of an appropriate energy pricing framework is essential to ensure project effectiveness.

34. This strategic program is expected to evolve into focused, sector-specific technology transfer programs focusing on GHG-intensive industries. The strategic program may be also used to test potential modalities for sector-specific or technology-specific GHG mitigation programs for use in GEF-4 and beyond. Where it makes sense to do so in order to reduce GHG emissions and it is consistent with “chemical-proofing” the GEF portfolio, GEF projects in this strategic program will support the phase-out of HCFCs used in the food processing industry before the phase-out dates required under the Montreal Protocol. At present, this strategic program is expected to be most relevant for countries with large and growing industrial sectors that account for a significant share of both energy use and GHG emissions. Projects mixing technical assistance and investment support will be the norm.

### **Strategic Program 3: Promoting Market Approaches for Renewable Energy**

35. This strategic program will promote market approaches for the supply of and demand for renewable electricity in grid-based systems. The expected outcome will be the growth in markets for renewable heat power in participating program countries. Indicators of success will be the tons of CO<sub>2e</sub> avoided, the adoption of on-grid renewable policies, and the quantity of electricity generated from renewable sources. During the GEF-4 period, the emphasis will be upon developing policies and regulatory frameworks that provide limited incremental support to strategically important investments. In order to maximize GHG impacts, priority will be given to projects with a large replication potential. Further priority will be given to supporting utility-scale power production and cogeneration.

36. The renewable energy investments supported should be economically viable in their own right. A host country's willingness to adopt favorable policies and to follow through on the initiatives is essential. During GEF-2 and GEF-3, support has been provided to a number of countries to open up electricity regulations to renewable energy generation. For the period of GEF-4, one target may be to ensure that all countries have adopted regulations leveling the playing field for on-grid renewable energy. Countries with significant renewable energy generation potential may make this strategic program a high priority. Projects will include a combination of technical assistance for policy reform and regulation and initial investments to jump-start the market for a specific renewable technology.

### **Strategic Program 4: Promoting Sustainable Energy Production from Biomass**

37. This strategic program will promote sustainable energy production from biomass. A successful outcome will be the adoption of modern and sustainable practices in biomass production, conversion, and use as energy. Indicators of success will be tons of CO<sub>2e</sub> avoided, the adoption of modern biomass conversion technologies, improved efficiency of biomass energy use, kWh of electricity and heat generated from biomass sources, and energy services produced on the basis of biomass. Given the emphasis placed upon sustainable forest management in the remainder of the GEF portfolio, it was considered necessary to create a separate strategic program for biomass in order to highlight its importance and ensure consistency with other focal areas. GEF support will only go to biomass projects that ensure that biomass energy use is sustainable and does not, therefore, contribute to deforestation, reduced soil fertility, or increased GHG emissions beyond project boundaries. Projects will support the use of biomass for the production of energy services (e.g., electricity, heat) in modern efficient technologies. Support may be given to investigate the suitability and sustainability of producing biofuels to substitute for petroleum fuels used. In all instances, sustainability criteria will have to be observed to ensure that GEF support to modernization of biomass does not undermine food security, exacerbate existing availability problems, or violate GEF's sustainability principles relating to biodiversity conservation or sustainable land and water management, in keeping with the recommendations of STAP.

38. In the past, GEF support to biomass energy has focused largely on the utilization of biomass wastes and residues. During GEF-4, additional support will be given to modern biomass projects using biomass planted for dedicated energy purposes, provided that such support is consistent with sustainability criteria. GEF will develop an approach for certifying the sustainability of biomass that will be used for energy under its biomass program. This will be expected to be a priority for countries with plentiful biomass or where biomass waste products go underutilized or where biomass continues to be used in inefficient, traditional wood stoves. Typical projects will provide a mixture of technical assistance, capacity building, and investment. Countries will undertake different projects, depending on their technological advancements in the area of bioenergy conversion, their pre-existing infrastructure, and the structure of energy demand. As the conversion of cellulosic biomass to liquid fuels becomes more feasible in technical and economic terms, GEF support to these newer approaches is expected to

grow. Some targeted research may be proposed relating to these “next generation” biofuels, in keeping with STAP processes and recommendations.

### **Strategic Program 5: Promoting Sustainable Innovative Systems for Urban Transport**

39. This strategic program will promote sustainable innovative systems for urban transport. A successful outcome will be a make greater use of less GHG-intensive transport modes in targeted urban areas. Indicators of success will include tons of CO<sub>2e</sub> avoided, the adoption/creation of sustainable transport policies, and the number of person-trips taken annually on sustainable options. The sustainable mobility market encompasses measures that promote transportation systems of lower carbon intensity including modal shifts to lower GHG-emitting modes of public transport, public rapid transit (including bus-rapid transit), and non-motorized transport.

40. Initially, GEF support to the transport sector was focused on technological solutions. For the period of GEF-4, emphasis will continue to be placed on “non-technology” options, such as planning, modal shift to low-GHG intensive transport modes, and promotion of better managed public transit systems. This strategic program will be a priority for countries with rapidly growing small- and medium-sized cities. Although greater emissions reductions are liable to result from countries with larger total GHG emissions, smaller countries may also find this to be a priority for the potential co-benefits of development and environment. Repeater projects in cities and countries already having received support in the transport sector will not be encouraged as government commitment to further replication of successful activities is key to success. Projects will include a mixture of technical assistance and limited investment support.

### **Strategic Program 6: Management of Land Use, Land-Use Change and Forestry (LULUCF) as a Means to Protect Carbon Stocks and Reduce GHG Emissions**

41. This strategic program will promote the reduction of GHG emissions from LULUCF. Successful outcomes will be: reduction of GHG emissions from LULUCF; development of a systematic methodology that can be used to measure carbon stocks and fluxes in the land-use systems accurately and cost-effectively; and identification and implementation of policies and practices that reduce emissions from the LULUCF sector. This program also features in the GEF’s cross-cutting sustainable forest management (SFM) program.

42. The cornerstone of this program will be a global initiative to define and refine a methodology for estimating avoided GHG emissions as a result of GEF-supported project activities. Building upon the Intergovernmental Panel on Climate Change (IPCC) Good Practice Guidance for measuring carbon stocks and emissions, the tools to be developed under this program will link forest stand and measurement data to satellite imagery to enable better system-wide tracking and monitoring of progress to reduce emissions from undesirable land-use changes. In addition to resources being devoted from the biodiversity and climate change regional-global allocations and land degradation focal area, countries interested in participating may allocate GEF resources from the climate change focal area towards developing their own calibration coefficients using local data and globally-available remote sensing information.<sup>8</sup> A second area of support includes providing technical assistance for policy formulation, building institutional and technical capacity to implement strategies and policies, developing and testing policy frameworks to slow the drivers of undesirable land-use changes, and working with local communities to develop alternative livelihood methods to reduce emissions and sequester carbon. In cases where the

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<sup>8</sup> Because the GEF Council only recently decided to initiate the LULUCF program, the resources allocated to recipient countries through RAF may not adequately reflect the needs and potential for global environmental benefits from LULUCF activities.

required forest stand data exists and the drivers of land-use changes are well understood, countries may utilize GEF-4 resources to pilot investment projects designed to reduce net emissions from LULUCF.

*Table 3. Proposed Strategic Programs for GEF-4 Financing for Mitigation under the Climate Change Focal Area*

<b>Strategic Program</b>	<b>Expected Direct Outcome (Targets)</b>	<b>Indicators</b>
1. Promoting energy efficiency in residential and commercial buildings	Increased market penetration of energy-efficient technologies, practices, products, and materials in the residential and commercial building markets	<ul style="list-style-type: none"> <li>• Outcome Indicator: tons CO<sub>2eq</sub> avoided</li> <li>• Policy Outcome Indicator: adoption of standards and codes</li> <li>• Outcome Indicator: kWh or TOE of energy saved in new construction and renovation per sq meter</li> </ul>
2. Promoting energy efficiency in the industrial sector	Increased deployment of energy-efficient technologies and adoption of energy-saving practices in the industrial sector	<ul style="list-style-type: none"> <li>• Outcome Indicator: tons CO<sub>2eq</sub> avoided</li> <li>• Policy Outcome Indicator: policy and regulatory framework adopted</li> <li>• Outcome Indicator: volume of energy efficient investments (\$)</li> <li>• Outcome Indicator: kWh or TOE saved from adoption of new EE technologies</li> </ul>
3. Promoting market approaches for renewable energy	Growth in markets for renewable power in participating program countries	<ul style="list-style-type: none"> <li>• Outcome Indicator: tons CO<sub>2eq</sub> avoided</li> <li>• Policy Outcome Indicator: adoption of policy frameworks allowing renewable generators equitable access to the grid</li> <li>• Outcome Indicator: kWh generated from renewable sources</li> </ul>
4. Promoting sustainable energy production from biomass	Adoption of modern and sustainable practices in biomass production, conversion, and use for modern energy	<ul style="list-style-type: none"> <li>• Outcome Indicator: tons CO<sub>2eq</sub> avoided</li> <li>• Outcome Indicator: MW installed</li> <li>• Outcome Indicator: kWh or W steam generated from sustainable biomass</li> </ul>
5. Promoting sustainable innovative systems for urban transport	Innovative sustainable transport systems promoted, created, and adopted. Populations in targeted urban areas make greater use of less GHG-intensive transport modes	<ul style="list-style-type: none"> <li>• Outcome Indicator: tons CO<sub>2eq</sub> avoided and tons of CO<sub>2</sub> emitted per km traveled</li> <li>• Policy Outcome Indicator: number of sustainable transport policies adopted</li> <li>• Outcome Indicator: person-trips per year on sustainable mode</li> </ul>
6. Management of LULUCF as a means to protect carbon stocks and reduce GHG emissions	Development and adoption of systems enabling countries to measure and reduce GHG emissions from LULUCF	<ul style="list-style-type: none"> <li>• Outcome Indicator: tons CO<sub>2eq</sub> avoided</li> <li>• Policy Outcome Indicator: adoption of policies designed to curb land-use emissions</li> <li>• Outcome Indicator: Cost-effective methodology for reporting accurately on GHG emissions from LULUCF</li> </ul>

*GEF-4 Support to Adaptation Programming*

43. The GEF will demonstrate its impact on adaptation through decreased vulnerability and increased capacity to adapt to the adverse impacts of climate change among its program countries. The indicator for this impact will be based upon demonstration of increased resilience to climate change in GEF program countries. For the GEF-4 replenishment period, the overall goal in adaptation is to expand the range of experiences with adaptation in order to improve global understanding of the challenges brought on by climate change, including variability.

44. During GEF-4, the GEF will develop screening tools so that all future projects supported by the GEF will mitigate the risks associated with future climate change. In this regard, all GEF-supported projects will be made climate-resilient. Throughout GEF-4 all projects presented for CEO endorsement will be required to consider the impacts of climate change on their results and to modify their design to be more resilient to climate change. All projects are expected to combine technical assistance and capacity building with concrete actions. A premium will be placed on project-based learning opportunities and ensuring balanced coverage of regions and sectors.

