



Global Environment Facility

GEF/C.22/4/Rev.2
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GEF Council
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Agenda Item 6

RELATIONS WITH CONVENTIONS

Recommended Council Decision

The Council, having reviewed Document GEF/C.22/4, *Relations with Conventions*, takes note of the developments of relevance to the GEF within the various international agreements and welcomes the continuing collaboration between the GEF and the Conventions. More specifically, the Council:

- (a) Welcomes efforts to coordinate the CBD's review process of the financial mechanism with the work to be undertaken for the third Study of GEF's Overall Performance;
- (b) requests the GEF Secretariat in collaboration with the Implementing Agencies, in collaboration with the Convention Secretariat of the CBD to jointly inform the first Meeting of the Parties to the Cartagena Protocol on the experience and lessons learned through the GEF activities undertaken pursuant to the GEF Initial Strategy for assisting countries to prepare for the entry into force of the protocol with a view to contributing to the formulation of guidance as to how developing countries may work with the financial mechanism to best build upon such experience;
- (c) Requests the GEF Secretariat in collaboration with the Implementing Agencies to inform the ninth session of the Conference of the Parties to the UNFCCC of the steps that have been undertaken to operationalize in an expeditious manner financing for the preparation of second national communications;
- (d) Welcomes the decision of the sixth Session of the Conference of the Parties to the UNCCD to identify the GEF as a financial mechanism of the UNCCD pursuant to article 20, paragraph 2(b), and article 21 of the Convention and requests the CEO to collaborate with the Executive Secretary of the Convention and the Managing Director of the Global Mechanism to prepare a Memorandum of Understanding on arrangements to facilitate collaboration between the GEF and the UNCCD. The CEO is requested to submit a draft MOU to the Council for its review and comment in sufficient time so that the views of the Council may be reflected in the draft MOU to be presented to the seventh session of the COP for its consideration in 2005;
- (e) Invites Council Members to submit to the Secretariat any comments that they may have on the draft Memorandum of Understanding between the COP to the Stockholm Convention and the GEF Council by December 31, 2003, so that the GEF Secretariat can reflect Members' views in its collaboration with the Convention Secretariat to revise the draft MOU;
- (f) Also invites Council Members to submit to the Secretariat any comments that they may have on the elements of the terms of reference for the review of the financial mechanism by the COP to the Stockholm Convention (see document

UNEP/POPS/INC.7/24 on the website www.pops.int) so that the GEF Secretariat can reflect Members' views in its consultations with the Convention Secretariat on the preparation of draft terms of review for the review of the financial mechanism;

- (g) Agrees that eligibility for POPs enabling activities should be extended to developing countries and countries with economies in transition that are in the process of becoming Parties to the Stockholm Convention; and
- (h) [In accordance with the request of the Meeting of the Parties to the Montreal Protocol, agrees to consider GEF financing of a proposal from South Africa for the phasing out of methyl bromide.]

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1. This document reports on developments of interest to the GEF that have occurred since the GEF Council meeting in May 2003 within the context of the Convention on Biological Diversity (CBD), the UN Framework Convention on Climate Change (UNFCCC), the UN Convention to Combat Desertification in those countries experiencing serious drought and/or desertification, particularly in Africa (UNCCD), the Stockholm Convention on Persistent Organic Pollutants (the Stockholm Convention), and the Montreal Protocol on Substances that Deplete the Ozone Layer (the Montreal Protocol). The report also includes information on the third session of the UN Forum on Forests.

I. CONVENTION ON BIOLOGICAL DIVERSITY

2. The following summarizes activities of direct relevance to the GEF under CBD. Developments related to the Cartagena Protocol on Biosafety are also included.

Consultation with the Convention Secretariat

3. To further strengthen institutional relations with the Convention Secretariat, the GEF Secretariat met with the Convention Secretariat in July 2003 to informally discuss issues of mutual interest. This included a briefing to the CBD Secretariat on the status of implementation of guidance provided to the GEF. In addition, key issues and agreements discussed included:

- (a) growing interest of the Convention to track progress through the use of indicators and targets, including the CBD 2010 targets. This development creates opportunities to demonstrate GEF's support to the Convention implementation through the use of common indicators and alignment of some of the CBD 2010 targets with GEF-3 targets;
- (b) assistance of the CBD Secretariat in highlighting GEF's support at the seventh meeting of the Conference of the Parties (COP-7); and
- (c) strong coordinating mechanisms between the Convention and GEF review processes.

Coordination between GEF and Convention review processes

4. Following decision VI/17 of the Conference of the Parties, the Convention Secretariat, the GEF M&E Unit, and the GEF Secretariat consulted as to how best to ensure synergies between the Convention's third review of the effectiveness of the financial mechanism and the Third Study of the GEF's Overall Performance (OPS3). Proposed steps to accomplish this have been incorporated in the decision on arrangements for the third review of the effectiveness of the financial mechanism proposed by the Secretariat for review and approval at COP7 in February 2004. A copy of the proposed decision is attached as Annex A.

5. Specifically, it is proposed that an independent evaluator be recruited by the Convention Secretariat to carry out the CBD's third review of the effectiveness of the financial mechanism. The GEF monitoring and evaluation unit has agreed to share with the independent evaluator all

relevant studies generated in the context and process of preparing OPS3. Furthermore, the Convention Secretariat and independent evaluator will be invited to contribute during key steps in the OPS3 process. For these purposes, the terms of reference of OPS3, once approved by the Council, will be forwarded to the Convention Secretariat so that it may be circulated to the Parties in advance of their deliberations at COP-7.

Biosafety

6. The Cartagena Protocol on Biosafety entered into force on September 11, 2003, following the requisite number of ratifications by Parties to the Convention. As of September 26, 2003, 61 states have become Parties to the protocol. The Conference of the Parties to the Convention serving as the first Meeting of the Parties to the Protocol is scheduled to be held from February 23 to 27, 2004, in Kuala Lumpur immediately after COP-7.

