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GLOBAL ENVIRONMENT FACILITY
INVESTING IN OUR PLANET

October 9, 2009

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

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ABBREVIATIONS AND ACRONYMS

ADB	Asian Development Bank
APR	Annual Performance Report
COP	Conference of the Parties
CPE	Country Performance Evaluation
CSP	Country Support Program
EBRD	European Bank for Reconstruction and Development
FSP	Full-Size Project
GEF	Global Environment Facility
GHG	Greenhouse Gas
IADB	Inter-American Development Bank
IDA	International Development Association
LDC	Least Developed Country
LDCF	Least Developed Countries Fund
LULUCF	Land Use, Land-Use Change, and Forestry
M&E	Monitoring and Evaluation
MSP	Medium-Sized Project
NAPA	National Adaptation Program of Action
NCSA	National Capacity Self Assessment
NCSP	National Communications Support Program
NDI	National Dialogue Initiative
NGO	Non-Governmental Organization
OPS4	Fourth Overall Performance Study
PAS	Pacific Alliance for Sustainability
PPG	Project Preparation Grant
RAF	Resource Allocation Framework
SBI	Subsidiary Body for Implementation
SCCF	Special Climate Change Fund
SGP	Small Grants Program
SIDS	Small Island Developing States
SIP	Strategic Investment Program
SNC	Second National Communication
SP	Strategic Program
SPA	Strategic Priority on Adaptation
UNDP	United Nations Development Program
UNEP	United Nations Environment Program
UNFCCC	United Nations Framework Convention on Climate Change
UNIDO	United Nations Industrial Development Organization
V&A	Vulnerability and Adaptation

INTRODUCTION

1. This report has been prepared by the Global Environment Facility (GEF) for the fifteenth session of the Conference of the Parties (COP15) to the United Nations Framework Convention on Climate Change (UNFCCC).
2. The report consists of two parts and four annexes. Part I reports project activities approved by the GEF during the reporting period from September 1, 2008 to June 30, 2009. They include both climate change mitigation and adaptation activities funded from the GEF Trust Fund, the Least Developed Countries Fund (LDCF), and the Special Climate Change Fund (SCCF). Part II of the report describes GEF's response to Convention guidance.

PART I

PROJECT ACTIVITIES FUNDED BY THE GEF

3. As an operating entity of the financial mechanism of the United Nations Framework Convention on Climate Change (UNFCCC), the GEF provides financing to country-driven projects consistent with guidance approved by the Conference of the Parties on policies, program priorities, and eligibility criteria. GEF-financed projects are managed through 10 GEF implementing and executing agencies.¹

Climate Change Mitigation

4. During the reporting period, from September 1, 2008 to June 30, 2009, the GEF allocated \$233.15 million from the GEF Trust Fund to 71 projects in the climate change focal area,² including 55 full-sized projects (FSPs) and 16 medium-sized projects (MSPs).³ These projects will leverage approximately \$2.07 billion in co-financing from the governments of the recipient countries, the private sector, the GEF agencies, other multilateral and bilateral agencies, and non-governmental organizations (NGOs). Table 1 gives basic information on the projects. For project summaries, please see Annex 1. It should be noted that during this nine-month reporting period the approval rates have substantially increased in comparison to those of the previous one (September 2007 - August 2008); by 73 percent in relation to the number of projects, by 18 percent in relation to GEF funding, and by 38 percent in relation to co-financing.

5. The GEF Council approved in November 2008 the framework documents of the following three programs: the program on "Reducing Industry's Carbon Footprint in South East Asia through Compliance with Management System for Energy (ISO 50 000)," which will assist five South East Asian countries simultaneously in introducing the energy management standards

¹ These are the UN Development Program (UNDP), the UN Environment Program (UNEP), the World Bank, the African Development Bank (AfDB), the Asian Development Bank (ADB), the European Bank for Reconstruction and Development (EBRD), the Inter-American Development Bank (IADB), the Food and Agriculture Organization (FAO), the International Fund for Agricultural Development (IFAD), and the UN Industrial Development Organization (UNIDO).

² There are 15 multi-focal area projects with contributions from the climate change focal area. The figures presented here exclude funding from other focal areas.

³ A full-sized project receives more than \$1 million in GEF funds; a medium-sized project is limited to a maximum of \$1 million in GEF funds, excluding agency fees. For both FSPs and MSPs, the GEF agencies receive a 10 percent fee on the top of the GEF grant for managing the projects.

of the International Organization for Standardization (ISO) to accelerate adoption of best practices for energy use and efficiency; the global “Framework for Promoting Low Greenhouse Gas Emissions from Buildings,” which includes actions to reduce the emissions and energy consumption of buildings by reducing the demand for energy services, increasing technical energy efficiency, and integrating passive and active renewable sources of energy in the building system itself; and the “Strategic Program for West Africa: Energy Component,” which is analytically described in Part II.

6. The GEF mitigation projects approved during the reporting period are distributed across six different regions. Out of the 71 projects, 21 are in Africa, 16 are in East Asia and the Pacific, 11 are in Europe and Central Asia, 10 are in Latin America and the Caribbean, 8 are in South Asia, and 1 is in North Africa, while 4 are global projects.

7. The projects are categorized according to the six strategic programs that form the basis for mitigation programming for the GEF-4 replenishment period, as follows: 24 projects fall under Energy Efficiency in Buildings (SP1), 17 under Energy Efficiency in Industry (SP2), 8 under Renewable Energy (SP3), 1 under Energy Production from Biomass (SP4), 5 under Sustainable Urban Transport (SP5), and 13 multi-focal area projects under the Land Use, Land-Use Change, and Forestry (LULUCF) strategic program (SP6), respectively.⁴ In addition to these 68 projects, there is one project supporting the 4th Operational Phase of the GEF Small Grants Program; one project supporting the preparation of the Third National Communication (enabling activities); and one project supporting the Global Development Marketplace competition, which is organized by the World Bank.

8. The projects are distributed over eight GEF implementing and executing agencies. UNDP has the largest share in terms of number of projects: 27 out of the 71 approved projects are with UNDP. This is followed by UNIDO (17), the World Bank (14), UNEP and ADB (3 each), IADB (2), and IFAD and FAO (1 each). There are three additional joint projects: one with UNDP-UNEP, one with UNDP-World Bank, and one with UNDP-UNIDO.

9. In addition to financing the implementation of projects, the GEF assists eligible countries in formulating and developing projects consistent with their national priorities, including those identified in their national communications. During the reporting period, the GEF provided a total of \$3.4 million of project preparation grants (PPGs) for the development of forty-one climate change mitigation projects from the GEF Trust Fund. Details of these PPGs are reported in Table 2.

Climate Change Adaptation

Activities under the GEF Trust Fund

10. In response to the 2002 Marrakech Accords (COP decision 6/CP.7), which requested the GEF to “establish pilot and demonstration projects that will provide real benefits, and may be integrated into national policy and sustainable development planning,” the GEF allocated \$50 million from the GEF Trust Fund to establish a strategic priority “Piloting an Operational Approach to Adaptation,” also known as the Strategic Priority on Adaptation (SPA). The SPA program started in 2003. By August 2008, the pilot program was closed. The GEF Secretariat submitted a report on the completion of the SPA to the GEF Council in November 2008. The

⁴ Seven of these projects fall under more than one strategic program.

SPA program will be evaluated by the independent GEF Office of Evaluation. Further support for adaptation from the GEF Trust Fund will depend on future decisions of the GEF Council and evolving guidance from the UNFCCC.

Activities under the LDCF

11. During the reporting period, there were two meetings of the Least Developed Countries Fund/Special Climate Change Fund (LDCF/SCCF) Council. The meetings were held on November 13, 2008 and June 24, 2009. The documents of the meetings are available on the GEF website: at http://www.thegef.org/interior_right.aspx?id=23018 and <http://www.thegef.org/interior.aspx?id=25480>.

12. The total LDCF pledges amount to \$179.9 million as of June 30, 2009 by nineteen contributing participants (Australia, Austria, Canada, Denmark, Finland, France, Germany, Ireland, Italy, Japan, Luxemburg, Netherlands, New Zealand, Norway, Portugal, Spain, Sweden, Switzerland, and the United Kingdom). Further details on the status of the LDCF can be found at Annex 4.

13. Under the LDCF, the projects and preparation grants are approved on a rolling basis. During the current reporting period, three additional National Adaptation Programs of Action (NAPAs) have been completed (Laos, Solomon Islands, and Yemen), bringing the total of the completed NAPAs to forty-one. Seventeen NAPA implementation project concepts were approved during the reporting period. The total LDCF allocation for the projects is \$51.65 million (see Table 3). These projects are expected to mobilize \$85.07 million in co-financing. Eleven Project Preparation Grants (PPGs) were also approved during the reporting period with a total allocation of \$1.09 million (see Table 4). The project concept summaries can be found at Annex 2.

14. The total number of LDCF projects under implementation or initiating implementation is five. By the end of 2009, additional eleven projects (Benin, Cape Verde, Democratic Republic of the Congo, Eritrea, Guinea, Mali, Niger, Rwanda, Sudan, Tuvalu, and Zambia) are expected to move to the implementation phase.

Activities under the SCCF

15. During this reporting period, there were two meetings of the Least Developed Countries Fund/Special Climate Change Fund (LDCF/SCCF) Council. The meetings were held on November 13, 2008 and June 24, 2009. The documents of the meetings are available on the GEF website: at http://www.thegef.org/interior_right.aspx?id=23018 and <http://www.thegef.org/interior.aspx?id=25480>.

16. The total SCCF pledges amount to \$122.5 million as of June 30, 2009 by 13 contributing participants (Canada, Denmark, Finland, Germany, Ireland, Italy, Netherlands, Norway, Portugal, Spain, Sweden, Switzerland, and the United Kingdom). \$106 million has been pledged to the Program for Climate Change Adaptation and \$16.5 million to the Program for Technology Transfer. Further details on the status of the SCCF, can be found at Annex 4.

17. Eight full-sized and one medium-sized SCCF project concepts were approved during this reporting period, seven of them under Program A for Climate Change Adaptation and one under Program B for Technology Transfer, with a total GEF/SCCF allocation of \$33.18 million. Co-financing for these projects is expected to be \$359.02 million (please see Table 5). Six project

preparation grants (PPGs) were approved, with a total GEF/SCCF allocation of \$0.64 million (please see Table 6). Summaries of these projects can be found at Annex 2.

