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SUBSIDIARY BODY FOR IMPLEMENTATION

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Item 4 (b) of the provisional agenda

**NATIONAL COMMUNICATIONS FROM PARTIES NOT INCLUDED
IN ANNEX I TO THE CONVENTION**

PREPARATION FOR REVIEW OF ENABLING ACTIVITIES

**Views of Parties with regard to the review of the Global Environment Facility
enabling activities**

Note by the secretariat

1. At its fourth session, the Conference of the Parties, by its decision 12/CP.4, requested the secretariat to compile and make available to the Subsidiary Body for Implementation (SBI) a report containing views and concerns identified by non-Annex I Parties, and to ensure that such views are taken into account in the Global Environment Facility (GEF) review of enabling activities on climate change (FCCC/CP/1998/16/Add.1, decision 12/CP.4, para. 7 (e)).
2. The secretariat will prepare the above-mentioned report for the SBI at its eleventh session.
3. Submissions have been received from Mexico, Philippines, Switzerland and the United States of America.* In accordance with the procedure for miscellaneous documents, these submissions are attached and reproduced in the language in which they were received and without formal editing.

* In order to make these submissions available on electronic systems, including the World Wide Web, these contributions have been electronically scanned and/or retyped. The secretariat has made every effort to ensure the correct reproduction of the texts as submitted.

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PAPER NO. 1: MEXICO

**MEXICO'S SUBMISSION ON VIEWS AND CONCERNS RELEVANT TO
GEF'S REVIEW OF ENABLING ACTIVITIES ON CLIMATE CHANGE**

Since enabling activities are contemplated in Decisions from The Conference of the Parties: 11/CP.1, 10/CP.2, 11/CP.2 and 12/CP.2, and also, according to decision 12/CP.4: Initial national communications from Parties not included in Annex I to the Convention, paragraph (d): says: "To ensure that issues and concerns identified by non-Annex I Parties in their initial communications are brought to the attention of the Global Environmental Facility (GEF) and, through it, as appropriate, its implementing agencies when undertaking the comprehensive review of enabling activities projects", we kindly ask the Secretariat to take in consideration Chapter IV from the "Programa Nacional de Acción Climática" (National Action Plan on Climate) for the GEF enabling activities projects.

The following actions were identified as the issues and concerns for the mentioned Program:

1. Updating of the First National Greenhouse Gas Emissions Inventory.
2. Social, Economic and Environmental Impact Assessment of Mitigation Options, including benefits and drawbacks from options adopted by Annex I Parties.
3. Mitigation options: **carbon sequestration** activities, sustainable ecosystem management enabling carbon sequestration, as well as conservation and sustainable use of soils, water and biodiversity. Enhancement of carbon sequestration capacities in agricultural and forest ecosystems.
4. Energy technology assessments
5. Assessment of pilot projects on mitigation.
6. Regional studies on vulnerability and adaptation, climate variability and climate change.
7. Capacity building needed in validation, monitoring, verification, auditing, certification and registration of CDM projects, taking the recently created Mexican institutions into account.
8. Development of Information systems.

PAPER NO. 2: PHILIPPINES

VIEWS AND CONCERNS RELEVANT TO THE GEF'S REVIEW OF ENABLING ACTIVITIES ON CLIMATE CHANGE

1. Insofar as the enabling activities financed by the GEF are related to the preparations of initial and subsequent national communications, the same views and comments stated in the submission on consideration of non-Annex I communications would apply.

2. Basis for Action:

Article 11 of the Convention, decision 11/CP.1 ("Initial guidance on policies, programme priorities and eligibility criteria to the operating entity/entities of the financial mechanism"); decisions 10/CP.2 ("Communications from Parties not included in Annex I to the Convention: guidance, facilitation and process for consideration"); 11/CP.2 ("Guidance to the Global Environment Facility"); 12/CP.2 ("Memorandum of Understanding between the Conference of the Parties and the Council of the Global Environment Facility"); 13/CP.2 ("Memorandum of Understanding between the Conference of the Parties and the Council of the Global Environment Facility: annex on the determination of funding necessary and available for the implementation of the Convention") and as adopted by decision 12/CP.3; decisions 2/CP.4 ("Additional guidance to the operating entity of the financial mechanism") and 12/CP.4 ("Initial national communications from Parties not included in Annex I to the Convention") are taken into account in this submission.