45. During the period of GEF-4, the resources initially available for the Strategic Pilot on Adaptation (SPA) will be the remainder of the \$50 million initially allocated by the GEF Council in May 2004. The scope of programming was defined in the GEF programming paper for the SPA (GEF/C.23/Inf.8/Rev.1). Project activities will focus on ensuring the resilience of GEF activities to the adverse impacts of climate change in the focal area which delivers global environmental benefits. In biodiversity, priority is given to coral reefs, forests, and protected areas found in highly vulnerable ecosystems. In climate change, the priority is on the implications for future energy generation and use and GHG emissions due to changes in hydrological resources, or terrestrial environments. In international waters, priority is placed upon integrated coastal zone management (ICZM) in the context of sea-level rise. In the land degradation focal area, the priority is given to integrating climate change risk management into sustainable land management planning, especially focusing upon the needs in Africa. In Persistent Organic Pollutants (POPs), the priority will be given to building adaptive capacity to climate change in areas where plans for reduction and elimination of releases of POPs are ongoing.

46. Once these remaining funds (approximately US\$23 million) are allocated, an evaluation will be undertaken to draw initial lessons from adaptation funding for the GEF, to evaluate the potential for mainstreaming adaptation into GEF's focal areas and to recommend, if appropriate, allocating more resources from the GEF Trust Fund to adaptation, consistent with UNFCCC guidance (decisions 5/CP.7 and 1/CP.10) to the GEF on adaptation. In addition, an adaptation impact assessment methodology is being developed for application to all projects supported by GEF. With respect to the mainstreaming of adaptation, an adaptation screening tool will be developed for application to all GEF-4 projects across all focal areas. It will focus on the risks posed by the adverse impacts of climate change on project design, and identify where changes need to be made. Its development will incorporate inputs from STAP and the experience from other bilateral and multilateral agencies in the screening of adaptation projects.

47. The independent evaluation of the SPA will inform future decisions on the allocation of additional resources for adaptation under the GEF Trust Fund. Future GEF Council decisions will also have to take into account the guidance from the UNFCCC COP which has requested that more resources be made available under the GEF Trust Fund for concrete adaptation activities (decision 5/CP.7).

48. Beyond the GEF Trust Fund, the GEF is providing support to adaptation through new funds: the Special Climate Change Fund (SCCF) and the Least Developed Countries Fund (LDCF). Nevertheless, the question remains whether the GEF should continue to provide support to adaptation projects from the GEF Trust Fund.

## **VII. INTER-LINKAGES WITH OTHER FOCAL AREAS**

49. The GEF is proposing a framework strategy for SFM that will draw from the biodiversity, land degradation, and climate change focal areas. The climate change focal area will support SFM activities through both the Strategic Program 5 on biomass energy projects and from Strategic Program 6 on LULUCF. The resources for these efforts will be drawn both from its global and regional allocation and from country-specific allocations in keeping with country priorities.

50. Two further topics merit discussion. First, the climate change strategic program on modernized biomass will have to develop and utilize sustainability criteria to ensure that the biomass supplies being used for the production of modern energy are, in fact, sustainable. Such projects must not pose a threat to biodiversity and should be produced on sustainably managed land. Some resources will be needed for the development of these criteria. Second, for the climate change focal area, reporting on carbon stocks being protected through projects in biodiversity, land degradation, and climate change itself will become increasingly important. Investment in the measurement of biological carbon sequestration from the resources of the climate change focal area under the SFM and the Strategic Program on LULUCF will be a necessary step to adequately report on the GEF's achievements to the UNFCCC COP from both within and without the work supported through the climate change focal area.

51. During the period of GEF-4, the GEF Secretariat will engage in the process of "chemical-proofing" its portfolio, to ensure consistency across the focal areas with the objectives in the chemicals focal area. This approach may be relevant to the climate change focal area in the strategic objective relating to energy efficiency in industry. As new industrial processes are introduced, improving the efficiency of combustion processes will, in most cases, reduce the emissions of dioxins and furans, the unintentional POPs. When appropriate and cost-effective, GEF support will be directed to options that reduce the use of harmful chemicals.

52. Finally, climate change will have adverse impacts in all parts of the globe. As noted earlier, the GEF Council set aside a sum of US\$50 million from the climate change focal area during GEF-3 to begin experimenting with the implementation of concrete adaptation projects. In addition, to further safeguard the GEF portfolio from the adverse impacts of climate change, the GEF Secretariat will develop an adaptation screening tool that can be applied to the projects that it supports in all focal areas. This tool will help determine which of the proposed activities to achieve global environmental benefits are at risk from the anticipated adverse impacts of climate change, and therefore need to be modified or redesigned to ensure their sustainability.

## **VIII. THE STRATEGIC EVOLUTION OF THE GEF'S CLIMATE CHANGE PROGRAMMING**

53. The GEF must continue to evolve its strategy in order to respond to changing conditions and to meet new challenges. The stabilization of GHG concentrations in the atmosphere at a level that would prevent dangerous anthropogenic interference with the climate system will require concerted action on the part of the entire global community – of both developed and developing countries – according to their different responsibilities and capabilities. As the global community faces this enormous challenge, the GEF has an important role to play in its role as financial mechanism of the UNFCCC. How this role will evolve and change will depend not just upon international negotiations, but also on the state of technological development and advancement.



54. This document has focused on the strategic programming priorities for GEF-4. In looking ahead, the GEF must maintain a watching brief as to what happens in the markets for technologies of greatest relevance. As new technologies are developed, the GEF must continue to clarify whether it has a role in helping open, develop, and transform the markets for these new “beyond the horizon” low-GHG technologies. Whether that technology is entirely renewable, such as concentrating solar or geothermal power, or is a clean fossil-fuel option, such as integrated gasification combined-cycle (IGCC) technologies, or deals with long-term emission storage, such as geological carbon capture and storage (CCS), there is a need for the GEF to keep abreast of these developments and to revise its strategy and reformulate its strategic programming in response to these changes. GEF may use the tool of targeted research in order to maintain an awareness of new developments of relevance to the GEF and to continue revising and reformulating GEF’s strategic programming in response to new challenges and opportunities.

**ANNEX 2: SUMMARIES OF PROJECTS APPROVED UNDER THE GEF TRUST FUND  
(FROM SEPTEMBER 1, 2006 TO AUGUST 31, 2007)**

**I. Full-Size Projects**

**Brazil: Market Transformation for Energy Efficiency in Buildings (UNDP/IADB)**

Focal Area/OP/Strategic Priority: CC/OP5/Building Energy Efficiency  
 Total Cost of the Project: \$78.575 million  
 GEF Funding Request: \$13.50 million (+ \$250,000 of PDF previously approved)

Key Indicators:

- 5.617 million MWh of energy savings and cumulative GHG emissions reduction of 9.588 Mt CO<sub>2</sub> eq over 20 years (2.820 Mt CO<sub>2</sub> eq from direct and direct post project emissions reductions)

Rationale & Objective: The project is aimed to help remove financial, capacity, technology and policy barriers that currently limit the widespread adoption of energy-efficient measures and technologies in buildings in Brazil. To contribute to the removal of barriers to EE investment in the buildings sector, and to maintain compliance with the Montreal Protocol, the GOB has asked UNDP-GEF and UNDP-Montreal Protocol/Chemicals to join efforts to initiate a program that encourages cross-convention synergies to promote market transformation in EE in buildings and chiller replacement.

Project Outcomes:

- Enhanced energy efficiency investments through capacity building in private and public sector buildings
- Access to energy efficiency services and commercial financing for public sector buildings enhanced with a Public Building Initiative
- Interest enhanced in the replacement of energy-inefficient CFC free-using chillers
- A Partial Performance Guarantee Mechanism made available to stimulate energy efficiency investment through ESCOs

**China: China/GEF/World Bank Urban Transport Partnership Program (WB)**

Focal Area/OP/Strategic Priority: Climate Change/OP11/SO7 (Facilitating Sustainable Mobility in Urban Transport)  
 Total Cost of the Project: \$607.10 million  
 GEF Funding Request: \$21.00 million (+ \$PDF of \$350,000 previously approved)

Key Indicators:

- Reduction in forecast CO<sub>2</sub> emissions: an estimated 9-22 MT over 20 yrs.
- Adoption and implementation of a national urban transport strategy: at least 35 Chinese cities

Rationale & Objective: Greenhouse gas emissions from China's urban transport sector are rising very fast, because of explosive growth in car ownership and use. The objective of the proposed project is to assist China to develop and implement strategies for sustainable urban transport planning, and to develop an institutional and legal framework for planning and implementing sustainable urban transport systems. It includes a technical training and capacity building program, to achieve paradigm shifts from intensive investments in road infrastructure to encouraging modal shifts to the environment-friendly modes: public

transport and NMT. It also aims to assist 14 cities and one province in developing long term strategies for sustainable transport. This planning and policy exercise is supplemented by a series of demonstration projects, emphasizing public transport and sustainable transport policies together with technical training and capacity building.

Project Outcomes: The project is designed to produce the following key outcomes:

- A paradigm shift in China's urban transport and land-use policies, plans and investments towards the promotion of public and non-motorized transport modes which are less energy intensive and polluting than those fostered by current urban land-use and urban transport strategies and planning systems.
- Significantly lower urban transport GHG emissions from China's cities than the business-as-usual scenario.

Project Outputs will include:

- The project is designed to produce the following key outputs:
- National Sustainable Urban Transport Development Strategy
- Urban Transport Planning Guidelines for Municipalities
- Recommendations for Urban Transport Legislation Institutional arrangements for promoting sustainable urban transport in China
- Trained experts and increased technical capacity Dissemination and public awareness-raising tools
- Fifteen large-scale sustainable urban transport demonstration projects, featuring four key initiatives.

#### **China: Energy Efficiency Financing (WB)**

Focal Area/OP/Strategic Priority:	CC/OP5/Industrial Energy Efficiency
Total Cost of the Project:	\$596.65 million
GEF Funding Request:	\$13.50 million

Key Indicators:

- Reduction of 3.9 million tons of CO<sub>2</sub> over the five-year project period, and avoidance of 78 million tons of CO<sub>2</sub> over the twenty-year life span of renovations financed by the project; and
- Industrial energy conservation investment lending business line established and sustained in the banking sector.

Rationale & Objective: The development objective of the proposed project is to improve the energy efficiency of medium and large-sized manufacturing facilities in China's industrial sector. Its global environmental objective is to reduce China's GHG emissions by medium and large-sized energy consumers in energy-intensive industries. These objectives will be achieved by (a) developing sustainable energy conservation lending businesses in selected banks to support medium and large-scale energy conservation investments in these industries; and (b) strengthening government capability to enforce related laws, regulations and standards, and to supervise and monitor industrial energy conservation activities.

Project outcomes include:

- Improve energy efficiency of medium and large-sized energy-intensive industrial enterprises;
- Reduce greenhouse gas emissions of such industries.

Project outputs include:

- \$400 million of energy efficiency financing provided by the participating financial institutions to medium and large-sized energy-intensive industries for energy efficiency investments;

- Additional \$150 million of energy efficiency investment financing requests in the pipeline of Chinese banks participating in the project;
- Energy efficiency financing preparation procedures and modalities adopted by Chinese banks participating in the project; and
- Establishment of a fully-functioning National Energy Conservation Center.

#### **Russian Federation: Renewable Energy Project (RREP) (WB)**

Focal Area/OP/Strategic Priority: Climate Change Strategic Priority: CC4 On-Grid Renewable Energy

Total Cost of the Project: \$77.15 million

GEF Funding Request: \$10.00 million (+ \$350,000 of PDF previously approved)

##### **Key Indicators:**

Project will reduce 4.89m tons of CO<sub>2</sub> emissions by increasing renewable energy production in three markets: 1) on-grid electricity from small hydro and wind; 2) district heating from waste biomass; and 3) residential heat and hot water systems from solar and biomass resources. Other indicators include Adoption of Enabling Regulatory and incentive framework for heat and power; number of RE projects reaching financial closure; RE Power Generation Capacity Installed (MWe); RE Heat generation capacity installed (MWt); and total electricity and heat generated from new RE installations (MWh).