**Table 1: Climate Change Mitigation Projects Approved under the GEF Trust Fund
(From September 1, 2008 to June 30, 2009)**

Country	Strategic Program	Project Type	Project Title	Agency	Date of Approval	GEF Amount (Mil \$)	Co-financing (Mil \$)
Haiti	3	MSP	Small Scale Hydro Power Development in Haiti	UNDP	09/30/2008	0.98	3.66
South Africa	1	FSP	Market Transformation through Energy Efficiency Standards and Labeling of Appliances in South Africa	UNDP	06/24/2009	6.00	13.50
Burkina Faso	5	MSP	Ouagadougou Transport Modal Shift	World Bank	03/23/2009	0.91	3.59
Tanzania	6	FSP	SFM Sustainable Woodland Management in the Miombo Areas of Western Tanzania	UNDP/World Bank	06/24/2009	0.86 CC 1.89 other FAs	9.00
Mongolia	1	MSP	LGGE Energy Efficiency in New Construction in the Residential and Commercial Buildings Sector in Mongolia (under Frame Work for Promoting Low Greenhouse Gas Emissions in Buildings: 3787)	UNDP	03/16/2009	0.98	2.30
India	6	MSP	SLEM - Sustainable Participatory Management of Natural Resources to Promote Ecosystem Health and Resilience in the Thar Desert Ecosystem	UNDP	12/16/2008	0.23 CC 0.68 other FAs	14.70
Tajikistan	5	MSP	Support to Sustainable Transport Management in Dushanbe	UNDP	10/28/2008	0.97	5.86
Jordan	1	MSP	Energy Efficiency Standards and Labeling of Building Appliances	UNDP	01/28/2009	0.97	1.12
Russian Federation	2	FSP	RUS: Standards and Labels for Promoting Energy Efficiency	UNDP	09/23/2008	7.81	32.25
Swaziland	6	FSP	SIP-Lower Usuthu Smallholder Irrigation Project (LUSIP)	IFAD	09/23/2008	0.73 CC 1.25 other FAs	12.27

India	6	FSP	SLEM - Sustainable Land, Water and Biodiversity Conservation and Management for Improved Livelihoods in Uttarakhand Watershed Sector	World Bank	11/13/2008	0.14 CC 6.86 other FAs	83.00
India	6	FSP	SLEM-CPP-Integrated Land Use Management to Combat Land Degradation in Madja Pradesh	UNDP	09/23/2008	0.20 CC 5.56 other FAs	95.52
China	6	FSP	PRC-GEF Partnership: Silk Road Ecosystem Restoration Project	ADB	11/13/2008	1.82 CC 3.30 other FAs	195.20
Pakistan	5	FSP	Pakistan Sustainable Transport Project	UNDP	01/27/2009	4.85	35.00
India	2	FSP	IND Financing Energy Efficiency at Small and Medium Enterprises - under the Programmatic Framework for Energy Efficiency	World Bank	11/13/2008	11.30	57.50
India	2	FSP	Promoting Energy Efficiency and Renewable Energy in Selected Micro SME Clusters in India - under the Programmatic Framework for Energy Efficiency	UNIDO	01/27/2009	7.17	26.00
India	2	FSP	IND Improving Energy Efficiency in the Indian Railway System - under the Programmatic Framework for Energy Efficiency	UNDP	01/27/2009	5.20	21.00
India	1	FSP	IND Energy Efficiency Improvements in Commercial Buildings - under the Programmatic Framework for Energy Efficiency	UNDP	01/27/2009	5.20	14.73
Vietnam	2	MSP	CF: Promoting Industrial Energy Efficiency through System Optimization and Energy Management Standards	UNIDO	11/25/2008	0.86	6.83
Indonesia	2	FSP	CF: Promoting Energy Efficiency in the Industries through System Optimization and Energy Management Standards	UNIDO	11/13/2008	2.18	6.78
Philippines	2	FSP	CF: Industrial Energy Efficiency	UNIDO	11/13/2008	3.17	13.20
Argentina	6	FSP	Establishment of Incentives for the Conservation	UNDP/UNEP	11/13/2008	1.45 CC	6.90

			of Ecosystem Services of Global Significance			1.45 other FAs	
Cambodia	6	FSP	SFM Strengthening Sustainable Forest Management and the Development of Bio-energy Markets to Promote Environmental Sustainability and to Reduce Green House Gas Emissions in Cambodia	UNDP	11/13/2008	0.91 CC 1.45 other FAs	5.40
Russian Federation	1	FSP	RUS: Building Energy Efficiency in the North West of Russia	UNDP	01/27/2009	5.84	23.25
Venezuela	2	FSP	IMPROVE: Increase Product Efficiency in Venezuela (RESUBMISSION)	UNDP	11/13/2008	4.09	24.28
China	1	FSP	Promoting Energy Efficient Room Air Conditioners (PEERAC) Project	UNDP	11/13/2008	6.26	19.03
Moldova	2	MSP	Reducing Greenhouse Gas Emissions through Improved Energy Efficiency in the Industrial Sector in Moldova	UNIDO	12/19/2008	0.96	2.04
Ukraine	1	FSP	Energy Efficient Lighting in Residential and Public Buildings	UNDP	04/21/2009	6.50	18.50
Egypt	2	FSP	Industrial Energy Efficiency (IEE)	UNIDO	04/21/2009	3.95	15.68
China	1	FSP	Provincial Energy Efficiency Scale-Up Program	World Bank	01/27/2009	13.39	313.70
China	4	FSP	Integrated Renewable Biomass Energy Development Project	ADB	04/21/2009	9.20	231.80
Turkey	2	FSP	Improving Energy Efficiency in Industry	UNDP/UNIDO	01/27/2009	5.90	12.90
Vietnam	1	FSP	Phasing out Incandescent Lamps through Lighting Market Transformation in Vietnam	UNEP	11/13/2008	3.03	7.75
Kazakhstan	1	FSP	Energy Efficient Design and Construction in Residential Sector	UNDP	06/24/2009	4.57	13.25
Serbia	5	MSP	Support to Sustainable Transportation System in the City of Belgrade	UNDP	03/31/2009	0.95	4.67
Brazil	6	FSP	SFM Strengthening National Policy and	FAO	11/13/2008	3.45 CC	33.90

			Knowledge Frameworks in Support of Sustainable Management of Brazil's Forest Resources			5.40 other FAs	
Philippines	2	FSP	Chiller Energy Efficiency Project	World Bank	11/13/2008	2.60	51.27
Regional	6	FSP	CBSP Enhancing Institutional Capacities on REDD issues for Sustainable Forest Management in the Congo Basin	World Bank	11/13/2008	10.80 CC 2.20 other FAs	13.18
Thailand	2	FSP	CF: Industrial Energy Efficiency	UNIDO	11/13/2008	3.62	12.93
Regional	1	FSP	LGGE Promoting Energy Efficiency in Buildings in Eastern Africa	UNEP	06/24/2009	2.85	6.40
Peru	1	FSP	Energy Efficiency Standards and Labels in Peru	UNDP	06/24/2009	2.00	5.15
Namibia	1	MSP	Namibia Energy Efficiency Program (NEEP) In Buildings	UNDP	02/13/2009	0.86	3.56
Nigeria	1	FSP	SPWA-CC Promoting Energy Efficiency in Residential and Public Sector in Nigeria	UNDP	06/24/2009	2.68	5.00
Global	6	MSP	SFM Capacity Development for Climate Change Mitigation through Sustainable Forest Management in non-Annex I Countries	World Bank	10/23/2008	0.33 CC 0.67 other FAs	2.40
Nigeria	5	FSP	Nigeria Urban Transport	World Bank	04/21/2009	4.50	100.50
Argentina	6	FSP	Rural Corridors and Biodiversity Conservation	World Bank	04/21/2009	1.81 CC 4.48 other FAs	15.31
Egypt	1	FSP	Improving the energy efficiency of lighting and building appliances	UNDP	06/24/2009	4.45	13.20
Global	SGP	FSP	4th Operational Phase of the GEF Small Grants Program (add-on)	UNDP	04/21/2009	15.06 CC 27.66 other FAs	43.00
Benin	1	FSP	Benin Energy Efficiency Program	World Bank	04/21/2009	1.82	76.60
Bahamas	1, 3	MSP	Promoting Sustainable Energy in the Bahamas	IADB	02/09/2009	1.00	1.81
Togo	1	FSP	Togo Efficient Lighting Program (under West	World Bank	04/21/2009	1.82	5.29

			Africa Energy Program: 3789)				
Barbados	1, 3, 4	MSP	Sustainable Energy Framework for Barbados	IADB	03/31/2009	1.00	1.44
Global	1, 2, 3, 4, 5	MSP	Global Energy Assessment: Developing Policy Tools for Jointly Reducing Energy Poverty and Greenhouse Gas Emissions	UNIDO	05/06/2009	1.00	3.46
Guinea	3	MSP	Promoting Development of Multi-purpose Mini-hydro Power Systems	UNIDO	05/12/2009	0.86	2.17
Kyrgyzstan	3	MSP	Small Hydro Power Development	UNDP	04/22/2009	0.95	21.28
Malaysia	2	FSP	CF Industrial Energy Efficiency for Malaysian Manufacturing Sector (IEEMMS)	UNIDO	06/24/2009	4.20	17.60
Ukraine	2, 4	FSP	Improving Energy Efficiency and Promoting Renewable Energy in the Agro-Food and other Small and Medium Enterprises (SMEs) in Ukraine	UNIDO	06/24/2009	5.14	12.65
Gambia	3	FSP	SPWA-CC Promoting Renewable Energy Based Mini Grids for Productive Uses in Rural Areas in The Gambia	UNIDO	06/24/2009	1.76	5.85
Global	MF	FSP	Development Market Place 2009: Adaptation to Climate Change (DM 2009)	World Bank	06/24/2009	1.00 CC 1.00 other FAs	4.30
Algeria	2, 3, 4, 5, 1	FSP	Integrated Approach for Zero Emission Project Development in the New Town of Boughzoul	UNEP	06/24/2009	8.24	22.00
Ghana	1	FSP	SPWA-CC Promoting of Appliance Energy Efficiency and Transformation of the Refrigerating Appliances Market in Ghana. (under West Africa Energy Pprogram:3789)	UNDP	06/24/2009	1.72	3.90
Colombia	1	FSP	Energy Efficiency Standards and Labels in Colombia (S&L Colombia)	UNDP	06/24/2009	2.50	7.50
Armenia	1	FSP	LGGE Improving Energy Efficiency in Buildings	UNDP	06/24/2009	1.05	2.35
Sierra Leone	3	FSP	SPWA-CC Promoting Mini Grids Based on Small Hydropower for Productive Uses in Sierra Leone	UNIDO	06/24/2009	1.76	3.94

Nigeria	3, 4	FSP	SPWA-CC Mini-grids based on Renewable Energy (small-hydro and biomass) Sources to Augment Rural Electrification	UNIDO	06/24/2009	2.67	7.36
Liberia	3	FSP	SPWA-CC Installation of multi purpose mini-hydro infrastructure (for energy & irrigation)	UNIDO	06/24/2009	1.76	3.94
Chad	3, 4	FSP	SPWA-CC Promoting renewable energy based mini-grids for rural electrification and productive uses	UNIDO	06/24/2009	1.76	4.10
Argentina	EA	FSP	Third National Communication to the United Nations Framework Convention on Climate Change	World Bank	06/24/2009	2.44	0.62
Vietnam	1	FSP	Vietnam Clean Production and Energy Efficiency Project	World Bank	06/24/2009	2.37	101.50
Cambodia	2	FSP	Reducing Greenhouse Gas Emissions through Improved Energy Efficiency in the Industrial Sector	UNIDO	06/24/2009	1.24	2.64
Philippines	6	FSP	CTI Integrated Natural Resources and Environmental Management Sector	ADB	06/24/2009	0.60 CC 2.93 other FAs	102.00
Total						233.15* 299.94**	2,072.25

*Includes only funding from the Climate Change Focal Area; **Includes funding from other focal areas.

