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**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**

**Report of the Global Environment Facility**

**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).<sup>1</sup> 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 dated 29 September 2003; it is reproduced here without formal editing.
3. The MOU further provides that, in accordance with Article 11, paragraph 1, of the Convention, the COP will, after each of its sessions, communicate to the GEF any policy guidance approved concerning the financial mechanism.

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<sup>1</sup> FCCC/CP/1996/15/Add.1.





# Global Environment Facility

September 29, 2003

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

## **I INTRODUCTION**

1. This report has been prepared for the ninth session of the Conference of the Parties to the UN Framework Convention on Climate Change. It covers the period from June 1, 2002 to June 30, 2003. The GEF report to COP8 covered the period from July 1, 2001 to May 31, 2002. This report describes major GEF activities during the reporting period in the area covered by the Convention.

2. The Parties' attention is also drawn to the following GEF publications and documents which the GEF will make available to the ninth session of the Conference of the Parties:

- (a) GEF Annual Report 2002, A Year of Renewed Commitment to Sustaining the Earth (available in English, French, and Spanish);
- (b) Project Performance Report 2002 (available in English, French, and Spanish); and
- (c) Beijing Declaration of the Second GEF Assembly, October 2002 (available in all UN languages).

## **II PROJECT ACTIVITIES IN THE CLIMATE CHANGE AREA**

3. The GEF, as the financial mechanism of the Convention, provides financing to country driven projects consistent with guidance approved by the Conference of the Parties on policies, program priorities and eligibility. GEF-financed projects are mainly managed through its Implementing Agencies: UNDP, UNEP and the World Bank. Information on all GEF projects is available at the GEF web ([www.TheGEF.org](http://www.TheGEF.org)) under Project Data and Documents.

4. As of June 2003, the GEF has committed approximately US\$1.6 billion in grants for climate change projects out of a total of US\$ 4.4 billion allocated to all focal areas. It has leveraged more than US\$ 9 billion in co-financing for climate change projects<sup>2</sup>.

5. In the reporting period, a total of 214 projects were approved by the GEF in the area of climate change during the reporting period. Table 1 provides a breakdown of those projects by project type. Tables 2 – 5 provide more information on each of the projects, while Annex A includes a summary of the objectives and activities of each full sized and medium-sized project.

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<sup>2</sup> The figures provided in paragraphs 5 and 6 do not include financing of multi-focal areas projects, nor multi-focal areas capacity building projects.

**Table 1: Projects approved in the Climate Change Area during the reporting period for financing from the GEF Trust Fund**

Type of activity	Number of activities	GEF financing (in US\$ millions)	Co-financing (in US\$ millions)	Total financing (in US\$ millions)
Full projects	22	169.62	914.26	1083.88
Medium-sized projects	4	3.14	16.47	19.61
Enabling activities	23	2.53		2.53
Small grants programme	154	3.51	2.86	6.37
Project Preparation <sup>3</sup>	11	4.32		4.32
<b>Total</b>	<b>214</b>	<b>183.12</b>	<b>933.59</b>	<b>1116.71</b>

6. As indicated in Table 1, the GEF allocation during the reporting period in the area of climate change was US\$183 million in financing out of total project costs of US\$ 1,116 million. More than US\$933 million was leveraged in co-financing for the project activities from the Implementing Agencies, Executing Agencies, bilateral agencies, recipient countries, and the private sector.

7. Among the 22 approved full-sized projects, 7 projects address issues related to removal of barriers to energy efficiency and energy conservation under GEF's operational program number 5 (OP5); 11 projects aim to promote the adoption of renewable energy under OP6; and 2 projects will promote environmentally sustainable transport under OP11. One project addresses capacity building for West and Francophone Central Africa and the other is of a short-term response measure. Detailed project information and the GEF Operational Strategy and Operational Programs are available on the GEF Web site: [www.TheGEF.org](http://www.TheGEF.org).

<sup>3</sup> Often, as a first step in project development, the GEF provides financing to assist recipient countries to develop a project concept into a project proposal.

**Table 2: Full-sized Projects\***

Country	Project Name	Implementing Agency	GEF Financing (in US\$ millions)	Total Financing (in US\$ millions)
Regional (Benin, Burkina Faso, Burundi, Chad, Cote d'Ivoire, Gabon, Gambia, Ghana, Guinea, Mali, Niger, Nigeria, Senegal, Togo)	Capacity-building for Improving Greenhouse Gas Inventories (West and Francophone Central Africa)	UNDP	2.99	3.60
Regional (Czech Republic*, Hungary*, Bulgaria*, Poland*, Slovak Republic*, Russian Federation*)	Development of Geothermal Energy in Europe and Central Asia and World Bank-GEF Geothermal Development Fund, Tranche 1	World Bank	25.70	200.70
Regional (Czech Republic*, Slovak Republic*)	Energy Management and Performance Related Energy Savings Scheme (EMPRESS)	UNEP	2.36	9.76
Armenia	Improving the Energy Efficiency of the Urban Heating and Hot Water Supply	UNDP	3.16	12.02
Belarus*	Biomass Energy for Heating and Hot Water Supply	UNDP	3.37	8.93
Chile	Sustainable Transport and Air Quality for Santiago	World Bank	7.33	14.77
China	End Use Energy Efficiency Project	UNDP	17.37	80.37
Costa Rica	National Off-grid Electrification Programme Based on Renewable Energy Sources, Phase I	UNDP	1.15	2.06
Ethiopia	Renewable Energy Project	World Bank	5.21	16.51
Georgia	Promoting the Use of Renewable Energy Resources for Local Energy Supply	UNDP	4.71	13.44
India	Removal of Barriers to Biomass Power Generation, Part I	UNDP	5.65	39.15
India	Removal of Barriers to Energy Efficiency Improvement in the Steel Re-rolling Mill Sector	UNDP	7.03	32.20
Mali	Household Energy and Universal Rural Access Project	World Bank/UNDP	5.61	16.41
Mexico	Action Plan for Removing Barriers to the Full-scale Implementation of Wind Power	UNDP	4.74	11.84
Mexico	Large Scale Renewable Energy Development Project	World Bank	25.35	272.85

Country	Project Name	Implementing Agency	GEF Financing (in US\$ millions)	Total Financing (in US\$ millions)
Nicaragua	Off-grid Rural Electrification for Development (PERZA)	UNDP/World Bank	8.46	35.66
Peru	Lima Urban Transport	World Bank	8.28	134.28
Philippines	Electric Cooperative System Loss Reduction Project	World Bank	12.35	62.85
Russian Federation*	Removing Barriers to Coal Mine Methane Recovery and Utilization	UNDP	3.30	8.41
Tanzania	Transformation of the Rural Photovoltaics (PV) Market	UNDP	2.57	7.30
Uruguay	Energy Efficiency Project	World Bank	7.22	81.34
Vietnam	Demand-Side Management and Energy Efficiency Program	World Bank	5.71	19.43
<b>Total</b>			<b>169.62</b>	<b>1083.88</b>

\* Annex I countries.

8. Table 3 lists 4 medium-sized projects approved in the reporting period. Two assist countries in removing barriers to energy efficiency and energy conservation under OP5; one aims to promote the adoption of renewable energy under OP6; and one project is for a short-term response measure.

**Table 3: Medium-sized Projects\***

Country	Project Name	Implementing Agency	GEF Financing (in US\$ millions)	Total Financing (in US\$ millions)
Hungary*	Rehabilitation and Expansion of Small Hydro-Plants on the River Raba in Hungary	World Bank	0.41	2.25
Kenya	Joint Geophysical Imaging (JGI) Methodology for Geothermal Reservoir Assessment	UNEP	0.98	2.73
Morocco	Energy and Environment Upgrading of the Industrial Park of Sidi Bernoussi Zenata, Casablanca	World Bank	0.75	11.90
Russian Federation*	Cost Effective Energy Efficiency Measures in the Russian Educational Sector	UNDP	1.00	2.73
<b>Total</b>			<b>3.14</b>	<b>19.61</b>

\*Annex I countries

9. Table 4 lists 23 enabling activity projects approved during the reporting period. One project is to assist a country in preparing its second national communication and the remaining 22 projects provide additional financing for capacity building related to the first national communication. The additional financing is to help non-Annex I countries build/strengthen the capacity to identify and assess technology needs, participate in systematic observation networks and prepare programs to address climate change.

10. As of June 2003, the GEF support to 133 non-Annex I countries for preparing their first national communications and additional financing for capacity assessment totaled US\$ 31.38 million. In addition, the GEF provided US\$ 39.14 million in financing to a number of regional and global projects to assist or partially assist countries in preparing their first national communications. A table listing GEF support to countries for first national communications, additional financing for capacity assessment, and relevant regional and global projects is attached as Annex B.