**Rationale & Objective:** The project's global objective is to reduce emission of greenhouse gases through implementation of renewable energy projects in the Russian Federation. The development objective of the project is to facilitate a sustainable market for Renewable Energy Resources in the Russian Federation by supporting the development of enabling policies, institutional capacity, and self-sustaining, market-oriented financing mechanisms.

**Project Outcomes:** The program outcome is the design and implementation of enabling regulatory and incentive framework for renewable energy resource-based power and heat production, including tariff design, licensing and permitting procedures, and training of stakeholders and the establishment of a Renewable Energy Financing Facility.

**Project Outputs:** The primary program outputs are the increased in-country knowledge and an improved framework and market for renewable energy development and increased investments in renewable energy projects.

#### **South Africa: Sustainable Public Transport and Sport: A 2010 Opportunity (UNDP)**

Focal Area/OP/Strategic Priority: Climate Change/OP11/SO7 (Facilitating Sustainable Mobility in Urban Transport)

Total Cost of the Project: \$335.14 million

GEF Funding Request: \$10.999 million (+ \$197,000 of PDF previously approved)

##### **Key Indicators:**

- Direct avoided greenhouse gas emissions; approximately 423,000 tons of CO<sub>2</sub>-equivalent over the next 10 years: indirect CO<sub>2</sub> emission reduction due to replication is an estimated 2 million tCO<sub>2</sub>-equivalent over a ten-year period
- The annual number of person trips on sustainable transport modes promoted under the project will be increased by 20%

**Rationale & Objective:** In South Africa the public transport system provides low levels of service, and is mainly used by lower-income groups. The rail transit and scheduled bus services (both government and privately owned) have declined rapidly since the early 1980s. As incomes amongst all races rise in South Africa, private car ownership and use has increased significantly over the last decade and is anticipated to continue to rise in the future. The objective of the proposed project is to provide an effective, sustainable and environment-friendly urban public transport system, planned and regulated at local levels of government, taking advantage of the 2010 FIFA World Cup, in a two-pronged way; giving targeted technical assistance to specific transport system improvement projects in selected venue cities; capacity building and institutional strengthening, in particular at the local level of government.

**Project Outcomes:**

- Implementation of transport system improvements in seven 2010 venue cities
- Increased information and knowledge about sustainable transportation options and implementation amongst local and national decision-makers and transport and urban planners

**Project Outputs:**

- Restructured public transport systems (high-impact mode-shift projects) have been supported and are implemented in two venue cities
- Road management and transport system efficiency improvements have been supported and are implemented in one venue city
- Non-motorized transport (NMT) projects have been supported and are implemented in three venue cities
- Travel Demand Management (TDM) projects have been supported and are implemented in one venue city
- Increased number of post-graduate professionals with training and relevant work experience in the field of sustainable transport by means of study and training grants
- Increased information and knowledge about sustainable transportation options and implementation amongst local and national decision-makers and transport and urban planners

**Regional: Barrier Removal to the Cost-Effective Development and Implementation of Energy Efficiency Standards and Labeling Project (BRESL) (UNDP)**

Focal Area/OP/Strategic Priority:	CC/OP5/Building Energy Efficiency
Total Cost of the Project:	\$34.205 million
GEF Funding Request:	\$6.80 million (+ \$50,000 of PDF-A approved by UNDP)

**Key Indicators:**

- GHG emissions reduction from utilization of energy efficient appliances/equipment in the region by Year 5 (2011) = 22.0 million tons/year CO<sub>2</sub>
- Energy savings from the use of energy efficient appliances/equipment by Year 5 (2011) = 24,021 GWh/year
- Increase in market share of efficient products by Year 5 (2011) = 25%

**Rationale & Objective:** The proposed project will focus on building capabilities and interest to pursue energy-efficient standards and labeling (ES&L) efforts in each of the participating countries. The project will focus on six products: (1) refrigerators; (2) room air conditioners; (3) electric motors; (4) ballasts for fluorescent tubes; (5) electric fans; and (6) compact fluorescent lamps. The harmonization objective of the project will encourage regional trade in energy-efficient products.

**Project Outcomes:** The project is comprised of 5 major components consisting of complementary activities designed to remove barriers to ES&L and focusing on: (1) ES&L policy making; (2) ES&L capacity building; (3) ES&L manufacturer support; (4) ES&L regional cooperation; and, (5) ES&L pilot projects.

The expected outputs resulting from BRESL include: (1) new minimum efficiency standards for the target products adopted in at least 4 countries, reducing unitary energy use for these products by at least 10% relative to business as usual (4% for motors); (2) at least 4 countries adopt new or improved appliance and equipment energy efficiency labeling schemes; (3) ES&L programs are operating in at least 5 countries; (4) regional cooperation on ES&L efforts; (5) majority of appliance/equipment manufacturers in the region recognize the benefits of, and opportunities for, ES&L efforts to increase their profits; (6) mutual recognition agreements and product certification and posting procedures in place; (7) increased market share of EE equipment/appliances in the different countries and in the region as a result of the ES&L programs; and (8) energy savings from the utilization of energy efficient appliances/equipment in the end use sectors in each of the participating countries.

## **II. Medium-Sized Projects**

### **India: Energy Conservation in Small Sector Tea Processing Units in South India (UNDP, GEF \$0.97 million, total \$2.07 million)**

The goal of the project is to reduce energy consumption from tea processing units in south India, thereby restricting GHG emissions. The project aims to remove barriers and develop replicability strategies for energy efficiency and energy conservation interventions in the tea processing industry in South India.

The expected outcomes of the project are:

1. Awareness creation among the target sector about energy efficiency and renewable energy technologies and their relation to profitability
2. Elimination of financial barriers that inhibit investment in energy conservation equipment
3. Adoption and procurement of energy efficiency and renewable energy equipment and practices
4. Learning, knowledge sharing and replication

The project will support at least 30 factories in South India to adopt energy efficient equipment and practices that would accumulatively save 55,800 tons of direct CO<sub>2</sub>. In addition, 1,125 tons of direct CO<sub>2</sub> will be saved due to reduced consumption of diesel because of reduced vehicular movement as a consequence of reduced consumption of firewood. It is expected that the environment for acceptance of energy usage reform created by the project would have a replication effect and momentum to sustain beyond the project period. In such a scenario, the indirect CO<sub>2</sub> emission reduction is expected to be 170,775 tons over the next ten years.

### **Mexico: Grid-connected Photovoltaic Project (UNDP, GEF \$1.0 million, total \$2.0 million)**

This project will demonstrate the technical, operational and, ultimately, economic feasibility of grid-connected PV systems as a means to reduce or soften the summer peak electrical demand in northern Mexico. In order to do so, the following three outcomes will be achieved:

- Grid connected PV systems are demonstrated as a viable technical and commercial electricity supply option in the northern Mexican context
- Technical capacity for the design, operation, and maintenance of on grid PV systems and related components is incorporated in national institutions

- Project results influence national renewable energy policy and contribute to global PV market development efforts

The project targets the residential and commercial sectors due to their large potential for replication. The residential component aims at raising social awareness about the potential of the technology to address technical and economic problems, and its benefits to the environment; while at the same time testing a means to relieve the user in the long run from the constant threat of increased electricity tariffs. This component will also test alternative mechanisms to phase out the heavy subsidies that the federal government applies to domestic tariffs during the summer months in cities such as Mexicali. The commercial component of the project will focus on small and medium size business, where PV may reach economic competitiveness in a shorter time. This possibility is due to the fact that commercial electricity tariffs are not subsidized. Hence, total monthly PV generation will have a double positive effect, by reducing both peak electrical demand and total demand, thus preventing the user from falling into the higher cost consumption bracket.

**Uruguay: Uruguay Wind Energy Programme (UWEP) (UNDP, GEF \$1.0 million, total \$7.01 million)**

The goal of this project is to mitigate greenhouse gas emissions by implementing large-scale, grid-connected wind energy systems in Uruguay. The directly avoided emissions are 0.18 Mton CO<sub>2</sub> over the lifetime (20 years) of a 5 MW wind farm. The indirectly avoided emissions are 1.1 Mton CO<sub>2</sub> over the period 2006-2015, with yearly savings after 2015 of minimally 0.26 Mton CO<sub>2</sub>.

The objective of this initiative is to remove the present barriers for the development of commercially viable wind energy investments in the country and establish a 5 MW showcase as a basis for replication.

The UWEP Project consists of the following four components that contribute to the removal of the identified barriers within a three-year, medium-size project and pave the way for the development of a sustainable market for wind energy (and other renewables) in Uruguay. Each component is associated with specific outcomes and outputs and a set of envisaged activities as described below:

- An enabling policy framework has been created, including regulations for grid access and dispatch, construction and operation of wind farms, technical codes, and financial incentives for wind-generated electricity;
- Information has been produced and made available to prepare and facilitate identified wind energy projects, as well as information and promotion for stakeholders and the broader public;
- Increased business skills have been developed to prepare, implement and benefit from wind energy technology within the public and private delivery model; and
- Technological barriers have been removed by facilitating measuring equipment and implementing a first 5-MW wind farm connected to the grid.

**Namibia: CPP Namibia: Adapting to Climate Change through the Improvement of Traditional Crops and Livestock Farming (SPA) (UNDP, GEF \$1.0 million, total \$6.79 million)**

The project will contribute to the goal of enhancing adaptive capacity to climate change in agricultural and pastoral systems in Namibia. In order to support progress towards this goal, the project objective is to develop and pilot a range of coping mechanisms for reducing the vulnerability of farmers and pastoralists to climate change, including variability. The objective will be achieved through activities that support three outcomes including (i) climate change adaptation measures of rural communities in agricultural production piloted and tested; (ii) improved information flows on climate change, including variability

(such as drought) between providers and key users and (iii) Climate change issues integrated into planning processes. These outcomes should also facilitate effective replication and up-scaling of measures that promote adaptation to climate change through the Country Pilot Partnership (CPP) for Integrated Sustainable Land Management (ISLM) country programme or other means. The project will be implemented in several drought-prone constituencies in the North-Central region of Namibia. The region is selected based on assessments of vulnerability to climate change, adaptive capacity, national level priority and other relevant issues (e.g. accessibility, extent of ongoing activities to address climate change concerns in this area).



**ANNEX 3: SUMMARIES OF PROJECTS APPROVED UNDER THE SCCF  
(FROM SEPTEMBER 1, 2006 TO AUGUST 31, 2007)**

**I. Full-Size Projects**

**Ecuador: Adaptation to Climate Change through Effective Water Governance (UNDP)**

SCCF Adaptation Program

Total Cost of the Project: \$9.35 million

GEF Funding Request: \$3.0 million (+ PDF-B of \$350,000 previously approved)

**Project Rationale and Objective:** Because of its geographical location, Ecuador is highly vulnerable to climate change on water resources. Periodic El Niño events have already demonstrated the magnitude of catastrophic effects from climatic perturbations. Due to the cross-cutting nature of water resources, increased mean temperature, recurrent droughts and floods, retreating glaciers, and more intense and infrequent rainfall patterns will have a wide ranging set of impacts on water supply. These heightened vulnerabilities to climate hazards will compound current water governance problems in Ecuador.