SP1 = Promoting Energy Efficiency in Residential and Commercial Buildings; SP2 = Promoting Energy Efficiency in the Industrial Sector; SP3 = Promoting Market Approaches for Renewable Energy; SP4 = Promoting Sustainable Energy Production from Biomass; SP5 = Promoting Sustainable Innovative Systems for Urban Transport; SP6 = Management of LULUCF; SGP = Small Grants Program; MF = Multi-Focal; EA = Enabling Activities; CC = Climate Change; FA = Focal Area.

**Table 2: Project Preparation Grants Approved under the GEF Trust Fund
(From September 1, 2008 to June 30, 2009)**

Country	Strategic Program	Project Type	Project Title	Agency	Date of Approval	Amount (Mil \$)
Haiti	3	MSP	Small Scale Hydro Power Development in Haiti	UNDP	09/30/2008	0.03
South Africa	1	FSP	Market Transformation through Energy Efficiency Standards and Labeling of Appliances in South Africa	UNDP	06/24/2009	0.10
Burkina Faso	5	MSP	Ouagadougou Transport Modal Shift	World Bank	03/23/2009	0.03
Mongolia	1	MSP	LGGE Energy Efficiency in New Construction in the Residential and Commercial Buildings Sector in Mongolia (under Frame Work for Promoting Low Greenhouse Gas Emissions in Buildings: 3787)	UNDP	03/16/2009	0.03
Tajikistan	5	MSP	Support to Sustainable Transport Management in Dushanbe	UNDP	10/28/2008	0.03
Jordan	1	MSP	Energy Efficiency Standards and Labeling of Building Appliances	UNDP	01/28/2009	0.04
Russian Federation	2	FSP	RUS: Standards and Labels for Promoting Energy Efficiency	UNDP	09/23/2008	0.15
Pakistan	5	FSP	Pakistan Sustainable Transport Project	UNDP	01/27/2009	0.15
India	2	FSP	Promoting Energy Efficiency and Renewable Energy in Selected Micro SME Clusters in India - under the Programmatic Framework for Energy Efficiency	UNIDO	01/27/2009	0.10
India	2	FSP	IND Improving Energy Efficiency in the Indian Railway System - under the Programmatic Framework for Energy Efficiency	UNDP	01/27/2009	0.10
India	1	FSP	IND Energy Efficiency Improvements in Commercial Buildings - under the Programmatic Framework for Energy Efficiency	UNDP	01/27/2009	0.09
Indonesia	2	FSP	CF: Promoting Energy Efficiency in the Industries through System Optimization and Energy Management Standards	UNIDO	11/13/2008	0.08
Philippines	2	FSP	CF: Industrial Energy Efficiency	UNIDO	11/13/2008	0.09
Argentina	6	FSP	Establishment of Incentives for the Conservation of Ecosystem Services	UNDP/UNEP	11/13/2008	0.05

			of Global Significance			
Russian Federation	1	FSP	RUS: Building Energy Efficiency in the North West of Russia	UNDP	01/27/2009	0.14
Venezuela	2	FSP	IMPROVE: Increase Product Efficiency in Venezuela (RESUBMISSION)	UNDP	11/13/2008	0.04
China	1	FSP	Promoting Energy Efficient Room Air Conditioners (PEERAC) Project	UNDP	11/13/2008	0.10
Ukraine	1	FSP	Energy Efficient Lighting in Residential and Public Buildings	UNDP	04/21/2009	0.10
Egypt	2	FSP	Industrial Energy Efficiency (IEE)	UNIDO	04/21/2009	0.10
China	1	FSP	Provincial Energy Efficiency Scale-Up Program	World Bank	01/27/2009	0.25
China	4	FSP	Integrated Renewable Biomass Energy Development Project	ADB	04/21/2009	0.21
Turkey	2	FSP	Improving Energy Efficiency in Industry	UNDP/UNIDO	01/27/2009	0.12
Vietnam	1	FSP	Phasing out Incandescent Lamps through Lighting Market Transformation in Vietnam	UNEP	11/13/2008	0.05
Serbia	5	MSP	Support to Sustainable Transportation System in the City of Belgrade	UNDP	03/31/2009	0.05
Brazil	6	FSP	SFM Strengthening National Policy and Knowledge Frameworks in Support of Sustainable Management of Brazil's Forest Resources	FAO	11/13/2008	0.05
Thailand	2	FSP	CF: Industrial Energy Efficiency	UNIDO	11/13/2008	0.10
Regional	1	FSP	LGGE Promoting Energy Efficiency in Buildings in Eastern Africa	UNEP	06/24/2009	0.08
Namibia	1	MSP	Namibia Energy Efficiency Program (NEEP) In Buildings	UNDP	02/13/2009	0.05
Nigeria	1	FSP	SPWA-CC Promoting Energy Efficiency in Residential and Public Sector in Nigeria	UNDP	06/24/2009	0.05
Egypt	1	FSP	Improving the energy efficiency of lighting and building appliances	UNDP	06/24/2009	0.10
Ghana	1	FSP	SPWA-CC Promoting of Appliance Energy Efficiency and Transformation of the Refrigerating Appliances Market in Ghana. (under West Africa Energy Pprogram:3789)	UNDP	06/24/2009	0.05
Malaysia	2	FSP	CF Industrial Energy Efficiency for Malaysian Manufacturing Sector	UNIDO	06/24/2009	0.08

			(IEEMMS)			
Ukraine	2, 4	FSP	Improving Energy Efficiency and Promoting Renewable Energy in the Agro-Food and other Small and Medium Enterprises (SMEs) in Ukraine	UNIDO	06/24/2009	0.09
Gambia	3	FSP	SPWA-CC Promoting Renewable Energy Based Mini Grids for Productive Uses in Rural Areas in The Gambia	UNIDO	06/24/2009	0.06
Algeria	2, 3, 4, 5, 1	FSP	Integrated Approach for Zero Emission Project Development in the New Town of Boughzoul	UNEP	06/24/2009	0.16
Kyrgyzstan	3	MSP	Small Hydro Power Development	UNDP	04/22/2009	0.05
Armenia	1	FSP	LGGE Improving Energy Efficiency in Buildings	UNDP	06/24/2009	0.05
Sierra Leone	3	FSP	SPWA-CC Promoting Mini Grids Based on Small Hydropower for Productive Uses in Sierra Leone	UNIDO	06/24/2009	0.06
Liberia	3	FSP	SPWA-CC Installation of multi purpose mini-hydro infrastructure (for energy & irrigation)	UNIDO	06/24/2009	0.06
Chad	3, 4	FSP	SPWA-CC Promoting renewable energy based mini-grids for rural electrification and productive uses	UNIDO	06/24/2009	0.06
Cambodia	2	FSP	Reducing Greenhouse Gas Emissions through Improved Energy Efficiency in the Industrial Sector	UNIDO	06/24/2009	0.06
Total						3.40

SP1 = Promoting Energy Efficiency in Residential and Commercial Buildings; SP2 = Promoting Energy Efficiency in the Industrial Sector; SP3 = Promoting Market Approaches for Renewable Energy; SP4 = Promoting Sustainable Energy Production from Biomass; SP5 = Promoting Sustainable Innovative Systems for Urban Transport; SP6 = Management of LULUCF

**Table 3: Projects Approved under the Least Developed Countries Fund
(From September 1, 2008 to June 30, 2009)**

Country	Project type	Project title	Agency	Date of Approval	LDCF Amount (Mil \$)	Co-financing (Mil \$)
Benin	FSP	Integrated Adaptation Program to Combat the Effects of Climate Change on Agricultural Production and Food Security in Benin	UNDP	10/08/2008	3.10	6.92
Comoros	FSP	Adapting Water Resource Management in Comoros to Increase Capacity to Cope with Climate Change	UNDP	06/25/2009	3.40	5.50
Congo DR	FSP	Building the Capacity of the Agriculture Sector in DR Congo to Plan for and Respond to the Additional Threats Posed by Climate Change on Food Production and Security	UNDP	10/29/2008	3.00	4.00
Djibouti	MSP	Implementing NAPA Priority Interventions to Build Resilience in the most Vulnerable Coastal Zones in Djibouti	UNEP	09/05/2008	2.00	1.90
Guinea	FSP	Increased Resilience and Adaptation to Adverse Impacts of Climate Change in Guinea's Vulnerable Coastal Zones	UNDP	11/26/2008	2.97	5.15
Lesotho	MSP	Improvement of Early Warning System to Reduce Impacts of Climate Change and Capacity Building to Integrate Climate Change into Development Plans	UNEP	04/09/2009	1.60	1.76
Liberia	FSP	Enhancing Resilience of Vulnerable Coastal Areas to Climate Change Risks	UNDP	03/26/2009	2.90	3.00
Maldives	FSP	Integration of Climate Change Risks into the Maldives Safer Island Development Program	UNDP	03/20/2009	4.25	4.25
Mali	FSP	Enhancing Adaptive Capacity and Resilience to Climate Change in the Agriculture Sector in Mali	UNDP	02/09/2009	3.00	6.77
Mali	FSP	Integrating Climate Resilience into Agricultural Production for Food Security in Rural Areas	FAO	06/03/2009	2.11	4.15