**Table 4: Enabling Activities**

Country	Project Name	Implementing Agency	GEF Financing (in US\$ millions)
Barbados	Climate Change Enabling Activity (Additional Financing for Capacity Building)	UNDP	0.10
Botswana	Climate Change Enabling Activity (Additional Financing for Capacity Building)	UNDP	0.10
Chad	Climate Change Enabling Activity (Additional Financing for Capacity Building)	UNDP	0.10
Colombia	Climate Change Enabling Activity (Additional Financing for Capacity Building)	UNDP	0.10
Costa Rica	Second National Communication to the United Nations Framework Convention on Climate Change (UNFCCC)	UNDP	0.35
Dominica	Climate Change Enabling Activity (Additional Financing for Capacity Building)	UNDP	0.10
Dominican Republic	Climate Change Enabling Activity (Additional Financing for Capacity Building)	UNDP	0.10
Ethiopia	Climate Change Enabling Activity (additional financing for capacity building)	UNDP	0.10
Gabon	Climate Change Enabling Activity (Additional Financing for Capacity Building)	UNDP	0.10
Gambia	Climate Change Enabling Activity (Additional Financing for Capacity Building)	UNDP	0.10
Grenada	Climate Change Enabling Activity (Additional Financing for Capacity Building)	UNDP	0.10
Haiti	Expedited Financing for Measures for Capacity Building in Priority Areas (Phase II)	UNEP	0.09
Jamaica	Climate Change Enabling Activity (Additional Financing for Capacity Building)	UNDP	0.10
Kenya	Expedited Financing of Climate Change Enabling Activities Part II: Additional Financing for Capacity Building	UNEP	0.10
Kyrgyzstan	Climate Change Enabling Activities Expedited Financing (Phase II)	UNDP	0.10

Country	Project Name	Implementing Agency	GEF Financing (in US\$ millions)
Macedonia	Climate Change Enabling Activities (Phase II)	UNDP	0.10
Mauritania	Climate Change Expedited Financing for Capacity Building in Priority Areas	UNEP	0.10
Mauritius	Expedited Financing of Climate Change Enabling Activities Part II: Expedited Financing for Capacity Building	UNEP	0.09
Nepal	Climate Change Enabling Activities (Additional Financing for Capacity Building)	UNEP	0.10
St. Kitts And Nevis	Climate Change Enabling Activity (Additional Financing for Capacity Building)	UNDP	0.10
St. Lucia	Climate Change Enabling Activity (Additional Financing for Capacity Building)	UNDP	0.10
St. Vincent and Grenadines	Climate Change Enabling Activity (Additional Financing for Capacity Building)	World Bank	0.10
Tajikistan	Climate Change Enabling Activity (Additional Financing for Capacity Building)	UNDP	0.10
<b>Total</b>			<b>2.53</b>

11. Often, as a first step in project development, the GEF provides financing to assist recipient countries to develop a project concept into a project proposal. Eleven project preparation grants were approved during the reporting period.

**Table 5: Project Preparation Activities\***

Country	Project Name	Implementing Agency	GEF Financing (in US\$ millions)
Global (Nicaragua, Honduras, Tanzania, Zambia)	Renewable Energy Enterprise Development	UNEP	0.30
Regional (Djibouti, Eritrea, Ethiopia, Kenya, Tanzania, Uganda)	African Rift Geothermal Development Facility (ARGeo)	UNEP	0.70
Regional (Bulgaria*, Czech Republic*, Hungary*, Poland*, Slovak Republic*, Russian Federation*)	Geothermal Energy Development Project in Europe and Central Asia and its Geothermal Energy Development Fund (GEO Fund)	World Bank	0.70
Brazil	Feasibility Study/Business Plan for an Externally fired Combined Cycle (EFCC) Technology Option for an 80 Mwe, 200 tonnes/hr Stream Cogeneration Plant at the Cosan Group Costa Pinto Sugar Mill Piracicaba (PDF C)	World Bank/IFC	0.30
China	Heat Reform and Building Efficiency Project	World Bank	0.35
Ecuador	Renewable Energy for Electricity Generation – Technical Assistance for Renewable Electrification of the Gapapagos Islands (PDF –C)	UNDP	0.56

<b>Country</b>	<b>Project Name</b>	<b>Implementing Agency</b>	<b>GEF Financing (in US\$ millions)</b>
Egypt	Biomass Resources and Biomass Energy Technologies for Rural Development	UNDP	0.34
Guatemala	Exploitation of the Geothermal Resources of Guatemala for Electricity Generation Project	Inter American Development Bank	0.35
Malaysia	Building Integrated Photovoltaic (BIPV) Technology application Project	UNDP	0.13
Mexico	Strategic Partnership for Renewable Energy Development	World Bank	0.35
Zambia	Power Sector Reform for Increased Access to Electricity	World Bank	0.24
<b>Total</b>			<b>4.32</b>

\*Annex I countries

12. The GEF Small Grants Programme (SGP) supported 154 community based climate change mitigation projects during the reporting period. Among these projects, 22% addressed issues related to removal of barriers to energy efficiency and energy conservation under OP5, 41% addressed issues related to promoting the adoption of renewable energy under OP6, while 10% addressed issues related to sustainable transport under OP11. The rest (27%) addressed multi-focal areas with crosscutting issues related to climate change.

13. GEF financed projects in other focal areas can also contribute directly or indirectly to the efforts and objectives of the UN Framework Convention on Climate Change. For example, a biodiversity project in Sudan entitled *Community Based Rangeland Rehabilitation for Carbon Sequestration*, implemented by UNDP, effectively demonstrated that combining key local development and livelihood concerns with carbon sequestration could lead to sustainable outcomes. The project increased soil cover, reduced soil erosion, and improved socioeconomic conditions for livestock herders through the planting of trees for fuelwood harvesting and windbreaks, which helped to reduce pressures on areas such as Shawa Forest Reserve.

### III. OTHER ACTIVITIES IN RESPONSE TO CONVENTION GUIDANCE

14. Guidance to the financial mechanism concerning policies, program priorities, and eligibility criteria is mainly contained in the decisions<sup>4</sup> of the Conference of the Parties. Five additional decisions<sup>5</sup> adopted by the Conference of the Parties at its eighth session in 2002 are of direct relevance to the GEF.

15. In these decisions, the Conference of Parties welcomed the successful and substantial third replenishment of the GEF Trust Fund, as well as the *Beijing Declaration of the GEF's Second Assembly*<sup>6</sup>. The Conference of Parties also requested that the GEF make its project cycle and concept of incremental costs simpler, more efficient, and transparent. These recommendations are also consistent with the *Beijing Declaration of the Second GEF Assembly*. The GEF Council will keep under annual review an action plan describing steps to respond to the recommendations<sup>7</sup>. The proposed action plan includes actions that respond to Convention guidance in areas concerning capacity building, strategic planning, streamlining the project cycle, incremental costs, transfer of technology and private sector.

16. The GEF is further streamlining the project cycle to respond to requests of the Convention and the GEF Council. This will aim to meet the objective of "driving for results" through efforts to improve operational efficiency and balance the focus between project preparation and implementation. Efforts are also aimed at further modification of the project review criteria undertaken by the GEF and establishment of project supervision and management service norms to be met by the Implementing Agencies. An up-dated project cycle paper will be submitted to the Council in November 2003.

17. Both the GEF Council and the Conference of Parties requested the GEF Secretariat to initiate, in consultation with the Convention Secretariat, a dialogue in order to implement Convention guidance more effectively on the basis of its experience with projects and programs, and to explore opportunities to streamline guidance to the financial mechanism<sup>8</sup>. A process of closer consultations was initiated between the two secretariats to strengthen collaboration and to renew regular communication and information exchange. This process aims to facilitate greater coherence between the guidance of the Conference of the Parties and GEF financing assistance. A number of activities reflected in the current report have already benefited from this process of increased inter-secretarial cooperation.

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<sup>4</sup> Decision 11/CP.1 (FCCC/CP.1995/7/Add.1); Decision 12/CP.1 (FCCC/CP.1995/7/Add.1); Decision 10/CP.2 (FCCC/CP.1996/15/Add.1); Decision 11/CP.2 (FCCC/CP.1996/15/Add.1); Decision 2/CP.4 (FCCC/CP.1998/16/Add.1); Decision 8/CP.5 (FCCC/CP.1999/6/Add.1); Decision 10/CP.5 (FCCC/CP.1999/6/Add.1); Decision 6/CP.7 (FCCC/CP.2001/13/Add.1); and Decision 27/CP.7 (FCCC/CP.2001/13/Add.1).

<sup>5</sup> Decision 5/CP.8 *Review of the financial mechanism*; decision 6/CP.8 *Additional guidance to an operating entity of the financial mechanism*; decision 7/CP.8 *Initial guidance to an entity entrusted with the operation of the financial mechanism of the Convention, for the operation of the Special Climate Change Fund*; decision 8/CP.8 *Guidance to an entity entrusted with the operation of the financial mechanism of the Convention, for the Least Developed Countries Fund*; and decision 11/CP.8 *New Delhi work programme on Article 6 of the Convention*.

<sup>6</sup> See decision 5/CP.8 *Review of the financial mechanism*.

<sup>7</sup> See *Action Plan to respond to the Recommendations of the Second GEF Assembly, the Policy Recommendations of the Third Replenishment, the Second Overall Performance Study of the GEF and the World Summit on Sustainable Development*, GEF/C.21/Inf.4

<sup>8</sup> See decision 5/CP.8 *Review of the financial mechanism*.

18. The GEF has consistently strived to implement Convention guidance of the Conference of the Parties. Previous GEF reports to the Conference of the Parties have reported on these efforts (a list of GEF reports previously submitted to the Conference of the Parties is included in Annex C.) In addition to approval of GEF project activities in the climate change area, other activities undertaken during the reporting period responsive to earlier guidance as well as guidance contained in the relevant decisions adopted by the Conference of the Parties at its eighth session include measures to address: national communications; capacity-building; the Least Developed Countries Trust Fund; other climate change funds; GEF strategic planning and strategic priorities in climate change area; and development of a GEF approach to support adaptation.

### **National communications**

19. The eighth session of the Conference of the Parties adopted new guidelines for the preparation of national communications by non-Annex I Parties to the UNFCCC<sup>9</sup> and requested the GEF to provide financial assistance for the purpose at an appropriate level on an agreed full cost basis and in an expedited manner.

20. In response to this new guidance, the GEF Secretariat, in consultation with the GEF Implementing Agencies and Convention Secretariat, is preparing operational guidelines for the expedited funding of national communications on the basis of decision 17/CP.8. These guidelines are expected to be finalized prior to the ninth session of the Parties. Once the guidelines are finalized, the GEF expects to begin to assist countries in the development and approval of projects for the preparation of second national communications.

### **Capacity building and other related activities**

21. Capacity building is a critical element of GEF climate change projects and more generally in almost all GEF activities. A review undertaken by the GEF Implementing Agencies to assess the role of capacity building in GEF projects found that 96 % of the UNDP projects, 100 % of the UNEP projects and 86 % of the World Bank projects have capacity development components. In addition, some projects are designed primarily to address capacity needs.