7. As reported to the Council in May 2003, the GEF's Initial Strategy for Biosafety (approved in November 2000) has been operationalized through a global project on the Development of Biosafety Frameworks, implemented through UNEP in 100 eligible countries, and through 12 demonstration projects on capacity building for the implementation of biosafety frameworks in countries relatively more advanced in their biosafety systems. The work program proposed for review and approval by this Council meeting includes a proposal to extend the global project to another 27 eligible countries.

8. The Biosafety Clearing House (BCH) is a critical element in the implementation of the Protocol and, as the Council was informed during its May 2003 meeting, the urgency of GEF support to build capacity for participation in the BCH led to the presentation of a project in the intersessional work program that would assist countries to develop core human resources and establish an appropriate BCH infrastructure so as to enable eligible countries to fully participate and benefit from the Biosafety Clearing House (BCH). This targeted intervention will facilitate the ability of the eligible countries to readily access scientific, technical, environmental and legal information on living modified organisms (LMOs), and thereby assist with implementation of the Protocol in ensuring an adequate level of protection for biodiversity in the field of safe transfer, handling and use of LMOs. This activity will also complement the other past and existing projects aiming at the implementation of National Biosafety Frameworks. Since one Council Member requested that approval of the project be deferred for consideration by the Council at the November 2003 meeting, the project proposal is included in the proposed work program before the Council meeting.

9. The GEF Business Plan FY 04-06 allocates substantial resources for further GEF support for implementation of the Cartagena Protocol. Proposals on moving beyond the initial strategy will be presented to the Council at its meeting in May 2004 on the basis of guidance which the Conference of the Parties is expected to provide to the GEF in February 2004. The GEF Secretariat will work with the Implementing Agencies and the Convention Secretariat to share with the Parties to the Protocol the experience and lessons learned through the GEF activities undertaken pursuant to the GEF Initial Strategy for assisting countries to prepare for the entry into force of the protocol with a view to contributing to the formulation of guidance as to how developing countries may work with the financial mechanism to best build upon such experience.

II. UN FRAMEWORK CONVENTION ON CLIMATE CHANGE

10. During the reporting period, the eighteenth session of the Subsidiary Body for Implementation and other activities took place. Relevant information is reported below. Information on activities of the Least Developed Countries Trust Fund (LDC fund) is included in a separate information paper before the Council (GEF/C.22/Inf.5).

Eighteenth session of the Subsidiary Body for Implementation

11. The eighteenth session of the Subsidiary Body for Implementation (SBI-18) took place from June 4 to 13, 2003. The following issues are of relevance to the GEF.

12. Progress was made on two important elements of possible guidance the Conference of the Parties needs to provide the GEF in order to allow resource mobilization and operationalization of the Special Climate Change Fund (SCCF), a voluntary fund agreed to by the Conference of the Parties at its seventh session and to be managed by the GEF. First, there was agreement that the SCCF should serve as a catalyst to leverage additional resources from bilateral and other multilateral sources. Second, there was agreement that top priority should be given to funding of adaptation activities to address the adverse impacts of climate change from the resources of the SCCF. Additionally, technology transfer and its associated capacity-building activities would also be eligible for funding. This SBI conclusion (see Annex B) is an important step in prioritizing activities for funding under the SCCF as the basis for further deliberations at SBI-19 and a decision by the Conference of the Parties at its ninth session.

13. The SBI noted its appreciation of the efforts of the GEF to provide funding at an appropriate level for the preparation of national communications using the new reporting guidelines annexed to decision 17/CP.8. They reiterated that funding shall be provided on an agreed full cost basis for the preparation of national communications, as well as capacity building activities which support the preparation of national communication in accordance with relevant provisions of decisions 2/CP.7 (*Capacity building in developing countries*) and 6/CP.7 (*Additional guidance to an operating entity of the financial mechanism*). Parties deferred substantive discussions on the frequency of submission of second and, where appropriate, third national communications of non-Annex I Parties to the Conference of the Parties at its ninth session (see Annex B).

14. SBI 18 further took note of the information provided by the GEF on its support for the implementation of capacity building projects and programs. It requested the Convention Secretariat to use information provided by the GEF and other donors to prepare a paper to support the comprehensive review of the implementation of the framework annexed to decision 2/CP.7. SBI also decided to recommend to the ninth session of the Conference of the Parties that the review of the implementation of the framework for capacity building in developing countries be completed by the Conference of the Parties at its tenth session. Furthermore, the review of the effectiveness of the implementation of the framework for capacity building in countries with economies in transition should be based on information contained in national communication.

15. The SBI noted that the implementation of National Adaptation Programs of Action by Least Developed Countries (NAPAs) should promote integration of adaptation concerns into the development processes in LDCs, and also that the LDC Fund needs to be complemented by other funding sources such as development assistance. The SBI also noted that further discussion was needed to address modalities relating to implementation of NAPAs, taking into consideration the importance of the elements in the NAPAs guidelines, and agreed to consider additional guidance for the operation of the LDC fund at its nineteenth session, with a view to recommending a decision for adoption at the Conference of the Parties at its ninth session.

Second National Communications

16. At its meeting in May, the Council authorized the CEO to approve financing for projects for the preparation of national communications to the UNFCCC using the new guidelines adopted by the eighth session of the Conference of the Parties. As the follow-up to the Council decision, the Secretariat has been working, in consultation with the Implementing Agencies and the UNFCCC Secretariat, to develop procedures for expedited funding for the second national communications from non-Annex I Parties. These procedures can also be used to access funding as appropriate for the preparation of first and third national communications.