Mauritania	FSP	Support to the Adaptation of Vulnerable Agricultural Production Systems	IFAD	04/09/2009	3.50	4.50
Niger	FSP	Implementing NAPA Priority Interventions to Build Resilience and Adaptive Capacity of the Agriculture Sector to Climate Change	UNDP	04/16/2009	3.50	10.95
Rwanda	FSP	Reducing Vulnerability to Climate Change by Establishing Early Warning and Disaster Preparedness Systems and Support for Integrated Watershed Management in Flood Prone Areas	UNEP/UNDP	01/31/2009	3.16	3.30
Sierra Leone	FSP	Integrating Adaptation to Climate Change into Agricultural Production and Food Security in Sierra Leone	IFAD	09/25/2008	2.64	2.78
Vanuatu	FSP	Increasing Resilience to Climate Change and Natural Hazards	World Bank	10/25/2008	2.58	3.15
Yemen	FSP	Integrated Coastal Zone Management	World Bank	06/25/2009	4.50	10.00
Zambia	FSP	Adaptation to the effects of drought and climate change in Agro-ecological Zone 1 and 2 in Zambia	UNDP	09/05/2008	3.45	7.00
Total					51.65	85.07

**Table 4: Project Preparation Grants (PPG) Approved under Least Developed Countries Fund
(From September 1, 2008 to June 30, 2009)**

Country	Project title	Agency	Date of Approval	GEF/LDCF Amount (Mil \$)
Benin	Integrated Adaptation Program to Combat the Effects of Climate Change on Agricultural Production and Food Security in Benin	UNDP	09/10/2008	0.08
Comoros	Adapting Water Resource Management in Comoros to Increase Capacity to Cope with Climate Change	UNDP	05/20/2009	0.10
Congo DR	Building the Capacity of the Agriculture Sector in DR Congo to Plan for and Respond to the Additional Threats Posed by Climate Change on Food Production and Security	UNDP	10/01/2008	0.10
Guinea	Increased Resilience and Adaptation to Adverse Impacts of Climate Change in Guinea's Vulnerable Coastal Zones	UNDP	10/29/2008	0.10
Lesotho	Improvement of Early Warning System to Reduce Impacts of Climate Change and Capacity Building to Integrate Climate Change into Development Plans	UNEP	05/28/2009	0.05
Liberia	Enhancing Resilience of Vulnerable Coastal Areas to Climate Change Risks	UNDP	02/26/2009	0.10
Maldives	Integration of Climate Change Risks into the Maldives Safer Island Development Program	UNDP	03/12/2009	0.06
Mali	Enhancing Adaptive Capacity and Resilience to Climate Change in the Agriculture Sector in Mali	UNDP	01/12/2009	0.10
Rwanda	Reducing Vulnerability to Climate Change by Establishing Early Warning and Disaster Preparedness Systems and Support for Integrated Watershed Management in Flood Prone Areas	UNEP/UNDP	03/25/2009	0.15
Sierra Leone	Integrating Adaptation to Climate Change into Agricultural Production and Food Security in Sierra Leone	IFAD	02/20/2009	0.10
Vanuatu	Increasing Resilience to Climate Change and Natural Hazards	World Bank	10/28/2008	0.15
Total				1.09

**Table 5: Projects Approved from the Special Climate Change Fund for Climate Change Adaptation and Technology Transfer
(From September 1, 2008 to June 30, 2009)**

Country/Region	Project Title	Agency	Date of Approval	SCCF Amount (Mil \$)	Co-financing (Mil \$)
Climate Change Adaptation					
Egypt	Adaptation to Climate Change in the Nile Delta Through Integrated Coastal Zone Management	UNDP	09/23/2008	4.00	12.00
Ghana	Integrating Climate Change into the Management of Priority Health Risks	UNDP	06/24/2009	1.72	3.75
Morocco	Integrating Climate Change in Development Planning and Disaster Prevention to Increase Resilience of Agricultural and Water Sectors	World Bank	06/24/2009	4.35	100.00
Pakistan	Rural Livelihoods Climate Change Adaptation Support Program	IFAD	04/15/2009	2.63	13.35
South Africa	Reducing Disaster Risks from Wildfire Hazards Associated with Climate Change	UNDP	06/24/2009	3.54	31.80
Thailand	Strengthening the Capacity of Vulnerable Coastal Communities to Address the Risk of Climate Change and Extreme Weather Events	UNDP	04/29/2009	0.87	2.00
Vietnam	Climate-resilient Infrastructure Planning and Coastal Zone Development	ADB/UNDP	06/24/2009	3.40	176.96
Global	Piloting Climate Change Adaptation to Protect Human Health	UNDP	06/24/2009	4.50	16.30
Technology Transfer					
Global	Technology Needs Assessments	UNEP	04/21/2009	8.18	2.86
Total				33.18	359.02

**Table 6: Project Preparation Grants (PPG) Approved under Special Climate Change Fund
(From September 1, 2008 to June 30, 2009)**

Country	Project title	Agency	Date of Approval	GEF/LDCF Amount (Mil \$)
Egypt	Adaptation to Climate Change in the Nile Delta Through Integrated Coastal Zone Management	UNDP	07/09/2008	0.10
Ghana	Integrating Climate Change into the Management of Priority Health Risks	UNDP	04/24/2009	0.10
Thailand	Strengthening the Capacity of Vulnerable Coastal Communities to Address the Risk of Climate Change and Extreme Weather Events	UNDP	04/29/2009	0.04
Morocco	Integrating Climate Change in Development Planning and Disaster Prevention to Increase Resilience of Agricultural and Water Sectors	World Bank	05/04/2009	0.20
South Africa	Reducing Disaster Risks from Wildfire Hazards Associated with Climate Change	UNDP	05/28/2009	0.10
Vietnam	Climate-resilient Infrastructure Planning and Coastal Zone Development	ADB/UNDP	04/07/2009	0.10
Total				0.64

PART II**RESPONSE TO CONVENTION GUIDANCE**

18. UNFCCC COP decision 4/CP.14 provides additional guidance to the GEF as an operating entity of the financial mechanism of the UNFCCC. The decision requests the GEF:

- i. To fully address issues raised over the implementation of the Resource Allocation Framework;
- ii. To provide information on a regular basis on the composition and objective of the co-financing for projects funded by the Global Environment Facility;
- iii. To continue to enhance action on mitigation and, as appropriate, adaptation, in developing country Parties, including to promote, facilitate and finance, as appropriate, transfer of, or access to, environmentally sound technologies and know-how;
- iv. To continue to improve access for all developing countries, in particular least developed countries, small island developing States and countries in Africa, to Global Environment Facility resources;
- v. To continue to encourage its implementing and executing agencies to perform their functions as efficiently and transparently as possible, in accordance with guidance of the Conference of the Parties;
- vi. To ensure, as a top priority, that sufficient financial resources are provided to meet the agreed full costs incurred by developing country Parties in complying with their obligations under Article 12, paragraph 1, of the Convention, noting and welcoming that a number of Parties not included in the Annex I (non-Annex I Parties) plan to initiate the preparation of their third or fourth national communications by the end of the fourth replenishment of the Global Environment Facility;

19. Decision 4/CP.14 invites the GEF to inform its implementing agencies of the guidelines for the preparation of national communications from non-Annex I Parties and of relevant provisions of the Convention, in particular its Article 4, paragraph 3, on the provision of new and additional financial resources to meet the agreed full costs incurred by developing country Parties in complying with their obligations under Article 12, paragraph 1, of the Convention;

20. Further, decision 4/CP.14 reiterates the following requests made by the Conference of the Parties at its thirteenth session to the GEF:

- vii. To continue to ensure that financial resources are provided to meet the agreed full costs incurred by developing country Parties in complying with their obligations under Article 12, paragraph 1, of the Convention;
- viii. To refine, as appropriate, operational procedures to ensure the timely disbursement of funds to meet the agreed full costs incurred by those non-Annex I Parties that are in the process of preparing their third and, where appropriate, fourth national communications;

- ix. To assist, as appropriate, non-Annex I Parties in formulating and developing project proposals identified in their national communications in accordance with Article 12, paragraph 4, of the Convention and decision 5/CP.11, paragraph 2;
- x. To work with its implementing agencies to continue to simplify their procedures and improve the effectiveness and efficiency of the process through which non-Annex I Parties receive funding to meet their obligations under Article 12, paragraph 1, of the Convention, with the aim of ensuring the timely disbursement of funds to meet the agreed full costs incurred by developing country Parties in complying with these obligations;

21. Also, decision 4/CP.14 reiterates the invitation made by the Conference of the Parties at its thirteenth session to the Global Environment Facility to continue to provide information on funding for projects that have been identified in the national communications of non-Annex I Parties in accordance with Article 12, paragraph 4, of the Convention and subsequently submitted and approved;

22. Decision 4/CP.14 reiterates its request to the GEF to make continued efforts to provide adequate financial resources to support the implementation of capacity-building activities consistent with decision 2/CP.7;

23. Finally, decision 4/CP.14 requests the GEF to continue to include, in its regular report to the Conference of the Parties, information responsive to guidance of the Conference of the Parties.

24. The following sections summarize GEF's response to the above Convention guidance.

Implementation of the Resources Allocation Framework

25. As of June 30, 2009, countries had utilized a total of \$598.507 million in climate change allocations. About 52% of the resources available in the climate change focal area (\$1,145.750 million) have been utilized. Yet, this utilization figure does not include substantial funds that are already committed to Council-endorsed Programmatic Approaches, which are allocated to projects to be submitted for approval till the end of 2009.

26. At the time of the Council meeting in November 2008, it was anticipated that some countries with individual RAF allocations might not be able to fully program and utilize their allocations in GEF-4, and the question of how to reallocate unused funds under the RAF emerged against a background of relative optimism about the state of GEF 4 resources. The GEF Secretariat requested Council's approval of a proposed reallocation of GEF-4 resources. At the June 2009 meeting the Council agreed with the principles for allocating the remaining GEF-4 resources outlined in the paper, mandated the Secretariat to implement the allocation of the remaining GEF-4 resources in accordance with these principles, and, in collaboration with the Trustee, to undertake periodic reviews of the projected available resources and to adjust the allocations as needed. The Council further requested the Secretariat to inform Council about future adjustments of allocations between focal areas and to prepare a report on the status of used and unused resources for the November 2009 Council meeting.

27. Also, the GEF Council in its June 2009 meeting decided that project concepts from countries with individual RAF allocations be processed and cleared up to the country allocation levels as of July 2008, until the overall cap for the focal area is reached. If the financial situation improves, this cap may be adjusted upwards as we approach the end of GEF-4, allowing additional room for programming. Project concepts from group allocation countries will also be processed until the limit of available funds, with priority given to concepts that belong to programmatic approaches approved by Council.

Composition and objective of co-financing

28. Mitigation projects that have been financed with GEF funds during the reporting period, from September 1, 2008 to June 30, 2009, will leverage approximately \$2.1 billion in co-financing. The types of co-financing include: grants, concessional or market-rate loans, credits, equity investments, and in-kind contribution. Co-financing is provided by the governments of the recipient countries, the private sector, the GEF agencies, other multilateral and bilateral agencies, and non-governmental organizations (NGOs). Co-financing can include finance for baseline activities which are essential for achieving the GEF objectives.