22. GEF support for capacity building activities as of June 2002 exceeds \$1.46 billion. The largest source of financial support for capacity building is through mitigation projects, which typically include large components providing for training, information dissemination, institution building, and related activities. Additional support is provided through funding of national communications and other enabling activities. A table listing GEF support to countries for first national communications of non-Annex I countries, additional financing for capacity assessment, and relevant regional and global projects is attached as Annex B. It should also be noted that GEF resources provided through other focal areas (biodiversity, land degradation, ozone, and international waters) often have cross-cutting benefits for climate change by supporting development of human resources and institutions supporting a range of global environmental goals.

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<sup>9</sup> Decision 17/ CP.8 *Guidelines for the preparation of national communications from Parties not included in Annex I to the Convention.*

23. GEF capacity building activities have focused on improving wind and energy resource data; providing technical and institutional support for building and appliance efficiency standards; adapting efficient boiler and other industrial technologies to the needs and circumstances of developing countries; supporting changes in utility regulatory policies to facilitate renewable energy technologies; improving business plans for small and medium enterprises with environmentally beneficial products; and in a myriad of other ways contributing to capacity development<sup>10</sup>. In addition to all enabling activity projects, 20<sup>11</sup> out of the 26 medium and full-sized projects approved during this reporting period, explicitly incorporate capacity building activities. The regional project titled *Capacity Building for Improving the Quality of Greenhouse Gas Inventories* is designed primarily to address capacity needs for West and Francophone Central Africa.

24. The GEF is increasing its support of capacity building and the GEF Business Plan for FY 04-06<sup>12</sup> proposes the preparation and approval of a strategic framework to give greater focus to capacity building in the GEF consistent with recent decisions by the World Summit on Sustainable Development (WSSD) and the Second GEF Assembly. The GEF capacity building strategy will build on the results of the Capacity Development Initiative (CDI) undertaken in partnership with UNDP and includes four elements: (i) clearer identification of capacity building elements in GEF investment projects; (ii) targeted capacity building within the focal areas; (iii) clarifying the scope of enabling activities to focus more on assisting countries to meet their reporting requirements under the conventions; and (iv) cross-cutting capacity building projects to allow countries to establish the basic capacity needed to meet global environmental goals and to meet requirements for accessing GEF funds for projects. The strategy will also take into consideration the various decisions of the COP on capacity building. An increasing percentage of GEF resources is anticipated for capacity building over the four fiscal years covered by the Business Plan. Targets, indicators, and details of the strategy are to be submitted for Council review in November 2003.

25. Another important component of the GEF capacity building framework aims to further help developing countries access GEF funding for capacity building. As reported to the eighth session of the Conference of the Parties, the Council in May 2002 approved resources for the preparation of National Capacity Self Assessments for Global Environmental Management (NCSA) at the country level. The primary objective of the assessments by countries of their capacity needs is to identify country level priorities and needs for capacity building to address global environment issues, in particular in the areas of biological diversity, climate change, and land degradation. By identifying gaps in capacity, countries are encouraged to develop a plan of action to fill the gaps. One key principle of NCSAs is that they must respond to national priorities and be country driven, undertaken by national institutions and experts to the extent feasible. NCSAs will contribute to identifying national capacity building needs in the area of

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<sup>10</sup> The GEF provided to the eighteenth session of the Subsidiary Body for Implementation (SBI) in June 2003 information on progress in the implementation of capacity-building projects and programs responding to the capacity-building framework for developing countries. These submissions are compiled in documents FCCC/SBI/2003/MISC.2 and FCCC/SBI/2003/MISC.5.

<sup>11</sup> See Project Summaries, Annex A. Projects having capacity building components include projects for Armenia, Benin, Bulgaria, Burkina Faso, Burundi, Chad, China, Costa Rica, Cote d'Ivoire, Czech Republic, Ethiopia, Georgia, India, Mali, Mexico, Morocco, Peru, Poland, Gabon, Gambia, Ghana, Guinea, Hungary, Kenya, Mali, Niger, Nigeria, Philippines, Peru, Russian Federation, Senegal, Togo, Slovak Republic, and Uruguay.

<sup>12</sup> See Council document GEF/C.21.9, GEF Business Plan FY04-06.

climate change. As of June 2003, projects of up to US\$200,000 per country have been approved for 48 countries, and another 50 country applications are in the pipeline.

26. The Conference of the Parties also asked the GEF to provide financial support to non-Annex I Parties for technology transfer, education, training, and public awareness in furtherance of Article 6 of the Convention and related COP decisions<sup>13</sup>. Substantive reporting on the GEF activities to support transfer of technology and implementation of Article 6<sup>14</sup> is contained in the GEF report to the eighth session of the Conference of the Parties. The GEF has also prepared a targeted publication in this issue, *10 Cases of Technology Transfer*, that was circulated at the sixth session of the Conference of the Parties. A recent survey of GEF projects approved in the last three years in the climate change area shows that many projects include transfer of technology and most include components addressing public awareness, education activities and community involvement. The GEF will continue to support these activities in accordance with the guidance of the Conference of the Parties and requests of developing country Parties.

### **Least Developed Countries Trust Fund**

27. Pursuant to the guidance provided by the Conference of the Parties at its seventh and eighth sessions with regard to the Least Developed Countries Trust Fund (LDC Fund), the GEF has moved ahead with making the LDC Fund fully operational. The World Bank, as the Trustee of the LDC Fund, has completed the legal and administrative arrangements necessary for the establishment and operation of the LDC fund as a separate trust fund.

28. To mobilize resources to meet the requirement for the LDC Fund, a consultation with donors to the LDC fund was organized by the GEF in Stockholm on September 26, 2002 at the kind invitation of the Swedish Government. Pledges amounting to over US\$11.6 million were announced or confirmed at the consultation while a number of other participants indicated that they were seriously considering making contributions to the fund although they were unable to pledge specific amounts at the consultation.

29. As of June 30, 2003, 10 donors, Canada, Denmark, Finland, France, Ireland, Italy, Netherlands, Norway, Spain and Sweden, had confirmed pledges to the LDC Fund totaling \$16 million. The cumulative resources available to the LDC Fund were \$9 million as of June 30, 2003. The remainder of the pledged amounts is expected to be paid into the LDC Fund by early FY04. Commitments totaling \$5 million have been allocated by the GEF Council and CEO for projects.

30. The GEF's assessment of total funding requirements under the LDC fund pursuant to the guidance of the Parties for FY 03 and 04 is about US\$12 million, based on the decision of the Conference of the Parties that the first priority under the fund is support to LDCs for the urgent preparation of national adaptation programs of action (NAPAs).

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<sup>13</sup> Decision 4/CP.7 and decision 7/CP.7 (technology transfer) and Decision 11/CP.1 and decision 6/CP.7 (education, training and public awareness).

<sup>14</sup> See pages 9 and 11, Report of the Global Environment Facility to the Eighth Session of the Conference of the Parties to the UNFCCC (FCCC/CP/2002/4, September 6, 2002).

31. In pursuance of guidance from the eighth session of the Conference of the Parties calling on the LDC Trust Fund to support regional workshops to advance the preparation of NAPAs, UNDP, as the GEF Implementing Agency, working in consultation with the Convention Secretariat and the LDC Expert Group, prepared a medium sized project for this purpose. The project is being executed through UNITAR. Parallel funding for the effort has been contributed by the Government of Switzerland<sup>15</sup>. As of June of 2003, two of the workshops have been successfully held.

32. The following table lists the projects that have been approved under the LDC Trust Fund. Other projects<sup>16</sup> were at an advanced stage of consideration as of June 2003.

**Table 6: Projects from LDC Fund**

Country	Project Name	Implementing Agency	LDC Fund Financing (in US\$ millions)	Total Financing (in US\$ millions)
Global	Technical Assistance to Least Developed Countries (LDCs) to Implement the UNFCCC8/CP8 Decision	UNDP	0.63	0.87
Bangladesh	Development of a National Adaptation Program of Action (NAPA)	UNDP	0.20	
Cambodia	Programme of Action for Adaptation to Climate Change	UNDP	0.20	
Eritrea	Development of a National Adaptation Program of Action (NAPA)	UNDP	0.20	
Ethiopia	Development of a National Adaptation Program of Action (NAPA)	UNDP	0.20	
Haiti	Enabling Activities to Facilitate the Preparation of a National Adaptation Plan of Action (NAPA)	UNEP	0.20	
Lesotho	National Adaptation Programme of Action (NAPA)	UNEP	0.19	
Malawi	Development of a National Adaptation Program of Action (NAPA)	UNDP	0.20	
Mauritania	National Adaptation Plan of Action	UNEP	0.19	
Mozambique	Development of a National Adaptation Program of Action (NAPA)	UNDP	0.20	
Samoa	Programme of Action for Adaptation to Climate Change	UNDP	0.20	
Sudan	Development of a National Adaptation Program of Action (NAPA)	UNDP	0.20	
Tanzania	National Adaptation Plan (NAPA) for United Republic of Tanzania	UNEP	0.20	
Tuvalu	National Adaptation Programme of Action (NAPA)	UNDP	0.20	
Yemen	Development of a National Adaptation Programme of Action	UNDP	0.20	
<b>Total</b>			<b>3.41</b>	<b>4.28</b>

<sup>15</sup> UNEP and the GTZ have budgeted an additional \$130,000 to support training during the workshops and to produce training material for integrated environmental assessments and vulnerability assessments.

<sup>16</sup> Project proposals for Comoros, Gambia, and Vanuatu are at an advanced stage of consideration.

## Other climate change funds

33. Once guidance is received from the Conference of the Parties with regard to the Special Climate Change Fund and the Kyoto Protocol Adaptation Fund, the GEF will mobilize resources for those funds to make them operational. Guidance was discussed at SBI 18 with a view to a possible decision at the ninth session of the Conference of the Parties.