17. The GEF Review of Climate Change Enabling Activities found that preparation of the operational guidelines for the first national communications did not involve consultations with the countries, and recommended that the GEF establish a better consultative process for formulation of the procedures for subsequent communications. To respond to this recommendation, the GEF Secretariat, in consultation with the Implementing Agencies and the UNFCCC Secretariat, convened a consultation of experts in Mexico City on September 25-26, 2003, to discuss the proposed procedures. The consultation was organized in conjunction with a meeting of the UNFCCC Consultative Group of Experts on non-Annex I national communications. The proposed procedures are being revised to take into account the consultations and will be circulated to the Council prior to their publication for use by non-Annex I Parties.

III. UN CONVENTION TO COMBAT DESERTIFICATION

Sixth Session of the Conference of the Parties

18. The sixth session of the Conference of the Parties to the UNCCD (COP-6) was convened in Havana, Cuba, from August 25 to September 5, 2003. Among the decisions adopted by the COP is a decision on collaboration with the GEF. The text of the decision on *Collaboration with the Global Environment Facility* is attached as Annex C.

19. COP-6 welcomed the decision of the Second GEF Assembly to make the GEF available as a financial mechanism of the UNCCD, pursuant to Article 21 of the Convention. The COP further recognized the decision by the GEF Council in May 2003 establishing a new operational program on sustainable land management.

20. COP-6 decided “to accept the GEF as a financial mechanism of the UNCCD pursuant to article 20, paragraph 2(b), and article 21 of the Convention and in accordance with the GEF Instrument as amended”.

21. COP-6 also welcomed the decision by the GEF Council at its meeting in May 2003 requesting the GEF Secretariat to discuss with the UNCCD Secretariat the arrangements to facilitate collaboration between the GEF and the UNCCD. In this regard, the COP requested “the Executive Secretary, in collaboration with the Managing Director of the Global Mechanism, to consult with the Chief Executive Officer and Chairman of the GEF with a view to preparing and agreeing upon a Memorandum of Understanding on the arrangements called for by the GEF Council, for consideration and adoption by the seventh session of the Conference of the Parties¹”. The COP also requested “that such arrangements should be concluded between the secretariats of the UNCCD and the GEF and elaborate on how the GEF should take into consideration policies, strategies and priorities agreed upon by the COP” and invited Parties to submit their views on the policies, strategies and priorities. The submissions received from the Parties will be compiled and presented to the COP for its consideration and decision making.

22. During the conference, the GEF Secretariat, in collaboration with the Implementing Agencies, organized two workshops: one on GEF country partnerships on land degradation, and the other on experiences from the field and accessing GEF resources for land degradation prevention and control.

IV. STOCKHOLM CONVENTION ON PERSISTENT ORGANIC POLLUTANTS

23. As of October 10, 2003, there are 40 Parties to the Stockholm Convention on Persistent Organic Pollutants. Fifty ratifications, acceptances, approvals or accessions are required for the Convention to enter into force. During the reporting period, the seventh meeting of the Intergovernmental Negotiating Committee (INC-7) was held. No further meetings of the INC are planned before the first meeting of the Conference of the Parties which is to take place within a year after entry into force of the Convention, probably during the first quarter of 2005.

Seventh meeting of the International Negotiating Committee

24. INC-7 (POPs) was held in Geneva, Switzerland, from July 14 to 18, 2003. The meeting was the second INC since the adoption of the Convention in May 2001, and paved the way for the first meeting of the Conference of the Parties. Delegates discussed and adopted decisions on, *inter alia*: the budget; format for reporting on DDT; format for reporting on specific exemptions; toolkit for estimating emissions of dioxins and furans; guidelines for sound management of POPs waste; guidance for National Implementation Plans (NIPs); technical assistance; financial assistance and interim financial assistance; reporting by Parties; effectiveness evaluation; rules of procedure and financial rules for the COP; need to reduce exempted uses; and location of the Secretariat.

¹ Decision *Venue of COP-7* (ICCD/COP(6)/L.25) provides that COP-7 shall be held from 17-28 October 2005, in Bonn, Germany, if no Party offers to host the session.

25. The GEF submitted an information document describing in particular the wide coverage attained in the funding for the development of National Implementation Plans (enabling activities), the adoption of the POPs focal area by the GEF Assembly, and the strategic priorities approved by Council in May 2003. The delegates also had before them a draft Memorandum of Understanding between the COP of the Stockholm Convention and the Council of the GEF, prepared jointly by the Secretariat of the Convention and by the GEF Secretariat.

INC-7 Decisions

26. Two INC-7 decisions are of direct relevance to the GEF: decision INC-7/9, *Financial mechanism*, and decision INC-7/10, *Draft memorandum of understanding with the Global Environment Facility*. The advanced copies of the decisions are attached in Annex D.

Decision INC-7/9

- (a) requests the GEF to note the view of the INC that eligibility for resources from the financial mechanism be recognized for developing countries and countries with economies in transition that are a Party to the Convention. In addition, for enabling activities, it is requested that eligibility be also extended to developing countries and countries with economies in transition that are signatories to the Convention or are in the process of becoming Parties. It was also requested that in applying these criteria developing countries and countries with economies in transition be deemed to be those that are eligible according to current GEF criteria (paragraph 9b of the Instrument);
- (b) welcomes the GEF strategic priorities;
- (c) requests the GEF to maintain the focus of actions on the obligations of the Convention and the priorities identified in national implementation plans;
- (d) initiates a process to prepare for consideration and decision at the first meeting of the COP draft guidance to the financial mechanism;
- (e) notes the elements of the terms of reference for the review of the financial mechanism and requests governments and observers to provide additional comments on those elements by December 31, 2003, and
- (f) request the Secretariat, in consultation with the Secretariat of the GEF, to take into account the comments received to develop draft terms of reference of the review of the financial mechanism for consideration by the first meeting of the COP.