The project goal is to “mainstream climate change risks into water management practices in Ecuador.” As a contribution to this goal, the project objective is “to increase adaptive capacities to address climate change risks in water resource management at the national and local level.” Towards this end, three outcomes will be realized including: 1. the integration of climate change risks into key national and local water development and management plans; 2. implementation of adaptation measures; and 3. information management and knowledge brokering.

The project focuses on interventions (“system boundary”) at the national and local level. At the national level, the project will improve water governance by incorporating climate risks consideration into water management and decision making processes. At the local level, interventions will be in specific provinces that have been identified based on climate change vulnerability assessments and stakeholder consultations completed during the preparatory phase. The participation of provincial authorities and local communities is an integral component of this project and will ensure the sustainability of the interventions beyond the lifetime of this project.

**Guyana: Conservancy Adaptation Project (WB)**

SCCF Adaptation Program

Total Cost of the Project: \$20 million

SCCF Funding Request: \$3.8 million

**Project Summary:** The objective of the proposed Conservancy Adaptation Project is to help the Government of Guyana adapt to global climate changes by mitigating the country’s risk to flooding. This goal will be achieved through the support of a long-term intervention and adaptation program designed to increase the drainage capacity of Guyana’s most important water conservancy system - the East Demerara Water Conservancy (EDWC) - and to strengthening the Government’s understanding of the functionality of this system. Changes in the severity of individual rainfall events, variations in annual rainfall levels and sea level rise represent significant threats to the EDWC system, the future agricultural productivity of Guyana, and the overall welfare of its inhabitants. The project will help protect the coastal population currently vulnerable to annual flooding and at risk of losing their homes and means of economic production. Specific project objectives involve conducting a comprehensive analytical assessment to

serve as the foundation for the upgrade of the EDWC conservancy system, and strengthening the drainage capacity of the EDWC.

The key component of the project will be the creation of a comprehensive analytical assessment of the EDWC system based upon detailed topographical and hydrological data. This model will provide an assessment that will serve not only as a foundation for improvements to be financed by the Inter-American Development Bank (IADB) and other donors but also as a tool to continuously evaluate the challenges that the EDWC will face from climate variation and change over the longer term. It will be used to design a comprehensive strategy to address the many challenges confronting Guyana's water conservancy systems. Other outcomes will include the rationalization and improvement of water flow systems, improvement in water removal systems, better hydro-meteorological monitoring, and enhanced emergency access improvements.

### **Kenya: Adaptation to Climate Change in Arid Lands (KACCAL) (WB)**

SCCF Adaptation Program

Total Cost of the Project: \$51.63 million

SCCF Funding Request: \$6.5 million (+PDF-B of \$290,000 previously approved)

**Project Summary:** The overall objective of the KACCAL is to assist Kenya in adapting to expected changes in climatic conditions that pose a threat to the sustainability of rural livelihoods in its arid and semi-arid lands. The project will focus on a) improving the ability to reduce the near-term vulnerability to current climate variability and trends in conjunction with the Arid Lands Resource Management Program (ALRMP), and on b) strengthening the medium to long-term ability to address climate change impacts related to increased climatic variability and higher temperature, associated with changes of magnitude and frequency of extremes. The project will be implemented jointly by UNDP and the World Bank.

The project will achieve this by strengthening institutional and technical ability to manage current and future climate risks across scales, specifically incorporating climate risk management into local and national strategies and activities that affect livelihood in ASALs, such as supporting innovative initiatives to diversify and improve long-term livelihoods by engaging local communities and the private sector.

At the local level, the project will place an emphasis on strengthening the adaptive capacity to current climate variability and extremes through connecting these efforts with a forward-looking perspective on the superimposed effects of climate change. Efforts include: increasing the accessibility of early warning and seasonal climate forecasts to vulnerable stakeholders in ASALs; training communities to act upon this information through improved land-use and natural resource management and economic development strategies; and building local level capacities to detect and address local climatic and environmental changes.

The project will also strengthen the link between disaster management and climate change to ensure that short-term responses that may be maladaptive in the medium to long-term are avoided. Support will be provided for development of partnerships and information sharing mechanisms that bring together technical, development and policy perspectives relevant to sound decision-making for the longer term.

Long-term sustainability and resilience will require including the private sector to create additional opportunities for those whose livelihoods may no longer be sustainable due to climate change. The project also focuses on opportunities for economic diversification in support of alternative livelihoods.

The four project components focus on building a comprehensive climate risk management approach by connecting activities at the local, sub-national and national level and engaging a broad range of

stakeholder groups. Component 1 focuses on improving national coordination of information and action for the management of climatic risk. Component 2 seeks to integrate long-term climate risks into local-district planning and investment and will engage private sector entities for risk reduction. Component 3 supports community-driven initiatives to enhance long-term livelihood strategies. Component 4 will involve support for program management and detailed impact monitoring, evaluation and regional knowledge sharing.

The monitoring and assessment framework for the project contains an especially innovative feature. As components 2 and 3 of the project will focus on four or five out of Kenya's 28 arid districts involved in the ALRMP, the monitoring framework will adopt an experimental design approach through which the results in these districts will serve as experimental groups for comparison with results in similar districts not targeted in the KACCAL project. These latter districts will serve as control groups. The results will also provide useful lessons for comparison with results of other SCCF-supported projects in Ethiopia, Mozambique and Zimbabwe.

### **Regional: Design and Implementation of Pilot Climate Change Adaptation Measures in the Andean Region (WB)**

SCCF Adaptation Program

Total Cost of the Project: \$29.24 million

GEF Funding Request: \$6.9 million (+ \$590,000 PDF-Bs previously approved)

**Project Rationale and Objective:** While much attention has been paid to climate change in the polar region, those mountains that extend into the troposphere have been warming faster than adjacent lowlands. Thus, heavily populated, high-elevation areas in the tropics, such as the tropical Andes, are now experiencing, and will likely continue to experience, dramatic changes in climate. In particular, global warming has been linked to the accelerated retreat of tropical glaciers in the Andes and to an increase in the weather variability and weather extremes affecting the Andean ecosystems with immense repercussions on ecosystem integrity and the welfare of local populations. Runoff from tropical glaciers plays a critical role in mountain ecosystem integrity and its reduction will have lasting and pervasive implications for water supply in the Andes. Glacier retreat will have severe negative effects on regional water supply, local agriculture, and hydro power supply in these countries.

The development objective of the proposed project is to implement adaptation measures to meet the anticipated consequences of the catastrophic glacier retreat induced by climate change. This will be achieved by: a) supporting the detailed design of selected adaptation measures; b) implementing regional and strategic adaptation pilots to address key impacts from rapid glacier retreat on selected basins; and c) supporting continuing observation and assessment of glacier retreat and the associated impacts on the region (no GEF resources requested for this activity). The measures will be located in vulnerable highland glacial-dependent watersheds, other associated ecosystems, and regions of mutual interest to participating member countries, where the combined impacts of glacier retreat on global commons and on the prospects for local sustainable development are the highest.

## **II. Medium-Sized Projects**

### **Ethiopia: Coping with Drought and Climate Change (UNDP, GEF \$0.99 million, total \$2.86 million)**

The project addresses the future impacts of long-term climate change, increasing the adaptive capacity of local and national stakeholders to cope with increased frequency and intensity of drought, which the INC

has identified as a major consequence of climate change. This means that project stakeholders need to build their capacity to adapt to changing climatic conditions. The project strategy presented here builds capacity to continually review the sustainability of land management systems and adapt them as the impacts of climate change alter the underlying drivers of productivity.

The project will contribute to the goal of enhancing food security and the capacity to adapt to climate change in agricultural and pastoral systems in Ethiopia. In order to support progress towards this goal, the project objective is: To develop and pilot a range of coping mechanisms for reducing the vulnerability of farmers and pastoralists to future climate shocks. The objective will be achieved through activities generating four outcomes: (1) Farmers/pastoralists in the selected pilot sites are able to cope with drought; (2) Early warning systems provide timely and relevant information to farmers/pastoralists to assist them in coping with drought; (3) Drought preparedness and mitigation policies support farmers/ pastoralists in coping with drought; (4) Farmers/pastoralists inside and outside the pilot sites deploy and replicate successful approaches to cope with drought.

**Mozambique: Coping with Drought and Climate Change (UNDP, GEF \$0.96 million, total \$1.88 million)**

The project addresses the future impacts of long-term climate change, increasing the adaptive capacity of local and national stakeholders to cope with increased frequency and intensity of drought, which the INC has identified as a major consequence of climate change. This means that project stakeholders need to build their capacity to adapt to changing climatic conditions. The project strategy presented here builds capacity to continually review the sustainability of land management systems and adapt them as the impacts of climate change alter the underlying drivers of productivity.

The project will contribute to the goal of enhancing food security and the capacity to adapt to climate change in agricultural and pastoral systems in Mozambique. In order to support progress towards this goal, the project objective is: To develop and pilot a range of coping mechanisms for reducing the vulnerability of farmers and pastoralists to future climate shocks. It will secure this objective through activities generating four Outcomes: (1) Farmers/pastoralists in the selected pilot sites are able to cope with drought; (2) Early warning systems provide timely and relevant information to farmers/pastoralists to assist them in coping with drought; (3) Drought preparedness and mitigation policies support farmers/ pastoralists in coping with drought; (4) Farmers/ pastoralists inside and outside the pilot sites deploy and replicate successful approaches to cope with drought.

**Zimbabwe: Coping with Drought and Climate Change (UNDP, GEF \$0.98 million, total \$2.13 million)**

The project addresses the future impacts of long-term climate change, increasing the adaptive capacity of local and national stakeholders to cope with increased frequency and intensity of drought, which the INC has identified as a major consequence of climate change. This means that project stakeholders need to build their capacity to adapt to changing climatic conditions. The project strategy presented here builds capacity to continually review the sustainability of land management systems and adapt them as the impacts of climate change alter the underlying drivers of productivity.

The project will contribute to the goal of enhancing food security and the capacity to adapt to climate change in agricultural and pastoral systems in Mozambique. In order to support progress towards this goal, the project objective is: To develop and pilot a range of coping mechanisms for reducing the vulnerability of farmers and pastoralists to future climate shocks. It will secure this objective through activities generating four outcomes: (1) Farmers/pastoralists in the selected pilot sites are able to cope with drought; (2) Early warning systems provide timely and relevant information to farmers/pastoralists

to assist them in coping with drought; (3) Drought preparedness and mitigation policies support farmers/pastoralists in coping with drought; (4) Farmers/pastoralists inside and outside the pilot sites deploy and replicate successful approaches to cope with drought.