3. In particular, attention is drawn to paragraph 1 (d) of Decision 12/CP.4 which states that the COP decides "to ensure that issues and concerns identified by non-Annex I Parties in their initial communications are brought to the attention of the Global Environment Facility (GEF) and, through it, as appropriate, its implementing agencies, when undertaking the comprehensive review of enabling activities projects."

While progress has been noted as to the expedited procedure and the operational activities at the level of the GEF itself, problems related to national level implementation by the implementing agencies continue to arise. At a time when the preparations for initial national communications are taking place, and indeed, some Parties are in the process of going through their second national communications preparations, these problems have posed considerable difficulty for non-Annex I Parties in the implementation of their commitments under the Convention.

Part of the problem is that which lies behind paragraph 4 of decision 2/CP.4, which "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". Implementing agencies, following their own priorities and programmes, fail in general to take into account that when they are acting as implementing agencies for the GEF, they must do so within the context of the objective, the principles and commitments under the Convention, and

in accordance with the decisions taken by the COP.

4. In view of the above, it is suggested that the GEF, when reviewing its enabling activities related to climate change, take into account and provide information on the following:

- the dates of the effective availability of funds made to the Parties for the preparations of their initial and subsequent national communications (including the amounts made available to each Party, as compared to the amounts which these Parties initially requested, and why there are changes made in these amounts, if any);

- the consistency of the actions taken by the implementing agencies with the Convention and its relevant decisions, as illustrated by examples and not by statements alone (part if the information provided on this subject would be an indication of how implementing agencies are consulted and made aware of the decisions of the Parties);

- the number of projects which were submitted to implement Article 4.1 and in accordance with Article 12.4, how many were accepted and how many were rejected, and why.

- examples of the application of the concept of agreed full incremental costs for the implementation of measures of Article 4.1, and agreed full costs with a view to determining the implementation of Article 4.3 of the Convention; and

- information on the use of national experts, or reasons for using other experts, and other relevant information as the amount of time which was needed to approve enabling activity projects, from the time they were developed and presented, until the time they were approved, and the date when the financial resources were made available to the Party. The reasons for these (any delays, the effect of the expedited procedure, any additional conditions placed on Parties which were not explicit provided for in the decisions, and why) would also be very useful.

- information on and assessment of activities undertaken to implement Article 11.1 for transfer of technology. This is necessary to determine the implementation of Article 4.7 of the Convention.

5. The Philippines considers that it is important to make the process of the GEF review completely transparent by indicating which entities are participating in this process, when and where the reviews are conducted, how the review process will be undertaken, and what is the extent of the participation of concerned Parties, in particular non-Annex I Parties through their agencies which are involved in the Convention process.

PAPER NO. 3: SWITZERLAND

GEF'S REVIEW OF ENABLING ACTIVITIES ON CLIMATE CHANGE

In response to the call for comments at the fourth session of the Conference of the Parties concerning GEF's review of enabling activities on climate change, Switzerland presents the following views.