27. A Council decision would be required to respond to the view of the INC [decision INC-7/9 (a)] that eligibility for POPs enabling activities should be extended to developing countries and countries with economies in transition that “are in the process of becoming Parties” [to the Stockholm Convention]. Presently, and following Council’s decision at its 19th meeting,

eligibility criteria for POPs enabling activities is limited to those developing countries and countries with economies in transition that are party or signatory to the Stockholm Convention. Approximately fifteen additional countries could become eligible for GEF funding of POPs enabling activities if such a decision is adopted by Council.

28. Decision INC-7/10 notes the draft MOU between the COP and the GEF Council prepared jointly by the two Secretariats and invites comments from governments and from the GEF Council on the draft. The COP also invites the Secretariats to collaborate to prepare a revised draft for submission to the COP and Council, taking into account the comments received. In response to this decision, Council Members are invited to review the draft MOU and to provide comments to the GEF Secretariat by December 31, 2003, so that the GEF Secretariat can reflect Members' views in its collaboration with the Convention Secretariat to revise the draft MOU.

V. MONTREAL PROTOCOL

29. The GEF Secretariat attended the twenty-third Meeting of the Open Ended Working Group (OEWG) of the Parties of the Montreal Protocol and the thirtieth Meeting of the Implementation Committee under the Non-Compliance for the Montreal Protocol in Montreal, Canada, from July 4 to 11, 2003.

30. On the request of OEWG the GEF Secretariat informed the Parties about GEF's commitment to provide continued assistance for phasing-out ozone depletion substances (ODS). The main points included the Montreal Protocol related strategic priorities as approved by Council in May 2003 and the status of current GEF efforts to assist eligible recipients in their efforts to address methyl-bromide phase-out needs according to Annex E of the Protocol.

31. The 23rd OEWG considered the case of South Africa and its request for financial assistance. The OEWG recalled that it had been agreed that South Africa was not to request financial assistance from the Multilateral Fund for fulfilling commitments undertaken by developed countries prior to the ninth Meeting of the Parties, even though South Africa was classified as a developing country. The OEWG also noted that South Africa expressed the need to apply for technical and financial assistance from the Multilateral Fund to phase out the Annex E substance, methyl bromide, and that it has previously advised South Africa to negotiate for bilateral or multilateral assistance other than from the Multilateral Fund. The OEWG agreed to recommend a draft decision for consideration by the fifteenth Meeting of the Parties to the Montreal Protocol, to be held in Nairobi, November 10 to 14, 2003, requesting the GEF to consider financing South Africa's request for technical and financial assistance (attached as Annex E). Specifically, the draft decision requests "the Council of the Global Environment Facility to consider project proposals from South Africa on phasing out the annex E substance for funding as per the conditions and eligibility criteria applicable to all countries eligible for such assistance under the Facility." The Secretariat will inform the Council at its meeting in November 2003 of the final decision of the Meeting of the Parties review on this matter.

32. The GEF Operational Strategy provides that, consistent with the principle of complementarity, the GEF will not provide financial support for Article 5 (developing) countries *except with respect to activities ineligible for assistance from the Multilateral Fund* (emphasis

added). The exception was included to allow funding for activities of a different nature and outside the scope of those financed by the Multilateral Fund. A specific example at the time that the GEF operational strategy was adopted was a pilot phase project supporting ozone research in South America, since research activities were outside the scope of financing provided by the Multilateral Fund. In contrast, activities aimed at reducing methyl bromide emissions are generally eligible for assistance from the Multilateral Fund, and therefore would not appear to come within the intent of the exception as adopted.

33. Recognizing that there may be some ambiguity as to the scope of the exception provided for in the operational strategy, the Council may wish to agree to provide financing, on an exceptional basis, to South Africa for phasing out methyl bromide emissions. The Council is invited to provide clear guidance on how the GEF should proceed in light of the final decision of the Meeting of the Parties to the Montreal Protocol.

VI. UNITED NATIONS FORUM ON FORESTS

34. The third session of the United Nations Forum on Forests (UNFF) took place in Geneva, Switzerland, from May 26 to June 6, 2003. Some of the adopted resolutions relate to the Collaborative Partnership on Forests (CPF). The GEF became a member² of this interagency partnership on forests, established in April 2001, in response to an invitation issued in the resolution of the Economic and Social Council of the United Nations (ECOSOC).

35. Resolution 3-4 entitled, *Enhance cooperation and policy and programme coordination (ECPPC)*, welcomes the designation of land degradation, primarily desertification and deforestation as a new focal area of the Global Environment Facility (GEF) and

“Invites the GEF, within its mandate and respective operational programs and strategies, to give due consideration to financing projects on, *inter alia*, combating deforestation and forest degradation, forest conservation and protection of unique types of forests and fragile ecosystems, rehabilitation and conservation strategies for countries with low forest cover, rehabilitation and restoration of degraded lands and the promotion of natural and planted forests.”

² See GEF/C.18/3 November 7, 2001 for further information.