29. The objective of co-financing for GEF projects is to expand the resources available for project implementation, since the limited financial resources of GEF have to serve the growing demand for assistance; maximize and sustain their impacts by ensuring their success and local acceptance; and demonstrate the commitment of the beneficiaries, counterparts and agencies. GEF funding has a catalytic role to generate global environment benefits, by mobilizing resources to be committed to the project itself.

30. The major co-financiers are the GEF agencies, which provide one third of the total co-financing. More than 54 percent of GEF Agencies' contribution comes from the World Bank, mainly in the form of loans, and another 40 percent comes from ADB, again mainly in the form of loans. The other major co-financiers are the recipient governments, which provide 30 percent of the total, and the private sector, which provides co-financing of about 24 percent of the total.

31. In the case of the LDCF, and in accordance with its mandate to finance additional costs of adaptation, the minimum co-financing ratio is 1:1 for projects ranging from \$500,000 to \$6 million, and there is no minimum co-financing requirement for projects below \$500,000. In practice, this means the LDCF projects add up adaptation components to "business-as-usual" or "baseline" development projects. In most cases, the baseline activities are met through normal development expenditures, such as government budgets, bi- and other multilateral aid, contributions from private sector or NGO resources and loans from international financial institutions, including the International Development Association (IDA). Carefully evaluated and accounted in-kind contributions can also be included as co-finance. Thus, there is no need for the eligible recipient countries to have separate cash reserves available in order to apply for LDCF grants, which has been a common misunderstanding in relation to the LDCF co-financing. The 17 NAPA implementation projects, which were approved during the reporting period under the LDCF, are expected to mobilize \$85 million in co-financing. The recipient government and bi- and multilateral aid covers 38 percent of the co-financing each, mainly in the form of grants. Another 17 percent comes from the GEF Agencies, of which half is provided in the form of soft loans by the World Bank.

32. In the case of the SCCF, the minimum co-financing request for average projects requiring between \$1 and \$5 million is of 1:3 ratio. For projects requiring less than \$1 million of SCCF funding, the minimum is of 1:1 ratio, and for projects requesting more than \$5 million, the ratio is 1:4. The nine SCCF projects, which were approved during this reporting period, are expected to mobilize \$359 million in co-financing. More than half of this co-financing comes from the GEF Agencies (54 percent), mainly in the form of loans by the World Bank and ADB. About 28 percent is covered by the recipient governments, and another 15 percent comes from bilateral aid.

Action on mitigation (and adaptation as appropriate) and technology transfer

Mitigation

33. During the reporting period, the GEF allocated \$233.15 million from the Trust Fund to 71 projects in the climate change focal area. These projects will leverage approximately \$2.07 billion in co-financing. Almost one third of these projects will be implemented in Africa, and more than the half of these projects in Africa are part of the climate change component of the West Africa Program. Also more than the half of these 71 projects falls under the Energy Efficiency Strategic Programs. Also it should be noted that there is increased interest for multi-focal area projects in line with the Land Use, Land-Use Change, and Forestry (LULUCF) strategic program, as they cover almost 20 percent of the number of approved projects.

Adaptation

34. The GEF Secretariat submitted a report on the completion of the SPA to the GEF Council in November 2008. The SPA program will be evaluated by the independent GEF Office of Evaluation. Further support for adaptation from the GEF Trust Fund will depend on future decisions of the GEF Council and evolving guidance from the UNFCCC.

35. During the reporting period, there were two meetings of the Least Developed Countries Fund/Special Climate Change Fund (LDCF/SCCF) Council. With respect to the preparation and implementation of the National Adaptation Programs of Action (NAPAs) under the LDCF, three additional NAPAs have been completed, seventeen were approved, and four projects have been CEO endorsed or approved during the reporting period. Also, eight full-sized and one medium-sized SCCF projects were approved during this reporting period, seven of them for Climate Change Adaptation and one for Technology Transfer.

Poznan Strategic Program on Technology Transfer

36. The Conference of the Parties to the United Nations Framework Convention on Climate Change at its fourteenth session (COP14) welcomed the Global Environment Facility's (renaming it the Poznan) Strategic Program on Technology Transfer as a step toward scaling up the level of investment in the transfer of environmentally sound technologies to developing countries while recognizing the contribution that this program could make to enhancing technology transfer activities under the Convention.

37. The COP14 decision on the development and transfer of technologies requested the GEF to report on the progress made in carrying out the following activities to the COP at its sixteenth session (COP16) and to provide interim reports to the Subsidiary Body for Implementation at its thirtieth and thirty-first sessions (SBI 30 and SBI 31): (a) to promptly initiate and expeditiously facilitate the preparation of projects for approval and implementation under the strategic program; (b) to collaborate with the GEF agencies in order to provide technical support to developing countries in preparing or updating their technology needs assessments; and (c) to consider the long-term implementation of the strategic program.

38. The strategic program on technology transfer consists of three funding windows: (1) technology needs assessments (TNAs); (2) technology transfer pilot projects; and (3) dissemination of technologies and practices. This report focuses on the first two substantive activities of the strategic program. In addition, the report discusses how the GEF is considering the long-term implementation of the strategic program.

Technology Needs Assessments

39. Immediately following COP14, the GEF Secretariat organized a stakeholder consultation meeting in January 2009 in Washington, DC to formulate a strategy and work plan for the implementation of the TNAs. UNEP and UNDP were invited to present the status of the existing TNAs funded by the GEF and to discuss the prior experience and lessons learned. UNEP outlined a strategy for the implementation of the new round of TNAs. Participants at the meeting, including representatives from the GEF agencies, the GEF Scientific and Technical Advisory Panel (STAP), the UNFCCC Secretariat, and the Climate Technology Initiative (CTI), provided constructive comments and suggestions. Participants of the meeting stressed that TNAs should be actionable and should provide a pathway to the implementation of projects on the ground.

40. With the facilitation of the GEF Secretariat, UNEP drafted a project concept for a global TNA project for GEF funding, to be drawn from the Special Climate Change Fund (SCCF). An informal consultation led by the GEF Secretariat was carried out in the margins of the special meeting of the Expert Group on Technology Transfer (EGTT) on February 24-26, 2009, in Bonn, Germany. The draft TNA project concept was shared with members of the EGTT, who reacted positively. Subsequently, UNEP finalized the global TNA project concept and submitted it to the GEF Secretariat in late March. The project concept was approved by the LDCF/SCCF Council in the April 2009 Intersessional Work Program. The full project document was endorsed by the GEF CEO on August 18, 2009. The project documents are available at the GEF website:
[http://www.thegef.org/uploadedFiles/Focal_Areas/Climate_Change__\(PDF_DOC\)/SCCF1/Global_08-18-09_Technology_Needs_Assessmt.pdf](http://www.thegef.org/uploadedFiles/Focal_Areas/Climate_Change__(PDF_DOC)/SCCF1/Global_08-18-09_Technology_Needs_Assessmt.pdf)

41. The TNA project will provide targeted financial and technical support to assist developing countries in carrying out improved TNAs within the framework of Article 4.5 of the UNFCCC. The project will support up to 45 developing countries in preparing their TNA and Technology Action Plan. The project will use methodologies in the revised TNA Handbook. Total GEF funding for this TNA project is \$9 million (including fees for the GEF Implementing Agency).

Technology Transfer Pilot Projects

42. On March 25, 2009, the GEF CEO circulated a call for proposals for technology transfer pilot projects to all national GEF operational focal points, copied to the GEF agencies and the UNFCCC Secretariat. The call for proposals provided the background information, explained the procedures for submitting proposals, and outlined selection criteria. Funding from the GEF will support priority pilot projects with a view to scaling up investment in the transfer of environmentally sound technologies to developing countries. The target funding level from the GEF for pilot projects is \$40 million (including fees for the GEF Agencies).

43. Since March 2009 the GEF Secretariat has been working actively to discuss project ideas, and to facilitate the development of project proposals with the GEF agencies and interested parties to address their queries through the GEF inter-agency climate change task force, bilateral consultation, seminars and workshops, and other channels.

Long-Term Implementation of the Strategic Program

44. In keeping with the COP14 decision that requested the GEF to consider the long-term implementation of the strategic program on technology transfer, the GEF Secretariat has identified technology transfer as a long-term priority objective of the GEF in the climate change focal area. Linking to the replenishment of the GEF Trust Fund, the GEF Secretariat is currently developing a climate change

strategy for the period of the fifth replenishment from 2010 to 2014, in consultation with the Technical Advisory Group, GEF STAP, GEF agencies, and other stakeholders.

45. Technology transfer is featured in the draft GEF-5 strategy in the climate change focal area. The working document for GEF-5 replenishment, “Draft GEF-5 Programming Document”, includes preliminary ideas for technology transfer for GEF-5. Available on the GEF website: <http://www.thegef.org/uploadedfiles/GEF.R.5.16.pdf>, this document was presented to the second meeting on GEF-5 replenishment held in Washington, DC, on June 25-26, 2009. Elaboration of the strategic program on technology transfer by the GEF will be carried out with the development of the GEF-5 strategy and with the conclusion of the GEF-5 replenishment in early 2010.

Improve access for Least Developed Countries, Small Island Developing States and Africa

46. The GEF Secretariat, in collaboration with its implementing and executing agencies, has initiated several regional and multi-country programs to help especially least developed countries (LDCs), small island states (SIDS), and countries in Africa to mobilize resources from the GEF and other sources to fund projects in those countries. Three such programs merit particular mention: (1) the Pacific Alliance for Sustainability (PAS) Program; (2) the Strategic Investment Program for Sustainable Land Management in Sub-Saharan Africa; and (3) the West Africa Program.

47. In response to decision 5/CP.14, the GEF has been working with its agencies to improve communication with LDCs and to increase the number of projects which are submitted for CEO endorsement. The GEF is also working to facilitate the implementation of the remaining elements of the LDCF work program. The GEF is in the process of finalizing the Step-By-Step Guide to the LDCF. This Step-By-Step guide is designed to improve access to the LDCF and assist the LDCs in the project preparation and development process.

The Pacific Alliance for Sustainability

48. Recognizing the findings of the Third Overall Performance Study of the GEF and the difficulties that Pacific Island Countries have in accessing GEF resources, the GEF has launched the Pacific Alliance for Sustainability (GEF-PAS) Program. The GEF-PAS has been established to address the specific difficulties that vulnerable Pacific Island Countries have with accessing GEF resources.