## GEF Strategic planning and strategic priorities in the area of climate change

34. Decision 6/CP.8 requests the GEF to “include in its report to the Conference of the Parties detailed information in accordance with the conclusions of the Subsidiary Body for Implementation, at its seventeenth session.” In its conclusions, the SBI noted that as reflected in the *Beijing Declaration of the Second GEF Assembly*, the GEF should enhance its strategic business planning for the allocation of scarce GEF resources to high priority areas for developing country Parties, taking into account national priorities<sup>17</sup>.

35. The Second Overall Performance Study (OPS2) and the Policy Recommendations of the Third Replenishment also recommended that the GEF undertake strategic business planning to enhance impacts of GEF supported activities.

36. Strategic business planning aims to direct allocation of GEF resources in a manner that catalyzes actions towards maximizing global environmental impacts. There are two major imperatives that drive GEF’s strategic business planning. First, as a learning-based institution, the GEF periodically needs to take stock and factor in extensive implementation experience emerging from its portfolio. Second, in recent years, as demand for GEF support has surpassed the financial resources available to the GEF Trust Fund, there has been an increasing need to match the demand with the supply of GEF resources, employing factors beyond simple eligibility criteria.

37. Strategic priorities define the major themes and approaches under which resources would be programmed within each of the focal areas. These priorities, consistent with the operational programs, guidance from the conventions, and country priorities in each focal area, reflect a sharpening of approach as follows:

- (d) *Lessons from the portfolio.* The Second Overall Performance Study and other reports and studies from the GEF Monitoring and Evaluation Unit have provided substantial insight from project implementation and impacts at both the project and program level that need to be reflected in the future portfolio. In addition, there is a rich body of experience with non-GEF supported efforts towards global sustainability. These lessons also provide guidance on how to target convention guidance and national priorities more closely, and achieve results on the ground.

*Sequencing of response to convention priorities.* The current practice ensures that GEF projects are consistent with convention priorities by requiring projects to conform to the criteria of an Operational Program that reflects convention guidance. GEF needs to progress to an approach where response to convention guidance is

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<sup>17</sup> See FCCC/SBI/2002/17, paragraph 24 (g).

strategically sequenced while maintaining the flexibility to program resources to meet the evolving needs of the conventions and to program for synergies across the various conventions.

*Responsiveness to national priorities.* Targeting the highest national priorities more actively through review of national reports, assessments, strategies, plans, and dialogue, in addition to relying upon country focal point endorsement.

*Incorporation of scientific and technical advice.* Identifying the priority interventions, consistent with scientific knowledge, through the work of the Scientific and Technical Advisory Panel (STAP), to reduce global environmental risks.

*Portfolio gaps.* Identifying gaps in the GEF portfolio and niches for innovation that need to be explored.

38. In the climate change focal area, GEF support during the first decade has focused largely on mitigation. The portfolio has tried and tested a range of project approaches and interventions, with an emphasis on the long-term, but also with some short-term measures. As the second decade begins, it is proposed that there be an acceleration in the shift from technology-based towards market-based approaches, emphasizing policies and institutions towards enhancing sustainable development benefits. In addition, activities in climate change area will expand support for vulnerability assessment and adaptation.

39. At its meeting in May 2003 the GEF Council approved an initial set of strategic priorities. These priorities will be reviewed annually by the Council. The initial priorities approved in the area of climate change are:

- (e) *Transformation of Markets for High Volume Energy Efficient Products and Processes* - to catalyze both demand and supply with relatively small resource inputs, resulting in a significant and lasting market penetration or transformation;
- (f) *Increased Access to Local Sources of Financing for Renewable Energy and Energy Efficiency* - to provide capital for investment in (near-) commercial energy efficient equipment, energy conservation or renewable energy technologies for modern energy services;
- (g) *Power Sector Policy Frameworks Supportive of Renewable Energy and Energy Efficiency* – to incorporate clean energy into energy policy frameworks;
- (h) *Productive Uses of Renewable Energy* – to provide income generation and other essential social services in the application of renewable energy technologies;
- (i) *Global Market Aggregation and National Innovation for Emerging Technologies* – to support the reduction of cost in the long run of emerging clean energy technologies; and

- (j) *Modal Shifts in Urban Transport and Clean Vehicle/Fuel Technologies* – to promote the use of less energy intensive transportation through public transit (such as bus rapid transit), non-motorized transport (such as bicycles and pedestrian areas), and non-technology measures (such as traffic demand management and economic incentives).

### **GEF approach to support adaptation**

40. In response to earlier guidance, the GEF reported<sup>18</sup> to the eighth session of the Conference of the Parties on its activities to support adaptation under three categories: a) GEF support for adaptation under the climate change area; b) GEF support for adaptation under other focal areas; and c) development of a GEF Adaptation Strategy. In addition to the decisions, the *Delhi Ministerial Declaration on Climate Change and Sustainable Development* also highlighted the importance of greater efforts to respond to the risks of climate change.

41. A paper entitled *A proposed GEF approach to Adaptation to Climate Change*<sup>19</sup> was circulated for information at the GEF Council meeting in May 2003 in response to the increasing recognition of international forums that adaptation to climate change is a matter of increasing urgency for many developing nations. The paper builds on Convention guidance and GEF project experience. It was developed taking into account inputs from the GEF Implementing Agencies, STAP and the Secretariats of the UN Convention on Climate Change and Convention on Biological Diversity.

42. The approach proposed has three key components. The first is the continuation of and the expected expanded role for the support of those adaptation activities which fall within the context of national communications. This support would continue to be provided under the GEF climate change focal area. At its eight session, the Conference of the Parties agreed on improved guidelines for the preparation of second national communications<sup>20</sup>. These guidelines provide an expanded scope for GEF support of vulnerability assessments and consideration of measures to prepare for adaptation. In addition, the operational guidelines for the expedited funding of national communication under preparation will provide opportunities to Non-Annex I countries to address adaptation related issues.

43. The second component is to support projects, including pilots and demonstrations, based on linkages between climate adaptation strategies and those measures that achieve other GEF-supported global environmental benefits. This approach is expected to expand the potential range of GEF funding for adaptation to non-climate operational programs of the GEF and builds on an internal assessment which found that many important adaptation response measures are being supported by the GEF under its other focal areas. Examples include projects that support integrated coastal zone management, forestry conservation and watershed management, and sustainable agricultural practices. Countries seeking support for climate change adaptation will

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<sup>18</sup> See paragraphs 31 to 41, GEF report to the Eighth Session of the Conference of the Parties to the UNFCCC (FCCC/CP/2002/4).

<sup>19</sup> See GEF/C.21/Inf.10.

<sup>20</sup> See decision 17/CP.8 *Guidelines for the preparation of national communications from Parties not included in Annex I to the Convention*.

be encouraged to explore these linkages within the context of their needs and circumstances as a basis for GEF projects<sup>21</sup>.

44. A third component of the proposed approach is to require greater consideration of the impacts of climate change as a long-term risk to the sustainability of some GEF projects, particularly those related to ecosystem conservation. With the support of STAP, the GEF will review a sample of current projects to identify those potentially most vulnerable to climate change and to consider possible design changes to avoid or ameliorate them. This process would be the basis for possible best practices in the design and review of future projects.

45. Two initiatives taken at the Council meeting in May 2003 are of direct relevance to climate adaptation. The first is the new Operational Program on Sustainable Land Management<sup>22</sup>, which emphasizes an integrated, cross-sectoral approach consistent with the proposed approach to adaptation. The second is the expanded role for capacity building outlined in the Corporate Business Plan<sup>23</sup>, particularly with respect to cross-cutting capacity building projects. The addition of more focused capacity building would allow a range of GEF support for adaptation measures consistent with the diverse needs and circumstances of developing countries – from the assessment of vulnerability and building of scientific capacity to the identification and implementation of response measures consistent with global environmental benefits.

46. In line with evolving scientific knowledge and convention guidance, the GEF expects to address adaptation within the framework of an integrated, flexible and phased process based on country needs and circumstances. This range of options will emphasize learning by doing and building on the results of best practices. The proposed approach is further designed to allow for the likelihood of further Convention guidance. The implications of further decisions with respect to the LDC Fund, Special Climate Fund, and Adaptation Fund are particularly relevant.

#### **IV. GEF MONITORING AND EVALUATION ACTIVITIES**

47. During the reporting period, the GEF presented the Second Study of GEF's Overall Performance at the GEF Second Assembly in Beijing. The study is being followed up in an action program approved by the assembly.

48. In July 2003, the GEF Council also approved the terms of reference for an independent monitoring and evaluation unit in the GEF. Documents on GEF Monitoring and Evaluation are available at the GEF web site: [www.TheGEF.org](http://www.TheGEF.org).

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<sup>21</sup> The recognition of these linkages is consistent with recent efforts to explore synergies between global environmental conventions. See Draft Report for Experts and Government Review, *Interlinkages between Biological Diversity and Climate Change and Advice on the Integration of Biodiversity Considerations into the Implementation of the United Nations Framework Convention on Climate Change (UNFCCC) and its Kyoto Protocol*, prepared by the CBD Ad Hoc Technical Expert Group on Biodiversity and Climate Change, February 17, 2003.

<sup>22</sup> See document GEF/C.21/6.

<sup>23</sup> See document GEF/C.21/9.

### **Third Study of the GEF's Overall Performance**

49. The GEF Council approved the preparation of the Third Study of the GEF's Overall Performance (OPS3) and an initial report will be presented to the Council meeting in May 2005. This schedule will allow for the final report to be completed by the start of the fourth GEF Replenishment process. It is proposed that OPS3 will comprise key issues, such as, global results and impacts of GEF programs, including linkages among focal areas; effectiveness of GEF as the financial mechanism for conventions; the appropriateness of GEF's institutional arrangements; adequacy of GEF policies, strategies, programs and procedures; and program and project adherence to GEF review criteria such as country ownership, financial leverage, sustainability, replication and monitoring and evaluation. Following GEF Council guidance, the independent M&E unit will consult with the UNFCCC Secretariat on the preparation of OPS3.