## ANNEX 4: STATUS OF SECOND NATIONAL COMMUNICATIONS FROM PARTIES NOT INCLUDED IN ANNEX I TO THE UNFCCC

Party	Agency	Submission date of the last report to COP	Date of funding request for the current report	Date of approval by IA	Total Amount Approved US\$	Date of initial disbursement of funds by the IA	Expected Date of Project Completion	Comment on the current status of project activities
1. Afghanistan	UNEP	INC to be prepared		Under preparation				<input checked="" type="checkbox"/> Stocktaking exercise completed. Project document ready for internalization
2. Albania	UNDP	13-Sep-02		4-Feb-05	420,000	14-Apr-05	October 2007	<input checked="" type="checkbox"/> GHG Inventories: more than 50% completed <input checked="" type="checkbox"/> V&A analysis: more than 50% completed <input checked="" type="checkbox"/> Mitigation Analysis: more than 25% completed
3. Algeria	UNDP	30-Apr-01		12-Dec-05	420,000	6-Feb-06	2009	<input checked="" type="checkbox"/> GHG Inventories: more than 20% completed <input checked="" type="checkbox"/> V&A analysis: Less than 20% completed <input checked="" type="checkbox"/> Mitigation Analysis: not initiated yet
4. Angola	UNEP	INC to be prepared		Under preparation				<input checked="" type="checkbox"/> Stocktaking exercise completed and project document preparation on-going
5. Antigua and Barbuda	UNDP	10-Sep-01		18-Apr-06	420,000	6-Jun-06	August 2008	<input checked="" type="checkbox"/> GHG Inventories: Less than 20% completed <input checked="" type="checkbox"/> V&A analysis Less than 20% completed <input checked="" type="checkbox"/> Mitigation Analysis: not initiated yet
6. Argentina	WB	25-Jul-97		18-Dec-03		10-Mar-04		<input checked="" type="checkbox"/>
7. Armenia	UNDP	4-Nov-98		29-Jul-05	420,000	24-Sep-05	2009	<input checked="" type="checkbox"/> GHG Inventories: Less than 25% completed. <input checked="" type="checkbox"/> V&A analysis: Less than 25% completed

8.	Azerbaijan	UNDP	23-May-00		21-Jul-05	420,000	28-Jul-05	June 2009	<input checked="" type="checkbox"/> Mitigation Analysis: not yet initiated. <input checked="" type="checkbox"/> GHG Inventories: between 20%-50% completed <input checked="" type="checkbox"/> V&A analysis: less than 50% completed <input checked="" type="checkbox"/> Mitigation Analysis: Less than 20% completed
9.	Bahamas	UNDP	5-Nov-01		22-May-06	420,000			<input checked="" type="checkbox"/> GHG Inventories: Less than 20% completed <input checked="" type="checkbox"/> V&A analysis: less than 20% completed <input checked="" type="checkbox"/> Mitigation Analysis: Not initiated
10.	Bangladesh	UNDP	12-Nov-02		2-Aug-07	420,000			Project document under preparation. Waiting for Gov't to sign project document.
11.	Bahrain	UNEP	20-April-05		31-Jan. 07	420,000	04-Apr-07	March 2010	Project inception report planned for November 2007
12.	Barbados	UNDP	30-Oct-01		22-Nov-06	420,000	1-Dec-06	2009	
13.	Belize	UNDP	16-Sep-02		24-Mar-06	470,000 Includes TNA	2-May-06	February 2008	<input checked="" type="checkbox"/> GHG Inventories: Less than 50% completed <input checked="" type="checkbox"/> V&A analysis: Less than 25% completed. <input checked="" type="checkbox"/> Mitigation Analysis: not initiated yet
14.	Benin	UNDP	21-Oct-02		26 Oct 06	420,000	July-07		<input checked="" type="checkbox"/> GHG Inventories: Less than 25% completed <input checked="" type="checkbox"/> V&A analysis: Less than 25% completed <input checked="" type="checkbox"/> Mitigation Analysis: not initiated yet.
15.	Bhutan	UNDP	13-Nov-00		30-May-07	420,000	Aug-07		Preparatory work and recruitment of technical team in process.
16.	Bolivia	UNDP	16-Nov-00		10-Jun-05	420,000	9-Aug-05	August 2009	<input checked="" type="checkbox"/> GHG Inventories: less than 50% completed <input checked="" type="checkbox"/> V&A analysis: Less than 25%

								<ul style="list-style-type: none"> <li>completed</li> <li><input checked="" type="checkbox"/> Mitigation Analysis: Less than 25% completed.</li> <li><input checked="" type="checkbox"/> Expected SNC first draft: August, 09</li> </ul>
17. Bosnia & Herzegovina	UNDP	INC under preparation		8 Dec 2005	420,000	27 April 2006		
18. Botswana	UNDP	22-Oct-01		23-Dec-05	420,000	3-Feb-06	December 2008	<ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> GHG Inventories: less than 50% completed</li> <li><input checked="" type="checkbox"/> V&amp;A analysis: less than 50% completed</li> <li><input checked="" type="checkbox"/> Mitigation Analysis: Less than 25% completed</li> </ul>
19. Brazil	UNDP	10-Dec-04		8-Nov-05	3,400,000 Did not request PDF funds	13-Dec-06	December 2008	<ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> GHG Inventories: less than 25% completed</li> <li><input checked="" type="checkbox"/> V&amp;A analysis: less than 25% completed</li> <li><input checked="" type="checkbox"/> Mitigation Analysis: not initiated yet.</li> </ul>
20. Burkina Faso	UNDP	16-May-02		5-Jun-06	420,000	27-Jul-06		
21. Burundi	UNDP	23-Nov-01		22-May-06	420,000	29-Jun-06	June 2009	<ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> GHG Inventories: Draft report completed</li> <li><input checked="" type="checkbox"/> V&amp;A analysis: Less than 25% completed.</li> <li><input checked="" type="checkbox"/> Mitigation Analysis: Less than 25% completed</li> </ul>
22. Cambodia	UNDP	8-Oct-02		9-May-06	420,000	24-Jun-06		<ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> GHG Inventories: less than 25% completed</li> <li><input checked="" type="checkbox"/> V&amp;A analysis: less than 25% completed</li> <li><input checked="" type="checkbox"/> Mitigation Analysis: not initiated yet.</li> </ul>
23. Cameroon	UNEP	31 Jan 2005		Project document under				Stocking exercise on going.



				preparation				
24. Cape Verde	UNDP	13-Nov-00		30-Jan-07	420,000	July-07	2010	SNC project recently approved
25. Central African Republic	UNEP	10-Jun-03		30-Aug-06	420,000	13-Nov-06		<input checked="" type="checkbox"/> Inception workshop scheduled for December 2007
26. Chad	UNDP	29-Oct-01		30-Jan-07	420,000	Jun-07		Preparatory work and recruitment of technical team in process.
27. Chile	UNDP	8-Feb-00		8-Sep-06	420,000	Aug-07	2010	<input checked="" type="checkbox"/> GHG Inventories: less than 25% completed <input checked="" type="checkbox"/> V&A analysis: less than 25% completed <input checked="" type="checkbox"/> Mitigation Analysis: not initiated yet.
28. China	UNDP	10-Dec-04		18-Jan-07	PDF-B 350,000	(Full size) PDF phase		Project submitted to the GEF for the Nov 2007 work programme
29. Colombia	UNDP	18-Dec-01		8-Sep-06	420,000		July 2009	<input checked="" type="checkbox"/> GHG Inventories: More than 25% completed <input checked="" type="checkbox"/> V&A analysis: More than 25% completed <input checked="" type="checkbox"/> Mitigation Analysis: less than 25% completed
30. Comoros	UNEP	5 Apr 2003		30 March - 07	420,000	14 May -07	May 2010	<input checked="" type="checkbox"/> GHG Inventories: less than 20% completed
31. Congo	UNDP	30-Oct-01		24-Apr-06	420,000	24-Jun-06	March 2008	<input checked="" type="checkbox"/> GHG Inventories: less than 25% completed <input checked="" type="checkbox"/> V&A analysis: less than 25% completed <input checked="" type="checkbox"/> Mitigation Analysis: not initiated yet
32. Congo Democratic Republic	UNEP	21-Nov-00		11-Oct-05	420,000	08-Nov-05	December 2008	<input checked="" type="checkbox"/> GHG Inventories: more than 75% completed <input checked="" type="checkbox"/> V&A analysis: 25% completed <input checked="" type="checkbox"/> Mitigation Analysis: not initiated yet.

33. Cook Islands	UNDP	30-Oct-99		22-Dec-05	420,000	21-Apr-06	November 2009	<input checked="" type="checkbox"/> GHG Inventories: More than 25% completed <input checked="" type="checkbox"/> V&A analysis: Less than 50% completed <input checked="" type="checkbox"/> Mitigation Analysis: not initiated yet
34. Costa Rica	UNDP	18-Nov-00		12-Apr-06	105,000 Includes TNA	12-May-06		<input checked="" type="checkbox"/> GHG Inventories: Less than 50% completed <input checked="" type="checkbox"/> V&A analysis: Less than 50% completed <input checked="" type="checkbox"/> Mitigation Analysis: Less than 25% completed
35. Cuba	UNDP	28-Sep-01		Under preparation				Project document completed. Awaiting project approval by the Gov't.
36. Côte d'Ivoire	UNEP	2 -Feb-01		8 Jun. 2005	420,000	10 Jun. 2005	November 2008	<input checked="" type="checkbox"/> GHG Inventories: more than 75% completed <input checked="" type="checkbox"/> V&A analysis: More than 25% completed <input checked="" type="checkbox"/> Mitigation Analysis: less than 25% completed
37. Cyprus								<input checked="" type="checkbox"/> Information not available in database
38. Democratic People's Republic of Korea	UNEP	7 May 2004		25 Apr. 2005	420,000	04 May 2005	April 2008	<input checked="" type="checkbox"/> GHG Inventories: 50% completed <input checked="" type="checkbox"/> V&A analysis: 25% completed
39. Djibouti	UNEP	06-Jun-02		08-Jun-06	420,000	13-Jun-06	October 2008	<input checked="" type="checkbox"/> GHG Inventories: More than 25% completed <input checked="" type="checkbox"/> Mitigation Analysis: less than 25% completed
40. Dominica	UNDP	4-Dec-01		16-Feb-06	420,000	4-Apr-06		
41. Dominican Republic	UNDP	4-Jun-03		11-Nov-05	420,000	21-Nov-06	December 2008	<input checked="" type="checkbox"/> GHG Inventories: Completed <input checked="" type="checkbox"/> V&A analysis: More than 50% completed <input checked="" type="checkbox"/> Mitigation Analysis: Less than 25% completed

42. East Timor	UNDP	INC		Under preparation				INC under preparation.
43. Ecuador	UNDP	15-Nov-00		8-Feb-06	420,000	23-Mar-06	November 2008	<input checked="" type="checkbox"/> GHG Inventories: Less than 25% completed <input checked="" type="checkbox"/> V&A analysis: Less than 50% completed <input checked="" type="checkbox"/> Mitigation Analysis: not yet initiated
44. Egypt	UNDP	19-Jul-99		7-Nov-05	420,000	16-Mar-06	July 2009	<input checked="" type="checkbox"/> GHG Inventories: Less than 25% completed <input checked="" type="checkbox"/> V&A analysis: Less than 25% completed <input checked="" type="checkbox"/> Mitigation Analysis: Less than 25% completed
45. El Salvador	UNDP	10-Apr-00		30-May-07	420,000	Sept-07		Recruitment of SNC project coordinator and technical team underway
46. Equatorial Guinea								Information not available in database
47. Eritrea	UNDP	16-Sep-02		30-Jan-07	420,000	June-07		Preparatory work and recruitment of technical team in process.
48. Ethiopia	UNDP	16-Oct-01		Has not yet requested self-assessment funds				
49. Fiji								Information not available in database
50. Gabon	UNDP	22-Dec-04		31-Jan-07	420,000	May-07		Preparatory work and recruitment of technical team in process.
51. Gambia	UNEP	6 Oct 2003		05-Sep.-2006	420,000		August 2009	<input checked="" type="checkbox"/> GHG Inventories: Less 50% completed <input checked="" type="checkbox"/> V&A analysis: Less 25% completed