**ANNEX A: ARRANGEMENTS FOR THE THIRD REVIEW OF THE EFFECTIVENESS OF THE
FINANCIAL MECHANISM**

UNEP/CBD/COP/7/17/Add.5
Thursday, August 14, 2003

Note by the Executive Secretary

1. Article 21, paragraph 3, of the Convention provides that “the Conference of the Parties shall review the effectiveness of the mechanism established under this Article, including the criteria and guidelines referred to in paragraph 2 above, not less than two years after the entry into force of this Convention and thereafter on a regular basis, based on such review, it shall take appropriate action to improve the effectiveness of the mechanism if necessary.” In decision II/6, paragraph 2, the Conference of the Parties decided to undertake the first review of the effectiveness of the financial mechanism at its fourth meeting in 1997 and a review every three years.
2. The first review of the financial mechanism was conducted in accordance with the guidelines for the review of the effectiveness of the financial mechanism contained in decision III/7. The Secretariat of the Convention was requested to compile the information for the review by developing a questionnaire, undertaking field visits and interviewing stakeholders, and to prepare and submit a synthesis review report under the guidance from five representatives of Parties. The Conference of the Parties concluded the first review at its fourth meeting and noted the inadequacy of the procedures for the review and the insufficient information provided.
3. The terms of reference for the second review of the effectiveness of the financial mechanism was adopted by the fifth meeting of the Conference of the Parties in decision V/12. In accordance with the terms of reference, the Executive Secretary contracted an experienced independent evaluator to undertake the review. The independent evaluator designed a questionnaire, and undertook desk studies, interviews, field visits and collaboration with the Global Environment Facility (GEF) Secretariat, and presented his final report and executive summary to the sixth meeting of the Conference of the Parties.
4. In decision VI/17 (Financial mechanism under the Convention), the Conference of the Parties took note of the executive summary and the final report of the independent evaluator commissioned for purposes of the second review of the effectiveness of the financial mechanism, and requested the GEF to take into consideration the recommendations of the second review of the effectiveness of the financial mechanism. The Conference of the Parties further requested the Executive Secretary and the GEF to explore possible synergies between the review processes of the Convention and the GEF, and make suggestions on the arrangements for the third review of the effectiveness of the financial mechanism.
5. At its 21st meeting, the Council of the GEF reviewed the proposed monitoring and evaluation work plan for FY03-06 presented in document GEF/C.21/13, and accepted it as an

interim plan to guide the work of the GEF independent monitoring and evaluation unit in FY04. The Council stressed that the third overall performance study of the GEF should be submitted to the Council at its first meeting in 2005. The Council also recommended that the Convention Secretariats and the GEF Secretariat discuss ways to link the GEF's review of its overall performance with the work undertaken to review the effectiveness of the financial mechanism and that the Secretariats collaborate in sharing information and evaluation materials so that the work underlying the overall performance studies of the GEF could be taken into account in the Conventions' reviews of the effectiveness of the financial mechanism. The Council also suggested that it would be useful for the Conventions to share lessons and information on their reviews of the financial mechanism so as to accelerate the process and avoid discussing the same issues within the context of each Convention. The Council of the GEF is expected to consider and approve the terms of reference for the third Overall Performance Study (OPS3) at its 22nd meeting in November 2003.

6. The Convention Secretariat and the GEF Secretariat have examined possible synergies between the third review of the financial mechanism and the evaluation work of the GEF Monitoring and Evaluation Unit, in particular its third Overall Performance Study, and noted the collaboration established between the second review of the financial mechanism under the Convention on Biological Diversity and the second Overall Performance Study of the GEF. The two secretariats suggest:

- (a) that the third review of the financial mechanism be conducted by Parties to the Convention in accordance with the guidelines approved by the Conference of the Parties;
- (b) that an independent evaluator be contracted to collect information and prepare a synthesis report based on the information submitted by Parties, and studies of the GEF monitoring and evaluation unit, as well as the information gathered from other stakeholders; and
- (c) that the Convention Secretariat in consultation with the GEF prepare a draft decision on the third review for consideration of the Conference of the Parties.

Recommendation

7. The Conference of the Parties is invited to consider the following recommendations concerning the third review of the effectiveness of the financial mechanism:

The Conference of the Parties

Decides to adopt the annex to the present decision, containing the objectives, methodology and criteria as well as procedures for the third review of the effectiveness of the financial mechanism to be conducted in time for the eighth meeting of the Conference of the Parties;

Decided also that this third review should be conducted under the authority of the Conference of the Parties and take fully into account reports of the Global Environment Facility with respect to operations of the financial mechanism;

Decides further that, based on the results of the review, the Conference of the Parties shall take appropriate action to improve the effectiveness of the mechanism if necessary.

Annex Guidelines for the third review of the effectiveness of the financial mechanism

A. Objectives

1. In accordance with Article 21, paragraph 3, the Conference of the Parties will review the effectiveness of the mechanism, including the criteria and guidelines referred to in Article 21, paragraph 2, with a view to taking appropriate action to improve the effectiveness of the mechanism if necessary. For this purpose, effectiveness will include:

- (a) The effectiveness of the financial mechanism in providing and delivering financial resources, as well as in overseeing, monitoring and evaluating the activities financed by its resources;
- (b) The conformity of the activities of the Global Environment Facility (GEF), as the institutional structure operating the financial mechanism, with the guidance of the Conference of the Parties;
- (c) The efficiency, effectiveness and sustainability of the GEF-funded activities on the implementation of the Convention and in the achievement of its three objectives; and
- (d) The efficiency and effectiveness of the Conference of the Parties in providing guidance to the financial mechanism to promote the implementation of the Convention and the achievement of its three objectives.

B. Methodology

2. The review will cover all the activities of the financial mechanism for the period from July 2001 to June 2005, with special emphasis on those activities that have been concluded during the same period.

3. The review shall draw upon, inter alia, the following sources of information:

- (a) Information provided by Parties regarding the financial mechanism;
- (b) Reports prepared by the Global Environment Facility, including its reports to the Conference of the Parties;
- (c) All reports of the independent GEF Monitoring and Evaluation Unit that relate to GEF biodiversity activities within the framework of the financial mechanism, in particular the third Overall Performance Study;
- (d) Information provided by other relevant stakeholders.

C. Criteria

4. The effectiveness of the financial mechanism shall be assessed taking into account, inter alia:

- (a) The steps and actions taken by the financial mechanism in response to the actions requested by the Conference of the Parties at its fourth meeting to improve the effectiveness of the financial mechanism, as set out in the annex to its decision IV/11 as well as in decision VI/17;
- (b) The actions taken by the financial mechanism in response to the guidance of the Conference of the Parties, as contained in decisions I/2, II/6, III/5, IV/13, V/13 and VI/17;
- (c) Any other significant issue raised by the Parties.