### **Climate Change Program Study**

50. A Climate Change Program Study will provide an assessment of the impacts and outcomes of the GEF portfolio. The program study will begin in August of 2003 and will feed into the OPS3.

51. The GEF climate change portfolio consisted of 506 projects and activities as of July 10, 2003. Of these, the majority are full-sized projects (245 including pipeline), 43 are medium-sized projects, and 218 are enabling activities. A total of 114 of these projects (34 medium-sized and 80 full-sized) were approved during the last 3 years since the first climate change program study was conducted. As can be seen by these numbers, the portfolio has evolved significantly since the 2000 Climate Change Program Study, and no doubt will benefit from a further in-depth review.

### **Project Performance Report 2002**

52. This Project Performance Review (PPR) draws on the findings of the 2002 Project Implementation Review (PIR), a monitoring process based upon reporting by the GEF Implementing Agencies (IAs) on all projects under implementation for at least one year. Under the PIR, projects are specially assessed on their implementation progress and likelihood of attaining the development/global environment objectives. The 2002 PPR also incorporates findings, lessons, and recommendations from two new instruments used this year by the GEF Monitoring and Evaluation Unit (GEF M&E): Secretariat Managed Project Reviews (SMPRs)<sup>24</sup> and Terminal Evaluation Reviews (TERs)<sup>25</sup>. The main findings of and conclusions the 2002 Project Performance Report are further measured against the GEF review criteria: project implementation approaches; sustainability and country ownership; stakeholder participation,

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<sup>24</sup> The Secretariat Managed Project Review is a new GEF M&E tool intended to complement the PIR process, to enhance the PPR review and implement the GEF strategy "Driving for Results". The SMPR is also a follow up on the recommendation from the Second Overall Performance Study that the GEF Secretariat strengthens its participation in regular project monitoring and evaluations.

<sup>25</sup> Terminal Evaluations, which are carried out by IAs, are primarily a tool for generating lessons from individual projects that might apply across the portfolio, but they are also an accountability tool. Terminal Evaluation Reviews are conducted and implemented by the GEF M&E. The reviews assess project adherence to the GEF's eight project review criteria.

including private sector involvement; financial planning; cost effectiveness; and monitoring and evaluation.

### **Feed-back and knowledge management**

53. An essential and integral part of M&E is the feed-back of conclusions and results to the decision-making processes in the GEF at policy, program and project levels. In order to close the feedback loop, more efforts will be made to provide evaluation findings and recommendations in a timely and readily accessible form to the relevant decision makers. The GEF M&E unit will, in collaboration with the GEF Secretariat, the Implementing and Executing Agencies and other GEF partners, develop a knowledge management strategy based on primary user needs and priorities and the latest technologies and approaches in this area.

## ANNEX A: PROJECT SUMMARIES

The full and medium-sized projects approved during the reporting period are listed in accordance with the GEF operational programs in the area of climate change. The approved projects cover the following operational programs: removal of barriers to energy efficiency and energy conservation under the operational program number 5 (OP5); promoting the adoption of renewable energy under the operational program number 6 (OP6); and promoting environmentally sustainable transport under the operational program number 11 (OP11). One project addresses capacity building and the other short-term response measure (STRM). Further information on the GEF Operational Strategy and Operational Programs is available on GEF web: [www.TheGEF.org](http://www.TheGEF.org).

### Full-sized projects

#### Operational program 5, removal of barriers to energy efficiency and energy conservation

**Armenia: *Improving the Energy Efficiency of the Urban Heating and Hot Water Supply In Armenia* (UNDP), GEF financing: \$3.160m; Total: \$12.02m, OP5**

*The project aims to reduce greenhouse gas (GHG) emissions resulting from current heat and hot water supply practices in Armenian cities by laying the foundation for sustainable heat and hot water supply systems while taking into account global environmental impacts. Within this framework, project objectives include: (i) strengthening the role of condominiums or other forms of consumer associations in collectively organizing and managing heat and hot water supply services at the building level; (ii) supporting the restructuring process and building capacity within existing district heating companies to improve their operational efficiency; (iii) supporting emerging new service providers in offering their services to condominiums and structuring financing for their investment needs; and, (iv) utilizing the results, experiences and lessons learned, for advancing the sustainable development of heat and hot water services in Armenia with an emphasis on GHG emission reduction.*

**China: *End Use Energy Project*, (UNDP), GEF financing: \$17.37m; Total: \$80.37m, OP 5**

The China: End-Use Energy Efficiency Project (EUEEP) is designed in support of the first phase of a 4-phase, 12-year strategic plan developed by the Chinese government to dramatically improve the efficiency of its major end-use sectors, buildings and industry. The project fosters a strategic approach to developing, implementing and enforcing a comprehensive and effective energy conservation policy and regulatory system consistent with the objectives of the Energy Conservation Law of 1998. The project's purpose is the removal of barriers to the widespread application and practice of energy conservation and energy efficiency in the major energy consuming sectors (buildings and industrial) in China. This will be achieved through partnerships with donors in assisting China establish a sustainable and market-based energy efficiency focus, which will lead to improved economic productivity, reduced greenhouse gas emissions and an improved global environment. Success in implementing such partnerships will strengthen China's capabilities to aggressively pursue energy efficiency as it makes the transition from a centrally planned economy to a market-based economic system. For the 3-year EUEEP, carbon emissions reductions of approximately 12 million tonnes will be reduced on a cumulative basis (equivalent to over 42 million tonnes of CO<sub>2</sub>). This will be achieved by reducing energy consumption in these sectors by nearly 19 million tonnes of coal equivalent (tce) over this 3-year time period. If the full 12-year Chinese program is implemented, the cumulative carbon emissions reduction will be about 76 million tonnes (279 million tonnes of carbon dioxide) over the 12-year program lifetime.

**India: Removal of Barriers to Energy Efficiency Improvement in the Steel Re-rolling Mill Sector (UNDP), GEF financing: \$7.03m; Total: \$32.20m, OP 5**

*This project seeks to reduce greenhouse gas (GHG) emissions by providing technical assistance to small and medium-sized steel rerolling mills in India that will enable them to adopt more energy efficient and environmentally friendly technologies. To date, these cleaner and more efficient practices have not been widely adopted in the country due to information and knowledge barriers, combined with inertia and uncertainty of a conservative, but competitive business sector. The project seeks to encourage use of low-risk, high efficiency technology in selected small and medium-scale mills. It is expected that this will spur widespread dissemination of the technology, making the steel re-rolling sector more competitive.*

**Philippines: Electric Cooperative System Loss Reduction Project (World Bank), GEF financing: \$12.35m; Total: \$62.85m, OP 5**

*The project's objective is to achieve significant and sustained energy efficiency and management improvements in a majority of the Philippines' poor-performing rural ECs in order to provide their customers with reliable, least-cost power supply and to reduce GHG emissions. To achieve this, it will develop, apply and test innovative contingent financing mechanisms to mitigate perceived investor risks of: (i) long-term, performance-based investment management contracts (IMCs) for Type B ECs, under which private investors would manage and operate the ECs and mobilize private investment finance without recourse to the government; and (ii) commercial bank lending for efficiency improvements in Type C ECs that are relatively well managed but do not have sufficient efficiency improvement potential to attract private investors. The project has two components: (a) a loan guarantee facility to promote EC system management improvements and loss reduction investments through both IMCs and commercial term loans; and (b) a technical assistance program to facilitate these financing mechanisms. This project will complement the Bank/GEF-supported Rural Power Project and UNDP Renewable Energy Capacity Building Project, the GEF objectives of which are to promote rural renewable energy investment.*

**Uruguay: Energy Efficiency Project (World Bank), GEF financing: \$7.22m; Total: \$81.34m, OP 5**

*The global objective of the Project is to overcome the barriers of: (a) lack of capacity and know-how among stakeholders; (b) lack of consumer-driven demand; and (c) lack of project development and investment financing. The proposed project aims to overcome these barriers by supporting the Government of Uruguay in: (a) creating the enabling framework for the development of the energy efficiency market; and (b) stimulating the development of the market by facilitating the availability and acquisition of energy efficient goods and services, thereby making them also more accessible to the poor.*

**Vietnam: Demand-Side Management and Energy Efficiency Program (World Bank), GEF financing: \$5.71; Total: \$19.43m, OP 5**

*Given the substantial electricity demand growth projected over the next decade in Vietnam, the Government of Vietnam and World Bank have agreed on a long-term strategy to help meet the power sector's resource requirements. This strategy includes a proposed 12-year IDA/GEF demand-side management (DSM)/ energy efficiency (EE) assistance program (1998-2010), which is designed to achieve significant and sustainable reductions in Vietnam's energy consumption and peak power demand. The program would, in the course of 3-4 phases, test, develop and scale-up successful and sustainable business models to promote DSM/EE and facilitate investments. This would be achieved by: (i) developing a large-scale DSM program within the power utility (Electricity of Vietnam, EVN) and its power distribution companies (PCs) to reduce loads during peak periods and in congested networks; (ii) testing, developing and expanding business models and mechanisms for supporting a commercially sustainable EE service industry; and (iii) identifying domestic sources and designing mechanisms for*

*project financing to support a large-scale EE investment program. The global objective of the GEF support would be to reduce greenhouse gas emissions in the energy sector through the systematic removal of barriers to EE investments.*

**Regional (Czech Republic, Slovak Republic): *Energy Management Performance Related Energy Savings Scheme (UNEP)*, GEF financing: \$2.36m; Total: \$9.76m, OP5**

This project, called EMPRESS for the Energy Management Performance Related Energy Savings Scheme, will promote a proven industrial energy management tool, *Monitoring and Targeting*, or M&T, that is new to the two countries. In places where M&T is an accepted approach to energy management it is usually offered on a fee-for-service basis to industrial clients by professional firms. In Central and Eastern Europe, however, there are a number of reasons (explained in greater detail below) why a fee-for-service structure for this type of energy management service in industrial settings presents difficulties, at least initially. The project, therefore, will couple M&T support elements with private sector financing of costs for meters and controls in client firms through an approach often used by Energy Service Companies (ESCOs). This combination of Monitoring and Targeting technical services with ESCO-like financing for equipment has not been used before in Central and Eastern Europe, and investigations made during the PDF-B show that it has great potential in the two countries.

