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**SUBSIDIARY BODY FOR IMPLEMENTATION**

Twenty-ninth session

Poznan, 1–10 December 2008

Agenda item 5 (b)

Financial mechanism of the Convention

Report of the Global Environment Facility to the Conference of the Parties and  
guidance to the Global Environment Facility

**Report of the Global Environment Facility to the Conference of the Parties  
and guidance to the Global Environment Facility**

**Draft conclusion proposed by the Chair**

**Recommendation of the Subsidiary Body for Implementation**

The Subsidiary Body for Implementation, at its twenty-ninth session, decided to recommend the following draft decision for consideration by the Conference of the Parties at its fourteenth session:

**Draft decision [-/CP.14]**

**Additional guidance to the Global Environment Facility**

*The Conference of the Parties,*

*Recalling* Article 3, Article 4, paragraphs 1, 3, 4, 5, 7, 8 and 9, Article 11 and Article 12, paragraphs 3, 4 and 7 of the Convention,

*Also recalling* decisions 13/CP.1, 10/CP.2, 11/CP.2, 12/CP.2, 12/CP.3, 1/CP.4, 2/CP.4, 8/CP.5, 2/CP.7, 3/CP.7, 6/CP.7, 7/CP.7, 5/CP.8, 6/CP.8, 7/CP.8, 3/CP.9, 4/CP.9, 9/CP.9, 8/CP.10, 5/CP.11, 3/CP.12 and 7/CP.13,

*Noting* the report of the Global Environment Facility to the Conference of the Parties,<sup>1</sup>

1. *[Invites* Parties that make financial contributions to the Global Environmental Facility, during their replenishment discussions:

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<sup>1</sup> FCCC/CP/2008/2/Rev.1.

- (a) To give special attention to the annex to the Memorandum of Understanding between the Conference of the Parties and the Council of the Global Environmental Facility<sup>2</sup> adopted by decision 12/CP.3, in particular to the provision that the Conference of Parties and the Global Environmental Facility Council will jointly determine the aggregate Global Environmental Facility funding requirements for the purpose of the Convention;
- (b) To address the [serious] concerns raised by developing countries over the implementation of the resource allocation framework, [and the procedural concerns affecting access to funds];

2. *Requests* the Global Environment Facility:

- (a) To provide information on the nature [and objective] of the co-financing provided for the projects funded by the Global Environmental Facility, [in order to determine whether these co-financing resources constitute loans [which add to the debt burden of developing countries] and whether they contribute to the attainment of the objective of the Convention, [for which access to Global Environment Facility resources is requested] while respecting the incremental cost principle];
- (b) To [continue to] enhance action on [adaptation and] mitigation in developing country Parties, as well as to promote, [facilitate and finance as appropriate] transfer of technology [and access to environmentally sound technologies];
- (c) To [continue to] improve access for all developing countries, in particular least developed countries, small islands developing States and countries in Africa, to Global Environmental Facility resources;
- (d) To [continue to] encourage its implementing and executing agencies to perform their functions efficiently, [in accordance with Conference of the Parties guidance and in the light of the Global Environmental Facility reform process and the role of a strengthened Global Environmental Facility, as an operating entity of the financial mechanism of the Convention, and with greater transparency so as to serve the needs of recipient countries, ensuring effective country driven-ness];
- (e) To [continue to] include, in its regular report to the Conference of the Parties, information [responsive to COP guidance]; [on the specific steps it has taken to implement the guidance contained in paragraphs 1 and 2 above;]
- (f) To ensure, as a top priority, that sufficient financial resources are provided to meet the agreed full costs incurred by developing country Parties in complying with their obligations under Article 12, paragraph 1, of the Convention, noting and welcoming that a number of Parties not included in the Annex I to the Convention (non-Annex I Parties) plan to initiate the preparation of their third or fourth national communications by the end of the fourth replenishment of the Global Environmental Facility;

3. *Invites* the Global Environmental Facility to inform its implementing agencies of the guidelines for the preparation of national communications from non-Annex I Parties and of relevant provisions of the Convention, in particular its Article 4, paragraph 3, on the provision of 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;

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<sup>2</sup> FCCC/CP/1996/9, annex.

4. *Reiterates* the following requests to the Global Environmental Facility made by the Conference of Parties at its thirteenth session to the Global Environmental Facility:
- (a) To continue to ensure that financial resources are provided to meet the agreed full costs incurred by developing country Parties in complying with their obligations under Article 12, paragraph 1, of the Convention;
  - (b) To refine, as appropriate, operational procedures to ensure the timely disbursement of funds to meet the agreed full costs incurred by those non-Annex I Parties that are in the process of preparing their third and, where appropriate, fourth national communications;
  - (c) To assist, as appropriate, non-Annex I Parties in formulating and developing project proposals identified in their national communications in accordance with Article 12, paragraph 4, of the Convention and decision 5/CP.11, paragraph 2;
  - (d) To invite the Global Environmental Facility to continue to provide information on funding for projects that have been identified in the national communications of non-Annex I Parties in accordance with Article 12, paragraph 4, of the Convention and subsequently submitted and approved;
  - (e) To work with its agencies to continue to simplify their procedures and improve the effectiveness and efficiency of the process through which non-Annex I Parties receive funding to meet their obligations under Article 12, paragraph 1, of the Convention, with the aim of ensuring the timely disbursement of funds to meet the agreed full costs incurred by developing country Parties in complying with these obligations;
5. *Further reiterates* its request to the Global Environmental Facility to make continued efforts to provide adequate financial resources to support the implementation of capacity-building activities consistent with decision 2/CP.7.

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