52. Georgia	UNDP	10-Aug-99		5-May-05	420,000	24-Jun-05	November 2008	<input checked="" type="checkbox"/> GHG Inventories: more than 50% completed <input checked="" type="checkbox"/> V&A analysis: More than 50% completed <input checked="" type="checkbox"/> Mitigation Analysis: Less than 25% completed
53. Ghana	UNDP	2-May-01		10-May-06	420,000	29-Jun-06		<input checked="" type="checkbox"/> GHG Inventories: less than 50% completed <input checked="" type="checkbox"/> V&A analysis: Less than 50% completed <input checked="" type="checkbox"/> Mitigation Analysis: Less than 25% completed
54. Grenada	UNDP	21-Nov-00		8-Sep-06	420,000	May-07		Preparatory work and recruitment of technical team in process.
55. Guatemala	UNDP	1-Feb-02		7-Nov-06	420,000	Dec-06	July 2009	<input checked="" type="checkbox"/> GHG Inventories: Less than 25% completed <input checked="" type="checkbox"/> V&A analysis: Less than 25% completed <input checked="" type="checkbox"/> Mitigation Analysis: not yet initiated.
56. Guinea	UNEP	28-Oct-02		24-Sept. - 07	420,000	01-Oct.-07	Oct- 2010	<input checked="" type="checkbox"/> Inception and GHG Inventory workshops scheduled for November 2007
57. Guinea Bissau	UNDP	1-Dec-01		1-Nov-06	470,000 Includes TNA	April-07	June 2009	<input checked="" type="checkbox"/> GHG Inventories: Less than 25% completed <input checked="" type="checkbox"/> V&A analysis: not yet initiated <input checked="" type="checkbox"/> Mitigation Analysis: Less than 25% completed
58. Guyana	UNDP	16-May-02		Approved. DOA pending	470,000 Includes TNA	Aug-07		
59. Haiti	UNEP	3 Jan 2002		29 Sep. 2005	420,000	06 Oct. 2005	November 2009	<input checked="" type="checkbox"/> GHG Inventories: 50% completed <input checked="" type="checkbox"/> V&A analysis: Less than 50% completed <input checked="" type="checkbox"/> Mitigation Analysis: less than 25%

								completed
60. Honduras	UNDP	15-Nov-00		2-Dec-05	420,000	March-07	February 2009	<input checked="" type="checkbox"/> GHG Inventories: Less than 50% completed <input checked="" type="checkbox"/> V&A analysis: Less than 25% completed <input checked="" type="checkbox"/> Mitigation Analysis: Less than 25% completed
61. India	UNDP	22-June-04		GEF council approved	3,849,000 Includes PDFB	July-07		Project under implementation
62. Indonesia	UNDP	27-Oct-99		16-Jan-07	420,000	July-07		Project under implementation
63. Iran Islamic Republic of	UNDP	31-Mar-03		22-Dec-05	420,000	23-Jan-06	December 2008	<input checked="" type="checkbox"/> GHG Inventories: Less than 50% completed <input checked="" type="checkbox"/> V&A analysis: Less than 25% completed <input checked="" type="checkbox"/> Mitigation Analysis: less than 50% completed
64. Israel								<input checked="" type="checkbox"/> Information not available in database
65. Jamaica	UNDP	21-Nov-00		21-Apr-06	420,000	7-Jul-06	May 2008	<input checked="" type="checkbox"/> GHG Inventories: More than 50% completed <input checked="" type="checkbox"/> V&A analysis: Less than 25% completed. <input checked="" type="checkbox"/> Mitigation Analysis: not yet initiated
66. Jordan	UNDP	6-Mar-97		29-Dec-05	420,000	25-Jan-06	May 2008	<input checked="" type="checkbox"/> GHG Inventories: Less than 25% completed <input checked="" type="checkbox"/> V&A analysis: Less than 25% completed <input checked="" type="checkbox"/> Mitigation Analysis: Less than 25% completed

67. Kazakhstan	UNDP	5-Nov-98		3-Mar-05	420,000	15-May-05	July 2009	<input checked="" type="checkbox"/> GHG Inventories: between 20%-50% completed <input checked="" type="checkbox"/> V&A analysis: between 20%-50% completed <input checked="" type="checkbox"/> Mitigation Analysis: between 20%-50% completed
68. Kenya	UNEP	22 Oct 2002		26 Oct. 2005	420,000	18 Nov. 2005	September 2008	<input checked="" type="checkbox"/> GHG Inventories: more than 50% completed <input checked="" type="checkbox"/> V&A Less than 25% completed
69. Kiribati	UNDP	30-Oct-99		31-Jan-07	420,000	May-07		<input checked="" type="checkbox"/> GHG Inventories: Less than 25% completed <input checked="" type="checkbox"/> V&A analysis: Less than 25% completed <input checked="" type="checkbox"/> Mitigation Analysis: Not initiated yet
70. Kuwait								<input checked="" type="checkbox"/> Information not available in database
71. Kyrgyzstan	UNDP	31-Mar-03		2-Jun-05	420,000	5-Jul-05	February 2008	<input checked="" type="checkbox"/> GHG Inventories: More than 75% completed. <input checked="" type="checkbox"/> V&A analysis: More than 50% completed <input checked="" type="checkbox"/> Mitigation Analysis: Less than 25% completed
72. Lao People's Democratic Republic	UNDP	2-Nov-00		17-May-07	420,000			Project Document awaiting signature by Gov't.
73. Lebanon	UNDP	2-Nov-99		8-Jul-05	420,000	14-Mar-06	December 2009	<input checked="" type="checkbox"/> GHG Inventories: Less than 25% completed <input checked="" type="checkbox"/> V&A analysis: Less than 25% completed <input checked="" type="checkbox"/> GHG Mitigation Analysis: not yet initiated

74. Lesotho	UNEP	17 -April 2000		4 -Sept. -06	420,000	25 Oct. 2006	November 2009	<input checked="" type="checkbox"/> GHG Inventories: 25 % completed <input checked="" type="checkbox"/> V&A analysis: less than 25% completed
75. Liberia	UNEP	INC under preparation		31-Aug.-05	420,000	31 Aug. 2005	June 2009	<input checked="" type="checkbox"/> GHG Inventories: More than 50% completed <input checked="" type="checkbox"/> V&A analysis: less than 25% completed
76. Libyan Arab Jamahiriya	UNEP	INC under preparation		31 Jan. 2002	275,000	20 Feb. 2002	December 2008	<input checked="" type="checkbox"/> GHG Inventories: Less than 25% completed * Project Approved before commencement of umbrella project
77. Madagascar	UNEP	22 Feb 2004		7 Nov. 2005	420,000	25 Nov. 2005	September 2008	<input checked="" type="checkbox"/> GHG Inventories: more than 75% completed <input checked="" type="checkbox"/> V&A analysis: 25% completed <input checked="" type="checkbox"/> GHG Mitigation Analysis: Less than 25% completed
78. Malawi	UNDP	2-Dec-03		8-Feb-06	420,000	Dec-06	March 2009	<input checked="" type="checkbox"/> GHG Inventories: Less than 25% completed <input checked="" type="checkbox"/> V&A analysis: Less than 25% completed <input checked="" type="checkbox"/> GHG Mitigation Analysis: not yet initiated
79. Malaysia	UNDP	22-Aug-00		2 1-Dec-05	420,000	Jan-07		
80. Maldives	UNDP	5-Nov-01		Has not yet requested self-assessment funds				
81. Mali	UNDP	13-Nov-00		8-Sep-06	420,000	11-Sept-06		<input checked="" type="checkbox"/> GHG Inventories: Less than 25% completed <input checked="" type="checkbox"/> V&A analysis: Less than 25% completed

82. Malta	UNDP	16-Jun-04		9-April-07	420,000	May-07		Inception workshops organized
83. Marshall Islands	UNDP	24-Nov-00		30-Jan-07	420,000			<input checked="" type="checkbox"/> GHG Inventories: Not yet initiated <input checked="" type="checkbox"/> V&A analysis: Not yet initiated <input checked="" type="checkbox"/> GHG Mitigation Analysis: not yet initiated
84. Mauritania	UNEP	30-Jul-02		14 Jul 2005	420,000	15 Aug. 2005	November 2009	<input checked="" type="checkbox"/> GHG Inventories: More than 75% completed <input checked="" type="checkbox"/> V&A analysis: More than 50% completed
85. Mauritius	UNEP	28-May-99		Project document sent to Government for signature	420,000	22-Feb. -07	Jan. - 2010	<input checked="" type="checkbox"/> Inception Workshop scheduled for November 2007
86. Mexico	UNDP	23-July-01		20-Jun-05	405,000 Did not request self-assessment funds	11-Jul-05	Completed November 06	<input checked="" type="checkbox"/> TNC submitted
87. Micronesia Federated States of	UNDP	4-Dec-97		20-Aug-06	420,000	Aug-06	January 2008	<input checked="" type="checkbox"/> GHG Inventories: Less than 25% completed <input checked="" type="checkbox"/> V&A analysis: : Less than 25% completed <input checked="" type="checkbox"/> GHG Mitigation Analysis: not yet initiated
88. Moldova	UNEP	13 Nov 2000		12 -Oct-05	420,000	27 Oct. 2005	November 2008	<input checked="" type="checkbox"/> GHG Inventories: 50% completed <input checked="" type="checkbox"/> V&A analysis: less than 25% completed <input checked="" type="checkbox"/> GHG Mitigation Analysis: 50% completed
89. Mongolia	UNEP	1 Nov 2001		28-Aug.-06	420,000	15-Sept.-06	July 2009	<input checked="" type="checkbox"/> GHG Inventories: more than 75% completed <input checked="" type="checkbox"/> V&A analysis: 25% completed



								<input checked="" type="checkbox"/> GHG Mitigation Analysis: 25% completed
90. Mozambique	UNEP	6-Jun.-06		11-Oct.-06	420,000	25-Oct.-06	Oct. 2009	<input checked="" type="checkbox"/> Less than 50% completed
91. Morocco	UNDP	1-Nov-01		2-Mar-05	455,000 Includes TNA Did not request self-assessment funds	13-May-05	May 2008	<input checked="" type="checkbox"/> GHG Inventories: 50% completed <input checked="" type="checkbox"/> V&A analysis: More than 25% completed <input checked="" type="checkbox"/> GHG Mitigation Analysis: less than 25% completed
92. Myanmar	UNEP	INC under preparation		26-Dec.-06	420,000	12- Mar. -07	Mar. 2010	Inception workshop planned for November 2007
93. Namibia	UNDP	7-Oct-02		14-Dec-05	420,000	24-Jan-06		
94. Nauru	UNDP	30-Oct-99		25-May-07	420,000	July-07		Preparatory work initiated, technical team recruitment in progress.
95. Nepal								<input checked="" type="checkbox"/> Information not available in database
96. Nicaragua	UNDP	25-Jul-01		4-Feb-05	420,000	7-Mar-05	March 2008	<input checked="" type="checkbox"/> GHG Inventories: more than 75% completed <input checked="" type="checkbox"/> V&A analysis: more than 75% completed <input checked="" type="checkbox"/> GHG Mitigation Analysis: Less than 50% completed
97. Niger	UNDP	13-Nov-00		12-Dec-05	420,000	4-Jan-06	Nov 2008	<input checked="" type="checkbox"/> GHG Inventories: more than 50% completed <input checked="" type="checkbox"/> V&A analysis: more than 50% completed <input checked="" type="checkbox"/> GHG Mitigation Analysis: Less than 25% completed
98. Nigeria	UNDP	17-Nov-03		30-Mar-06	420,000 Includes TNA	1-Aug-06		<input checked="" type="checkbox"/> GHG Inventories: Less than 25% completed <input checked="" type="checkbox"/> V&A analysis: Less than 25% completed <input checked="" type="checkbox"/> GHG Mitigation Not yet initiated