49. The GEF-PAS will consist of a total of 25 projects with approximately \$98.8 million funding from the focal areas of biodiversity, climate change, international waters, and persistent organic pollutants. The GEF-PAS includes the following fifteen Pacific Island countries: Cook Islands, Federated States of Micronesia, Fiji, Kiribati, Marshall Islands, Nauru, Niue, Palau, Papua New Guinea, Samoa, Solomon Islands, Timor Leste, Tonga, Tuvalu, and Vanuatu. Among the 25 projects anticipated, seven projects will address climate change adaptation, and five projects will address climate change mitigation. The mitigation projects will aim to promote renewable energy and energy efficiency in the participating countries, while the adaptation projects will focus on adaptation issues in a variety of sectors, such as water resources, coastal zone management, and agriculture. The GEF-PAS was developed in close and extensive consultation with Pacific Island Country officials and experts. So far, 15 projects have been approved under this program, with a total GEF funding of \$64 million.

The Strategic Investment Program for Sustainable Land Management in Sub-Saharan Africa

50. The Strategic Investment Program for Sustainable Land Management in Sub-Saharan Africa (SIP) is a response from the GEF to support Sub-Saharan African countries in pursuing the multi-sector, long-term programmatic approaches needed to scale up sustainable land management (SLM). The SIP

aims to directly contribute to the implementation of the national action programs to combat desertification. The projects under SIP will pay specific attention to “climate proof” SLM investments. In June 2007, the GEF Council approved the SIP’s programmatic framework and an accompanying portfolio of planned projects to be initiated in 2007-2010, amounting to an overall GEF investment of \$150 million during GEF-4.

51. The development of the SIP’s framework was guided by a series of joint consultations and in-depth analysis of past experience, in particular from the GEF’s implementation of activities to combat land degradation including support to Action Plan for the Environment Initiative of the New Partnership for Africa’s Development. In addition, each SIP operation is integrated into the overall SLM programmatic vision of a recipient country through the multi-partner platform of TerrAfrica. The SIP was launched in October 2005 to provide an operational framework for partners to better join and align efforts to scale up SLM in Sub-Saharan Africa. So far, 39 projects have been approved under this program, with a total GEF funding of \$144 million.

The West Africa Program

52. The West Africa Program is a GEF initiative that consists of a biodiversity component and a climate change component (with a focus on energy). The program covers a total of 18 countries in the region: Benin, Burkina Faso, Burundi, Cape Verde, Chad, Cote d’Ivoire, the Gambia, Ghana, Guinea, Guinea-Bissau, Liberia, Mali, Mauritania, Niger, Nigeria, Senegal, Sierra Leone, and Togo. The total indicative GEF financing for this program is \$84.1 million, including \$38.8 million for the biodiversity component and \$45.3 million for the climate change/energy component.

53. The development of the West Africa Program has been based on extensive consultation with the ministers and other senior officials and technical experts from the countries in the region. A list of priority projects for each country was endorsed at a ministerial-level meeting in Cotonou, Benin in August 2008. The projects will focus on promoting renewable energy technologies for rural electrification, renewable energy for modern energy services, bioenergy, energy-efficient lighting and appliances, and energy-efficient technologies and practices in industry and urban transport. The Programmatic Framework Document of the West Africa Program was approved by the GEF Council meeting in November 2008.

54. During the reporting period, from September 1, 2008 to June 30, 2009, 16 projects have been submitted by the GEF Agencies under the climate change/energy component of the Program and 12 have been approved, with a total GEF funding of \$24.7 million, including grants for project preparation. Other projects under the program are under active development.

Encourage agencies to perform their functions and follow COP guidance

55. The GEF is in close cooperation with the Agencies in order to encourage them to perform their functions in the most efficient manner, and to follow the guidance provided by the Conference of Parties. Under this framework, there are regular meetings of the Climate Change Mitigation and Adaptation Task Force with the participation of representatives of the Agencies. Also, the GEF Secretariat holds meetings with the Agencies’ GEF Executive Coordinators, and there are regular and ad-hoc bilateral meetings between the GEF Secretariat and the Agencies. These meetings provide the field where issues regarding the development, the preparation, and the implementation of projects are discussed. The GEF Secretariat exchanges views and opinions on operational issues with the agencies, and provides feedback and guidance in order to ensure the proper performance of their functions.

Support for National Communications⁵

Status of National Communications

56. As of June 2009, 143 non-Annex I Parties have received GEF funding for the preparation of their National Communications to the UNFCCC. This includes five Parties with full-sized projects. In this reporting period (September 1, 2008 to June 30, 2009), six Parties (Kazakhstan, Kyrgyzstan, Mauritania, Former Yugoslav Republic of Macedonia, and Uzbekistan) have submitted their Second National Communications (SNCs) to the UNFCCC. Argentina had submitted its SNC in March 2008 while Mexico submitted its Third National Communication in November 2006. For country-by-country details, see Annex 3.

57. The majority of the National Communications projects are currently under implementation, at different stages of progress. Fifty Parties expect to have a draft National Communication report completed by end of 2009, while 32 Parties have reported that a draft report will be completed in 2010. Seven Parties would complete their national communications by 2011 and remaining 5 by 2012. Given that submission of national communications to the UNFCCC has to go through a government approval process, exact submission dates are usually not reported by Parties.

Workshops and Training through NCSP

58. The past year has witnessed a continued demand for support from the National Communications Support Program (NCSP) as the implementation of the Second National Communications (SNCs) is progressing in the majority of non-Annex I Parties. The NCSP provided support which included organization of workshops on the preparation of SNCs with a focus on climate change vulnerability and adaptation assessments as well as technical review and comments to the SNC projects.

59. Two regional workshops on SNC were organized during the period September 1, 2008 and June 30, 2009. The Bangkok workshop for the Asian countries took place on September 9-12, 2008 and was attended by 38 participants from 14 countries. The Amman workshop for Arab States took place on February 24-26, 2009 and was attended by 16 delegates from 10 countries. Recognizing the increasing relevance of the SNCs to national climate change and development policy decisions, these workshops aimed to provide general guidance to and facilitate the sharing of experiences among national SNC project coordinators and technical teams on the key technical and policy issues related to the preparation of the SNCs. The workshops included site visits to discuss on-the-ground climate risk issues and adaptation experiences in the host countries. Through these site visits, participants had an opportunity to discuss, through concrete examples, how adaptation efforts can be linked to the national communication process to ensure adequate linkages with policy making.

60. In addition, a training course on climate change vulnerability and adaptation assessment for the Caribbean Region was organized on September 19-25, 2008, in Port of Spain, Trinidad & Tobago; it was attended by 26 participants from 10 countries. Most countries in the region are at the initial stage of their V&A assessment; therefore, this training provided national teams with an opportunity to learn about the different components of the V&A studies, which included practical exercises in working groups. The training assisted countries in identifying the steps and activities involved in V&A assessments. It included discussions on the scope of the work, data requirements, participation of key stakeholders, organization of working teams, and linkages of the V&A studies with national development priorities and

⁵ The information in this section was compiled by UNDP and UNEP.

planning processes. It also identified follow-up activities with the NCSP for additional assistance that may be required during the preparation of the national studies.

61. Currently, the NCSP is organizing a regional workshop for countries in Asia to be held in Kuala Lumpur in July 21-23, 2009. Delegations from 12 countries have confirmed their participation with a total of 32 participants intending to attend the workshop. As countries make progress in their V&A studies, national teams identify a number of technical issues, constraints and lessons learned. These include the need to use the most appropriate climate scenarios for the V&A assessments, how to incorporate socio-economic variables, and how to ensure that their findings provide useful inputs to policy design to address climate change, among others. Similarly, as expectations on countries' National Communications grow, national teams are identifying ways to facilitate the necessary linkages between their V&A studies and the national development priorities. Building on the NCSP workshop on Second National Communications for Asia (September 8-12, 2008, Bangkok, Thailand), this workshop aims to look at the key issues highlighted above and to facilitate sharing of experience among national teams and on the key technical and policy issues related to the preparation of their V&A assessments.

Review of Draft Thematic Reports from the Technical Studies under the SNC

62. The NCSP provided technical review of about 14 draft reports on different thematic areas of the NC (i.e., national circumstances, GHG inventory, climate scenarios, sectoral V&A assessments and mitigation analysis). This involved providing technical feedback and recommendations on 35 draft reports. Most of the technical review was undertaken in-house, but also with support from external consultants. The reviews provide an opportunity for countries to make any necessary adjustments to their draft studies and correct inconsistencies in the reports before the national communication report is compiled and submitted to the UNFCCC Secretariat. These reviews play an important role in the improvement of the different components of the national communications as the national teams can take advantage of independent technical feedback on their draft reports.

Provision of technical backstopping for the preparation of National Communications

63. The NCSP continues to provide on-line backstopping to countries for the preparation of their National Communications. Support includes advice on methodological issues, identification of regional/international consultants for in-country support, provision of information and examples to address specific gaps, and organization of targeted assistance, among others. Over 100 hundred requests were addressed to respond to countries' queries.

64. A draft guidance material has been developed to assist individuals and countries to use their National Communications to facilitate the integration of climate change into national development planning and related processes. The objective of this guidance is to initiate a more structured discussion on how the National Communication can be used more effectively to identify concrete actions and recommendations to address climate change in the context of development priorities. The draft guidance will be circulated to countries for comments and will be discussed in a number of sub-regional workshops, as appropriate.

Appropriate assistance to non-Annex I Parties in formulating and developing project proposals identified in their national communications

65. The GEF through its agencies provides assistance to countries in formulating project proposals identified in their national communications in accordance with Article 12, paragraph 4, of the Convention and decision 5/CP.11, paragraph 2.

66. The GEF agencies work with the countries in order to identify and formulate project proposals. This active collaboration aims to secure that the proposals will be country driven and consistent with the priorities or programs of the countries, as they are identified in their national communications and other national strategy papers. The GEF agencies, through the implementation of capacity building activities - as described in detail in the next paragraphs - and bilateral communications, support the countries during the formulation and the development of proposals.

67. In order to submit any project proposal for approval, the GEF agencies have to ensure its consistency with the country's national priorities. The country confirms its endorsement of the proposal by providing a letter signed by the GEF Operational Focal Point. Following the proposal submission, the GEF Secretariat in order to approve it examines and confirms its linkage to national priorities or programs. All the projects that have been approved by the GEF during the reporting period have been confirmed to correspond explicitly to the national priorities, including those identified in their national communications.