### **Operational Program 6, promoting the adoption of renewable energy**

***Costa Rica: National Off-grid Electrification Programme Based on Renewable Energy Sources, Phase I (UNDP)*, GEF financing: \$1.15m; Total: \$2.06m, OP 6**

The overall objective is to reduce Greenhouse Gas Emissions (GHG) by promoting the use of decentralized renewable energy systems in areas isolated from the National Interconnected System (SNI) of Costa Rica. The project will help remove existing barriers that prevent the utilization of renewable energy sources in remote rural areas that are inaccessible through conventional grid extensions. This will be achieved in two phases. Phase I will focus on the creation of a systematic approach within the Costa Rican energy sector to rural electrification with renewable energy. This will include the creation of an institutional, financial, and regulatory environment supportive of renewable energy. Phase II will focus on the implementation of this approach by including renewable energy projects within the national initiative to reach all Costa Rican households with modern sources of electricity. As a result, it is expected that 329 communities will receive electricity through either micro-hydro or photovoltaic systems, reducing CO<sub>2</sub> emissions by estimated 210 thousand tons over the project lifetime.

***Ethiopia: Renewable Energy Project (World Bank)*, GEF financing: \$5.21m; Total: \$16.51m, OP 6**

*The global objective of the Project contributes to the overall goals of the Government by providing electricity generated by renewable energy systems for rural economic transformation through improved quality of life of households; improved social services in the health, education and water sectors; improved productive uses and income generating activities; and, private sector and entrepreneurial development. The means to this objective is to create, in five to ten years, a sustainable market for renewable energy systems. This will be done with the involvement of the private sector, the communities, finance institutions, line ministries, the government as market enabler, and international donor agencies.*

**Georgia: Promoting the Use of Renewable Energy Resources for Local Energy Supply (UNDP), GEF financing: \$4.71m; Total: \$13.44m, OP 6**

*The objective of the project is to remove the key barriers to the increased utilization of renewable energy for local energy supply. The project is expected to achieve this goal i) by addressing the legal and regulatory barriers in order to provide fair and competitive access to the market for renewable energy producers, to ensure the collection of payments and to encourage otherwise the investments into renewable energy; ii) by introducing and leveraging financing for a pilot renewable energy fund/credit line so as to overcome the key financial barriers in Georgia, and iii) by addressing the existing public awareness and capacity barriers so as to provide a basis for the general development and implementation of renewable energy projects. The initial focus of the project will be in promoting the use of geothermal resources for hot water and later heat supply and the use of small hydro power for local power generation in Georgia. After successful implementation of the first demonstration projects in these sectors also other renewable energy sources can be considered.*

**India: Removal of Barriers to Biomass Power Generation, Part I (UNDP), GEF financing: \$5.65m; Total: \$39.15m, OP 6**

*The objective of this two-part project is to remove barriers to the increased use of biomass energy sources for generating electricity for own consumption and export to the grid. This project aims to accelerate the adoption of environmentally sustainable biomass power and cogeneration technologies in India. It will promote combustion, gasification and cogeneration technologies for electricity generation using different types of captive and distributed biomass resources. The project will focus on biomass power projects to be undertaken in three different specific contexts: cooperative sugar mills; agro-processors and biomass producers; and distributed or decentralized biomass. The project strategy is focusing attention in a limited set of States that have plentiful biomass supplies and favorable policy and regulatory environments. It will utilize technical assistance focused on removing the remaining technical, regulatory and institutional barriers to widespread use of biomass power. It will then utilize investment risk mitigation support to promote repeated investments in biomass power generation projects.*

**Regional (Czech Republic, Hungary, Bulgaria, Poland, Slovak Republic, Russian Federation): Strategic Partnership for Geothermal Energy Development (the Partnership) (World Bank), GEF financing: \$25.70m; Total: \$200.70m, OP 6**

The project is designed with the goal to systematically promote the use of geothermal energy in the ECA Region through assistance in barrier removal, provision of financial support, and provision of technical assistance in project preparation and implementation. Partners will be the participating countries in the ECA Region, the World Bank and GEF, International Financial Institutions (IFIs) such as EBRD and other financial institutions focusing on ECA Countries, UNDP and UNEP, as well as multilateral and bilateral donors. The Partnership will be open to any of the ECA Countries.

**Belarus: Biomass Energy for Heating and Hot Water Supply (UNDP), GEF financing: \$3.37m; Total: \$8.93m, OP6**

The proposed project will address the reduction of greenhouse gas (GHG) emissions in Belarus by increasing the capacity of the government to support biomass energy projects and the capacity of customers to finance and implement them. This project will focus on the following objectives: 1) strengthening institutional capacity to support biomass energy projects; 2) establishing a track record for investments in sustainable biomass energy projects, including both fuel supply and demand; 3) developing straightforward financial “starter” mechanisms in a challenging investment climate that will

allow continued financing for biomass energy projects; and 4) overcoming negative perceptions of biomass energy and provide public and private investors with much-needed market information. First, the project will address lack of biomass project experience by facilitating the investment of USD 2.1 million by the Committee on Energy Efficiency and USD 3.4 million by the private and public sectors by 2006 in biomass energy projects. The project will also address financial barriers by establishing a revolving fund with initial capitalization of USD 1.54 million that will be based in part on the GEF contribution and dedicated to the support of biomass energy.

**Mali: Household Energy and Universal Rural Access Project (World Bank/UNDP), GEF financing: \$5.61m; Total: \$16.41m, OP 6**

The Household Energy and Universal Rural Access project is a joint effort of the World Bank and UNDP to assist the Government of Mali in removing barriers to the promotion, adoption, and dissemination of renewable energy technologies for household and productive uses. Barriers to be addressed include institutional, private sector and market, financial, information, education and training. The project will assist local stakeholders in building the capacity and infrastructure to promote, install, and service solar PV and other renewable energy systems. It will work with Government to establish a favorable regulatory framework and to facilitate the creation of financing mechanisms to assist equipment and service suppliers, community organizations, and other end users. These financial mechanisms will be identified in a socially, technically, and financially sustainable manner with the view of alleviating poverty and stimulating economic development. This project is expected to provide the foundation for replication strategies through cooperation with other international agencies and future large-scale follow-on projects. On this basis, a joint framework of collaboration between UNDP and the Bank has been developed and agreed upon.

**Mexico: Action Plan for Removing Barriers to the Full-Scale Implementation of Wind Power (UNDP), GEF financing: \$4.74m; Total: \$11.84m, OP 6**

*In its two phases, this project aims to reduce global CO<sub>2</sub> emissions by 4 million tonnes (Mt) per year by promoting the development of a commercial wind energy market in Mexico with a target of 2000 MW of installed wind power capacity in ten years. Phase 1 of the project will launch a comprehensive and systematic effort to reduce identified barriers to wind energy development, beginning with a co-ordinated initiative aimed at revising the institutional, legal and regulatory frameworks of the electricity sector so that they provide a more level playing field for wind energy. An educational campaign, geared towards raising awareness among government officials of the benefits of wind energy, will be carried out simultaneously. Technical, informational and human resource barriers will be addressed through the creation of a regional centre for wind energy technology. At this centre, local technicians and engineers will obtain hands-on experience in the operation of a diverse range of wind turbines, wind energy equipment will be assessed for operation under local conditions, and international standards and best practices will be applied and adapted for Mexico. A comprehensive evaluation of the effectiveness of Phase 1 activities will be carried out prior to submitting an additional request for Phase 2 resources.*

**Mexico: Large Scale Renewable Energy Development Project (World Bank), GEF financing: \$25.35m; Total: \$272.85m, OP 6**

*The global objective of the Project is, per GEF Operational Policy #6, to address and reduce the barriers to development of grid-connected renewable energy technologies and markets in Mexico. This will be achieved by providing a range of technical assistance and detailed system-based analysis to support to address current least-cost impediments to renewable energy in Mexico's electricity resource procurement, and providing tariff incentive support for renewable energy generation to stimulate organizational learning and cost reduction.*

**Nicaragua: Off-grid Rural Electrification for Development (PERZA), (UNDP/World Bank), GEF financing: \$8.46m; Total: \$35.66m, OP 6**

About 89% of Nicaragua's rural populations have no access to electricity, one of the lowest electrification levels in all of Latin America. The National Energy Commission (CNE) is developing a national rural electrification strategy. However, the strategy in its present form is heavily focused on line extensions and isolated diesel systems, with little attention paid to dispersed offgrid areas. To address this gap, the project will pilot new sustainable delivery mechanisms and a variety of decentralized energy systems, many based on renewable energy technologies (RET). These would provide electricity services to over 32,000 households, public centers and more than 3000 productive users in 19-23 selected pilot sites remote from the grid. A revolving financial facility will be created and tested in the early stages of the project so as to validate this option and draw lessons in a broader perspective. In addition to electrification, the project has a component that would identify new productive applications and opportunities to expand existing businesses or create new ones, as a consequence of electrification. The component would design business development services (BDS) appropriate for each pilot site and, where feasible, improve access of remote populations to microfinance. Project sustainability is further completed by a set of activities to reduce vulnerability to climatic events.

