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Item 5 of the supplementary provisional agenda

REVIEW OF THE FINANCIAL MECHANISM

Draft conclusions proposed by the Chair

1. The SBI noted the instrumental role being played by the operating entity of the financial mechanism in the effective implementation of the Convention. It also noted that, pursuant to Article 11.4 of the Convention, the Conference of the Parties at its fourth session had adopted decision 3/CP.4, entitled “Review of the financial mechanism” according to which the second review of the effectiveness of the financial mechanism will be carried out by 2002.
2. The SBI noted that the review of the financial mechanism is to be conducted on the basis of the guidelines contained in the annex to decision 3/CP.4, which specifies the objectives, methodology and criteria to be used in assessing the effectiveness of the financial mechanism.
3. The SBI also noted the need to initiate the process of reviewing the financial mechanism at its sixteenth session in order that the Conference of the Parties might adopt a decision at its eighth session.
4. The SBI invited Parties and intergovernmental and non-governmental organizations to provide, by 8 July 2002, information on their experience regarding the effectiveness of the financial mechanism, in accordance with the criteria set out in the above-mentioned guidelines.
5. In order to perform the review the SBI requested the secretariat to prepare a synthesis report on the financial mechanism for consideration at its seventeenth session, on the basis of submissions received, the Second Overall Performance Study of the Global Environment Facility (GEF), published in January 2002, and other GEF documents, including GEF Council documents relevant for the assessment of the effectiveness of the financial mechanism.