99. Niue	UNEP	2-Oct -01		11-Nov-04	420,000	20-Dec-04	August 2008	<input checked="" type="checkbox"/> GHG Inventories: more than 50% completed <input checked="" type="checkbox"/> V&A analysis: 25% completed <input checked="" type="checkbox"/> Mitigation Analysis: less than 25% completed
100. Oman	UNDP			15-May-07	300,000			Project Document awaiting Gov't signature
101. Pakistan	UNEP	15-Nov-03		Government to provide banking information				
102. Panama	UNDP	20-Jul-01		7-Jun-06	420,000	Sept-06	February 2009	<input checked="" type="checkbox"/> GHG Inventories: Less than 25% completed <input checked="" type="checkbox"/> V&A analysis: Less than 25% completed <input checked="" type="checkbox"/> GHG Mitigation Analysis: Less than 25% completed
103. Palau	UNEP	18-Jun-03		9-Dec-05	420,000	13-Dec-05	March 2008	<input checked="" type="checkbox"/> GHG Inventories: more than 100% completed <input checked="" type="checkbox"/> V&A analysis: More than 75% completed <input checked="" type="checkbox"/> Mitigation Analysis: 25% completed
104. Papua New Guinea	UNDP	27-Feb-02		17-Jul-06	420,000	Feb-07	December 2009	<input checked="" type="checkbox"/> GHG Inventories Less than 25% completed <input checked="" type="checkbox"/> V&A analysis: Less than 25% completed <input checked="" type="checkbox"/> GHG Mitigation Analysis: More than 25% completed
105. Paraguay	UNDP	10-Apr-02		8-Dec-05	420,000	10-Mar-06	February 2008	<input checked="" type="checkbox"/> GHG Inventories: More than 50% completed <input checked="" type="checkbox"/> V&A analysis: less than 50% completed <input checked="" type="checkbox"/> GHG Mitigation Analysis: less than

								50% completed
106. Peru	UNDP	21-Aug-01		20-Jul-05	1,849,350 Includes PDFA	July-06		<input checked="" type="checkbox"/> GHG Inventories: Less than 25% completed <input checked="" type="checkbox"/> V&A analysis: less than 25% completed <input checked="" type="checkbox"/> GHG Mitigation Analysis: less than 25% completed
107. Philippines	UNDP	19-May-00		18-Apr-06	420,000	2-Aug-06	June 2009	<input checked="" type="checkbox"/> GHG Inventories Less than 25% completed <input checked="" type="checkbox"/> V&A analysis: Less than 25% completed <input checked="" type="checkbox"/> GHG Mitigation Analysis: Less than 25% completed
108. Qatar								<input checked="" type="checkbox"/> Information not available in database
109. Rwanda	UNEP	6-Sep-05		22-Sep-06	420,000	16-Oct.-06	November 2009	<input checked="" type="checkbox"/> GHG Inventory: Less than 50% completed
110. Saint Kitts and Nevis	UNDP	30-Nov-01		25-Oct-06	420,000	May-07		Preparatory work initiated.
111. Saint Lucia	UNDP	30-Nov-01		9-Jun-06	420,000	14-Jun-06	August 2009	<input checked="" type="checkbox"/> GHG Inventories: less than 50% completed <input checked="" type="checkbox"/> V&A analysis: Less than 25% completed <input checked="" type="checkbox"/> GHG Mitigation Analysis: not yet initiated.
112. Saint Vincent and the Grenadines	UNDP	21-Nov-00		7-Jun-06	420,000	27-Jun-06		<input checked="" type="checkbox"/> GHG Inventories Less than 25% completed <input checked="" type="checkbox"/> V&A analysis: Less than 25% completed <input checked="" type="checkbox"/> GHG Mitigation Analysis: Less than 25% completed
113. Samoa	UNDP	30-Oct-99		21-Jul-05		27-Oct-05	May	<input checked="" type="checkbox"/> GHG Inventories: draft completed <input checked="" type="checkbox"/> V&A analysis: More than 75%

					420,000		2008	<input checked="" type="checkbox"/> completed <input checked="" type="checkbox"/> Mitigation Analysis: less than 50% completed
114. San Marino								Information not available in database
115. Saudi Arabia	UNDP	29-Nov-05		30-May-07	420,000		2010	Project document with Gov't for signature
116. São Tomé and Príncipe	UNDP	19-May-05		24-Sept-07	420,000			Pending Gov't signature of project document.
117. Senegal	UNEP	1-Dec-97		8-Jun.-06	420,000	20 Jun. 2006	July 2009	<input checked="" type="checkbox"/> GHG Inventories: More than 50% completed <input checked="" type="checkbox"/> V&A analysis: 25% completed
118. Serbia and Montenegro	UNDP	Initial Communication under preparation		2/2/07	420,000	1-June-07		
119. Seychelles	UNDP	15-Nov-00		9-Jun-06	420,000	16-Jun-06	June 2009	<input checked="" type="checkbox"/> GHG Inventories: More than 50% completed <input checked="" type="checkbox"/> V&A analysis: More than 50% completed <input checked="" type="checkbox"/> Mitigation Analysis: More than 25% completed
120. Sierra Leone	UNDP	8-Jan-07		Self-assessment				Project document under preparation.
121. Singapore								Information not available in database
122. Solomon Islands	UNDP	29-Sep-04		30-Jan-07	420,000			Project document pending Gov't signature.
123. South Africa	UNEP	11-Dec-03		Project document	420,000			

				sent to Government for signature				
124. Sri Lanka	UNDP	6-Nov-00		30-May-07	420,000	July-07		Preparation work initiated. Recruitment of national team in progress.
125. Sudan	UNDP	7-Jun-03		10-May-07	420,000			Project Document pending Gov't's signature.
126. Syrian Arab Republic	UNDP	INC under preparation		20-July-2006	420,000	Jan-07		
127. Swaziland	UNDP	21-May-02		Approved. DOA pending	470,000 Includes TNA	May-07		Preparation work initiated. Recruitment of national team in progress.
128. Suriname	UNDP	14-Oct -96		Under preparation				Project document under preparation. Project pending Gov't approval.
129. Tajikistan	UNDP	8-Oct-02		26-May-05	420,000	7-Jul-05	December 2007	<input checked="" type="checkbox"/> GHG Inventories: more than 50% completed <input checked="" type="checkbox"/> V&A analysis: More than 50% completed <input checked="" type="checkbox"/> Mitigation Analysis: Less than 50% completed
130. Thailand	UNDP	13-Nov-00		31-May-06	420,000	Dec-06	June 2010	
131. Macedonia	UNDP	25-Mar-03		4-Feb-05	420,000	16-Feb-05	March 2008	<input checked="" type="checkbox"/> GHG Inventories: more than 75% completed <input checked="" type="checkbox"/> V&A analysis: more than 75% completed <input checked="" type="checkbox"/> Mitigation Analysis: More than 25% completed
132. Tanzania United Republic of	UNEP	4-Jul-03		21-Jul-06	420,000	15 Aug. 2006	September 2009	<input checked="" type="checkbox"/> GHG Inventories: More than 50% completed <input checked="" type="checkbox"/> V&A analysis: 25% completed
133. Togo	UNDP	20-Dec-01		8-Sep-06	420,000	April-07		Preparatory work initiated. Team coordinator recruited.

134. Tonga	UNDP	21-Jul-05		17-Jan-07	405,000 Did not request self-assessment funds	Jan-07		
135. Trinidad and Tobago	UNDP	30-Nov-01		6-Jun-06	420,000	May-07	March 2009	<input checked="" type="checkbox"/> GHG Inventories: Less than 25% completed <input checked="" type="checkbox"/> V&A analysis: Less than 25% completed <input checked="" type="checkbox"/> Mitigation Analysis: not yet initiated.
136. Tunisia	UNDP	27-Oct-01		8-Jun-05	405,000 Did not request self-assessment funds	25-Aug-05		
137. Turkmenistan	UNEP	11-Nov-00		8-Jun-06	420,000	9-Jun-06	May 2009	<input checked="" type="checkbox"/> GHG Inventories: More than 75 % completed <input checked="" type="checkbox"/> V&A analysis: More than 25% completed
138. Tuvalu	UNDP	30-Oct-99		17-Jan-07	420,000	May-07		<input checked="" type="checkbox"/> GHG Inventories: Less than 25% completed <input checked="" type="checkbox"/> V&A analysis: Less than 25% completed <input checked="" type="checkbox"/> Mitigation Analysis: not yet initiated.
139. Uganda	UNEP	26-Oct-02		Under preparation				Stocktaking exercise and project document preparation on- going
140. United Arab Emirates								Information not available in database
141. Uruguay	UNDP	15-Oct-97		5-May-05	405,000 Did not request self-assessment funds	30-Aug-05		<input checked="" type="checkbox"/> GHG Inventories: Less than 50% completed <input checked="" type="checkbox"/> V&A analysis: Less than 50% completed <input checked="" type="checkbox"/> Mitigation Analysis: Less than 50% completed
142. Uzbekistan	UNEP				420,000		September 2008	<input checked="" type="checkbox"/> GHG Inventories: more than 100 % completed

		22-Oct-99		10-Feb-05		21-Feb-05		<input checked="" type="checkbox"/> V&A analysis: More than 25% completed <input checked="" type="checkbox"/> GHG Mitigation Analysis: More 50% completed
143. Vanuatu	UNDP	30-Oct-99		22-Dec-05	420,000	24-Jul-06		<input checked="" type="checkbox"/> GHG Inventories: Less than 25% completed <input checked="" type="checkbox"/> V&A analysis: Less than 25% completed <input checked="" type="checkbox"/> Mitigation Analysis: not yet initiated.
144. Venezuela	UNDP	13-Oct-05		Under preparation				
145. Vietnam	UNEP	2-Dec-03		7-Jun-06	420,000	19-Jun-06	June 2009	<input checked="" type="checkbox"/> GHG Inventories: Less than 50% completed <input checked="" type="checkbox"/> V&A analysis: Less than 25 % completed <input checked="" type="checkbox"/> GHG Mitigation Yet to commence
146. Yemen	UNDP	29-Oct-01		8-Nov-06	470,000 Includes TNA			<input checked="" type="checkbox"/> GHG Inventories: Less than 25% completed <input checked="" type="checkbox"/> V&A analysis: Less than 25% completed <input checked="" type="checkbox"/> Mitigation Analysis: Less than 25% completed
147. Zambia	UNDP	18-Aug-04		2/2/07	470,000 Includes TNA	17-Aug-07		Preparatory work initiated.
148. Zimbabwe	UNEP	25-May-98		24-Apr-06	420,000	13-Jun-06	July 2009	<input checked="" type="checkbox"/> GHG Inventories: 50 % completed

**STATUS OF SECOND NATIONAL COMMUNICATIONS FROM PARTIES INCLUDED IN ANNEX I TO THE UNFCCC**

149. Turkey	UNDP	INC under preparation		21-June-05	420,000	16-Aug-05		INC submitted
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## ANNEX 5: STATUS OF NAPA'S