D. Procedures

5. Under the authority and with the support of the Conference of the Parties, the Executive Secretary shall contract an experienced independent evaluator to collect and synthesize information, in accordance with the above objectives, methodology and criteria.
6. The evaluator shall design a questionnaire using the criteria adopted in the present guidelines, to be sent to the Parties and other stakeholders as soon as practicable after the seventh meeting of the Conference of the Parties, and prepare a compilation and synthesis of the information received.
7. The evaluator will undertake such desk studies, interviews, field visits and collaboration with the GEF Monitoring and Evaluation Unit as may be required for the preparation of the synthesis, subject to the availability of resources.
8. The draft compilation and synthesis, and the report of the evaluator, will be made available to GEF for its review and comments. Such comments shall be included in the documentation and identified by source.
9. Based on the synthesis report of the independent evaluator, the Executive Secretary shall prepare, in consultation with the GEF, a draft decision on the third review of the financial mechanism, including specific suggestions for action to improve the effectiveness of the mechanism if necessary, for consideration of the eighth meeting of the Conference of the Parties.
10. The Executive Secretary shall submit all the relevant documents to Parties at least three months prior to the eighth meeting of the Conference of the Parties.

ANNEX B: UNFCCC SBI DRAFT CONCLUSIONS

FCCC/SBI/2003/L13

FINANCIAL MATTERS RELATING TO PARTIES NOT INCLUDED IN
ANNEX I TO THE CONVENTION

FINANCIAL MECHANISM: THE SPECIAL CLIMATE CHANGE FUND

Draft conclusions proposed by the Chair

1. The Subsidiary Body for Implementation (SBI), at its eighteenth session, took note of the summary and analysis of views from Parties on the activities, programmes and measures to be funded under the Special Climate Change Fund (SCCF) prepared by the secretariat (FCCC/SBI/2003/INF.3), based on nine submissions (FCCC/SBI/2003/MISC.1) and a submission by the Least Developed Countries Expert Group (FCCC/SBI/2003/INF.12). It also noted the submissions received from the Expert Group on Technology Transfer and from a group of Parties, as contained in documents FCCC/SBI/2003/INF.12/Add.1 and FCCC/SBI/2003/MISC.1/Add.1, respectively.
2. The SBI noted that, based on the analysis of views submitted by Parties, there is convergence of opinion that activities to be funded should be country-driven, cost-effective and integrated into national sustainable development and poverty reduction strategies.
3. The SBI noted that the SCCF should be used to finance activities, programmes and measures relating to climate change that are complementary to those funded by the resources allocated to the Least Developed Countries (LDC) Fund and to the climate change focal area of the Global Environment Facility (GEF) Trust Fund. The SCCF should serve as a catalyst to leverage additional resources from bilateral and other multilateral sources.
4. The SBI took note of the information provided by the GEF at this session on its arrangements for the SCCF and its experience with the mobilization of resources for the LDC Fund. It also noted that the lessons learned by the GEF, as an operating entity of the financial mechanism of the Convention, should be used in the process of mobilizing resources for the SCCF.
5. The SBI noted that Parties identified adaptation activities to address the adverse impacts of climate change as a top priority for funding. It further noted that technology transfer and its associated capacity-building activities were also essential.
6. The SBI decided to consider, at its nineteenth session, further guidance to the GEF, for the operation of the SCCF, and to recommend a draft decision, in accordance with paragraph 2 (b) of decision 7/CP.8, for adoption by the Conference of the Parties at its ninth session. In preparing this guidance, due consideration should be given to ensuring consistency with other guidance provided to the GEF with respect to the operation of the other funds with which it is entrusted.

FCCC/SBI/2003/L.10
FINANCIAL MATTERS RELATING TO PARTIES NOT INCLUDED IN
ANNEX I TO THE CONVENTION
PROVISION OF FINANCIAL AND TECHNICAL SUPPORT

Draft conclusions proposed by the Chair

1. The Subsidiary Body for Implementation (SBI) noted with satisfaction that of 148 Parties not included in Annex I to the Convention (non-Annex I Parties) 102 had already submitted their initial national communications to the Conference of the Parties (COP), and urged those which had not yet submitted their communications to do so as soon as possible.
2. The SBI requested the secretariat to make available to Parties information on the status of preparation of national communications from non-Annex I Parties that had not yet submitted them, as well as details of the financial support provided to non-Annex I Parties by the Global Environment Facility (GEF) for the preparation of initial and subsequent national communications.
3. The SBI took note of the statement made by the representative of the GEF. It noted with appreciation that operational guidelines for expedited financing of national communications, based on the guidelines contained in the annex to decision 17/CP.8, are expected to be effective before the ninth session of the COP.
4. The SBI reiterated that, pursuant to Article 4, paragraph 3, of the Convention, decision 2/CP.4, paragraph 1 (d), and decision 6/CP.8, paragraph 1 (a), financial resources shall be provided on an agreed full-cost basis for the preparation of national communications, as well as capacity-building activities relating to the preparation of national communications pursuant to decision 2/CP.7, and in particular to paragraphs 1 (c), 3, 4, and 5 of decision 6/CP.7.
5. The SBI acknowledged that financial resources would be required to enable the provision of detailed information as required by the UNFCCC guidelines for the preparation of national communications from non-Annex I Parties. It noted with appreciation plans by the GEF, as an operating entity of the financial mechanism, to take the measures necessary for the provision of financial resources at an appropriate level to cover the requirements of the guidelines annexed to decision 17/CP.8.
6. The SBI noted that, pursuant to decision 17/CP.8, paragraph 1 (f), the frequency of submission of second and, where appropriate, third national communications by non-Annex I Parties shall be determined by the COP at its ninth session, taking into account the principle of differentiated timetables set by the Convention. Parties are invited to submit their views to the secretariat, by 15 August 2003, on the frequency of submission of second, and where appropriate, third national communications from non-Annex I Parties and on their experience with the GEF or its implementing agencies in relation to the preparation of national communications.

