

Decision 2/CP.4**Additional guidance to the operating entity of the financial mechanism**

The Conference of the Parties,

Recalling its decisions 11/CP.1, 10/CP.2, 11/CP.2 and 12/CP.2,

Recalling further that the Global Environment Facility (GEF), as stated in its operational principles for the development and implementation of its work programme,¹ will maintain sufficient flexibility to respond to changing circumstances, including evolving guidance of the Conference of the Parties and experience gained from monitoring and evaluation activities,

Welcoming the New Delhi Statement of the First GEF Assembly² and the Report on the Second Replenishment of the GEF Trust Fund, completed in March 1998,³

Noting the continued concerns and difficulties encountered by developing country Parties with the availability and disbursement of financial resources, including for the transfer of technology, the problems arising from the GEF project cycle, the application of the concept of incremental costs, and the availability of resources through the GEF implementing/executing agencies,

Noting also the current and ongoing efforts of the GEF to address these concerns, *inter alia*, by streamlining its project cycle, increasing support for country-level coordination, strengthening its monitoring and evaluation programme, ensuring that its activities are country-driven and consistent with national priorities and objectives, further developing its resource allocation strategy to maximize the effectiveness of its climate change activities and making the process of determining incremental costs more transparent and pragmatic,

Noting further the need to examine and address climate change impacts and minimize the adverse impacts, in particular for the Parties identified in Article 4.8 of the United Nations Framework Convention on Climate Change,

1. Decides that, in accordance with Articles 4.3, 4.5 and 11.1 of the Convention, the GEF should provide funding to developing country Parties to:

¹ Global Environment Facility, *Operational Strategy* (Washington, D.C., February 1996), p. 2.

² See document FCCC/CP/1998/12, annex B.

³ Document GEF/C.11/6 of 24 March 1998.

(a) Implement adaptation response measures under Article 4.1 of the Convention for adaptation activities envisaged in decision 11/CP.1, paragraph 1(d)(ii) (Stage II activities) in particularly vulnerable countries and regions identified in Stage I activities, and especially in countries vulnerable to climate-related natural disasters, taking into account their preparatory adaptation planning frameworks in priority sectors, the completion of Stage I activities, and in the context of their national communications;

(b) Enable them, in light of their social and economic conditions and taking into account state-of-the-art environmentally sound technologies, to identify and submit to the Conference of the Parties their prioritized technology needs, especially as concerns key technologies needed in particular sectors of their national economies conducive to addressing climate change and minimizing its adverse effects;

(c) Build capacity for participation in systematic observational networks to reduce scientific uncertainties relating to the causes, effects, magnitude and timing of climate change, in accordance with Article 5 of the Convention;

(d) Meet the agreed full costs of preparing initial and subsequent national communications, in accordance with Articles 4.3 and 12.5 of the Convention and decision 11/CP.2, paragraph 1(d), by maintaining and enhancing relevant national capacity, so as to prepare the initial and second national communications which will take into account experiences, including gaps and problems identified in previous national communications, and guidelines established by the Conference of the Parties. Guidance on subsequent national communications will be provided by the Conference of the Parties;

(e) Assist them with studies leading to the preparation of national programmes to address climate change, compatible with national plans for sustainable development, in accordance with Article 4.1(b) of the Convention and paragraph 13 of the annex to decision 10/CP.2;

(f) Assist in developing, strengthening and/or improving national activities for public awareness and education on climate change and response measures, in full accordance with Article 6 of the Convention and decision 11/CP.1, paragraph 1(b)(iii), and taking into account, where appropriate, relevant GEF operational programmes;

(g) Support capacity-building for:

(i) The assessment of technology needs to fulfil the commitments of developing countries under the Convention, the identification of sources and suppliers of these technologies, and the determination of modalities for the acquisition and absorption thereof;

- (ii) Country-driven activities and projects to enable Parties not included in Annex I to the Convention (non-Annex I Parties) to design, evaluate and manage these projects;
 - (iii) Strengthening the capacity of non-Annex I Parties to host projects, including from project formulation and development to their implementation;
 - (iv) Facilitating national/regional access to the information provided by international centres and networks, and for working with those centres for the dissemination of information, information services, and transfer of environmentally sound technologies and know-how in support of the Convention;
2. *Requests* the GEF to continue to provide, and developing country Parties to avail themselves of, funding to translate, reproduce, disseminate and make available their initial national communications electronically;
3. *Encourages* the GEF to:
- (a) Further streamline its project cycle with a view to making project preparation simpler, less prescriptive, more transparent and country-driven;
 - (b) Further simplify and expedite its procedures for the approval and implementation of GEF-funded projects, including disbursements for such projects;
 - (c) Make the process for the determination of incremental costs more transparent, and its application more pragmatic;
4. *Requests* the GEF to ensure that its implementing/executing agencies are made aware of Convention provisions and decisions adopted by the Conference of the Parties in the performance of their GEF obligations and are encouraged, as a first priority, whenever possible, to use national experts/consultants in all aspects of project development and implementation;
5. *Further requests* the GEF to include in its report to the Conference of the Parties the specific steps it has undertaken to implement the provisions of this decision.

*8th plenary meeting
14 November 1998*