**Tanzania: Transformation of the Rural Photovoltaics (PV) Market, (UNDP), GEF financing: \$2.57m; Total: \$7.30m, OP 6**

*The project aims at reducing Tanzania's energy-related CO<sub>2</sub> emissions by introducing photovoltaics (PV) as a substitute for fossil fuel (kerosene and diesel) in rural areas remote from the electricity grid and improving people's livelihoods by improving their access and affordability of modern energy services. In addition, the project will decrease the growing number of rural poor, adults and children alike, who contract respiratory and eye problems due to prolonged exposure to kerosene smoke and soot (poor indoor air quality). The activities proposed in the project are designed to remove barriers to the wide-scale utilization of PV to meet the basic electricity needs of households, small businesses and of community users like health clinics and schools, initially in the Mwanza region, but eventually in the whole country.*

## **Operational Program 11, promoting environmentally sustainable transport**

**Chile: *Sustainable Transport and Air Quality for Santiago, (World Bank), GEF financing: \$7.33m; Total: \$14.77m, OP 11***

The project will help reduce greenhouse gases (GHG) from ground transport in Santiago through a promotion of a long-term modal shift to more efficient and less polluting forms of transport, and adoption of sustainable low-GHG transport measures. To that end, the project will support the implementation of the 2000-2010 Urban Transport Plan for Santiago (PTUS), a comprehensive multi-sector plan, which is consistent with the overall objectives of the GEF operational program on sustainable transport. The plan's specific objectives are to (i) maintain share of public transport (60% of total trips); (ii) promote rational transport demand, internalizing all costs from car travel; (iii) promote land-use policies that take into account environmental and transport dimensions helping reduce the average trip length; (iv) promote better coordination between agencies dealing with transport related policies and issues; and (v) reduce air pollution from public transport by 70% (from 2000 levels). A major outcome of PTUS will be the restructuring of the city's transport system starting in 2005; the system of bus routes and the concession process will be modified, allowing substantial gains in efficiency and profitability for the bus operators.

**Peru: *Lima Urban Transport (World Bank), GEF financing: \$8.28m; Total: \$134.28m, OP 11***

The Project's main development objective is to facilitate greenhouse gas reduction from ground transport in the Metropolitan Area of Lima-Callao (i.e. the provincial municipalities of Lima and Callao) through the promotion of a long-term modal shift to more efficient and less polluting forms of transport, such as non-motorized transport and high-capacity public transport vehicles operated on segregated busways. A better-quality urban transport system will enhance the competitiveness of the city and will improve the quality of life of its population and that of low-income groups in particular. To that end, the project will complement the Limabus project, which is co-financed by the World Bank and the IDB, and which is consistent with the overall objectives of the GEF operational program on sustainable transport (OP11). The project GEF specific objectives are: (i) to support the efficient operation of segregated busways and the public transport system overall through the rationalization of the public transport fleet, (ii) to consolidate the bikeways pilot project developed in Lima North Cone and enhance bike-bus transfers through improving connections between the bikeway and the busway networks, and (iii) to carry out an institutional strengthening program on sustainable transport, targeting municipalities and institutions dealing with environmental issues and/or transport planning.

**Regional (Benin, Burkina Faso, Burundi, Chad, Cote d'Ivoire, Gabon, Gambia, Ghana, Guinea, Mali, Niger, Nigeria, Senegal, Togo): *Capacity Building for Improving the Quality of Greenhouse Gas Inventories (West and Francophone Central Africa) (UNDP), GEF financing: \$2.99m; Total \$3.60m, Capacity building***

*This project will use a regional framework over its three-year lifetime to build national capacity for improving the quality of data inputs to national greenhouse gas inventories. The use of key sources for national greenhouse gas inventories, as defined in the IPCC Good Practice Guidance (GPG), contributes to the project design by allowing countries to systematically prioritise their efforts to improve overall estimates in the most cost-efficient manner. Based on the key source analysis carried out under the PDF phase of this project, the full project will focus on reducing uncertainties and improving activity data and emission factors in the land-use change and forestry (LUCF) sector. Countries will also use GPG to strengthen national arrangements so that, as a result of this project, GHG inventories for future National Communications will be compiled in a sustainable manner and the inventories will be of a higher quality than those prepared for the Initial National Communications. The project will build upon the existing national institutional frameworks established under the enabling activities. The same national*

*institutions from the Initial National Communication will be targeted in this project to create a more permanent infrastructure.*

**Russian Federation: Removing Barriers to Coal Mine Methane Recovery and Utilization (UNDP), GEF financing \$3.30m; Total: \$8.41m, OP Short-term response measures (STRM)**

*The project will mitigate greenhouse gas (GHG) emissions by removing barriers to the implementation and financing of coal mine methane (CMM) recovery and utilisation projects in Russia. In order to reach this goal, the project will strengthen the institutional and financial framework for the promotion of CMM projects and facilitate the implementation of selected demonstration projects so as to provide a basis for the wide scale replication of similar projects in the future. As one of the key mechanisms in that regard, the project will support the establishment of a specialized “Coal Mine Methane Recovery and Utilization Company”, which after the initial support for the start-up phase is expected to continue its operations as a self-sustaining entity. The initial focus of the project will be on the Kuzbass region, with further replication potential in other coal producing areas in Russia and elsewhere.*

**Medium-sized projects**

**Morocco, Energy and Environment Upgrading of the Industrial Park of Sidi Bernoussi Zenata, Casablanca, (WB), GEF financing \$0.75m; Total: \$11.90m, OP5**

The project aims to achieve water and energy (electricity and fuel) savings in a industrial park in Casablanca by facilitating local ESCO businesses and strengthening the local executing agency, industry association (IZDIHAR) which operates the industrial park "Sidi Bernoussi" in Casablanca. IZDIHAR will receive technical assistance to improve its operation performance, to increase social and environmental services for the park and to take up energy and water saving promotion activities. Part of the energy and water savings achieved by the industries will be contributed to IZDIHAR for operation cost. Further, the project will support emerging ESCO business with TA and cost sharing for initial energy audits and feasibility studies.

**Cost Effective Energy Efficiency Measures in the Russian Educational Sector, (UNDP), GEF financing \$1.00m; Total: \$2.73m, OP 5**

The overall objective of the project is to contribute to the abatement of greenhouse gas (GHG) emissions by improving the energy efficiency of Russian educational facilities. The problem addressed by the project is the low attention to energy efficiency measures and inadequate project development capacity resulting in inefficient use of energy and subsequent environmental, economic, and social problems. It will be achieved through awareness raising, training and capacity building, demonstration program and development of schemes and tools including models for sustainable administrative and financial solutions.

**Kenya, Joint Geophysical Imaging (JGI) Methodology for Geothermal Reservoir Assessment. (UNEP), GEF financing \$0.98m; Total: \$2.73m, OP6,**

The up front costs of locating and drilling to geothermal power reservoirs are major barriers to the development of this form of renewable energy. Whereas partial risk guarantees against drilling non-productive wells have been a common feature of recent GEF projects (e.g. IFC, IDB, and WB), the project proposed here aims at reducing this risk through technical assistance. The project will transfer and adapt Joint Geophysical Imaging (JGI) methods for assessing geothermal reservoirs to Kenya with potential impacts for the African Rift Valley. The resulting higher resolution and more accurate assessments will increase the probability of finding large, productive steam reservoirs in highly permeable formations. A strategic opportunity exists for geothermal energy expansion in the African Rift

through combined technical and financial barrier removal. The project would result in a sustainable capacity for later exploration and targeting of these reservoirs. In parallel, efforts to expand the effort through a regional Geothermal Resource Centre and development fund are being pursued.

***Hungary: Rehabilitation and Expansion of Small Hydro-Plants on the River Raba in Hungary (WB)***  
**GEF financing \$0.41m, Total.\$2.25; OP, short-term response measures (STRM)**

Project Rationale and Objectives are to reduce carbon emissions through increasing the renewable energy share of the country's grid mix; and to demonstrate the commercial viability of small hydro-plant investments, provided that environmental benefits have been monetized.

### ANNEX B: GEF FINANCING TO SUPPORT FIRST NATIONAL COMMUNICATIONS

The GEF provided financing to support 133 non-Annex I countries in preparing their first national communications. As of June 2003, the total GEF financing for national projects and additional financing for capacity building is US\$ 31.38 million. In addition, the GEF supported, with total GEF financing of US\$ 39.14 million, a number of regional and global projects (project names are attached at the end of the table) to assist or partially assist non-Annex I countries in preparing their first national communications.