ANNEX C: DECISION OF THE 6TH SESSION OF THE CONFERENCE OF THE PARTIES TO CCD

CONFERENCE OF THE PARTIES

Sixth session

Havana, 25 August – 5 September 2003

Collaboration with the Global Environment Facility

Draft Decision Submitted by the Chairperson of the Committee for the Review of the Implementation of the Convention

The Conferences of the Parties,

Taking note of the report by the secretariat as contained in document ICCD/CRIC(2)/6,

Taking into consideration the report of the first session of the committee of the Review of the Implementation of the Convention in referring to issues Parties would wish to see addressed in the implementation of the Global Environment Facility (GEF) Operational Programme on Sustainable Land Management,

Designation of a financial mechanism

1. *Welcomes* the decision by the World Summit on Sustainable Development in Johannesburg, South Africa, in August-September 2002, which, *inter alia*, recognized the complementary roles of the GEF and the Global Mechanism of the Convention in providing and mobilizing resources, and called on the Second GEF Assembly to consider making the GEF a financial mechanism of the Convention;
2. *Welcomes also* the decision of the Second GEF Assembly in October 2002, in Beijing, China, declaring that the GEF should be available as a financial mechanism of the UNCCD in those countries experiencing serious drought and/or desertification, particularly in Africa, pursuant to paragraph 21 of the Convention, if the Conference of the Parties should so decide;
3. *Further welcomes* the decision of the GEF Council in May 2003 in Washington D.C., United States of America, establishing a new operational programme on sustainable land management;
4. *Decides* to accept the GEF as a financial mechanism of the UNCCD pursuant to article 20, paragraph 2(b), and article 21 of the Convention and in accordance with the GEF Instrument as amended;

Arrangements for establishing a working relationship with the Global Environment Facility

5. *Welcomes* the decision by the GEF Council at its meeting in May 2003, requesting the GEF secretariat to discuss with the UNCCD secretariat the arrangements to facilitate collaboration between the GEF and the UNCCD;
6. *Requests* the Executive Secretary, in collaboration with the Managing Director of the Global Mechanism, to consult with the Chief Executive Officer and Chairman of the GEF with a view to preparing and agreeing upon a Memorandum of Understanding on the arrangements called for in paragraph 5 above for consideration and adoption by the seventh session of the Conference of the Parties and *Requests* that such arrangements should be concluded between secretariat and the GEF and elaborate on how the GEF should take into consideration policies, strategies and priorities agreed upon by the COP;
7. *Invites* Parties to submit, before 1 January 2004, their views on the policies, strategies and priorities mentioned in paragraph 6 above to the secretariat; and requests the secretariat to compile these submissions to assist the COP in its considerations and decision-making in this regard;
8. *Requests* the Executive Secretary to report to the Conference of the Parties at its seventh session on measures taken to implement this decision.

ANNEX D: DECISIONS OF POPS INC-7 (ADVANCE COPY)

Decision INC-7/9 - Financial mechanism

The Intergovernmental Negotiating Committee:

1. Requests the Global Environment Facility to note the view of the Intergovernmental Negotiating Committee that eligibility for financial support for activities under the Stockholm Convention on Persistent Organic Pollutants should follow the following principles:

Support should be available to developing countries and countries with economies in transition that are Parties;

However, for enabling activities developing countries and countries with economies in transition that are signatories or in the process of becoming Parties should also be eligible;

In considering paragraphs (a) and (b) above, developing countries and countries with economies in transition are those countries which are eligible according to current Global Environment Facility criteria;

2. Welcomes the strategic priorities for persistent organic pollutants identified in the Global Environment Facility strategic business plan for 2004-2006 as set out in paragraph 5(b) of UNEP/POPS/INC.7/17;

3. Requests the Global Environment Facility to maintain the focus of actions on the obligations of the Convention and the priorities identified in national implementation plans;

4. Initiates the process defined in the annex to the present decision to prepare, for consideration and decision at the first meeting of the Conference of the Parties, the draft guidance to the financial mechanism required under paragraph 7 of Article 13 of the Stockholm Convention;

5. Notes the elements of the terms of reference for the review of the financial mechanism under paragraph 8 of Article 13 of the Convention provided in paragraph 3 of document UNEP/POPS/INC.7/24, as amended by the Committee;

6. Requests Governments and observers to provide additional comments on these elements to the Secretariat by 31 December 2003;

7. Requests the Secretariat, in consultation with the Secretariat of the Global Environment Facility, taking into account the comments received in response to paragraph above, to develop draft terms of reference for the review of the financial mechanism for consideration and possible decision by the Conference of the Parties at its first meeting.

Annex

Process for developing guidance to the financial mechanism

1. The Committee decides to establish an open-ended Working Group on the financial mechanism to prepare the draft guidance required under paragraph 7 of Article 13 of the Convention for consideration by the Conference of the Parties at its first meeting. The Working Group will be open to POPs related intergovernmental organizations, industry and non-governmental organizations in accordance with the rules of the Economic and Social Council. The output of the Working Group shall take the form of a draft decision on items listed in paragraph 7 of Article 13.
2. The Working Group shall start its work on the basis of a paper to be prepared by the Secretariat by 31 October 2003 in close cooperation with the Secretariat of the Global Environment Facility and drawing on the experience of international organizations active in the field of chemicals management, as well as the Secretariats of the Convention on Biological Diversity, the United Nations Framework Convention on Climate Change and the Montreal Protocol on Substances that Deplete the Ozone Layer.
3. Members of the Working Group shall provide comments on the initial paper through electronic and other means by 28 February 2004 to enable the Secretariat to prepare a revised paper by 31 May 2004. Such comments shall be posted on the Stockholm Convention web site. This will then be circulated for further comments by 30 September 2004.
4. Depending on the degree of consensus on the revised paper, further rounds of consultation may be required. A document on the results of the Working Group until that time shall be distributed in all languages of the United Nations at least six weeks before the first meeting of the Conference of the Parties.
5. After the electronic consultation phase, subject to available funding, there may be a face-to-face meeting of the Working Group, the time and venue of which will be decided by the Working Group.
6. The Committee invites countries and organizations that are in a position to do so to provide funding for the activities of the Working Group, including assistance to enable representatives of developing countries and countries with economies in transition to participate in the work of the Group.