1. It seems to us important to recall that in the framework of the Convention, the scope of enabling activities covers a number of activities which facilitate the implementation of Articles 4.1 and 12.1 of the Convention. Hence, a review of GEF's enabling activities should not only focus on the efforts done to help non-Annex I Parties to prepare their first national communication, but include also other enabling activities.
2. As regards the preparation of the first national communication of non-Annex I Parties, it seems to us important to take into account all efforts and means which have been deployed to the elaboration of these communications. These efforts and means include not only contributions of GEF but also other multilateral as well as bilateral contributions.
3. The GEF's review of enabling activities will provide an essential information. Nevertheless, in order to take into account efforts and means done by other multilateral and bilateral channels, the Secretariat of the Convention should carry out in parallel a process of collection information at that respect, on the basis, among other sources, of the national communications from non-Annex I Parties.
4. The national communications from non-Annex I Parties are an important source of information as regards the needs for enabling activities. Hence a particular attention should be paid to this aspect in the framework of the consideration process of these communications.

PAPER NO. 4: UNITED STATES OF AMERICA

U.S. COMMENTS ON THE REVIEW OF ENABLING ACTIVITIES

We appreciate the work of the GEF Secretariat, the GEF Monitoring and Evaluation Unit, and the Implementing Agencies, in cooperation with the Convention Secretariats, on the Review of Enabling Activities. This review should lead to a clearer understanding of past project performance and help identify measures to increase the effectiveness of Enabling Activities in the future. To this end, we would like to offer comments to the GEF evaluators, other GEF entities, and also the UNFCCC secretariat.

It is important to focus the review on operational effectiveness. Even the best terms of reference for Enabling Activities are of little value if the projects themselves are not implemented in a rigorous, highly professional manner. The review should include analysis of which Enabling Activities have and have not been completed satisfactorily. In cases of unsatisfactory performance, the evaluators should determine the causes, possible solutions, and procedures for timely cancellation as necessary. Project design and implementation questions should include whether adequate management support was provided by the relevant Implementing Agency, including mid-term monitoring and evaluation; whether guidelines on expected work products and timetables for implementation were sufficiently clear; whether satisfactory project management was established within recipient countries; and whether the programs and projects had adequate financial controls. It also would be valuable to ask Implementing Agency staff, executing agents, and stakeholders which aspects of project management they found most important for achieving objectives and completing agreed work in a timely manner.

A related point is that outputs of initial Enabling Activities should be presented to the GEF prior to follow-on Enabling Activity projects. The GEF bears fiduciary responsibility for ensuring the high quality of work supported with GEF funds, including activities that underlie National Communications (data-gathering, analysis, etc.), as well as of its own efforts to manage the Enabling Activities program. It is appropriate for countries to present the products of their Enabling Activities to the GEF within agreed project timelines. To optimize efforts to assist countries that have not been able to complete work, careful attention is warranted to mid-term performance of the GEF's follow-up assistance package. Good performers should be clear to proceed with follow-on work once the GEF has had the chance to consider the results of initial enabling activities. In this connection, we see a clear need for the UNFCCC to develop guidelines for Second National Communications from Parties not included in Annex I as a matter of priority; pending agreement on such guidelines, good performers able to begin work on Second National Communications may wish to use the guidelines for Annex I Communications, an avenue already open under COP decision 10/CP.2.

Another important area for analysis is the relation between Enabling Activities and economic development programs, including uses of development assistance. A key objective for all Parties to the Convention is to use the National Communications process, and its results, to identify policies and measures that support Convention aims. In the climate arena, this includes identifying "win-win," policies and measures that can reduce greenhouse gas emissions and/or protect and enhance GHG sinks while also supporting economic development goals. The process

should also assist countries to integrate these policies and measures into their broader domestic policy context. In addition, for developing countries, the process should help identify priority interventions that are eligible for financing through development assistance.

Finally, with regard to the Convention-GEF relationship on Enabling Activities, it would be useful to review the functionality of the guidance process. Turning COP views on program priorities into effective projects is challenging under any circumstances. When the COPs are insufficiently discriminating in their own prioritization and produce guidance too often, this pushes the GEF to revise complex operational programs mid-course. It would be useful to look at how this process could be improved. In particular, we believe it is important to take full advantage of the GEF's comparative advantage in preparing detailed operational guidelines to complement COP guidance on program priorities, eligibility, etc.

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