Support for the implementation of capacity-building activities consistent with Decision 2/CP.7

68. The GEF continues to support country dialogues ensuring the clarity, transparency and timeliness in its communications with Parties of UNFCCC on changes undertaken in the GEF reform agenda. The GEF has funded several programs supporting effective and efficient implementation of the Convention through the National Dialogue Initiative (NDI), Country Support Program (CSP), and capacity building through National Capacity Self Assessment (NCSA), cross-cutting capacity building, as well as the Small Grants Program (SGP).

69. The overall objective of the GEF-funded Country Support Program (CSP) is to strengthen the capacity of GEF national focal points to support and coordinate GEF activities in their countries and constituencies. More broadly, the CSP has involved a wider range of GEF stakeholders, including national UNFCCC Convention focal points in some cases, international civil society organizations, the GEF-NGO Network, and GEF partners.

70. The CSP has three components of activities: (i) Sub-regional Workshops for GEF focal points; (ii) the online Knowledge Facility; and (iii) Direct Support Funding; and the first two of them are broadly linked to the UNFCCC.

National Dialogues and Sub-Regional Workshops

71. The global objective of the NDI in GEF-4 is to provide targeted and flexible support for country-level multi-stakeholder dialogues and sharing of information and experiences, leading to action on national GEF matters, including issues linked to the UNFCCC, through strategic national priority setting and strengthened coordination and partnerships. The NDI also involves a wide range of government ministries and agencies, NGOs, communities, academic and research institutions, the private sector, as well as other partners and donors in the country.

72. The NDI workshops also create a unique opportunity for the GEF agencies to inform participants about provisions and decisions of the Conference of Parties in the performance of their GEF obligations and to learn more about capacity and opportunities to use national experts in all aspects of project development and implementation. The NDI provides a forum for consultations on global environmental management and national sustainable development issues in GEF recipient countries. They also provide an opportunity for GEF partners to dialogue with key stakeholders representing a wide range of national and local interests and areas of expertise. At the country level, each National Dialogue is managed as a

collaborative effort involving the national GEF Focal Points, the GEF Secretariat, and the Implementing Agencies.

73. Following the guidance provided in decision 7/CP.13, the GEF has taken multiple steps to continue the enhancement of the NDI. During 2008, based on guidance from the Inter-agency Steering Committee, National Dialogues aimed to be responsive and flexible in their delivery, and tailored to country needs and requests in a strategic and timely manner in line with the opportunities and challenges of GEF-4.

74. The sub-regional workshops provide a unique opportunity for the GEF national focal points to learn about GEF funding policies and strategies, and to meet with their counterparts from other countries in the region and GEF Partners to discuss policies and procedures, and share lessons and experiences. The design and content of the sub-regional workshops are based on the evolving needs and requests expressed by GEF Focal Points during earlier GEF consultation workshops. Highlights include presentations and discussions of the implementation of policies and strategies approved by the GEF Council in 2007 and 2008, e.g., focal area and cross-cutting strategies, Agency comparative advantages, as well as the revised project cycle and format. Workshop topics in 2008 and 2009 also included updates on the Resource Allocation Framework (RAF), Fourth Overall Performance Study of the GEF (OPS4), GEF focal area strategies and adaptation funds, knowledge management and monitoring tools and resources available to focal points, constituency coordination lessons and good practices, and civil society participation in the GEF and Small Grants Program.

75. Finally, it is important to highlight that the Workshops provide for a rich peer-to-peer exchange of experience and knowledge in national and regional GEF project formulation, implementation and monitoring, national GEF coordination, integrating GEF into national plans and priorities, and priority-setting for national RAF allocations.

76. From September 2008 to June 2009, the GEF and its partner agencies organized a total 11 NDI meetings and Sub-regional workshops. These covered a wide range of countries and regions, including LDCs and SIDS. The dates and locations of these events are summarized in Table 7.

Table 7: Summary of National Dialogues and Sub-Regional Workshops

Date	Event	Country/Region
September 10-12, 2008	National Dialogue	Ecuador (Quito)
September 18-19, 2008	Sub-regional Workshop	Pacific SIDS (Auckland, New Zealand)
October 1-2, 2008	Sub-regional workshop	Latin America (Mexico City, Mexico)
November 19-20, 2008	National Dialogue	Liberia (Monrovia)
November 24-25, 2008	Sub-regional workshop	Middle East and North Africa (Casablanca, Morocco)
December 14-15, 2008	National Dialogue	Egypt (Cairo)
January 27-29, 2009	National Dialogue	Pakistan (Lahore)
February 9-11, 2009	Sub-regional workshop	Europe and CIS (Dubrovnik, Croatia)

April 9-10, 2009	Sub-regional workshop	Asia (Bangkok, Thailand)
May 19-21, 2009	Sub-regional workshop	East and South Africa (Nairobi, Kenya)
May 25-26, 2009	National Dialogue	Turkey (Ankara)
June 16-17, 2009	Sub-regional workshop	Caribbean (Bridgetown, Barbados)
July 9-11, 2009	Sub-regional workshop	West and Central Africa (Accra, Ghana)

77. The online focal point knowledge facility is widely used by many countries. It provides a continuously accessible, interactive, and regularly updated information and knowledge resource for focal points and others interested in GEF matters. This knowledge facility contains wide-ranging access to information on climate change mitigation and adaptation and its link to the Convention as well as country experiences in integrating climate considerations into national development planning. To obtain more detailed information on the individual National Dialogues and Sub-regional Workshops, please visit the GEF website at <http://www.gefcountrysupport.org/>.

Capacity Building through NCSAs

78. The National Capacity Self-Assessment projects have as their long-term goal the building of the foundational capacities necessary for countries to meet their obligations under the UNFCCC, as well as that for the CBD and CCD. To this end, their focus has been to assess the critical gaps in countries' capacities to sustain monitoring and reporting activities in the GEF focal areas. The NCSAs have also provided inputs for the formulation of medium-sized projects that include objectives to build capacity in climate change and other specific areas of global environmental management. Of the total 147 NCSAs funded by the GEF, 13 NCSAs were implemented in LDCs and 32 in SIDS, as well as one LDC and three SIDS targeted cross-cutting capacity building projects.

79. During the current reporting period, eight cross-cutting capacity building projects were approved: Jamaica, Jordan, Kyrgyzstan, Lao P.R., Philippines, Seychelles, Tajikistan, and Uzbekistan for a total amount of \$3.69 million. These project target the development of technical and institutional capacities to improve the synergistic implementation of legislation, coordination of multi-sectoral and environmental policies, improved financing to meet global environmental objectives, and strengthening community learning of the cross-cutting issues affecting the global environment.

Capacity Building through the Small Grants Program

80. The GEF Small Grants Program (SGP), through its strategic priorities, is a mechanism by which the GEF contributes to the overall objective of the UNFCCC at the community level. GEF SGP contributes to the achievement of global benefits through support to community climate change projects. Grants are made directly to civil society organizations (CSOs) and community-based (CBO) organizations in recognition of the key role they play as a resource and constituency for climate change concerns. SGP supports initiatives in the areas of renewable energy, energy efficiency, environmentally sustainable transport projects, and community-based adaptation (CBA).

81. These projects become also capacity building endeavors at the institutional level because of the highly decentralized and demand-driven nature of these projects and the use of processes that encourage maximum country and community-ownership. GEF SGP operates on the premises that local people are empowered to protect the environment when they are organized to take actions, have a measure of control

over access to the natural resource base, can deploy the necessary information and knowledge, and believe that their social and economic welfare is dependent on sound long-term natural resource management – all of which are integral aspects of SGP projects.

82. Since 1992, GEF SGP has generated deep understanding of local livelihood strategies and contexts, poor people's challenges, efforts, values and aims and how these relate to climate change. Working in 119 countries, the SGP has contributed to building local capacity to participate in policy-making by empowering people to make and express choices and to transform those choices into desired actions and outcomes to combat climate change. Building on these efforts, the projects establish concrete mechanisms for citizen input at the local level, increasing the capacity of communities to address public issues and increasing grassroots activism in communities. In this way, GEF SGP has developed models and approaches at the local level that have removed barriers to the promotion of renewable energy, energy efficiency, sustainable transport and community-based adaptation. Models/approaches such as focused and targeted market mechanisms, innovative financing modalities, inclusive partnerships, leveraging social capital with financial and technical resources, awareness creation and capacity development, that are relevant to local and community situations have also been developed. Thus in many SGP country programs, networks of local stakeholders with capacities to implement climate change related projects as well as to share lessons learned plus innovative models and new approaches have been formed.

83. Despite the general small size of grants (maximum \$50,000) for the implementation of community based climate change activities, experience has shown that numerous SGP projects had helped shape national policies. While projects are primarily designed to support activities that contribute to combating climate change, they are also geared towards the creation of policy impacts through mainstreaming and scaling up noting that community-based action is the best starting point for scaling up and the development of appropriate national responses. GEF SGP projects as such plays a key role in building the capacity of its grantee-partners and other local stakeholder in linking good practices and lessons learned to larger policy making processes. By building the capacity of local stakeholders for developing knowledge products for wider dissemination and to linking with international networks and donor agencies, communities and their local CSO partners are able to also effectively participate in global climate change governance.

84. From September 2008 through June 2009, SGP supported over 220 projects in the climate change focal area, representing some \$7.5 million in GEF grants with \$4.4 million in associated cash and in-kind co-financing.

GEF Familiarization Seminars

85. The Country Support Program for Focal Points project envisages that an average of six selected newly appointed focal points per year will be invited to attend GEF Familiarization Seminars. This has been done and the seminars have also been attended by agency representatives. The 10th GEF Familiarization Seminar was held in Washington, DC, September 30-October 2, 2008. The seminar proved to be very useful in making the GEF and all aspects of its work and partnerships better understood by both the newly appointed GEF focal points and agency representatives.

86. It has become obvious that other stakeholders, especially convention focal points, also require this kind of training in order to carry out their responsibilities. This is why the Secretariat has proposed that special Seminars be organized to cover broader audiences. The latest three day GEF Familiarization Seminar held in Washington, DC, April 28-30, 2009, was attended by climate change focal points and negotiators, new GEF focal points, and GEF agency representatives. The agenda of the seminar focused on GEF strategies, programs, policies and procedures. Details on roles, policies and procedures were provided to address specific concerns and questions of the participants. This seminar established a new

avenue of communication between the Secretariat and the focal points of the conventions, serving as a platform for building mutual trust and understanding.

GEF Evaluation Activities

87. The GEF Evaluation Office (EO) presented to the Council during the reporting period the Annual Performance Report 2008 and the Annual Country Portfolio Evaluations Report 2009. The Evaluation Office also worked on follow-up activities on the International Conference on Evaluating Climate Change and Development, which took place in May 2008 in Egypt. As regards on-going work, the Fourth Overall Performance Study is expected to be finalized in September 2009.