Country	First National communication	Additional financing for Capacity Building	Participation in regional projects (project names attached)	Participation in global projects (project names attached)	Total financing from GEF (not includes global and regional projects)
Albania	0.38	0.10		Support program	0.48
Algeria	0.36	0.10	Capacity building in Maghreb	Support program	0.46
Antigua and Barbuda	0.26	0.10	CARICOM	Support program Country studies on CC	0.36
Argentina	1.00			Support program Economics of GHG	1.00
Armenia	0.35	0.10		Support program	0.45
Azerbaijan	0.42	0.09		Support program	0.51
Bahamas	0.28	0.09	CARICOM	Support program	0.37
Bahrain	0.34				0.34
Bangladesh*	0.18		ALGAS		0.18
Barbados	0.19	0.10	CARICOM	Support program	0.29
Belize	0.19		CARICOM	Support program	0.19
Benin*	0.20	0.10		CC: TrainII Support program	0.30
Bhutan*, Kingdom of	0.40	0.10		Support program	0.50
Bolivia	0.29	0.10		CC: TrainII	0.39
Botswana	0.35	0.10		Support program	0.45
Brazil	1.50			Support program	1.50
Burkina Faso*	0.34	0.10		Support program	0.44

Burundi*	0.45	0.10		Support program	0.55
Cambodia*	0.34	0.10		Support program	0.44
Cameroon	0.27			Country studies on CC	0.27
Cape Verde*	0.42	0.10		Support program	0.52
Chad	0.10	0.10		CC: TrainII Support program	0.20
Central African Republic*	0.35				0.35
Chile	0.45	0.10		Support program	0.55
China	3.60		ALGAS	Support program	3.60
Colombia	0.35	0.10		Support program	0.45
Comoros*	0.31				0.31
Congo (Rep.)	0.42	0.10		Support program	0.52
Congo*, Democratic Republic of	0.35			Support program	0.35
Cook Islands			PICCAP	CC: TrainII Support program	
Costa Rica	0.47			Support program GHG sources and sinks	0.47
Côte d'Ivoire	0.32	0.10			0.42
Croatia	0.34	0.10		Support program	0.44
Cuba	0.15			CC: TrainII Support program	0.15
Djibouti	0.35				0.35
Dominica	0.17	0.10	CARICOM	Support program	0.27
Dominican Republic	0.35	0.10		Support program	0.45

Ecuador	0.32	0.10		CC: TrainII Economics of GHG Support program	0.42
Egypt	0.45	0.05		Support program	0.50
El Salvador	0.42	0.10		Support program	0.52
Eritrea*	0.30			Support program	0.30
Ethiopia*	0.21	0.10		Support program	0.31
Fiji			PICCAP	CC: TrainII Support program	
Gabon	0.32	0.10		Support program	0.42
Gambia, The*	0.14	0.10		Support program GHG sources and sinks	0.24
Georgia	0.43	0.10		Support program	0.53
Ghana	0.20	0.10	Sub-Saharan Africa		0.30
Grenada	0.18	0.10	CARICOM	Support program	0.28
Guatemala	0.42	0.10		Support program	0.52
Guinea*	0.45	0.10		Support program	0.55
Guinea Bissau*	0.35			Support program	0.35
Guyana	0.20		CARICOM	Support program	0.20
Haiti*	0.35	0.09			0.44
Honduras	0.43	0.10		Support program	0.53
India	2.00			Support program	2.00
Indonesia	0.33	0.10	ALGAS	Support program Economics of GHG	0.43
Iran	0.45	0.10		Support program	0.55
Jamaica	0.23	0.10	CARICOM	Support program	0.33
Jordan	0.09	0.34		Support program	0.43
Kenya	0.17	0.10	Sub-Saharan Africa		0.27

Kiribati			PICCAP	CC: TrainII Support program	
Korea, Democratic People's Republic of	0.15		ALGAS	Support program	0.15
Kyrgyz Republic	0.33	0.09		Support program	0.42
Lao People's Democratic Republic*	0.31	0.10		Support program	0.41
Lebanon	0.29	0.10		Support program	0.39
Lesotho*	0.35	0.10			0.45
Libya	0.27		Capacity building in Maghreb		0.27
Madagascar	0.35			Support program	0.35
Malaysia	0.47			Support program	0.47
Malawi*	0.29	0.10		Support program	0.39
Maldives*	0.86			Support program	0.86
Mali*	0.20	0.10	Sub-Saharan Africa	Support program	0.30
Malta	0.26			Support program	0.26
Marshall Islands			PICCAP	CC: TrainII Support program	
Mauritania*	0.35	0.10			0.45
Mauritius	0.14	0.09		Economics of GHG	0.23
Mexico	0.31			Support program GHG sources and sinks	0.31
Micronesia			PICCAP	Support program	
Moldova	0.43	0.10		Support program	0.53
Mongolia	0.32	0.09	ALGAS		0.41
Morocco	0.14		Capacity building in Maghreb	Support program GHG sources and sinks	0.14
Mozambique*	0.22			Support program	0.22

Namibia	0.13	0.10		Support program	0.23
Myanmar			ALGAS		
Nauru			PICCAP	CC: TrainII Support program	
Nepal*	0.31	0.10			0.41
Nicaragua	0.30	0.10		Support program	0.40
Niger*	0.45	0.10		Support program	0.55
Nigeria	0.26			Support program	0.26
Niue	0.30	0.10			0.40
Oman	0.30				0.30
Pakistan	0.27		ALGAS	Country studies on CC	0.27
Palau	0.31			Support program	0.31
Panama	0.30	0.10		Support program	0.40
Papua New Guinea	0.35			Support program	0.35
Paraguay	0.29	0.10		CC: TrainII Support program	0.39
Peru	0.20	0.14		CC: TrainII Support program	0.34
Philippines	0.25	0.10	ALGAS	Support program	0.35
Rwanda	0.33				0.33
Samoa			PICCAP	CC: TrainII Support program	
Sao Tome	0.34			Support program	0.34
Saudi Arabia	0.35			Support program	0.35
St. Kitts & Nevis	0.16	0.10	CARICOM	Support program	0.26
St. Lucia	0.17	0.10	CARICOM	Support program	0.27

St. Vincent and the Grenadines	0.35				0.35
Senegal	0.20	0.10		CC: TrainII Economics of GHG GHG sources and sinks	0.30
Seychelles	0.35	0.10		Support program	0.45
Sierra Leone*	0.31			Support program	0.31
Solomon Islands			PICCAP	CC: TrainII Support program	
South Africa	0.32				0.32
Sri Lanka	0.21	0.10		Support program	0.31
Sudan*	0.29	0.10		Support program	0.39
Suriname	0.40			Support program	0.40
Swaziland	0.30			Support program	0.30
Tajikistan	0.33	0.09		Support program	0.42
Tanzania*	0.25			GHG sources and sinks	0.25
Thailand	0.29	0.10	ALGAS	Support program	0.39
The F.Y.R. of Macedonia	0.35	0.10		Support program	0.45
Togo*	0.44	0.10		Support program	0.54
Tonga	0.32			Support program	0.32
Trinidad & Tobago	0.22	0.10	CARICOM	Support program	0.32
Turkmenistan	0.35	0.10			0.45
Tunisia	0.57		Capacity building in Maghreb	Support program	0.57
Tuvalu			PICCAP	CC: TrainII Support program	
Uganda*	0.19	0.10		Support program GHG sources and sinks	0.29

Uruguay	0.70			Support program	0.70
Uzbekistan	0.33	0.09		Support program	0.42
Vanuatu			PICCAP	CC: TrainII Support program	
Venezuela	0.35			GHG sources and sinks Support program	0.35
Vietnam	0.21	0.90	ALGAS	Economics of GHG	1.11
Yemen*	0.20	0.10		Support program	0.30
Zambia*	0.26				0.26
Zimbabwe	0.09	0.09	Sub-Saharan Africa		0.18
<b>Total</b>	<b>26.73</b>	<b>4.65</b>			<b>31.38</b>

*Regional and global projects covering components or limited components of the first national communications from Non-Annex I Parties:*

*Pacific Island Climate Change Assistance Project (PICCAP) UNDP, GEF grant is US\$ 3.44 million.*

*Caribbean Planning for Adaptation to Climate Change (CARICOM), World Bank, GEF grant is US\$ 6.30.*

*Country Studies on Climate Change Impacts and Adaptation Assessment (Country studies on CC), UNEP, GEF grant is US\$ 2 million.*

*Building Capacity in the Maghreb to respond to the challenges and opportunities created by the UNFCCC (Capacity building in Maghreb), UNDP, GEF grant is US\$ 2.5 million.*

*Asia Least-cost GHG Abatement Strategy (ALGAS) UNDP, GEF grant is US\$ 9.5 million.*

*Building capacity in Sub-Saharan Africa to respond to the UNFCCC (Sub-Saharan Africa), UNDP, GEF grant is US\$ 2 million.*

*Climate Change Capacity Building: CC: TRAIN-Phase II, UNDP, GEF grant is US\$ 2.7 million.*

*Country Case Studies on Sources and Sinks of Greenhouse Gases (GHG sources and sinks), UNEP, GEF grant is US\$ 4.5 million.*

*Economics of GHG Limitation-Methodological Framework for Climate Change Mitigation Assessment (Economics of GHG), UNEP, GEF grant is US\$ 3 million.*

*National Communications Support Programme (Support program) UNDP/UNEP, GEF grant is US\$ 3.20.*

**ANNEX C: REPORTS PREVIOUSLY SUBMITTED BY THE GEF COUNCIL TO THE CONFERENCE OF THE PARTIES TO THE UNFCCC**

*Report of the Global Environment Facility to the Intergovernmental Negotiating Committee for a Framework Convention on Climate Change on the Restructured Global Environment Facility (A/AC.237/89, December 14, 1994)*

*Report of the Global Environment Facility to the Conference of the Parties on the Development of an Operational Strategy and on Initial Activities in the Field of Climate Change (FCCC/CP/1995/4, March 10, 1995)*

*Report of the Global Environment Facility to the Second Session of the Conference of the Parties to the United Nations Framework Convention on Climate Change (FCCC/CP/1996/8, June 27, 1996)*

*Report of the Global Environment Facility to the Third Session of the Conference of the Parties to the United Nations Framework Convention on Climate Change (FCCC/CP/1997/3, October 31, 1997)*

*Report of the Global Environment Facility to the Fourth Session of the Conference of the Parties to the United Nations Framework Convention on Climate Change (FCCC/CP/1998/12, September 29, 1998)*

*Report of the Global Environment Facility to the Fifth Session of the Conference of the Parties to the United Nations Framework Convention on Climate Change (FCCC/CP/1999/3, September 29, 1999)*

*Report of the Global Environment Facility to the Sixth Session of the Conference of the Parties to the United Nations Framework Convention on Climate Change (FCCC/CP/2000/3, October 11, 2000)*

*Report of the Global Environment Facility to the Seventh Session of the Conference of the Parties to the United Nations Framework Convention on Climate Change (FCCC/CP/2001/8, October 16, 2001)*

*Report of the Global Environment Facility to the Eighth Session of the Conference of the Parties to the United Nations Framework Convention on Climate Change (FCCC/CP/2002/4, September 6, 2002)*

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