Country	Implementing Agency	Current Status	Completion Date or Expected Completion Date	Web link for full NAPA document (completed projects only)
Bangladesh	UNDP	Completed	November 2005	<a href="http://unfccc.int/resource/docs/napa/ban01.pdf">http://unfccc.int/resource/docs/napa/ban01.pdf</a>
Bhutan	UNDP	Completed	May 2006	<a href="http://unfccc.int/resource/docs/napa/btn01.pdf">http://unfccc.int/resource/docs/napa/btn01.pdf</a>
Burundi	UNDP	Completed	February 2007	<a href="http://unfccc.int/resource/docs/napa/bdi01e.pdf">http://unfccc.int/resource/docs/napa/bdi01e.pdf</a>
Cambodia	UNDP	Completed	March 2007	<a href="http://unfccc.int/resource/docs/napa/khm01.pdf">http://unfccc.int/resource/docs/napa/khm01.pdf</a>
Comoros	UNEP	Completed	November 2006	<a href="http://unfccc.int/resource/docs/napa/com01e.pdf">http://unfccc.int/resource/docs/napa/com01e.pdf</a>
Democratic Republic of the Congo	UNDP	Completed	September 2006	<a href="http://unfccc.int/resource/docs/napa/cod01.pdf">http://unfccc.int/resource/docs/napa/cod01.pdf</a>
Djibouti	UNEP	Completed	October 2006	<a href="http://unfccc.int/resource/docs/napa/dji01f.pdf">http://unfccc.int/resource/docs/napa/dji01f.pdf</a>
Eritrea	UNDP	Completed	May 2007	<a href="http://unfccc.int/resource/docs/napa/eri01.pdf">http://unfccc.int/resource/docs/napa/eri01.pdf</a>
Haiti	UNEP	Completed	December 2006	<a href="http://unfccc.int/resource/docs/napa/hti01f.pdf">http://unfccc.int/resource/docs/napa/hti01f.pdf</a>
Kiribati	UNDP	Completed	January 2007	<a href="http://unfccc.int/resource/docs/napa/kir01.pdf">http://unfccc.int/resource/docs/napa/kir01.pdf</a>
Lesotho	UNEP	Completed	June 2007	<a href="http://unfccc.int/resource/docs/napa/lso01.pdf">http://unfccc.int/resource/docs/napa/lso01.pdf</a>
Madagascar	World Bank	Completed	December 2006	<a href="http://unfccc.int/resource/docs/napa/mdg01f.pdf">http://unfccc.int/resource/docs/napa/mdg01f.pdf</a>
Malawi	UNDP	Completed	March 2006	<a href="http://unfccc.int/resource/docs/napa/mwi01.pdf">http://unfccc.int/resource/docs/napa/mwi01.pdf</a>
Mauritania	UNEP	Completed	November 2004	<a href="http://unfccc.int/resource/docs/napa/mau01e.pdf">http://unfccc.int/resource/docs/napa/mau01e.pdf</a>
Niger	UNDP	Completed	July 2006	<a href="http://unfccc.int/resource/docs/napa/ner01e.pdf">http://unfccc.int/resource/docs/napa/ner01e.pdf</a>
Rwanda	UNEP	Completed	May 2007	<a href="http://unfccc.int/files/adaptation/napas/application/pdf/napa-rwanda-final-fr.pdf">http://unfccc.int/files/adaptation/napas/application/pdf/napa-rwanda-final-fr.pdf</a>
Samoa	UNDP	Completed	December 2005	<a href="http://unfccc.int/resource/docs/napa/sam01.pdf">http://unfccc.int/resource/docs/napa/sam01.pdf</a>
Senegal	UNEP	Completed	November 2006	<a href="http://unfccc.int/resource/docs/napa/sen01f.pdf">http://unfccc.int/resource/docs/napa/sen01f.pdf</a>
Sudan	UNDP	Completed	July 2007	<a href="http://unfccc.int/resource/docs/napa/sdn01.pdf">http://unfccc.int/resource/docs/napa/sdn01.pdf</a>
Tuvalu	UNDP	Completed	May 2007	<a href="http://unfccc.int/resource/docs/napa/tuv01.pdf">http://unfccc.int/resource/docs/napa/tuv01.pdf</a>
United Republic of Tanzania	UNEP	Completed	September 2007	<a href="http://unfccc.int/resource/docs/napa/tza01.pdf">http://unfccc.int/resource/docs/napa/tza01.pdf</a>
Afghanistan	UNEP	On-going	Q4 - 2007	



Angola	UNEP	Process initiated	Q4 - 2008	
Benin	UNDP	On-going	Q3 - 2007	
Burkina Faso	UNDP	Draft NAPA available	Q2 - 2007	
Cape Verde	UNDP	On-going	Q4 - 2007	
Central African Republic	UNEP	On-going	Q4 - 2007	
Chad	UNDP	On-going	Q4 - 2007	
Ethiopia	UNDP	On-going	Q2 - 2007	
Gambia	UNEP	On-going	Q4 - 2007	
Guinea	UNDP	On-going	Q3 - 2007	
Guinea Bissau	UNDP	On-going	Q3 - 2007	
Lao People's Democratic Republic	UNDP	Draft NAPA available	Q3 - 2007	
Liberia	UNEP	On-going	Q3 - 2007	
Maldives	UNDP	Draft NAPA available	Q2 - 2007	
Mali	UNDP	On-going	Q3 - 2007	
Mozambique	UNDP	Draft NAPA available	Q3 - 2007	
Nepal	UNDP	Process initiated	Q4 - 2008	
São Tomé and Príncipe	World Bank	Draft NAPA available	Q4 - 2007	
Sierra Leone	UNDP	Draft NAPA available	Q2 - 2007	
Solomon Islands	UNDP	On-going	Q3 - 2007	
Timor-Leste	UNDP	Process initiated	Q4 - 2008	
Togo	UNDP	On-going	Q4 - 2007	
Uganda	UNEP	On-going	Q3 - 2007	
Vanuatu	UNDP	On-going	Q2 - 2007	
Yemen	UNDP	Draft NAPA apparently available, but has not been shared with UNDP.	Q3 - 2007	
Zambia	UNDP	On-going	Q4 - 2007	
Equatorial Guinea	----	Not started*	-----	
Myanmar	----	Not started*	-----	
Somalia	----	Not party to the UNFCCC	-----	

**Table 1:** NAPA preparation status for all LDCs. Green indicates NAPA completed, yellow indicate NAPA in preparatory phase and red indicate that NAPA has not been initiated. (\*) Myanmar and Equatorial Guinea have not agreed to project proposals to finance the preparation of their NAPAs.

**ANNEX 6: RESPONSES TO QUESTIONS FROM SBI 32 IN MAY 2007**

**Questions to be forward to the GEF on the provision of financial and technical support related to the process of preparation of National Communications from Non-Annex I Parties**

Taking into account paragraph 1 (a) (i) of Decision 6/CP. 8 (Additional guidance to an operating entity of the financial mechanism) on matters related to national communications,

*Decides that the Global Environmental Facility, as an operating entity of the financial mechanism should (i) provide financial resources at an appropriate level to cover the requirements of the guidelines annex to decision 17/CP. 8, in an expedited manner, by an operating entity of the financial mechanism of the Convention, as well as capacity-building activities relating to the preparation of national communications pursuant to decision 2/CP. 7, and in particular paragraphs 1(c), 3, 4 and 5 of decision 2/CP. 7;*

Taking into account paragraph 1 (a) of Decision 17/CP. 8 (Guidelines for the preparation of national communications from Parties not included in Annex I to the Convention),

*Decides (a) that Parties not included in Annex I to the Convention (non-Annex I Parties) should use the guidelines contained in the annex to this decision for the preparation of second and, where appropriate, third national communications and, where appropriate, initial national communications, except where Parties have initiated the process of preparing second national communications and received funding under the expedited procedures or on an agreed full cost basis prior to the approval of the guidelines annexed to this decision;*

Taking into account relevant provisions of Decision 8/CP. 11 (Submission of second and, where appropriate, third national communications from Parties not included in Annex I to the Convention),

3<sup>rd</sup> preambular para

*Reaffirming that, in accordance with Article 4, paragraph 3, of the Convention, the developed country Parties and other developed Parties included in Annex II to the Convention shall provide new and additional financial resources to meet the agreed full costs incurred by developing country Parties in complying with their obligations under Article 12, paragraph 1, of the Convention,*

6<sup>th</sup> preambular para

*Recognizing that the preparation of national communications is a continuing process,*

1<sup>st</sup> substantial para

*Invites Parties not included in Annex I to the Convention (non-Annex I Parties) that have not prepared project proposals for the financing of second and, where appropriate, third national communications to do so, even in advance of substantially completing their previous national communications, in order to avoid a lack of continuity in project financing;*

2<sup>nd</sup> substantial para

*Decides that non-Annex I Parties that have submitted their national communications should apply for the financing of their subsequent national communications at any time between three to five years of the initial disbursement of financial resources for the actual preparation of their previous national communications, except for those Parties that had this initial disbursement for the previous national communication more than five years ago, which should apply before 2006; this applies to the financing of second and, where appropriate, third national communications;*

In light of these provisions, the questions are:

- 1) Does the GEF need to put operational procedures in place so that non-Annex I Parties could request funding for the preparation of their third national communications under the expedited procedures or on an agreed full cost basis?

The current operational procedures will continue for all national communications until the COP revises its guidelines on the subject.

- 2) Does the COP need to provide additional guidance to the GEF on third national communications from Parties not included in Annex I to the Convention? In other words, do the provisions mentioned above in Decision 8/CP. 11 need to be translated into additional guidance to the GEF?

Additional guidance is not essential for providing financial support to countries based on the existing GEF operational criteria for national communications.

- 3) Does the GEF need to put operational procedures in place so that countries could request funding for the preparation of their subsequent national communications under the expedited procedures or on an agreed full cost basis, in case of any non-Annex I Party is in the process of completing its third national communication and is preparing its project proposal for the financing of its subsequent national communication (e.g. Uruguay)?

GEF will revise its operational procedures if and when the COP issues new guidelines for preparation of national communications by non-Annex I Parties.

#### On the modalities and sources

Under which GEF category of funding (source, per country; e.g. GEF 3) are (i) second (ii) and subsequent national communications from Parties not included in Annex I to the Convention being financed?

- (i) GEF 3 is the source of funding to prepare the second national communication for all the non-Annex I Parties requesting such funding, except one Party who got its full-sized project approved in GEF4 using its Resource Allocation.
- (ii) Resources to support the preparation of subsequent national communications will be drawn from country RAF allocations, in accordance with the decisions embodied in the document entitled "The GEF Resource Allocation Framework" (GEF/C.27/Inf.8/Rev.1). A mid-term review of the RAF will be conducted in 2008.

What are the procedures available for financing (i) second (ii) and subsequent national communications from Parties not included in Annex I to the Convention (modalities, per country; e.g. umbrella NC project)?

There are two modalities used for funding second and subsequent national communications from Parties that are not included in Annex I. The first modality uses the expedited procedures under which GEF has delegated the authority to approve funding requests from eligible Parties to UNDP and UNEP as its implementing agencies. Parties using this expedited process can access up to US\$420,000 for preparing their national communications.

Parties requesting more than US\$420,000 for preparing national communications use the standard full-sized project modality of the GEF.

In GEF 4, how will the expedited procedures be addressed? Will be this continued in a similar format as for GEF3 (e.g. global project under NCPCC)?

The GEF will evaluate the effectiveness of the current modality for funding second national communications using the expedited procedures through the global umbrella program implemented by UNDP and UNEP. Based on the evaluation, which will include consultation with a sample of non-Annex I Parties, the new modality will be decided for funding third and subsequent national communications using the expedited process.

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