Annual Country Portfolio Evaluations Report 2009

88. The Evaluation Office undertook two Country Portfolio Evaluations in the Middle East between September 2008 and March 2009 in Egypt and Syria. Findings from these and from the Cameroon Country Portfolio Evaluation have been synthesized in the Annual Country Portfolio Evaluation Report 2009 presented by the Evaluation Office to the GEF Council in June 2009. Individual Country Portfolio Evaluations, as well as the annual synthesis reports, are available on the Evaluation Office web site (www.gefeo.org).

89. GEF supported Cameroon to carry out inventories on greenhouse gas emissions and to elaborate the Initial National Communication to the UNFCCC. GEF financing for climate change also played a catalytic role in terms of generating new knowledge on forest margin benchmarks and transformed the way that decision makers think about the factors shaping land use at forest-agriculture interfaces (for example, slash and burn) in the humid tropics.

90. In Egypt, the GEF Climate change support has achieved results, particularly in energy efficiency. Also, adaptation projects have been recently introduced in Egypt. GEF support to enabling activities has contributed to institutionalize climate change in the Government, and to elevate the issue on the national agenda. The government is also now preparing a National Strategy for Improving Energy Efficiency in Egypt. The evaluation found that energy efficiency is well on its way to becoming mainstreamed.

91. In Syria, GEF support has influenced national efficiency laws with potential long lasting impacts. GEF supported the preparation of two energy efficiency laws and introduced efficiency and maintenance management systems, which have been replicated to a number of power generation plants around the country.

Annual Performance Report 2008

92. The Annual Performance Report (APR) 2008 presented to the GEF Council in June 2009 covers the following aspects of performance of completed GEF projects on Climate Change.

93. The outcome ratings given by the GEF EO are based on an assessment of the extent to which the completed projects achieved expected outcomes. Of the 49 Climate Change projects that were rated and in which GEF has invested \$242 million, 84 percent were rated in the satisfactory range – moderately satisfactory or above. 80 percent of the amount of GEF investment in Climate Change projects was in projects that were rated in the satisfactory range.

94. In the 53 projects for which data on materialization of co-financing is available GEF has invested \$293 million and \$1812 million in co-financing – \$6.2 per dollar of GEF investment – was reported to have materialized.

95. Of the 51 climate change projects, for which terminal evaluation reports have been submitted since FY 2005, data on project completion delays is available for 46. On average, Climate Change projects are completed with a delay of 22 months – 27 months for full-sized projects and 14 months for medium-sized projects. The average completion delay for climate change projects is 18 months for full-sized projects, and 10 months for medium-sized projects. Overall completion delays seem to be uncorrelated to project outcome ratings.

96. The GEF EO conducted an assessment of quality of monitoring and evaluation (M&E) arrangements at entry as part of APR 2005 and APR 2008. 76 percent and 88 percent of the reviewed climate change projects, respectively, meet the M&E requirements at the point of CEO endorsement.

97. The GEF EO has been tracking quality of terminal evaluation reports for completed projects since APR 2004 and so far the terminal evaluation reports for 85 percent of the 59 climate change projects that were rated are in the satisfactory range.

Follow-up on the Alexandria Conference on Evaluating Climate Change and Development

98. On February 2009 the Evaluation Office submitted information to the UNFCCC Subsidiary Body for Implementation in response to the request to Parties, IGOs and NGOs “to provide submissions by 16 February 2009 on their experience and lessons learned on, in particular, the use of performance indicators for monitoring and evaluating capacity-building at the national and global levels.” This concerned the International Conference on Climate Change and Development, which was organized by the GEF Evaluation Office and several international partners, and hosted at the Bibliotheca Alexandrina, Egypt, in May 2008.

99. One of the most critical issues raised was that of knowledge sharing and regional networking. Significant challenges were identified to overcome in laying the groundwork for sharing results, and in developing best practices in monitoring and evaluation. Interest was shown in follow-up efforts, and to address the desire for more regional and international collaboration. In response to these needs, the Evaluation Office continues to update and improve the existing electronic repository of climate change evaluations, and builds a virtual community of practice, which will provide a forum for discussions and a potential platform for sharing information and reactions. Also in July 2009, EO will publish a volume of conference papers representative of the depth and breadth of disciplines and findings that have emerged from the conference proceedings.

The Way Forward to the Fifth Replenishment of the GEF

100. The fifth replenishment period (GEF-5) is expected to cover GEF operations and activities for the four years covering July 1, 2010 to June 30, 2014. For the GEF to work with recipient countries without a break in programming, GEF-5 resources need to be pledged and made available by July 2010. To enable the GEF to achieve this goal, the fifth replenishment discussions were launched in November 2008 with a planning meeting, to be followed up with four meetings during 2009 and early 2010. The process will likely conclude in early 2010 and will be followed by the GEF Assembly to be held in May 2010.

101. Negotiation for the fifth replenishment is underway at a time of critical significance for the UNFCCC as the timeframe closely matches the ongoing negotiations for a post-2012 action framework, and while new interim funding mechanisms to scale up international support for climate change mitigation and adaptation in developing countries and emerging economies are being implemented. The GEF Secretariat will ensure that the progress of the UNFCCC negotiations and the guidance given over the last years are duly brought to the attention of the Participants to the GEF Replenishment during the replenishment discussions. The GEF Secretariat has updated on an informal basis the fourteenth

Conference of the Parties of the UNFCCC and the thirtieth session of the UNFCCC Convention Subsidiary Body for Implementation (SBI) about the status of the replenishment discussions. The GEF will keep on providing an update regularly.

102. During the reporting period, a Planning Meeting for the Replenishment was held in Washington, DC on November 14, 2008, followed by the First Meeting in Paris during March 17-18, 2009 and then a Second Meeting in Washington, DC on June 25-26. At the Planning Meeting, Participants agreed on the schedule, comprising of four meetings, and associated documentation for the replenishment negotiations. At the First Meeting, Participants discussed the financial situation of the GEF, possible innovative instruments to enhance financing for GEF-5, and the future strategic positioning of the GEF. They also agreed to discuss in subsequent meetings the ways to scale up GEF's engagement with the private sector. At the Second Meeting, among other documents, Participants discussed: (i) a draft programming paper outlining strategies in the different focal areas; (ii) draft policy, institutional and governance reforms for GEF-5; and (iii) possible options to enhance the resilience of the GEF Trust Fund against market and exchange rate fluctuations. At this meeting, Participants also agreed to the participation of representatives from non-donor recipient countries and the GEF-NGO network in replenishment meetings.

103. A cornerstone of the GEF reform package proposed by the GEF Secretariat is to improve the responsiveness of the GEF to the needs and priorities of recipient countries. This reform platform consists of several elements, such as (i) better aligning GEF programming with country needs and strategies, in particular by providing resources for countries to prepare, on a voluntary basis, GEF national business plans ; (ii) further shortening the GEF project cycle, (iii) considering a broadened access to GEF resources, including through a pilot direct access window for qualified entities and (iv) implementing a new resource allocation system that is more flexible and provides a better funding predictability for all recipient countries.

Guiding Principles for GEF-5 Climate Change Mitigation Strategy

104. Development of GEF-5 strategy in the climate change focal area will draw on past experience and will be guided by three principles: (i) responsiveness to Convention guidance; (ii) consideration of national circumstances of recipient countries; and (iii) cost-effectiveness in achieving global environmental benefits. GEF-5 will endeavor to make a transformative impact in helping GEF-recipient countries move to a low-carbon development path through capacity building, market transformation of and investment in environmentally sound, climate-friendly technologies.

105. Decisions reached by the Conference of the Parties to the UNFCCC have given the GEF guidance, particularly in the areas of development and transfer of environmentally sound technologies and of land use and land-use change. COP14 welcomed the technology transfer program presented by the GEF as a step toward scaling up the level of investment in technology transfer to developing countries and requested the GEF to consider the long-term implementation of the strategic program on technology transfer. On land use and land-use change, COP12 requested the GEF to explore options for undertaking land use and land-use change projects within the climate change focal area in light of past experience. Furthermore, the Bali Action Plan highlighted new issues, such as measurable, reportable, and verifiable (MRV) nationally appropriate mitigation actions (NAMAs) by developing countries in the context of sustainable development, supported and enabled by technology, financing, and capacity building.

106. The GEF-5 climate change strategy is still being discussed by replenishment Participants and will be substantially formed in accordance to the guidance that will be provided by the fifteenth session of the Conference of the Parties. The current draft strategy presented to the replenishment Participants suggests increasing the share of GEF resources earmarked to climate change and promoting a broad portfolio of environmentally sound, climate-friendly technologies to achieve large GHG reductions in the GEF-

recipient countries in accordance with each country's national circumstances. The portfolio would include technologies at various stages of development in the innovation chain, with a focus on the stages of market demonstration, deployment, and diffusion. GEF support would involve a combination of technology push and market pull interventions. Finally, a voluntary national planning process would be introduced to support countries in identifying priority areas for GEF support in line with the countries' development objectives and climate change policy and strategies. It is also proposed that the GEF continues to support programs and projects that will bring significant GHG reductions and specifically in relatively small, low-income countries, boosts its support in investment and in technical and institutional capacity building, and expands its efforts in helping these countries access modern energy from renewable sources. In parallel, technology innovation and transfer would be promoted in all GEF-eligible countries.

Guiding Principles for GEF-5 Adaptation to Climate Change Strategy

107. With respect to adaptation, the role of the GEF has been recently enhanced by the following factors: the scientific evidence on the impacts of climate change has reached an unprecedented level of international consensus and awareness; developing country demand for adaptation funding has grown exponentially as well as the estimated costs of adaptation; and the UNFCCC has provided clear guidance to the GEF on adaptation, underlining its responsibility to assist developing countries to meet the goals of the Convention.

108. The Special Climate Change Fund (SCCF) and the Least Developed Countries Fund (LDCF) are currently the only of the existing funds whose mandate has been defined under the Climate Convention. New and additional financing is needed and a different approach to development – to make it climate-resilient – must be implemented.

109. The GEF is currently managing SCCF and LDCF under the Climate Convention, in addition to its conventional operations under the GEF Trust Fund. In order to avoid duplication, it is proposed to channel all adaptation financing resources through the LDCF and the SCCF, while working in parallel to continue to enhance the climate resilience of the GEF portfolio. The mandate of the SCCF is broad enough to incorporate the category of projects that were financed thus far under the SPA.

110. Finally, based on Convention guidance, responsiveness to developing countries' needs – including predictability of resources – and a commitment to complementarity and maximization of GEF-managed funds and resources, the proposed GEF strategy includes a request for a strong scaling-up of the Least Developed Countries Fund (LDCF) and the Special Climate Change Fund (SCCF).