Decision INC-7/10 - Draft memorandum of understanding with the Global Environment Facility

The Intergovernmental Negotiating Committee:

1. Notes the draft memorandum of understanding between the Conference of the Parties of the Stockholm Convention and the Council of the Global Environment Facility contained in the annex to document UNEP/POPS/INC.7/16;
2. Invites Governments to provide comments on the draft memorandum to the Secretariat by 31 December 2003;
3. Invites the Council of the Global Environment Facility to provide any comments on the draft memorandum of understanding to the Secretariat by 31 December 2003.
4. Requests the Secretariat, in collaboration with the Secretariat of the Global Environment Facility, to:
 - (a) Prepare a revised draft memorandum of understanding taking into account the comments received from Governments and the Council of the Global Environment Facility in response to paragraphs 2 and 3 above, respectively;
 - (b) Submit the revised draft to the Conference of the Parties for possible consideration and decision at its first meeting.

Submit the revised draft to the Council of the Global Environment Facility for possible consideration and decision.

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

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

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

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

Recalling paragraph 6 of the *Instrument for the Establishment of the Restructured Global Environment Facility*, as amended at the second Global Environment Facility Assembly in

October 2002, which provides that “the GEF shall also be available to serve as an entity entrusted with the operation of the financial mechanism of the Stockholm Convention on Persistent Organic Pollutants”;

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

Have agreed the following:

Definitions

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

Purpose

2. The purpose of the present Memorandum of Understanding is to make provision for the relationship between the Conference of the Parties and the Council in order to give effect to the provisions of Article 13, paragraphs 6, 7 and 8 of the Convention and paragraphs 6, 26 and 27 of the GEF Instrument [and, on an interim basis, in accordance with Article 14 of the Convention.]³

³ It is expected that the Conference of the Parties will designate the financial mechanism at its first meeting. In the event that such a designation is not made at the first meeting, text along the lines contained in brackets will need to be inserted into the memorandum of understanding to cover the time until the Conference of the Parties makes such a designation.

Guidance from the Conference of the Parties

3. The Conference of the Parties will provide the GEF, as an entity entrusted to operate the financial mechanism established under Article 13 of the Convention, with appropriate guidance that the Conference of the Parties may adopt, review, update or revise in pursuance of paragraphs 7 and 8 of Article 13 and will subsequently agree with the GEF upon any additional arrangements beyond this Memorandum of Understanding that may be necessary. The guidance will address, *inter alia*:

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

Conformity with guidance from the Conference of the Parties

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

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

6. If a Party to the Convention considers that a decision of the Council regarding a specific project was not made in conformity with the guidance adopted by the Conference of the Parties, the Party may bring the matter to the attention of the Conference of the Parties. The Conference of the Parties will request the Council to provide information on the decision regarding the project. The Conference of the Parties will consider the observations presented to it by the Party and the Council with a view to

deciding whether the Council's decision was in conformity with guidance. In the event that the Conference of the Parties considers that this specific project decision taken by the Council does not comply with the guidance adopted by the Conference of the Parties, it may request the Council for further clarification on the specific project decision and its subsequent reconsideration.

Reporting

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

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

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

(a) Information on how the GEF has responded to the guidance provided by the Conference of the Parties including, where appropriate, through its incorporation in the strategies and operational policies of the GEF;

(b) A synthesis of projects approved by the Council during the reporting period in the persistent organic pollutants focal area with an indication of the GEF and other resources allocated to such projects and the approval status of each project;

(c) A listing of projects approved by the Council in the persistent organic pollutants focal area, with an indication of the total financial resources allocated to these projects; and

(d) In case of any project proposal included in a work programme that is not approved by the Council, the reasons for not being approved.

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

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

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

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

Monitoring and evaluation

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

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

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

Cooperation between secretariats

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

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

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

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

Reciprocal Representation

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

Amendments

22. This Memorandum of Understanding may be amended at any time by written agreement between the Conference of the Parties and the Council.

Interpretation

23. If differences arise in the interpretation of the present Memorandum of Understanding, the Conference of the Parties and the Council will make every effort to reach a mutually acceptable solution.

Entry into effect

24. The present Memorandum of Understanding will come into effect upon approval by the Conference of the Parties and by the Council.

Withdrawal

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

ANNEX E: RECOMMENDATION FROM OEWG FROM THE MONTREAL PROTOCOL

OEWG Recommendation XIV for approval by COP 15 (11/10-14 2003): Application for technical and financial assistance from the GEF by South Africa

Recalling decision IX/27, in which South Africa was classified as a developing country,

Recognizing that the annex E substance, methyl bromide, was included as a controlled substance for article 5 countries in 1997 and that, in the same year, South Africa was also classified as an article 5 country,

Noting that South Africa was not to request financial assistance from the Multilateral Fund for fulfilling commitments undertaken by developed countries prior to the ninth Meeting of the Parties,

Noting also that South Africa expressed the need to apply for technical and financial assistance from the Multilateral Fund to phase out the annex E substance at the twenty-second meeting of the Open-ended Working Group of the Parties to the Montreal Protocol,

Noting further that, during the twenty-second Open-ended Working Group meeting, South Africa was advised to negotiate for bilateral or multilateral assistance other than from the Multilateral Fund,

The fifteenth Meeting of the Parties *decides*,

To request the Council of the Global Environment Facility to consider project proposals from South Africa on phasing out the annex E substance for funding as per the conditions and eligibility criteria applicable to all countries eligible for such assistance under the Facility.